



# **HOUSE OF REPRESENTATIVES**

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

**Reference: Management of Commonwealth fisheries**

**CANBERRA**

**Friday, 8 November 1996**

**OFFICIAL HANSARD REPORT**

**CANBERRA**

HOUSE OF REPRESENTATIVES  
STANDING COMMITTEE ON PRIMARY INDUSTRIES, RESOURCES  
AND RURAL AND REGIONAL AFFAIRS

Members

Mrs Bailey (Chair)  
Mr Adams (Deputy Chair)

Mr Andren	Mr Fitzgibbon
Mr Bob Baldwin	Mrs Gash
Mr Broadbent	Mr Leo McLeay
Mr Causley	Mr Nairn
Mr Cobb	Mrs Stone
Mr Crean	Mr Wakelin

Matters arising from Audit Report No. 32 1995-96 Commonwealth Fisheries Management: Australian Fisheries Management Authority.

**WITNESSES**

<b>BATTAGLENE, Mr Anthony Nicholas, Director, Fisheries Programs, Fisheries and Aquaculture Branch, Department of Primary Industries and Energy, GPO Box 858, Canberra, Australian Capital Territory 2601 .....</b>	<b>175</b>
<b>EXEL, Mr Martin Lewis, General Manager—Fisheries, Australian Fisheries Management Authority, 28 National Circuit, Forrest, Australian Capital Territory 2603 .....</b>	<b>146</b>
<b>HARWOOD, Ms Mary Beatrice, Assistant Secretary, Fisheries and Aquaculture Branch, Department of Primary Industries and Energy, GPO Box 858, Canberra, Australian Capital Territory 2601 .....</b>	<b>175</b>
<b>JEFFRIESS, Mr Brian Charles, Deputy Chairman, Australian Seafood Industry Council, Unit 1/6 Phipps Place, Deakin, Australian Capital Territory 2602 .....</b>	<b>117</b>
<b>MEERE, Mr Frank McFarlane, General Manager—Strategy and Planning, Australian Fisheries Management Authority, 28 National Circuit, Forrest, Australian Capital Territory 2603 ...</b>	<b>146</b>
<b>NIAS, Dr Raymond Charles, Director of Conservation, World Wide Fund for Nature Australia, Level 1, 71 York Street, Sydney, New South Wales .....</b>	<b>132</b>
<b>ROHAN, Mr Geoffrey Vincent, General Manager—Operations, Australian Fisheries Management Authority, 28 National Circuit, Forrest, Australian Capital Territory 2603 ...</b>	<b>146</b>
<b>STAPLES, Dr Derek James, Director, Fisheries Resources Branch, Bureau of Resource Sciences, Department of Primary Industries and Energy, Canberra, GPO Box 858, Canberra, Australian Capital Territory 2601 .....</b>	<b>175</b>
<b>STEVENS, Mr Richard Andrew, Managing Director, Australian Fisheries Management Authority, 28 National Circuit, Forrest, Australian Capital Territory 2603 .....</b>	<b>146</b>
<b>WILDER, Mr Martijn, Consultant, World Wide Fund for Nature Australia, Level 1, 71 York Street, Sydney, New South Wales .....</b>	<b>132</b>

HOUSE OF REPRESENTATIVES  
STANDING COMMITTEE ON PRIMARY INDUSTRIES, RESOURCES AND RURAL AND REGIONAL  
AFFAIRS

*Management of Commonwealth fisheries*

CANBERRA

Friday, 8 November 1996

Mr Adams (Acting Chair)

Mr Andren	Mr Fitzgibbon
Mrs Bailey	Mr Nairn
Mr Causley	Mr Wakelin

The committee met at 8.34 a.m.

Mr Adams took the chair.

**ACTING CHAIR (Mr Adams)**—I declare open the third public hearing of the inquiry by the Standing Committee on Primary Industries, Resources and Rural and Regional Affairs into the management of Commonwealth fisheries. The hearing today continues the process begun in Hobart in September. Earlier this year, a report by the Auditor-General on the management of Commonwealth fisheries was presented to the parliament. The report was then referred to the committee by the House of Representatives. Our task now is to review the audit report and to inquire into the matters raised by the auditors. We will report back to the House with recommendations for any government action that may be necessary to redress either the problems identified in the audit report or any problems that the committee itself may discover.

We come to this inquiry with open minds about the auditor's findings. The evidence we are taking at these hearings, and the written submissions that have been made to us, will be important contributions to our review of the issues. The committee appreciates the contributions it has received from the public, the fishing industry and government agencies. Today we will hear from the Australian Seafood Industry Council, the peak body representing the fishing industry; the World Wide Fund for Nature; the Australian Fisheries Management Authority; and the Commonwealth Department of Primary Industries and Energy.

Before proceeding, I must say that the committee's proceedings are recognised as proceedings of the parliament and warrant the same respect that proceedings of the House of Representatives demand. Witnesses are protected by parliamentary privilege in respect of the evidence they give before the committee. Witnesses will not be asked to take an oath or make an affirmation. However, they are reminded that false evidence given to a parliamentary committee may be regarded as a contempt of the parliament. The committee prefers that all evidence be given in public but, should witnesses at any stage wish to give evidence in private, they may ask to do so and the committee will give consideration to their request.

**JEFFRIESS, Mr Brian Charles, Deputy Chairman, Australian Seafood Industry Council, Unit 1/6 Phipps Place, Deakin, Australian Capital Territory 2602**

**ACTING CHAIR**—Welcome. We have received a submission from you and have authorised it to be published. Do you propose any changes to that submission?

**Mr Jeffriess**—No, but we would want supplements to that submission at all times to be seen along with the submissions of all the members of the council.

**ACTING CHAIR**—That is fine. Would you like to make any statements to us now, in relation to that submission or anything else, before we have some questions for you?

**Mr Jeffriess**—Yes. I will make a short opening statement. First of all, ASIC does represent all the state and Commonwealth fisheries. We are also members of the International Coalition of Fisheries Associations. We have a close association with other countries; and obviously, through that and our membership, we see AFMA in that perspective. In other words, we do not see it only in the narrow band of what is done in Commonwealth fisheries. We are able, because of that, to compare it with a whole range of other international and Australian fisheries organisations. Naturally, some of our individual members will have specific complaints about AFMA and about particular people in AFMA, et cetera, and they will explain those specific points.

We are here today to see the bigger picture of AFMA's performance. First of all, from the perspective of it being a young body having limited resources, how does it compare with other fisheries management bodies in the world and in Australia? Within those perspectives, internationally and nationally, our view is that AFMA has done an outstanding job. They have been handed a poisoned chalice, in some ways, with the whole range of new definitions in the Fisheries Management Act, which AFMA has struggled to come to terms with. But that again has to be seen in the perspective that no other fisheries organisation in the world, to our knowledge, has yet been able to come to terms with some of the concepts, such as economic efficiency and ESD.

The second major point of the summary is the ANAO report itself. The ANAO, to our mind, has gone off on its own tangents. What it should have looked at more closely and narrowly is, firstly, the five legislated objectives of AFMA and, secondly, try to compare AFMA with some other fisheries management organisations. The best service it could have done would have been to carry out what I would call an efficiency audit of AFMA in the sense of how it compares with other fisheries organisations. To be fair to the ANAO, natural resource management itself, let alone the auditing of it, is an extremely difficult issue internationally and nationally.

In relation to the problems we find with the ANAO report, I just give three small examples where, if the ANAO had bothered to ask someone, they could not have got it so wrong. The mistakes they have made are not minor errors. They are fundamental and monumental when you refer to the five legislated objectives. For example, they seem to infer—more explicitly in the pamphlet itself—that because fisheries are not reaching their total allowable catch then somehow the quotas should be reduced—what we call the TAC should be reduced. They give the example that the southern bluefin tuna quota is not being caught and,

therefore, the inference is that the industry is unable to catch it.

In the case of the southern bluefin tuna quota, the quota itself is 5,265 tonnes. The industry alone has the capacity, and the fish are there in the short term—not necessarily sustainable, but in the short term—to catch at least 25,000 tonnes a year compared with the 5,000 tonne quota. The point is that it is impossible to reach exactly that allowable catch each year because of the way the quota system works. If the ANAO had bothered to go out and ask someone, they could have easily identified their error and not made it.

The second point that I would like to make in reference to that is that the ANAO preference for quotas, or ITQs, really is supported widely within the Australian fishing industry and management. The point is that there are some fisheries of some species clearly which are not suitable for ITQs. That has been analysed and concluded by reputable government organisations like ABARE. Again, if the ANAO had bothered to go and ask someone, we would have referred them to ABARE, for example, and the report which ABARE made on ITQs in the northern prawn fishery. Again, they never bothered to ask anybody.

The third point of the summary is that the ANAO refers all the time to inadequate statistics and inadequate stock assessments in Australian fisheries. Again, they did not bother to ask someone. This, for example, with our tabling, is one meeting of one part of the year on southern bluefish tuna—thousands of pages of stock assessments and a conclusion. Yet somehow, and I do not know it happened, the ANAO got it wrong. It just seems to us that they simply did not ask someone. A simple example is the southern bluefin tuna fishery itself which is the largest ITQ fishery under Commonwealth management. It is the second largest Commonwealth fishery of all and was never consulted at any stage by the ANAO. We never heard or saw anyone from the ANAO yet they have made fundamental conclusions.

Finally, I do not know how you can run an audit without consulting the major client. Without being too critical of the ANAO, the fact is that they have got it fundamentally and monumentally wrong. It just gets down to simplistic, that they just neglected to ask people what the facts were.

**ACTING CHAIR**—Okay, Mr Jeffriess, we take your point. There have been some major changes in Commonwealth fisheries since AFMA was formed. Would you like to outline some of those changes that you have seen and that the council has seen happen in the last four or five years?

**Mr Jeffriess**—Our background point to that all the time is: what was AFMA introduced for? AFMA was introduced, as the minister said in his second reading speech when he introduced it, to increase the efficiency of the management of Commonwealth fisheries. That was fundamentally the government's point. That was fundamentally the industry's point.

I do not think the ANAO would argue that that has happened. We have produced data in our supplementary submissions which clearly show that AFMA has reduced its staff numbers at the same time as the GVP of Commonwealth fisheries has increased and the complexity of fisheries management has increased. AFMA has introduced for the first time—and to our knowledge, for the first time in the world—the kind of real time management reporting systems which are necessary for efficient fisheries management. To us, it has clearly met the actual target of the government.

**ACTING CHAIR**—Can it do better, Mr Jeffriess?

**Mr Jeffriess**—It can always do better. We have some basic disagreements with the way AFMA has some of its procedures; we do not argue with that and some of the submissions from our members will outline specifically some of those problems. But those problems are being thrashed out in a consultative fashion, which was not the case before.

Modern fisheries management, and modern natural resource management, is about consultation with stakeholders. The commercial fishing industry is not the only stakeholder. But when we have problems with AFMA—as we very often do—or problems with particular AFMA staff or the board, then we go and consult about it or AFMA approach us. Before most of the decisions are made, the stakeholders are consulted. That is modern natural resource management principles, and that is what AFMA has largely brought to fisheries management.

**ACTING CHAIR**—Would they hold up against other fishing bodies throughout the world?

**Mr Jeffriess**—We have an intimate knowledge of those other bodies. The New Zealand Fishing Industry Board and the Icelandic Department of Fisheries are probably the best in the world at modern natural resource management—and they make a number of errors. For example, the whole basis of ANAO's preference for ITQs, and that of many fisheries managers, is that it will rationalise the industry over time.

In New Zealand, which has the most modern ITQ system with the widest coverage of any country in the world, the boat numbers are actually increasing simply because as you move in some fisheries to more optimum utilisation of the resource that means less catch per boat because people are being more careful about their catch, to put it simply. Those are fundamental issues which the ANAO got wrong. Again, if they had asked someone they could have been corrected before the report was issued.

**Mr NAIRN**—One of the very strong criticisms in the report was the lack of finalisation of OCS, which is also mentioned in your submission. What areas do you feel are really being impacted on because of that non-finalisation?

**Mr Jeffriess**—The only major impact of that has been in two specific fisheries—that is, the south-east fishery and the shark fishery—where it has made it that much more difficult to manage where a small part of the fishery is under state jurisdiction and the majority under Commonwealth jurisdiction. AFMA and the states, I think, have done a reasonably good job coming to terms with how to manage that problem. That has been managed by trip limits and a whole range of other issues.

If I could just make a point on how responsible or not AFMA is for the small crisis over the OCS. In the case of the fishery which I work in most of the time we had a problem with OCS—a smaller one—in South Australia. We tried to bypass the system—in other words, we forgot about AFMA and Department of Primary Industries and Energy and went direct to the source of the problem which, in that case, was the Victorian department of fisheries or the managing body in Victoria. All we came up against in trying to resolve the problem ourselves was an absolute bureaucratic wall—and this was over the smallest, most minute problem.



Frankly, from that experience I gained a lot of sympathy for both DPIE and AFMA for how difficult it is to deal with the state governments, which are partly driven by industry prejudice, in trying to resolve the OCS. We opted out and left it to AFMA and DPIE. In fairness, the only state which will not have acceded to OCS at 1 January next year will be New South Wales.

**Mr NAIRN**—I am sorry, the only state—

**Mr Jeffriess**—The only state which will not have signed an OCS agreement with the Commonwealth at 1 January next year will be New South Wales.

**Mr NAIRN**—What do you think are the problems? Why is New South Wales dragging the chain? From what you just said, it sounds as though you would pretty much direct your criticism towards the state, rather than the Commonwealth, about it not being finalised.

**Mr Jeffriess**—I do not have absolute intimate knowledge of that situation. The problem, fundamentally, is that the New South Wales fisheries management system is probably lagging most in Australia. But to be fair to the New South Wales government in this case, a lot of its views on specific issues on which it either concedes or gets advantage from in the resolution of OCS, are being driven by industry interests. The political margin of the New South Wales government is fairly close and it obviously needs to take some of those things into account.

That is the problem: OCS and many other issues in fisheries management in the past have been driven by political motivation. The advent of AFMA has, to a large extent, divorced fisheries management at the Commonwealth level from political issues, and that has been a healthy development.

**Mr NAIRN**—Do you want to be more specific about the problems coming from the industry in New South Wales? Are there particular parts of the industry, or particular groups within the industry?

**Mr Jeffriess**—Every industry feels it has a good case for a particular issue. The south-east fishery interests in New South Wales feel that they were not served well by the quota system which was introduced by AFMA's predecessor, and which AFMA and DPIE have been trying to resolve ever since. That issue of the quota allocation remains unresolved, and probably while that remains unresolved OCS will remain unresolved between the Commonwealth and New South Wales.

**Mr NAIRN**—There have been some positive steps forward in recent weeks by the setting up of the working group to try to come to a resolution. That is probably the most positive step that has occurred for awhile in that regard.

**Mr Jeffriess**—Most definitely.

**Mr NAIRN**—Hopefully it can be sorted out.

**Mr Jeffriess**—I would be worried if there was an overexpectation of that working party.

**Mr NAIRN**—I do not think there is, but it is certainly a positive step. You spoke in your preamble about the ITQ system, and that it works in some areas and not in others. As we have just said, the big problem area has been the south-east fishery. Do you see that part of that could be broken up, in that maybe there are certain types of fish within that fishery that should or should not be part of the ITQ system. Or do you think that you can only have a system that works totally within a fishery itself?

**Mr Jeffriess**—In the south-east fishery, there are so many different species that you cannot ITQ all of them. The reason for ITQing the maximum number is by-catch. Where multispecies fisheries are ITQed in other fisheries, almost all the species are ITQed. New Zealand is the best example of that. So if there is a by-catch, that can be offset against your quota on another species, for example. That is an easy system to run in New Zealand because the volumes are so high. Where you have smaller volumes in Australia, and extremely small volumes of some species, then we would question whether so many species should be under coverage. But, some of those species have such a small catch and not enough is known about those particular species. It would be a worry if ones which were maybe vulnerable did not have a TAC of some type.

The question has never been addressed in a small volume multispecies trawl fishery in the world, to our knowledge. So AFMA and DPIE are really breaking new ground, and it is a difficult one to solve.

**Mr CAUSLEY**—Could I follow up on some of Gary's questions? In the south-east trawl some fishers are dissatisfied with the ITQs that they have. Is it not true that some of them sold those ITQs and are now trying to fiddle the system by claiming they catch those species within state boundaries?

**Mr Jeffriess**—I do not know enough about each individual fisher to say that. There is a history in New South Wales of selling entitlements; some fishers regret that later. Whether it would lead them to fiddling, I do not know. Many of them feel they have a legitimate grievance. That is partly driven by the original quota allocation, and partly driven by the inefficiency of the other parts of the ITQ system in the south-east trawl. For example, the problems with capital gains tax are a major inhibiting factor on the proper evolution of ITQs in the south-east fishery, particularly in New South Wales. In relation to the way the quotas were allocated—that is, a small amount of each species to everybody—I don't think many of the fishers really understand what happened and the difficulty of solving it.

The fisheries association representation structure in New South Wales is just not as good as the other states in many ways and, therefore, you haven't had the assistance of the industry in explaining to the industry itself, or the grassroots, exactly what the issues are. In most states you have both the government managers or statutory authority managers and the industry associations, and together they can resolve the problems. But, at the end of the day, it is no accident that the substantial number of existing problems in Australian fisheries management are in New South Wales.

**Mr CAUSLEY**—I dare say you do understand some of the structure in New South Wales for advising the minister—through the regional advisory councils to CFAC. Do you think there would be better information going through to the minister, in fact, if the bigger organisation was elected from the grassroots representatives at the RAC level, which is right down at the fisherman level?

**Mr Jeffriess**—If you look at the way it works in other states, which is exactly that way—they are

very effective compared with New South Wales—the answer would have to be yes.

**Mr CAUSLEY**—You mentioned the fact that there is dissatisfaction with the way the ITQs were allocated in the south-east trawl. I put to you that when a fisher has a history in a fishery and can demonstrate that history over a period of time, probably over at least a four- or five-year period, a fair way of allocating access to that fishery is to give them a quota based on that history, which is a transferable quota, obviously. If it was seen to be fair in that process, would that then overcome some of the problems you have with by-catch? If it was a free market and people did have an excess in by-catch, they could buy and, within the global quota, buy off someone else to sell the catch they might have.

**Mr Jeffriess**—Exactly, that is the way it should work. But the quota not being transferable for some period at the start of the introduction of ITQs, plus the actual application of the capital gains tax provisions to selling off even small volumes, was the major inhibiting factor.

ITQs work very well in single species fisheries; they work less well in multispecies fisheries. But, even in multispecies fisheries, they will work if the market is a free market. In Australia, in the trawl fisheries, it is a problem because of the small volumes, which makes it more difficult. But that fishery would have been considerably more advanced if it had not had the transferability inhibitions that it has had. That is not to say, by the way, that New South Wales would have had any quota left under that system.

**Mrs BAILEY**—Could I ask you to give us an assessment of what you believe is the overall quality and quantity of research being done. Do you think there is a greater role for industry in this area?

**Mr Jeffriess**—There has never been enough done on fisheries research. To answer this narrowly from AFMA's perspective, AFMA has done, by any measuring stick, an outstanding job in leveraging more money for fisheries research. It has done that from the main fisheries fund, the research fund in Australia and from a whole range of other areas. But there is never enough research.

For example, just for the southern bluefin tuna fishery, the ex farm value of the Commonwealth managed part of it is only \$35 million. The rest of it is state managed. Yet the research funding of that fishery per year, between us and the Japanese, is over \$10 million. So you get one-third of the GVP of the Commonwealth part of the fishery, costing \$10 million. That has been going on, probably, for the last decade at that expenditure level. So we spent \$100 million on that fish, and in only the last two years has its terminal age, which is the age at which the fish dies, gone from an estimated 20 years to 45 years, and now to 50 years. We do not even know what age the fish lives to, and until you know that you cannot remotely do a definitive stock assessment. That is just an indication of how much marine research costs. We could always spend more on fish, for example, and probably get a more definitive result. But where does the money come from?

The Commonwealth, in general, has been reasonably generous with research funding for fisheries over time. Because of the general standard of research in Australia—our marine research is excellent—the return on capital has been the best available. So, where do we go next? The industry will only spend more money on research if it gets more secure property rights over the access. The Commonwealth has moved. Both the previous government and the current government agreed on the issue of introducing more secure access rights

for Commonwealth fishers. When those pass the parliament—we hope, early next year at the latest—obviously industry will be prepared to spend more money on research, because it will see that it gets more of the benefits. Until that happens, I cannot see the Commonwealth spending any more money. It has probably nearly reached saturation point, in many ways, on marine research. And I cannot see the industry spending more money on it until they get more secure access rights.

**Mrs BAILEY**—Do you believe that recreational fishers should be contributing towards research?

**Mr Jeffriess**—From a commercial industry point of view, as soon as recreational fishers are called on individually to contribute, they will want secure access rights, as well. That is a problem that state and Commonwealth governments have to face, because that will be a necessary follow-up to any contribution they make. They would argue—and they do, of course—that they make their contributions through the Commonwealth contribution, via consolidated revenue; and there is something to be said for that.

Personally, I could not see how you could get them to contribute, for this simple reason. Say that you charged every recreational fisherman in Australia \$50 to be able to put a line over a wharf. Firstly, you would never be able to enforce the charge; and, secondly, just the administration cost of collecting the levy would be \$20 per application. It would not be the best use of funds, in our opinion. The Commonwealth and state governments would be better to accept that that is their function and to put in the money out of consolidated revenue; and, therefore, you would get the full \$50 per unit—or whatever it is—being put into research, instead of the net \$30.

What we are looking at all the time is this: if we have \$30 million or \$40 million to spend on fisheries research at the Commonwealth and state level, how do we best use every dollar? That is why we are looking all the time at which organisation—CSIRO, or other bodies—provides the best return on investment. That is something that the Commonwealth looks at intently. There is a much more rationalised system these days through FRDC itself. The Fisheries Research and Development Corporation actually operates a very effective system of cost attribution, et cetera. The whole system has improved immeasurably in the past four or five years, due to the advent of AFMA and the new FRDC. We can be confident now that virtually every dollar is being spent rationally rather than it being syphoned off into non-targeted research and duplicative research.

**Mr ANDREN**—I was a bit surprised when I was in Hobart to hear from the CSIRO that they are able to do but one research sweep per year—down the west coast, I think it was. They have got the imperative to go offshore to earn dollars to pay for their very existence. Are you disappointed at the degree to which CSIRO contributes to research into your industry?

**Mr Jeffriess**—The CSIRO receives the Commonwealth vote as a block and, within that, they make a decision on what part of that will go to marine research. We are very disappointed at the proportion which goes to marine research. That affects directly the actual operations of their research vessel, *Southern Surveyor*. The other big shackling influence on *Southern Surveyor* is the actual conditions under which the crew works and the conditions under which researchers work. For example, the award which governs CSIRO research staff has an 'at sea' allowance, which no other researcher in Australia would dream about: it is so generous as to be nonsense.

With all those issues, both the crew agreement and the researcher agreement on those vessels, the cost of running the vessels makes it absolutely necessary that they do lease out part of the year at least to other organisations, whether it be DSTO or Australia. CSIRO has done a good job in coming to grips with that but what we have to do as an industry, and what other people interested in marine research have to do, is get marine research to a higher profile within CSIRO's \$400 million. Already the CSIRO division of fisheries, as it was, has probably the highest external funding of any of the CSIRO divisions. But obviously it is still not enough, along with the CSIRO block vote, or vote to fisheries, to be effective enough.

**Mr ANDREN**—How are you so confident in your own stock assessments, as you indicated with the files there, when evidence we have heard so far indicates it is perhaps the most difficult area?

**Mr Jeffriess**—We are not confident, we are never confident enough. You can never be as confident in marine research as you are in terrestrial research. The fact is that when you look at the expenditure on research you look at it in two ways. As purely an economic issue, if you have a \$100 million fishery, what threshold point of research can you justify? That is the first point. The second point is the ESD obligations of each government, and governments have to make up their mind how much that is worth to them. Governments of all persuasions at state and Commonwealth level have decided that basically there is very little more research money available for fisheries.

That leads to the ultimate problem of the precautionary principle: how do you apply it to fisheries? If you applied it rigidly, of course, you would have very few fisheries operating in Australia. You would have probably very few natural resource exploitation in Australia.

**Mr ANDREN**—But the material you indicated there, is that logbook material? What is your assessment procedure and how sound is it?

**Mr Jeffriess**—With logbook, for example, every fisherman is compelled to submit logbooks. They are cross-validated with other data. We have the strictest application of ITQs in virtually all of the ITQ fisheries, et cetera. So for that essential part of research, the logbooks, largely now the system is in place to reasonably rely on them—I am not saying 100 per cent, but reasonably to rely on them.

The other side is the stock assessment itself, based on the logs and all the other data available. What we are saying is that where the ANAO got it wrong is in saying that very little of the fish caught under Commonwealth fisheries management has been stock assessed. We are not saying that the system is perfect, but we are saying that, just in one fishery, for one part of one meeting of one part of the year, that is the type of documentation—stock assessment and all targeted at the stock assessment—which is made. Again, we are not saying the system is anywhere near good enough because it is a matter of how much money you can afford to spend on it. What we are saying is that the ANAO got it wrong in making those kinds of radical, unsubstantiated statements.

**Mrs BAILEY**—Could I just follow up on that one point? If we accept your assessment of the ANAO's decision, do you think that the problem is that so much data has been collected but the data is not being properly assessed?

**Mr Jeffriess**—It is not that it has not been properly assessed—different researchers have different methodology. That applies both to researchers within Australia and internationally. Just to give one example of the southern bluefin tuna fishery, the Japanese totally disagree with the Australian assessment, basically using the same data and the same methodology but correcting the basic equation in different ways—finetuning, they call it.

In that fishery, we went to the extent of employing four internationally renowned scientists to review both Japanese stock assessment and the Australian stock assessment. They have submitted their conclusions but, again, those conclusions are different from the Australian assessment and the Japanese assessment. So here you have probably \$12 million being spent on that assessment over the last 10 years—per year, \$10 million to \$12 million—and we are still not anywhere near, in my view, getting the stock assessment to a definitive level.

That is the kind of investment that has to be made; they are the kinds of differences within the research community. There are very few fisheries in the world where you can give a reasonably definitive stock assessment, and Australia is no different from those. It is how Australia compares with those other countries that we are interested in, and how Australia keeps up with the game—or ahead of the game. There is no doubt that in these areas Australia is generally ahead of the game.

**Mr WAKELIN**—Brian, in the first page of your submission you mention that the report created the impression that Commonwealth fisheries are at risk because of ecological mismanagement. And on the second page you talk about the quantity of SBT being almost impossible to assess because Taiwan, Korea and Indonesia are not part of the deal. In terms of the damage, or the false impression that may be created, could you just develop that a little in light of the fact that, as you make the point, the Bureau of Resource Science makes some status reports on some of the species? What would be a fairer way to create a better impression, I guess is the question?

**Mr Jeffriess**—There is no replacement for stock assessment in itself; it is the underpinning of the way fisheries are managed. The question of how you allocate or how you make a decision at the margins is an extremely difficult decision. To us, the system on the process is the important thing of how you get to a decision. What has been established at the Commonwealth level is a very effective filtering system where, for each fishery, you have a stock assessment group which is largely independent of the MAC. It consists largely of researchers, often from different research institutions. They make an assessment. I personally do not know of any instance where their assessment has not been accepted by the MAC and therefore goes through to the AFMA board and, in our experience generally, if not always, it has been accepted by the AFMA board. So the process has an independence about it in itself.

In specific species, whether it be southern bluefin tuna or others, there are lots of other factors influencing the fishery and the actual availability of the stock. In southern bluefin tuna it is that Taiwan, Korea and Indonesia particularly do fish the stock. But where the ANAO again got it wrong with that fishery is they infer that, with countries which are not members of the international agreement, their catch is not taken into account in the stock assessment. Now, on every third page of this document it makes it very clear that their catch, which is about 15 per cent of the total global catch, is clearly taken into account in the stock assessment. When CSIRO make their final assessment it includes their catch. They are a problem, but the

issue is how the ANAO got it so wrong to say explicitly that their catch is not taken into account in the stock assessment. Again, they just did not ask.

**Mr WAKELIN**—On the last page you agree with one of the recommendations that the 1989 Commonwealth policy for southern fisheries should be reviewed, and you note that the previous government had picked it up, but it has not been picked up by the new coalition government. Has there been any change in that since it has been written?

**Mr Jeffriess**—I think there is a sympathy with the new government to review the original fisheries statement. It has now been seven years since the statement was developed, and a lot has happened in world fisheries management since then. There is reason to review it. The problem is who is going to do it and where the resources are going to come from. If you are going to do that kind of total reassessment there is no point in doing it in a half-hearted way; it has to be done comprehensively. We think the review should take place. Perhaps not next year but in 1998 a proper review should take place.

**Mr CAUSLEY**—I note that you are not in agreement with having recreational fishers on Commonwealth MACs. Given that it is a common resource, would it not be only fair that you have some recreational representative on a MAC?

**Mr Jeffriess**—What we are saying is that where there is to any extent a recreational fishery, then they should be on the MAC—for example, the eastern tuna MAC; other fisheries like the western tuna MAC and the southern tuna MAC where there is some recreational fishing. But remember that it is 15 tonnes out of 6,000 tonnes, yet the recreational sector does have a permanent observer who has full participation in the MAC. Frankly, when commercial fishermen, who are partly paying for the attendance of that representative, see that kind of situation they wonder about equity. There are people in that particular fishery, for example, who have a quota of 1,500 tonnes and get only one representative, and here is another group which has 15 tonnes and gets a representative. There is total inequity in that.

Where a recreational group or any other group is a significant stakeholder, either by catch or other reasons, then they should be represented. AFMA have acceded to that in their long-term plans, and that has been implemented already.

**Mr ANDREN**—How about with the game fishing people in Queensland? They seem to indicate that they have not been accessed enough in this whole process. Some of the figures they were telling me were that an individual marlin could be worth \$2 million in its lifetime to tourism and game fishing. Do you believe that they should have active participation and input?

**Mr Jeffriess**—They do now because there is a permanent representative of the Cairns Professional Game Fishermen's Association on the relevant MAC. He makes a very effective input. The issue of the value of recreational and charter boat fisheries is really a very arguable point. I think the issue there is to not look to the past but to look to the future.

First of all, they do have very effective representation on the MAC now. Secondly, that group of operators is at a level now, I would say, where the commercial fishing sector was 10 years ago when we did

not understand proper natural resource management. If you go to Cairns and ask the average charter boat operator, who is very often more educated formally than a commercial fisher, generally they will not understand the concept of managing a fishery. They will not understand, for example, that the Australian marlin fishery is purely part of the very large western Pacific migratory fishery. They will not understand what the relationship between, say, commercial fishing operations near Cairns are with their own fishery.

I am not saying the commercial sector understands it totally either, but the work is being done by CSIRO and other bodies to achieve that. But you will not find that the average charter boat operator on the wharf, who does have a large investment in that fishery, understands the basics of the fishery or the basics of the work being done to remedy the issues.

**Mrs BAILEY**—Do they now contribute to the management costs of the MAC?

**Mr Jeffriess**—No. The simple reason for that is, again, that we get back to the politics of fisheries management. AFMA, under its charter, does have responsibility for charter vessels and, where it is related to the Commonwealth fishery, for example, tuna and billfish are clearly a Commonwealth responsibility. The charter boat operators in Cairns should be managed at the Commonwealth level. But every state, oddly enough, except Queensland wants to retain state management of tuna and billfish. Queensland, to their credit, say that it is a national resource and a western Pacific resource so therefore it has to be managed at that national level. Every other state says no, they want to retain control of recreational and charter boat operations on tuna and billfish. It is impossible to see the logic in their case, but obviously it is politically driven.

**Mr NAIRN**—One of the consistent criticisms I get from the fishing industry is in regard to the bureaucracy required: the form filling-out and the duplication that is often there between state and federal requirements and the difficulty in complying. If you miss ticking a box somewhere, that can cause you a particular problem or leave you open for prosecution and what not. Does the industry generally agree that there could be a real clean-up in that area? In the light of our government's move to cut red tape, did the industry put in a submission to the small business task force along those lines at all?

**Mr Jeffriess**—What we have done is to put in a submission not to that particular task force but on the outcomes of the task force on specific issues. We were not as effective as we should have been, when that task force was considering the issues. On the issue of filling in forms, et cetera, the fact is that if you want to be in a fishery in the longer term—as most fishers want to, in Australia—then you should know what investment you have to make in that fishery to make it successful for your own good. Part of that investment is filling out log books and quota returns, et cetera. It just seems to me, after having been exposed to that issue in so many fisheries, that the amount of form filling-out is not very onerous, particularly—

**Mr NAIRN**—Has it increased?

**Mr Jeffriess**—It has increased, because the research requirement has increased. The south-east fishery is a simple example: every time you put a species under ITQs, the amount of form filling-out doubles, simply because you have now got two forms to fill in: your quota return plus your logbook. They are often two separate forms. The fishers are totally bemused, but what we try to do at the commercial fishery level is to



convince fishers that they have a big investment in the fishery. This is not only them personally: it is their family, and it is all the jobs they are generating. They have a responsibility. Fisheries will only be sustainable by proper research and stock assessment. To get that proper research and stock assessment, you have to fill out forms.

**Mr NAIRN**—Do you accept that there could be some finetuning that could be done, just to make life a bit easier?

**Mr Jeffriess**—In specific fisheries, there is no doubt that finetuning could be done. For example, we went through a process with the east coast tuna fishery last week on that exact issue. It is quite clear that there could be rationalisation. Researchers want as much information as they can get. Often, those research results are not analysed in real time, so there is a trade-off. The trade-offs are occurring by proper consultation. There has been an improvement, but it is not always enough.

**Mr WAKELIN**—What is the industry's view on AFMA's performance in maximising the 'economic efficiency' of the Commonwealth fishery? In the answer, could we just have a comment—and maybe this question is a bit too inclusive—on the issues of marine parks and the protection of the environment?

**Mr Jeffriess**—On the first issue, in the view of some of us, AFMA has really struggled to come to terms with the way that the act introduced, just like that, the words 'economic efficiency'. There had been historically no definition of economic efficiency in any fishery in the world, to our knowledge. AFMA, because it has been under more pressure than most fisheries management groups, has tried to come to terms with it. In the past 12 months, they have been coming to terms with it. There is still a range of definitions in industry and government or whatever it may be. Many of us happen to define economic efficiency as 'optimum utilisation'.

In many fisheries, optimum utilisation means more boats than ever. The New Zealand rock lobster fishery, for example—a highly effectively utilised fishery, in terms of optimum utilisation—has more boats than it ever had, even when there were no ITQs, simply because, often, the less you catch, the better you handle the product. In southern bluefin tuna, each boat previously had the capacity to catch 2,000 tonnes of fish per year. That is a big purse seine net boat. The best way we can utilise the fishery now is for each boat to catch only 100 tonnes per year. So, automatically, you get more boats. We are still all grappling with what is the proper definition of economic efficiency.

On the second issue, marine parks, we believe there is an unfortunate in-built ethos at the Commonwealth level, particularly, on the marine park issue. The Commonwealth now is trying to impose a whole series of marine parks in what it calls representative areas. I will just quickly go through the argument we had with ANCA last week, for example. This is the logic of the argument. They want to impose a marine park, be it multi-use or whatever it may be, in the Great Australian Bight. We asked them to come up with a rationale for that. They submitted to a meeting last week a paper on identifying a series of environmental values. To us, that is the proper way to do it.

We responded, 'We have looked at that and we cannot identify any resource user in the Great Australian Bight which impacts in any way or threatens those environmental values. Therefore, why should

we have a marine park? Once you have a marine park with any lines at all, to enforce it in such rough weather conditions out in the bight you are going to need at least \$1 million or \$2 million of enforcement. As soon as you do that you have to take that \$1 million or \$2 million away from research on whales, other marine mammals or whatever it may be. Where is the logic in that?' ANCA's response is purely, 'We are obliged under the Commonwealth's international agreements, in fact, in this case to have a range of representative areas. It follows that we have to have a marine park.' No fisher who is paying money towards the government can understand the logic of that case. And that is a logic which will no doubt be argued out with the government in parliament in due course.

The question put to us by ANCA all the time is whether there is any compromise between the government—ANCA, in this specific case—and the industry on this issue. What we say is that if we could be confident that the system operated rationally—in other words, if there is an environmental value in that area but no resource user is threatening it, therefore there will not be a line on the water—then we could be confident in supporting marine parks in that type of area. But we do not have any confidence in the rationality of the system: it will be largely politically driven.

The example I gave yesterday is that I do not know of any fisherman who has ever said, 'I hit a whale.' Even in his wildest night in the pub I have never heard one say it. That is the sure indication that no fishermen that I know, anyway, has ever hit a whale. Therefore, if you have got whale transect areas in the Great Australian Bight—the whales must be protected, that is not an issue—there is no way that any current resource users, anyway, in the Great Australian Bight are any threat to any of the environmental values identified. But once you draw the lines you have got an enforcement problem, you have got a whole range of other costs which then take money away from research. That to us is just bad business, it is bad government, and it is certainly bad fisheries management.

**Mr WAKELIN**—It challenges the notion of economic efficiency?

**Mr Jeffriess**—Worse than that, it challenges the notion of how you maximise your expenditure on the environment and get the best results. The money you spend on enforcement has to come from somewhere, and it will come from research, including environmental research on the whales. You might ask in Australia how much money groups spend on dolphins. Here is the mammal which is possibly the most to the average person in the community, yet governments and people who make money out of dolphins—out of marine parks or exhibitions areas or whatever it may be—I cannot find where those groups are spending any kind of dollars at all on learning about the physiology of dolphins, et cetera. All I say is that, if people like me try and convince a fisher that there is a level playing field in that area, it is just impossible to find the level playing field.

**ACTING CHAIR**—Thank you, Mr Jeffriess, for your evidence. It has been very good and very thorough. Thank you very much for your time.

**Mr Jeffriess**—Thanks, Chair.

[9.28 a.m.]

**NIAS, Dr Raymond Charles, Director of Conservation, World Wide Fund for Nature Australia, Level 1, 71 York Street, Sydney, New South Wales**

**WILDER, Mr Martijn, Consultant, World Wide Fund for Nature Australia, Level 1, 71 York Street, Sydney, New South Wales**

**ACTING CHAIR**—We have received a submission from you which we have authorised to be published. Do you wish to make any changes to that submission?

**Dr Nias**—No, we do not.

**ACTING CHAIR**—Would you like to make a brief opening statement before questions?

**Dr Nias**—Yes. Thank you very much. The WWF is one of the world's largest independent non-government conservation organisations operating with offices in 28 countries around the world, including Australia. The WWF is concerned about the state of world fisheries and the marine environment, and we are concerned about the state of Australian fisheries.

The ANAO report compiles many of the concerns we have about fisheries management in Australia. However, while we recognise the central role of AFMA in Commonwealth fisheries management, our concern is with the overall management of fisheries, not just AFMA.

We do recognise and acknowledge the improvements that occurred in the Commonwealth fisheries management area since the establishment of AFMA from the previous unsatisfactory situation. However, we suggest that there remains considerable room for improvement. These areas for improvement are the ones that we have identified in our submission.

We would suggest that in addition to reviewing the Commonwealth role in the research regulatory and management fields, that additional measures are investigated for promoting sustainable fisheries. We have mentioned one of those in our submission, the Marine Stewardship Council, and I have further copies of some more updated material on that. The idea is to reward sustainable fisheries in the marketplace by the use of eco-labelling, essentially. The Marine Stewardship Council has an idea that we, together with Unilever, are investigating worldwide, as a way of independently verifying and labelling fish product so that consumers can choose and be confident in choosing a fishery product from sustainable sources.

In Australia, similarly, we are in discussion with Unilever Australia, the owner of John West and Seakist brands, among others, about the Marine Stewardship Council idea. We will discuss with them co-hosting an Australian meeting on the Marine Stewardship Council idea in March next year.

We are also in discussion on a fairly regular basis, with Australian Seafood Industry Council about environmental matters, including the MSC. I would suggest that that is one area that we would like to see addressed, in addition to the traditional Commonwealth role. We would like to know what role the Commonwealth could provide in supporting market based voluntary incentives.

**ACTING CHAIR**—Thank you, Raymond. Mr Wilder, would you like to—

**Mr Wilder**—No. That is fine.

**Mr NAIRN**—I will start. You feel that there are four fisheries in the Australian waters that are overexploited. You might just give me some background on how you have come to some of those conclusions about one of those. In particular, you mention the south-east fishery and the eastern gemfish. Currently, the gemfish area is closed off and there is some fairly heavy research going on at the moment to look at that gemfish fishery. Are you aware of that, and have you got any comments as to the actual research that is being done in that area at the moment?

**Dr Nias**—Yes, we are aware of it. I am aware that there is a zero total of allowable catch for eastern gemfish. However, I am also aware that there is a not inconsiderable by-catch of that species in that fishery. It has been questioned several times by me whether the by-catch is a real by-catch or whether it is a targeted by-catch. That is something that would be of concern, if there is a deliberate targeting of gemfish which was then reported as by-catch. That would be a concern.

**Mr NAIRN**—It does swim with a whole variety of other fish.

**Dr Nias**—That is right. It is part of that complex. We are also aware of the research. We had concerns that the research was going to be done without what we believe to be adequate environmental considerations. The targeting of the spawning stock of something like eastern gemfish is something that we consider should be taken with the utmost caution.

**Mr NAIRN**—What were your particular concerns about the method of the research?

**Dr Nias**—I am not sure I was concerned about the method of the research. The method of stock assessment is by catching them so, clearly, it is an experimental catch. When you are dealing with a species that is at such low numbers we think that there is a greater requirement than normal for a precautionary approach. We think there is a greater requirement to ensure that experimental catches have every possible environmental hurdle to overcome before they are approved.

**Mr NAIRN**—Is that the area in which you have concern because AFMA did consult with the department before that was put in place? There was consultation between a variety of departments.

**Dr Nias**—I am aware there was consultation. I am also aware that in the end no formal environmental impact assessment was conducted.

**Mr Wilder**—I will answer your initial question about how we came to the conclusion that certain fisheries are overexploited. In the second last Bureau of Resource Sciences fisheries status report—and I believe the most recent one is coming out in three weeks for 1995—the introductory paragraphs of the overview state that of the species or species groups covered in the status reports presented therein, four are overexploited, 12 are fully exploited, six are underexploited and the status of 10 is uncertain or unknown. If that is a summary that they make after doing an assessment of Australian fishery resources, as far as we are

concerned there obviously is a problem.

The point was made by Mr Jeffriess when he spoke to you that there is never enough research done. We accept that that is an issue of resources and funding but it is also a question of how you adequately do that research. Mr Jeffriess also made the point that proper research and proper stock assessment is fundamental. We fully agree with that but we think that at present not enough is done.

In terms of environmental impact assessment, there has not been enough environmental impact assessments done not only of the impact on the fishery itself but also of the impact on that fishery on by-catch and on the surrounding ecosystem. We feel that it is very important if you are going to do an environmental impact assessment that it not only covers the fishery but also covers by-catch and other factors.

It is also a fact that environmental impact assessment has become a well recognised tool in international fisheries management but also in the management of other wildlife. I suppose that the difference with fisheries is that you are trying to find a balance between protecting the resource so that it is sustainable and fishing that provides an adequate return at the same time.

If you take a simple comparison, if on the coast of Sydney, for example, you undertake a significant building development, it is necessary under the environmental planning and assessment act to do, in some cases, an environmental impact assessment. However, if you were to undertake a major fishing activity off the coast of Sydney where the development is located there does not seem to be the same stringent requirements to do an environmental impact assessment. Considering that there is so much uncertainty, which is a point everyone agrees on, the need to do comprehensive assessments and to try to work out what the impacts are is all the more important.

**Dr Nias**—I would like to amplify that. In a number of submissions that are made, the people making the submission reiterate the uncertainty of the marine ecosystem, the uncertainty of the stock assessments and the difficulty of getting the research. And then—erroneously in my view—they argue that the reason for not doing environmental impact assessment is because it is difficult, tricky and expensive. In our view, it is an even more compelling reason to do it, because the uncertainty creates risk. So, rather than arguing that fishery is inherently a difficult and fuzzy area in terms of data and research that means that we should be less concerned about environmental impact, we believe it argues for an even more stringent application of environmental regulations than would be required in natural resource exploitation issues in terrestrial areas that may have much less uncertainty.

**ACTING CHAIR**—So the WWF believes that there are some inconsistencies in the legislative objectives of ecological sustainability and maximising economic efficiency, as in the legislation which governs AFMA?

**Mr Wilder**—Yes, I think that is probably true. If you look at point 4 on page 7 of our submission, basically we talk about how, in December 1992, the national strategy for ecologically sustainable development recognised that there was a great need to implement ecologically sustainable development principles. I think it was a point that was picked up again later on by the Australian and New Zealand fisheries and aquaculture councils who, as far back as 1992, were also asking for a sustainable development

approach to fisheries.

We feel that at the moment with the approach that is adopted—even if it states that its objectives are to be on an ESD basis—they do not actually achieve that. I think the very fact that the fishery status reports basically state that there is a lot of concern as to the status of current fisheries means it is very difficult to say that at present they are ecologically sustainable. I would not say that that is necessarily true for all fisheries, but it certainly is true for those that are over-exploited. I think one of WWF's concerns is that in the long term there is a real need to ensure that if we are going to maintain fisheries they are sustainable. If you do not, then you will not have the resources in the long term. It is not a case of shutting down fisheries; it is a case of making fisheries so that they are sustainable and so that the exploitation does not outstrip the fish that are there.

**ACTING CHAIR**—And that must go to research.

**Mr Wilder**—Of course it goes to research—it is fundamental.

**ACTING CHAIR**—It is always hard to get that point through.

**Mr CAUSLEY**—Dr Nias, you mention the precautionary principle. While I see a role for the precautionary principle, can't that also be taken to the extreme?

**Dr Nias**—I presume any principle or approach can be taken to an extreme. Our interpretation of the precautionary approach or a precautionary principle is that in the face of potentially serious risk and uncertainty one should not embark on something in a full-blooded manner. One should take it cautiously, step-by-step, with built-in controls and built-in feedback mechanisms, and deliberately take a low-scale approach initially, using adaptive management techniques so that we learn as we manage a fishery or another enterprise. Yes, I assume that it is possible to be extreme in the approach, but I think the precautionary approach actually has a practical message for us. I think it is essentially one of commonsense.

**Mr CAUSLEY**—The area of fish resources, on which I think your organisation has made a number of statements: getting to the fact that ANAO said that they believed there was not enough research done into fish stocks, et cetera, what would you put in place to establish fish stocks? Have you any estimate as to what that might cost?

**Dr Nias**—Generally, I think the answer to that is no, we do not know. Our view is that users of the resource should pay for the costs of the research. It should be internalised. I think that is generally the case, particularly in fisheries. In fact, unlike many other natural resource areas, the full cost of environmental management and research should be internalised within the economics of the fishery itself.

If there is not enough research being done or there is not enough money for research, then there are some externalities occurring in that market. I do not know what it would cost. Clearly, we are not spending enough on fisheries research. I will accept the viewpoint of people like CSIRO on that matter.

**Mr CAUSLEY**—I am trying to remember my geography. Given that the sea is about two-thirds of

the world's area, isn't that an enormous exercise?

**Dr Nias**—If you set out to determine the stock of every fish species in the world, it certainly is. I think in Australia's case, we have a manageable number of species that are fished or a manageable number of fisheries—it is not a huge number. Again, if we could use adaptive management techniques and a precautionary approach, we could actually build those stock assessments as we conduct the fishery in a cautious and conservative manner. I do not have any easy solutions about how expensive it is and how difficult it is to do the research necessary.

**Mr Wilder**—You also need to understand that fisheries is one of our most important natural resources. Of course, resources have to be found somewhere, but if it means increasing the resources, I think Mr Jeffriess made the point before about the difference between the \$30 and \$50. It is clear that the money is not being spent or allocated correctly. If it is such an important resource, there has to be some way, at the federal level at least, for more funds to be put into it. Whether that means coordinating with CSIRO to do more research, that is perhaps something that has to be investigated. Nonetheless, it is an area that really does need the research put into it, particularly as there is so much uncertainty.

Coming back to the precautionary principle, people use the term 'precautionary principle' in a lot of different ways. There are those who have taken it to the extreme and there are others who basically give it lip service. It is not just a principle that is floating around but it is quite well established internationally now. The New South Wales Land and Environment Court has adopted it in a number of cases, as have some other courts. And I think the common legal approach—

**Mr CAUSLEY**—Much to the detriment of the timber industry.

**Mr Wilder**—I think the common approach of Justice Stein was that basically it is a common sense approach. Also, applying the principle depends on the resource you are allocating it to. If there is uncertainty, you just take a cautious commonsense approach. It does not mean you have to shut down the resource. It very much depends on the circumstances.

**Mr CAUSLEY**—Mr Jeffriess mentioned in his evidence that ANAO did not consult with the industry as to some of the background. Did they consult with your organisation?

**Dr Nias**—No, we were not consulted by ANAO.

**Mrs BAILEY**—I am having a little difficulty following your line of argument and applying it to your eco label and your marketing. I think you, along with most other witnesses, agree that the level of research should be improved. You, on the one hand, are telling us about the limitations of AFMA's management in dealing with ecologically sustainable framework, and one of your recommendations was to include instruments such as the UN fisheries agreement. But you also are saying to us that while all of these problems exist for ecologically sustainable development, at the same time you are promoting this new marketing based mechanism of the eco label.

It seems to me that you cannot have your cake and eat it too. Could you, firstly, explain to me how

you can be developing a label which is promoting a product from an ecologically sustainable developed framework but on the other hand you are saying that this does not exist? The second part of my question is this: you mentioned just a moment ago that the users of the resource would pay for research. Does that include consumers?

**Dr Nias**—I will answer the last question first. Yes, I believe the users of the resource do include the consumers. Yes, there is a need to ensure that, in the consumption of a resource, at every level from its original harvesting through to its final use by humans there is some recovery of the externalities so that the full environmental cost can be recovered. So, yes, it would include users of the resource. We see that elsewhere: there are other levies and charges attached to various products that feed back into research and so on.

On the question about the marine stewardship council, on the one hand we do agree that there is not yet in place the ecologically sustainable framework that has been called for many times and that we would argue is called for in the legislation. On the other hand, we are saying that we would like to label things as sustainable. We do not see that it is contradictory. We see that the marine stewardship council idea is an additional tool with which we can help the process along. We are interested in helping to get fisheries moving to a sustainable basis, and that we believe by applying some sort of independently verified label we can determine what the concerns are, what the issues are and how to deal with those. Obviously, you would have to set some set of criteria for applying a label.

Generally, while there is not an ecologically sustainable framework around the whole of Commonwealth fisheries, or fisheries management per se, there will be, in our view, individual fisheries, individual operations or areas, that would fairly readily qualify for the term 'sustainable' or at least 'well-managed'. In fact, the term we use in similar schemes for forest products, timber products, is 'well-managed sources' rather than 'sustainable sources'.

**Mrs BAILEY**—What criteria would you use to define that?

**Dr Nias**—The criteria are something that needs to be set by the stakeholders. The idea is that the stakeholders—the researchers, the industry, the regulators and the community—would agree what those criteria are and agree on the application of the criteria.

**Mrs BAILEY**—What process would you put in place to try to reach that agreement amongst those stakeholders?

**Dr Nias**—The process, I imagine, will go something like this: we would have a preliminary paper or set of criteria that had been drafted by an expert or an expert group, which would be discussed by some of the key stakeholders from industry, government and the community. If they felt that that was generally an acceptable set of criteria for defining a sustainable and well-managed fishery we would then try and get discussion and development of those criteria and those issues, find out from all the stakeholders how they felt about those criteria and, eventually, achieve some sort of consensus on a set of criteria.

Once that consensus on what is a sustainable fishery is developed, the idea is then to allow companies



or operations to apply for accreditation. Much as companies financial records are monitored by auditors, their fishery environment and their fishery stock could be audited by a certification company. So it is applying the principles that exist and have existed for decades in financial management to the management of the resource.

Basically, it is a community driven process and it would need to involve all stakeholders. The caveat to the whole thing is that, if major elements of society were not convinced that we could get a consensus on what is sustainable and apply that, the system would not work because it would not have credibility. The system needs credibility and needs to have the involvement of all the stakeholders.

The closest I can suggest is the 'dolphin friendly' label on John West tuna. That is a well-accepted, well-known label. Unfortunately, from our view, because the criteria were never set by the community—they were set by the company—and because it is not independently verified, it has very little meaning. I think the public will gradually come to realise that label schemes like 'dolphin friendly tuna' that are not set according to criteria that the community accepts, that are not independently verified and monitored, will gradually erode and have no credibility in the market. Essentially, what we are talking about is a verifiable, certified, accepted and agreed 'dolphin friendly' label, if you like.

**Mr WAKELIN**—Did you have any concerns with the ANAO report itself? Did you find it a pretty sound document?

**Dr Nias**—Given the respect in which we would hold the Auditor-General's office, we would assume that such a report would be accurate. We did talk to a number of people to test the veracity of several of those claims; some of those were disputed, others were accepted. We make no claim to have any knowledge about whether it is entirely accurate or only partially accurate. I would, however, point out that we would trust the opinion of CSIRO, who I think in their submission claimed that it was generally a thorough and accurate report. They are not the exact words but I think that is close enough to what they said.

**Mr WAKELIN**—The World Wide Fund for Nature has, I understand, 4.7 million supporters in a global network active in 96 countries. Is that roughly around the mark?

**Dr Nias**—That is about right.

**Mr WAKELIN**—Does your organisation invest in any research on your own behalf in the fishery—

**Dr Nias**—Yes, but not particularly much, in the past, in Australia. We have done very little, really, in Australia on fisheries issues and research in Australia. However, globally, we have done fisheries research in the Mediterranean, the North Sea, the Caribbean, amongst the small island states, and so on. Around the world, yes, we do have a fair amount of background in marine and fisheries issues. We tend not to have an in-house research capacity. We tend to buy research from consultants.

**Mr WAKELIN**—The World Fisheries Congress took place in Brisbane in August 1996, as you would be well aware. Apparently one of the reasons Australia was selected was that it was regarded as one of the best managed fisheries in the world. Would your organisation disagree with the statement that fisheries management in Australia is one of the best in the world with regard to the sustainability of the resource and

the industry?

**Dr Nias**—We would not disagree with that statement. However, we would point out that we do not think it is particularly relevant. The comparison is not with other organisations, in our view. The comparison is with the stated objective of ecologically sustainable development. Australia, yes, does have an efficient and effective system in place compared with many countries but, as I said, I am not sure what the relevance of that is. It must be measured at all times against the stated objectives, which are to guarantee an adequate return without wasting resources.

**Mr WAKELIN**—I suggest that the relevance is that the congress was held here because we were regarded so highly in terms of sustainability and management. That was the relevance.

**Dr Nias**—I am not sure why the congress was held in Brisbane.

**Mr WAKELIN**—Under the legislation, AFMA is directed to act in a way which will not endanger any species of whale. What is AFMA's record in terms of ensuring its decisions do not endanger or have any impact on whale species? Are you aware of that?

**Dr Nias**—I assume that that is because of the Commonwealth Whale Conservation Act.

**Mr WAKELIN**—I understand that AFMA is specifically directed in this way.

**Dr Nias**—Yes. I am not aware that AFMA managed fisheries have any impact on large cetaceans, that is, the big whales. I understand that there is a potential by-catch of things like dolphins, small inshore dolphins. The river dolphins of North Queensland, I believe, are impacted upon quite severely in various operations. Whether these are AFMA managed fisheries, I am not sure, but there is by-catch of dolphin and dugong which is a marine mammal not a cetacean. So it occurs, but the extent to which it occurs in Commonwealth managed fisheries I could not say. I do believe, however, that by-catch is an issue that is being addressed by BRS and others, and we would hope that there would be some decent and reliable data on that in the near future.

**Mr WAKELIN**—The comment was made that the relationship between the industry and AFMA needs to be well understood and in the best interests of the fishery and, therefore, it does arise from time to time that criticism of industry may unduly influence AFMA. That, I think, is on the record and suggested. But my question to you people is: the World Wide Fund for Nature has, I could suggest, a vested interest obviously in promoting the other side of the argument. Therefore, it seems to me that at times you have an interest in promoting some of these issues in a way which would obviously encourage people to join your organisation. How do you balance some of your comments with that annual need obviously to survive as an organisation and promote your own interests?

**Dr Nias**—First of all, I disagree with the term 'vested'. We make no financial gain out of the allocation of fish. We are not involved in any commercial operations with fisheries. As far as being an organisation goes, we are like many other organisations, such as the Australian Seafood Industry Council, for example. If we do not service the needs of the 4.7 million people who are members of WWF around the

world, then we cease to exist.

**Mr WAKELIN**—I am not being critical. I am just raising the political reality that you have an interest in promoting a particular view—

**Dr Nias**—That is why we were established.

**Mr WAKELIN**—Exactly. But how do you balance that in the same way that industry is required to balance that they are too close to AFMA? It could be argued that you have a vested interest in promoting the other side of the argument in a way which may not necessarily always present a balanced argument.

**Dr Nias**—The WWF has deliberately set out and prides itself on attempting to be as scientifically credible as is possible. We have committed ourselves to the concept of ecologically sustainable development. We were one of the two conservation organisations that was deeply involved in the process in the early 1990s. We also, together with IUCN and UNEP, drafted the second world conservation strategy which virtually formalised the concept of development in an ecological context. So we promote ecologically sustainable development unashamedly and we believe that that is what our members want. If that means that we have occasionally to be critical or to take a contrary view to people in industry or government, then that is what we are here for.

**Mr WAKELIN**—No-one is criticising that, of course, but we are just interested to understand the balance of how you perceive your role.

**ACTING CHAIR**—Does the organisation sit on any other MACS in Australia?

**Dr Nias**—The WWF does not sit on any other management advisory committees. However, Glenn Sant, who works for TRAFFIC (Oceania) which is a program that is jointly managed by WWF and other organisations, does. So indirectly we have a person there, but WWF as an organisation does not sit on any MAC yet. I have been invited to join one of the management advisory committees that will meet in November. I guess that at that point there will be one representative.

**ACTING CHAIR**—It is the connection between your organisation and AFMA that I am interested in. How do you have input into AFMA? Do you have any input into AFMA? Does AFMA consult in any way with you on issues?

**Dr Nias**—We are in regular contact with AFMA. As with any other government agency and statutory authority, we deal with them on a regular basis—very regularly, in fact, from my point of view. We have good contact, formerly only through Glenn Sant who is an employee of a separate organisation and, in the future, myself with the high season remote area MAC.

**Mr ANDREN**—Given the CSIRO's dreadful mistake early in the piece with the assessment of the orange roughy and given that the techniques have improved fairly substantially since, have you got confidence in it and in the industry's ability now to establish meaningful stock data?

**Dr Nias**—I guess all I could say is that I hope it is improving. I am not sure what fundamentally was the problem with that assessment of the orange roughy stock, but I would hope that the situation is improving. I would also hope that it is a lesson for us in how we should approach stock assessments, and how we should adopt the precautionary principle and not invest huge amounts of capital and equipment in a fishery which, in that case, was obviously grossly out in predictions.

**Mr ANDREN**—We have been told that the fisheries management in Australia is one of the best in the world with regard to sustainability of the resource. I am trying to get some sort of index of your assessment of where the industry stands in Australia. Do you agree with that assessment? Secondly, on a scale of one to 10, where would you put the Australian industry on all matters?

**Mr Wilder**—I have to come back to Ray's original point. Even if it is the case that Australia is one of the leading fisheries management authorities in the world, it is irrelevant. The point here is how they manage the Australian fishery. If the best in the world, on a scale of one to 10, is one and we are four—and that is not a reflection of where we are—that does not really help us at all.

If you have fishery status reports produced by the Bureau of Resource Sciences which say there are basically four or five overexploited fisheries, that there are fisheries which are seriously in doubt as to the stock levels, there are obviously problems. It is difficult to say. I do not feel I am in a position to say how good AFMA is in Australia, but clearly there are other people who have heavily criticised them, whether it is CSIRO or these fisheries statistics reports.

How they manage in other countries is irrelevant. There are certainly fisheries in Canada and Europe which are simply being shut down. If that is what you want to compare them to then, fine, we are doing better because the fisheries are still up and running. We are not criticising all of Australia's fisheries. There are some that we would argue are sustainable. But, in general, the reports on the status are critical.

**Dr Nias**—You would also have to ask that question against a whole series of different objectives. For example, AFMA's performance in areas such as management of ITQs, compliance and enforcement is a different question from asking how well the Commonwealth manages fisheries in an ecologically sustainable way. It is not possible to get one number.

**Mr ANDREN**—No, but the number four out of 10 keeps going through my head after listening to a lot of this, having initially come at it from an uninformed base, I must admit. What sort of figure would you like to put on the amount that is needed for meaningful research?

**Dr Nias**—I am afraid I could not take a guess. I would have to ask the experts what they believe those figures are.

**Mr Wilder**—In the next two weeks the 1995 Bureau of Resource Sciences statistics report is supposed to come out on the fishery status reports, so we will see to what extent it differs from the past reports. It was supposed to come out a month ago, but I was informed last Friday that it is coming out within the next two weeks.

**ACTING CHAIR**—The committee has received quite a lot of evidence, some of which is that AFMA in general is a great improvement on past performances, that it does measure up in world terms and does do a lot of things right, but maybe there are other things we can improve on. Would you agree with that?

**Dr Nias**—That would be a pretty fair summary of our view. It is an improvement—a demonstrable improvement on the previous situation. It is comparable in its effectiveness with the best around the world. There is room for major improvement, we believe, on the environmental side—on the ecologically sustainable development side in particular. To reiterate, the true measure is not how much we spend nor how effective management systems are in comparison with those of Canada or Iceland, but how good they are at managing the fisheries resource of Australia.

**Mr Wilder**—The point should also be made, as we say right at the start of our submission, that we do recognise that there are certain restraints on AFMA, whether they be legislative restraints or funding restraints. That is why our concern is not just with AFMA, but with Commonwealth fisheries in general, of which AFMA is one part. They are the terms of references of this inquiry, in terms of Commonwealth fisheries. While Ray has made comments on AFMA, we do recognise that there are restraints which also need to be addressed, particularly the OCS arrangements.

**Mrs BAILEY**—Do you believe AFMA is a captive of industry?

**Dr Nias**—That is far too strong a way of putting it. I believe that most government agencies which deal in major resource sectors would lean towards what they perceive to be their clients. I think that is so, across the board, for everything from land management to forestry, fisheries, or anything. That is a natural thing. I do not think AFMA is any more or less inclined to that than is any other agency.

**Mr NAIRN**—You mentioned OCS. In your submission, you say:

Furthermore of those that have been finalised there have been numerous compromises thereby questioning the ability of the arrangements to meet all desired objectives and ensure effective national management.

What were you meaning by that? What compromises?

**Mr Wilder**—My understanding on that point, partly from an ANAO report and partly from other documentation, is that certain reservations were made from the original intentions when the OCS arrangements were put in place. In the same way that the intergovernmental agreement for the environment was put into place and each state had to agree to that, with the fisheries OCS arrangements, the states have to consent to them, because of the constitutional limitations. Various compromises were made to the original intentions that were required. The point that comes out in the ANAO report is that you do have a lot of problems with managing cross-jurisdictional fisheries.

**Mr NAIRN**—Yes. I accept all that. I am trying to get to the nub of what the compromises were, and in what areas.

**Mr Wilder**—Originally, one of the main compromises I recall is that the states were reluctant to give

up as much control of the fisheries as originally had been hoped. That was one of the main points. As to the others, I would need to get back to you on that. I have not got that with me at the moment.

**Mr NAIRN**—You mentioned that the WWF is joining one of the MACs: which MAC are you joining?

**Dr Nias**—I have been invited to sit on the remote areas and high seas MAC. I think that is what it is called.

**Mrs BAILEY**—Would your organisation contribute to the administrative cost?

**Dr Nias**—It will contribute by my salary and my travel costs, I would suggest. But we will not be paying for a government body to conduct a meeting, no.

**Mr WAKELIN**—I have a quick question on ecologically sustainable development. It is an eternal debate, as I am sure you are aware. For my benefit, if not the committee's, can you develop what you describe as ecologically sustainable development? What is the current state of play, from your perspective?

**Dr Nias**—We are quite comfortable with the definitions of ecologically sustainable development that are in, for example, the national strategy for ESD. The definition includes, from our point of view, some very important things, such as the maintenance of biodiversity. Protection of biodiversity is fundamental to sustainable development. It also includes intergenerational equity, which means ensuring that future generations have the same ability to use resources as we do; and so on. Those are the basics of it, along with intragenerational equity: making sure that the use of resources by one element of the community does not compromise the ability of another part of the community to use a resource.

**Mr Wilder**—It is also that the ongoing use of that resource is sustainable, so that it is possible for it to go on for generation after generation.

**ACTING CHAIR**—Thanks very much for your evidence. It is resolved that the MSC newsletter will become exhibit No. 3.

[10.25 a.m.]

**EXEL, Mr Martin Lewis, General Manager—Fisheries, Australian Fisheries Management Authority, 28 National Circuit, Forrest, Australian Capital Territory 2603**

**MEERE, Mr Frank McFarlane, General Manager—Strategy and Planning, Australian Fisheries Management Authority, 28 National Circuit, Forrest, Australian Capital Territory 2603**

**ROHAN, Mr Geoffrey Vincent, General Manager—Operations, Australian Fisheries Management Authority, 28 National Circuit, Forrest, Australian Capital Territory 2603**

**STEVENS, Mr Richard Andrew, Managing Director, Australian Fisheries Management Authority, 28 National Circuit, Forrest, Australian Capital Territory 2603**

**ACTING CHAIR**—Welcome. We have received a submission from you and it has been authorised and published. Do you wish to make any changes to that original submission?

**Mr Stevens**—Yes. I wish to make one small amendment to page 13 of our submission, which I am happy to lodge with the secretariat. It clarifies a comment on the ANAO report and the formal memorandum of understanding between EPA and AFMA.

**ACTING CHAIR**—That will be fine. You have an opening statement, as I understand it?

**Mr Stevens**—Yes. This inquiry is very critical to us and important to us, and therefore I would appreciate your indulgence.

**ACTING CHAIR**—It is very important, I agree, and very important to the country. Please feel free to read your submission.

**Mr Stevens**—Thank you. This inquiry is crucial to the future management of Commonwealth fisheries. Having had two previous inquiries in the past four years, one by the Senate and one by the ANAO, the outcome of this inquiry will hopefully go a long way towards settling the institutional arrangements for achieving sound fisheries management at the Commonwealth level. I would therefore seek the committee's indulgence to make a number of important points in relation to this inquiry and our submission to it.

In these days of rapid communication and technological change, managing a natural resource, such as fisheries, is quite a challenge. Many of the submissions lodged with this inquiry attest to that. There are so many unknowns, such as what is really going on underneath the water, and what the real influences are on the health and availability of fish stocks from one day to the next. These unknowns create an operating environment of considerable risk and uncertainty, both for those who seek to catch fish and for those who seek to manage fish stocks.

To these unknowns must be added the ever increasing new technology which assists fishers to target fish so effectively, but which make the fisheries manager's task that much more difficult. For example, each

year technological advances result in much improved fishing vessels, fishing gear, nets, lines, et cetera, and electronic equipment, such as navigation systems, fish finding equipment and engines; and it is no easy task to factor in all this to an assessment of the possible increased pressure on fish stocks.

There are numerous players out there, from commercial operators competing amongst themselves for a share of the fish to recreational fishermen, big game fishermen, charter boat operators and conservation groups, including those who simply want to observe fish in their natural habitat through diving. They have all got a point of view on what is going on underneath the water and on how fisheries should best be managed. Invariably, their individual points of view do not always happily coincide. To these stakeholders, we also have to add the non-participating fish consumers, who expect to be able to purchase competitively priced, good quality fish.

Importantly, not all fishers possess the same level of skill and expertise necessary firstly to locate and then catch fish. Put simply, some are very good at it, and some are quite bad at it. Like many other sectors of society, it is inevitably the ones who are not so good at it, or who resort to cheating on the system, who do most of the complaining. Some stakeholders, particularly those who are in competition for a valuable resource, are quite expert in putting an interpretation on fisheries data, whether it be from reputable scientists or the bloke next door, such that the outcome is favourable to their particular point of view.

Like many other groups in the Australian community, they can get pretty cranky if fisheries management agencies do not do things the way they want or expect. Again, there are a number of submissions to this inquiry which fit this bill. What many of them tend to ignore is the large number of other factors, apart from commercial and recreational fishing pressure, which influence the availability of fish stocks. These factors all impact to various degrees on whether fish will be available or not, and on when they will be available. But they all impact on the whole stock assessment process.

In addition to the impact of commercial and recreational fishing, these factors include, firstly, environmental influences, such as changes in water temperatures, ocean circulation and weather conditions generally. Secondly, there are the biological characteristics of the fish stock itself, such as movement and migration patterns, other behavioural characteristics, breeding cycles and reproductivity capacity, and the survival of young juvenile fish.

Thirdly, predator-prey relationships and natural mortality. Fourthly, the effects of fishing itself on fish behaviour; that is, fish can become accustomed to the presence of certain gear such as nets and simply avoid being caught. And, lastly, the impact of man-made events such as stormwater discharges into the ocean, agricultural run-off, offshore sewerage outfalls—out of sight out of mind—ballast water discharges, introduced marine organisms and pollution generally.

In the case of the last factor, it has to be acknowledged that if we have to have some of these man-made events then there is going to be an impact which may be extremely difficult to measure but an impact just the same. There are many recent examples of the adverse effects of these events but probably the worst examples are, firstly, the significant dieback in seagrasses and, therefore, fish habitat in areas like Gulf St Vincent in South Australia caused by the discharge of nutrient rich water into the gulf from the local sewerage works north of Adelaide and stormwater discharges; and, secondly, the introduction of the northern



pacific seastar to Tasmania through the apparent discharge of ballast water from a visiting overseas ship near Hobart.

In the light of these other influences on fish stock availability I believe all groups need to refrain from blaming each other and work together through the management advisory committee process established under AFMA's governing legislation to get a proper handle on the influence of these other factors as well as the impact of their own fishing activities.

I would like to make a few comments about one of AFMA's major clients, the commercial fishing industry. The commercial fishing industry is, by and large, dominated by hard working, determined individuals who make a significant contribution to small communities, regional economies and the national economy to the tune of \$1.8 billion worth of production in 1995-96 figures. This figure is the simple landed value of the catch and does not include value added or multiplier effects. Their activity, in turn, provides flow-on benefits to processing, maintenance, fuel, tourism and other related industries. Importantly, the presence of the industry in some of the more remote parts of Australia is a real advantage from a strategic national interest point of view.

In summary, the industry creates wealth and generates employment for the nation. The majority of operators in commercial fishing get into it because they are good at it, to follow in their father's footsteps, as a way of life, and in other cases to get away from the regulation and bureaucracy which they see as one of the more negative aspects of everyday life in urban areas. They often undertake fishing operations in a harsh and sometimes dangerous environment and reckon that most land based people, and particularly bureaucrats based in Canberra, have a very limited understanding or appreciation of their livelihood.

As such, the commercial fishing industry can often be somewhat begrudging of fisheries management agencies. Generally, many fishermen see those agencies as unnecessarily and bureaucratically interfering in their everyday lives. The irony is that, despite pursuing an independent lifestyle, fishing operators need eventually to work together with each other—scientists, fisheries managers and other users of the resource—to protect the resource and their business futures. Coming to terms with this can often be a difficult process.

Again, there are quite a number of submissions lodged with this inquiry to this effect. Being a fisheries manager, therefore, requires considerable patience, tolerance and an ability to occasionally cop an earful. At the same time, in my 18 years of working in the fisheries management business I have found the vast majority of professional fishermen to be honest, reliable and hardworking individuals, and I find the inference in the ANAO report, that they are for some reason not to be trusted, quite offensive.

To be frank, it was this kind of attitude in some of the previous Commonwealth fisheries administrations which eventually led to calls for the establishment of a statutory authority with an expertise based board and the subsequent establishment of AFMA. This, in turn, led to AFMA spending most of its first four years endeavouring to establish a climate of confidence and trust in the authority and its management policies.

We believe this is essential if we are going to achieve greater ownership by operators of what are frequently difficult fisheries management decisions and to gain access to their own valuable at-sea knowledge

about the behaviour of fish stocks, and the influence of environmental factors. It is also an acknowledgment that the commercial sector pays the fully attributable cost of fisheries management.

In our view, the industry is entitled to expect fisheries management arrangements which are not only in accord with our objectives but also fair, firm and consistent. Equally, AFMA actively promotes the need for industry to be professional and to help itself by establishing properly constituted and representative organisations to address some of the tougher fisheries management issues rather than simply play an adversarial or advocacy role. Importantly, however, we see the building of trust and confidence with the commercial sector as a prerequisite to establishing a more broadly based partnership approach involving the conservation and environment groups and the recreational game fishing sectors.

There is a recognition that it is in the collective interest to maintain fish stocks sustainably and that part of this process should prevent individuals from breaking the rules for short-term gain. This, in turn, requires a cultural, ethical atmosphere of trust and confidence which can only come from joint ownership and cooperation in management arrangements. AFMA is satisfied that there is now sufficient industry trust to include representation from these groups on the new management advisory committees reappointed this year.

I would now like to make some specific comments on the ANAO audit. At the outset I would emphasise that AFMA itself invited the ANAO to conduct an efficiency audit of Commonwealth fisheries management. We did so on the basis that it is healthy and sensible management practice to have an organisation externally audited from time to time in the interests of achieving positive and constructive assistance in improving our operations.

Despite AFMA's best endeavours to explain the somewhat complex environment in which we operate, including all of the points made in our submission and above, I am not at all sure that the ANAO ever fully understood the dynamics of fisheries management. To me, they tended to concentrate on what I would describe as certainty in decision making in what is a very uncertain operating environment, prescriptive solutions which are very resource intensive to implement, and two or three unjustified assertions in their release to the media to ensure that their report received appropriate publicity.

AFMA is particularly critical of the ANAO's suggestion that:

Analysis of AFMA's decision-making regarding the limits placed on commercial fishing are, almost without exception, set in favour of maintaining viable fish catches even in the face of precautionary or contrary stock assessments.

We remain somewhat mystified as to the justification for this statement; in particular, specifically where the ANAO has sourced the information upon which to make such a claim. In our view, AFMA could hardly be accused of such an approach when we effectively closed the eastern gemfish fishery off New South Wales in 1993, in the face of considerable industry opposition and anxiety, and have maintained that closure to this day. We have also strongly supported the retention of strict quota limits on southern bluefin tuna through the Commission for the Conservation of Southern Bluefin Tuna and reduced the catch limits on orange roughy, with the cooperation of both scientists and industry.

Importantly, there is an underlying inference in the ANAO comment and other comments throughout

the report that perhaps the industry has too great an influence over board decisions. The inference neglects two important points. Firstly, whilst the management advisory committees do have a strong industry presence, as contemplated by AFMA's legislation, they only have advisory, as against decision making, powers. The major objective behind their establishment was to increase the transparency amongst all user groups of the whole decision-making process.

Indeed, the previous Senate review in 1993 noted the importance of improving communication between industry and managers and endorsed the principles of accountability and cost recovery as 'essential goals for the fishing industry and administrators'. The Senate review even went so far as to suggest empowering MACs even further by making them management committees rather than advisory committees.

Secondly, this inference assumes that the board is merely a rubber stamp for MAC recommendations. This is simply not the case, as many MACs will attest, and takes no account of the expertise and judgment exercised by the board, together with the fact that the board has only two members from the fishing industry out of a total of eight members.

I can also assure this committee that the board takes its responsibilities very seriously and acts in all circumstances in accordance with the objectives set out in its legislation. We are simply not into the game of short-term expediency in managing fish stocks, particularly where the clear evidence worldwide, and particularly in the northern hemisphere, is that the short-term benefits of such expediency vanish very quickly if none or very limited fish stocks are available for capture in following years.

Similarly, the ANAO's comments on OCS tend to portray a lack of understanding of the sensitive relationship between the Commonwealth and the states on such issues. AFMA has never given up on negotiations, particularly after agreement was reached with Western Australia, Queensland and the Northern Territory in 1995. However willing we may have been to discuss jurisdictional arrangements, we cannot force the states to adopt our position, nor can we simply disregard the Commonwealth's legitimate interests to manage fisheries resources for which it has a clear responsibility.

Inevitably, states rights issues, parochialism, disagreement with the way the Commonwealth has decided to manage fisheries resources, including the AFMA model, industry resistance and sometimes a lack of trust, have all contributed to frustrating progress with some of the southern states. However, the Commonwealth is now close to signing off new OCS arrangements with South Australia, presently with their executive council; Tasmania, expected to be signed off and finalised by 31 December 1996; and Victoria, expected to be finalised early in the new year.

For the ANAO to suggest in their report that we should now undertake a detailed assessment of the new and proposed OCS agreements 'to identify and prioritise those features that have a risk of reducing its efficient and effective management of Commonwealth fisheries and devise appropriate strategies to manage those risks effectively' simply ignores the reality that we have already devoted considerable time and resources to OCS negotiations, and probably achieved as much as we are likely to achieve at agency level out of the last four years of negotiation, and that it is time to get on with the job of managing the fisheries for which we have responsibility.

Turning now to our submission, AFMA has endeavoured to cover all of the relevant factors underpinning what is now known as the partnership approach, together with some constructive and helpful comments on the many and varied issues involved in successfully managing fisheries. We have not sought the allocation of more resources to do the job as we readily acknowledge that there are many competing demands on government these days and AFMA's need for resources has to be weighed up against these competing needs. In the end result it will be up to the government, taking account of any recommendations from this committee, to decide whether the level of resources allocated to AFMA and associated agencies involved in research, enforcement and other related activities is adequate or not.

In summary, AFMA's submission to this inquiry explains the rationale behind the Commonwealth's approach to fisheries management. Rather than comment too much on the ANAO report, we are confident that the approach we are taking is the correct one. It enables all those with an interest in fisheries management to participate in the decision making process and for those who have a particular beef to put up or shut up by justifying their position through the management advisory committee process. Importantly, it allows AFMA to deal with day-to-day fisheries management issues through a transparent and open process of assessment, and leaves the minister free from the inevitable lobbyists and pressure groups which are such a hallmark of the previous administration. The removal of the responsibility for fisheries management from a department to a statutory authority, with an expertise based board, has resulted in a more flexible and more commercial approach to fisheries management.

We are, of course, happy to answer questions on any aspect of our role in fisheries management, together with any issues raised in the ANAO report, and trust that this inquiry can make some constructive suggestions as to how the AFMA model can work more effectively. Thank you.

**ACTING CHAIR**—Thank you for a very detailed statement. It pulled together quite a few issues that have come through our evidence to date.

**Mr FITZGIBBON**—Mr Stevens, I know you had a lot to say, but I was a little surprised that it took you so long to get to the OCS process. It has probably been the most intriguing aspect of our inquiries. Do you want to expand a little more on that? I would have thought that it was the single biggest hurdle you are facing as a board, and I think you might like to comment a little further.

**Mr Stevens**—In the first instance we commenced the process of OCS negotiations in November 1992 with all states. We were able to achieve agreement with the Northern Territory, Queensland and Western Australia on jurisdictional arrangements. The Commonwealth's approach was basically to seek to gain responsibility for the highly migratory species, such as tunas and billfish, the deep water species, et cetera, but to also retain responsibility for the northern prawn fishery. In the northern fisheries we were able to achieve that within a two-year period. We left most of the other fisheries to the states to manage and they were quite happy to take on the responsibility for those fisheries. In contrast to what the World Wide Fund for Nature suggested in their submission, I do not recall any compromises being made. There was simply an approach of 'We will manage the northern prawn fishery and tunas and bill fisheries up north together with the deep sea species' and the states would manage the rest. And that is a similar approach that we have taken with the southern states.

In the southern states it has been more difficult to achieve agreement, and I guess there is a lot of history associated with that. The Commonwealth has not always been regarded highly by the states, for one reason or another, and I think it is partly a reflection of some state governments' or previous ministers' approach in relation to dealing with fisheries issues with the Commonwealth. It has partly been a reflection of the fact that the states want to ensure that any Commonwealth jurisdiction over fisheries adjacent to their shores takes account of their particular political sensitivities and their philosophy in terms of fisheries management, which might differ from the Commonwealth. It has been a somewhat frustrating process to try to achieve agreement out of all that with southern states in particular. But through a process of sticking at it, and commitment by them to see it through, we are just about there.

**Mr CAUSLEY**—I just follow on there, especially on the south-east trawl. Would it be fair to say that there are some fishers who have a vested interest in maintaining the status quo and not having an OCS because they then can play one government off against the other? Could I go further than that and ask if this could be overcome by the states, particularly in the south-east trawl situation where we have species that cross over the three-mile line, which is not fenced, of course, and where the disputes come in. Could that be resolved by the states signing off some of those species to the Commonwealth to manage?

**Mr Stevens**—Most definitely, yes. In the case of South Australia, Victoria and Tasmania, that is what will happen at the end of this year. In the case of New South Wales, you will recall, Mr Causley, being involved in this process yourself, that it is not an easy, straightforward process. Yes, there are industry members who have had an interest in ensuring that the existing arrangements remain, where the three-mile limit is retained for state fisheries and the area beyond three miles staying in Commonwealth hands, so that effectively a fisherman can say that he caught fish in state waters where in fact they were caught in Commonwealth waters.

I must say, however, that in the case of the New South Wales fisheries administration they have sought to limit the possibility of such rorting continuing by establishing trip limits. However, in effective and efficient fisheries administration, it will be much preferable if OCS arrangements could be concluded with New South Wales to give AFMA jurisdiction from the low-water mark out to 200 miles.

**Mr CAUSLEY**—In relation to the fact that some people are disappointed with the initial quotas that were set in some of those fisheries—that is now a very difficult issue—is it not because, no matter which way you move, you could be looking at litigation?

**Mr Stevens**—It has always been a difficult issue for us and it is one of the reasons why our present minister, Senator Parer, has set up an adjustment working group to look at the whole question of whether there was in fact any inequity in the allocations of quota. If you would like Mr Exel, who is a member of that working group, to expand on that, I am quite happy.

**Mr CAUSLEY**—It seems to be a stumbling block. They keep on coming back to saying that they were disadvantaged initially. I do not see how you get round that.

**Mr Exel**—It is actually a bit difficult to go into details because the committee is still meeting. But essentially what we are looking at is whether adjustment assistance is actually warranted. If it is, how much,

to whom and how to distribute it is really the major issue. There are a lot of people dissatisfied with the initial allocations in the south-east trawl, not just New South Wales operators. New South Wales operators have managed to maintain loopholes for a much longer time than perhaps the others who have got out their purchase quota and actually got on with fishing.

**Mr FITZGIBBON**—Mr Stevens, is it possible to quantify what proportion of your resources since 1992 has been dedicated to the OCS process?

**Mr Stevens**—Yes, it is possible. Do you want me to try and give it a go here?

**Mr FITZGIBBON**—Yes.

**Mr Stevens**—We could probably give you exact figures but with an awful lot of my time and an awful lot of Mr Exel's time. In terms of AFMA staff, it is possible to say that probably two to three people would have been on that full time since 1992.

**Mr FITZGIBBON**—That must be very frustrating for you, surely? As I said, it appears to me to be a priority topic.

**Mr Stevens**—It has been a priority topic, Mr Fitzgibbon, but when progress on OCS was so slow and frustrating with southern states in 1994 the board was holding up the development and implementation of management plans to try and get it resolved so that we were able to achieve our objective of efficient and cost-effective administration of fisheries. The board decided that it would no longer give it the No. 1 priority. It made it clear to the southern states that it was going to proceed to develop and implement management plans at the same time as OCS negotiations were continuing. It was a highly frustrating process but, as I say, I am happy to report that it has come to a conclusion with three of the four southern states, and we will continue to pursue it with New South Wales.

**Mr FITZGIBBON**—I see that as being more the fault of government than AFMA. It just seems crazy to me that you go on with other things because you are being frustrated and the very thing that you have left is just so critical. It is the cog in the whole wheel to me. I do not know what the relationship between AFMA and government is in that sense, but I would have thought—and, Ian, you will understand this much better than I—that the government would step in at that point and say, 'This whole process is being hampered by this lack of agreement and, if AFMA is going to work effectively, we need to step in.'

**Mr NAIRN**—Also on OCS: I could not help noticing, when I was asking questions of WWF, the fact that they believed there had been compromises that were of interest to you, Mr Stevens, and you said that you did not believe that there had been any compromise during that process. When pushed, they said that it was in relation to states giving away some control. There is nothing more that you want to say on that? You do not believe that that has occurred anywhere?

**Mr Stevens**—Put it this way: there has been nothing sneaky in terms of compromises. In most instances, the states have sought greater control. They would rather retain management of species than pass them over to the Commonwealth. We have approached the negotiations on the basis of our major commercial

fish species and what we would like to manage, obviously, with reference to the quota species and the non-quota species that are not impacted upon by the states to any great extent. The states have sought to retain access to a lot of fish species which generally occur in their waters, or are fished by their fleets. We have readily agreed to those sorts of arrangements.

Our sole aim has been to try to make things a heck of a lot easier for the industry, in particular, in terms of their licensing, so that they do not have to have four and five and six licences when they want to access species, et cetera. In the south that has been a real problem for them when you have to get a licence from South Australia, Victoria, Tasmania and the Commonwealth to target a certain species. That is a pain in the neck to them and a pain in the neck in terms of administration for the three states and the Commonwealth.

**Mr NAIRN**—So, in fact, the finalisation of all these OCSs will have a very positive impact on the people in the industry as far as red tape and form filling and bureaucracy generally are concerned? Do you see substantial improvement in that area?

**Mr Stevens**—I see substantial improvement in that area and substantial improvement in areas like research. Instead of the states having separate research programs from the Commonwealth, there will be a coordinated approach to researching individual species.

**Mr NAIRN**—So, with the south-east fishery, it really is a critical thing to get sorted out with New South Wales, is it not?

**Mr Stevens**—Yes. We believe that it is.

**ACTING CHAIR**—So this will help with management plans, once we have got some of these resolved? It will allow you to get more focus on management plans in the fisheries—

**Mr Stevens**—The worst example of a fishery which you would probably be aware of is the Bass Strait scallop fishery. There are not any great problems in fisheries management in that fishery, but you have Victoria managing down to a certain area, Tasmania managing up to a certain area and the Commonwealth in the middle. And we are developing a management plan for the middle bit to try to get complementary arrangements for Victoria and Tasmania. We tried very hard to get Victoria and Tasmania to agree to one jurisdictional arrangement for Bass Strait scallops. We left them on their own, telling them to go out to a room to see whether they could sort it out. They could not. That is a demonstration of the sorts of problems that we have had in trying to get agreements amongst all of them for the jurisdictional management of just one species.

**ACTING CHAIR**—I just want to explore that because the committee might want to put that in its report. There has certainly been a lack of political will on behalf of those state governments to come to grips with some of those issues.

**Mr Stevens**—It is a very difficult thing for me to answer yes or no to.

**Mr CAUSLEY**—There was a contributing factor. Some of the fishers were taking AFMA to court at one stage over the quota allocations, and that certainly did delay decisions. Then there was a change of government.

**Mr Stevens**—Yes, that is right.

**Mr Exel**—Just to clarify, that had no bearing whatsoever on the scallop fishery.

**Mr CAUSLEY**—No, that was just the south-east trawl. I have a question which really does relate to the south-east fishery. I note that ANAO makes this statement:

Analysis of AFMA's decision-making regarding the limits placed on commercial fishing are, almost without exception, set in favour of maintaining viable fish catches even in the face of precautionary or contrary stock assessments.

Mr Stevens, I seem to remember a very acrimonious situation when I was the Minister for Fisheries in New South Wales between you and the fishers in the south-east trawl. Were they disagreeing with you in that particular case?

**Mr Stevens**—Very definitely disagreeing with us.

**Mr CAUSLEY**—And did I have to call you across from Canberra to Sydney to try to sit down and find a resolution on it?

**Mr Stevens**—Yes.

**Mr CAUSLEY**—I think that that statement is, from my experience, quite wrong. Could I also go back to what I see is one of the big statements from ANAO—and it really does go back to fish stocks, which are critical, there is no doubt, to the management of fisheries and the setting of quotas, et cetera—and that is the assessment of stocks. I know that you have access to a lot of scientific research. Do you think that there is the technology and the ability to assess accurately fish stocks? If so, do you have any idea what making an accurate assessment of stocks would cost?

**Mr Stevens**—I do not believe that there is the ability to ever accurately assess a fish stock because of a lot of the factors that I set out in my opening statement. There are so many influences on whether a fish stock is going to be available or not, apart from commercial and recreational fishing, et cetera. There are so many influences. In my mind, the best approach possible is to make sure you identify the priority research that needs to be done on the major commercial species, and access the information that is available from researchers in the field, most importantly, from individual fishers. I place a very great emphasis on the establishment of trust and confidence.

There is an awful lot of information held by individual fishers, which has never been made available to governments, state or federal, because they simply do not trust government, state or federal. There are fishermen who have operated in fisheries for 20, 30 or 40 years and who have kept water temperature readings for every day they have gone fishing. All that sort of information is available, if you can establish



the right environment between the industry and the management agency. That is why we have put such store on establishing that trust and confidence, if you like.

As we have established a research framework within the management advisory committees, where priority research is identified through a process of researchers, industry and managers getting together to say, 'What do we need to know about blue warehou stocks?' or 'What do we need to know about eastern gemfish?' both the management advisory committees and the AFMA board have been in a much better position to target limited research dollars to the most effective areas where there are problems, et cetera.

So, no, we are never going to get a 100 per cent accurate statement on what is happening with a particular fish species; we might be lucky to get 50 to 51 per cent. Then when you look at the expenditure of additional research dollars you might have to spend an additional \$2 million to get 52 per cent. And you have really got to say, 'It is not worth it.'

**Mr CAUSLEY**—So you are really saying that it has to be an intelligent assessment as to what the stock is and what quota can be set to have a sustainable effect on the fishery?

**Mr Stevens**—Yes.

**Mr CAUSLEY**—If we learn from the experience of New Zealand, for instance, when they set their quota system, an adversarial situation seems to have arisen there. Of course, it is a very valuable fishery—about \$1.6 billion worth. It does seem to me that, with that system, on one side you have the government, through the department, spending a lot of money assessing stocks in order to set quotas, and on the other you have the fishermen themselves spending a lot of money trying, I suppose, to argue with the department's point of view. Do you not think that is a wasted effort? Surely we have to come to some sensible arrangement as to setting these quotas?

**Mr Stevens**—I will get Mr Exel to comment on the New Zealand approach and I will then make a comment about our approach.

**Mr Exel**—In terms of learning from the New Zealand approach, the current expenditure by New Zealand is around \$36 million a year on research for their resources.

**ACTING CHAIR**—That is their whole expenditure, is it?

**Mr Exel**—That is correct—for the New Zealand fisheries research program, that is. For the industry on top of that, I do not know what their research costs are and for the scientists, but it is certainly very significant. We have implemented a partnership approach to try and get everyone working together rather than that adversarial role.

There are elements in the New Zealand system that we have been able to take and we continue to use to improve our system, but there is a big chunk of it where really I think they could do well from taking some of our fishery assessment group, stock assessment group type approaches in terms of research frameworks.

**Mr Stevens**—Just to add to that, one of the signs that we are making progress in the partnership type approach is that increasingly we are seeing industry being prepared to fund research through a levy on itself in addition to the levee that it pays to the Fisheries Research and Development Corporation, where a priority research proposal has been acknowledged as being necessary but there has not been sufficient funding to do it.

On a lot of the management advisory committees these days they will say, ‘If there is not funding from the Fisheries Research and Development Corporation or from AFMA to do this, we will charge ourselves to have it done.’ I think that is a very good indicator that the industry is taking, not only much greater ownership of management decisions but that it sees the need to do research in various priority areas.

**Mr CAUSLEY**—My last question goes back to ANAO. You did say in your statement that you had welcomed ANAO coming to do an audit on your organisation and you had some initial input. Did they come back and ask questions after they had completed their report to try and clarify certain positions?

**Mr Stevens**—Yes, they did. There was a very interactive process between ANAO and ourselves. Probably, in the end result, there were a number of areas where we did not agree but the main area which I took great offence at was the statement which you read out before about us setting catch limits almost without exception in favour of commercial catches. Whilst I argued with them about that and about that statement appearing in the report, they chose to proceed with it anyway.

**Mr CAUSLEY**—Did you form any opinion as to where they might have sourced the criticism of you on the fish stocks and on that leaning towards industry?

**Mr Stevens**—Not really. It just came across to me that that was a judgment that they had decided to make and they were going to publish it as such.

**ACTING CHAIR**—I wanted to deal with some of the actual recommendations and the reaction but maybe you could inform the committee just what the current progress is with the implementation of some of those recommendations. Most of them I think you generally agree with. How is that actual implementation going?

**Mr Stevens**—I will get Mr Meere to answer that question.

**Mr Meere**—There is a range of recommendations which we have been able to implement already. Many of the recommendations that we agreed with or agreed in principle had significant resource implications. One of the problems in dealing with the recommendations was that, when it became clear to us that the ANAO would be silent on resources and on how much things would cost, we moved from saying, ‘Yes, that is a good idea,’ to saying, ‘You have not done a cost-benefit analysis of what benefits are likely to accrue and you have done no estimate of what the cost of implementing your proposal would be.’

We did not want to appear bloody minded in this regard, and so what we ended up with was some recommendation which clearly were of benefit and were worth doing, but there had been no assessment of

the cost or the benefits that would flow from that. We tended to group them into three areas: firstly, where we agreed and agreed that we proceed to do that; secondly, agreed in principle, basically a sound idea but we remain to be convinced that there was a real benefit and a cost benefit in doing that, and we did not have the resources to do it; and, thirdly, the ones where we just could not agree with the recommendation.

In relation to the ones that we have agreed to in full, many of the in-house ones, if I can describe them as such, the ones dealing with trying to improve our performance measurement and performance reporting, we have actually started to implement. In our most recent annual report, we have picked up almost all of the recommendations that the ANAO put on that basis. I am not saying we are doing them to the level that they may like, but this is an evolving process and we will be seeking to improve the process. We actually have just spent a day and a half with our senior management group doing work on performance indicators.

There is another set of recommendations relating to the publishing of fisheries policy papers. We have now worked out a schedule and started the review of those. We have nine policy papers already published. We are starting to review those and we are hoping to have those fully reviewed by March next year. With new topics, a number suggested by the ANAO and others that have been suggested in-house with the assistance of comment from staff, we hope to have the key ones of those prepared by 30 June next year. So we are moving on a range of those and we have reported already through the Minister for Resources and Energy to the Minister for Finance. Our first quarterly report was at the end of August.

**Mr NAIRN**—With the ones where you have said ‘agreed in principle’ and you say that you said that because there are not the resources there and then some question about the end benefit, is there a structure being put in place where they are not just being pushed aside, they are still being considered and, where resources become available because of any sorts of changes, they will still be considered?

**Mr Stevens**—I think that realistically, when AFMA was set up, the previous government expected it to achieve efficiencies through the sort of approach that is set out in the legislation. We have downsized from something like 111 full-time staff to about 78. We have concentrated on what I would call the main game. There are suggestions and recommendations made in the ANAO report which we would implement if we had the luxury of resources. I think, realistically, we are not going to get the opportunity to deal with them. They are a nice idea, but some of them we simply will not be able to pick up.

**Mr NAIRN**—I deal now with a couple of specific ones. I refer to recommendation 9, which is in relation to environmental impact assessments. The ANAO report was pretty critical—it is probably one of the most critical areas—about the relationship between yourselves and the EPA. If my memory serves me correctly, in an informal meeting that we had with the EPA we were somewhat surprised to find that there had been a hell of a lot more consultation and liaison between AFMA and EPA than the ANAO report would have given you anywhere near credit for, given some of the harsh language in the ANAO report. But we were also a bit perplexed that AFMA did not respond to that probably as aggressively as it seemed you should have, based on what the EPA were telling us of some of the things that have been put in place. Would you like to just expand on that relationship and how you are dealing with that?

**Mr Stevens**—I will get Mr Exel to expand on it. But I would make the comment that a phone call by

ANAO to EPA would have instantly alerted them to the fact that the relationship, which we had made known to ANAO, was on a sound footing.

**Mr NAIRN**—I guess that is the point that I wanted to hear, because we got the impression from the responses that the ANAO reported that, even after their making those harsh comments, they still did not seem to get the message back that there had been those things happening.

**Mr Stevens**—I will get Mr Exel to expand on that, if that is okay.

**Mr NAIRN**—Yes.

**Mr Exel**—With EPA specifically, and the environment more generally, over the last two years the sorts of things we have implemented are that we have now a formal exchange of letters—they called it an MOU in the ANAO report. We had an exchange of letters, and that apparently was not good enough, which set out a process by which AFMA and the EPA can actually interact on all major proposals or, under the EP(IP) Act, proposals that have environmental significance.

We have been working with the EPA in all of our processes—to set total allowable catches, to determine fishing effort limitations, implementation of management plans and management arrangements. In AFMA itself we dedicated full-time resources. We have actually employed an environment manager to try to assist in pulling together what we discovered to be an incredibly diverse range of environmental and conservation agencies. We had no little difficulty simply identifying them, much less actually being able to pull together their views into a situation where we could use them. That has improved considerably.

In terms of convincing the ANAO of the validity or otherwise of our claims that we had arrangements in place and we had a working relationship, I cannot say much about that other than the fact that I know, certainly from the branch point of view—and that is broader in terms of AFMA—the amount of material that we provided to the ANAO was a significant resource intensive activity in itself. In that sense, I am not at all convinced that they had the time or resources to be able to go through that thoroughly enough to get to a point where they found all the information they were after.

**Mr NAIRN**—Is there any intention to formalise those letters of arrangements into an MOU? I am not particularly perturbed myself. It seems a bit bureaucratic.

**Mr Stevens**—No, there is not an intention. There is a working relationship with the EPA and we operate under the requirements of the EP(IP) Act in terms of designating activities, running them past the Environment Protection Agency, with the Environment Protection Agency making a judgment as to whether the matter needs to be referred to the Minister for the Environment or whether it does not.

In the case of the Macquarie Island fishery, which we have just been dealing with, that is a matter which was designated by AFMA and referred to the EPA. The EPA has referred it to the Minister for the Environment and the Minister for the Environment has advised AFMA of his decision in relation to the approach that we have taken, which is that he believes we have done a sensible job. We do not see the point in having a formal MOU when we are obliged to conduct ourselves in accordance with the requirements of

the EP(IP) Act anyway and we have got a satisfactory relationship with the EPA.

**ACTING CHAIR**—There has been a bit of conflict on that, maybe in evidence that we have received on interpretation and how things are interpreted.

**Mrs BAILEY**—Why does AFMA disagree with the ANAO's recommendation to seek ministerial resolution on what is meant by the precautionary principle? Could you tell us what your interpretation of that is?

**Mr Stevens**—The standing committee on fisheries which constitutes the state and federal fisheries administrations deals with the issue of precautionary principle. Dr Derek Staples of the Bureau of Resource Sciences has been responsible for coordinating a paper on just what is the precautionary principle and how we should approach it on a national basis.

That paper has been drafted a number of times and comments have been sought from the states, from CSIRO, from ourselves. It is envisaged that, once adopted by the standing committee as an approach to the precautionary principle, we will just get on and use it. I dare say that it will be referred to the ministerial council for its adoption formally as well, but we have been working with the Bureau of Resource Sciences to resolve an approach and we have not seen it necessary to involve the minister in that.

As far as what is meant by the precautionary approach, you could probably get a couple of hundred different views on what is meant by that. In the initial report of ESD on fisheries provided to the government, I think in 1991, it is interesting to note that the members of that committee could not agree on a definition of just what ESD meant in fisheries. So, if you take a very simplistic view of ESD, our view would be that you make sure that the health of fish stocks is retained to such an extent that they will be available for future generations and the community. In other words, we look after fisheries on a long-term basis, not just on a short-term basis. We make sure that fish stocks are kept in a healthy state and they are available for future generations.

**Mrs BAILEY**—I follow up on a point that you were making earlier, Mr Stevens. You mentioned the amount of data that fishers actually have. Given that you can develop the cooperative partnership approach more fully, which you have been trying to do, and that you could encourage fishers to start handing over this data because they are in this more cooperative approach, who then is going to assess that data?

**Mr Stevens**—Scientists and fisheries managers would assess that data. The problem with getting access to it in the past was that, when it was provided, fishermen took the view that it was used against them to implement management controls. That is a quite natural and understandable approach for them to take. If you look at the development of fisheries generally in Australia, they started off with no controls. Then there might have been a size limit; then there might have been a limitation on the number of operators; and then there might have been constraints to haul things in a bit. A lot of fishermen will say that the sort of information that I was talking about before has been used against them in decision making to curtail their activities.

**Mr Exel**—As to who assesses that data, the main groups that we are using now are actually fishery

assessment groups. That would include economists, conservation, science, industry, managers, and usually the states are in there as well—one representative from the states. The main idea of that has been driven by difficulties in interpretation, particularly with commercial data in the past by the scientists. We found that the industry was able to explain why such a trend was occurring in their data, which the scientists may have otherwise missed. Also, from the other side, there is a much better understanding from the industry of what in fact the scientists, economists and conservationists are actually saying. That has become a very important educative tool and it has become a very positive aspect of data assessment in the Commonwealth sphere.

**Mr ANDREN**—Given that you say the current state of knowledge for most commercial fish species in Commonwealth waters is rated as negligible to poor, how do you assess stocks? Are you confident of your ability to maintain a handle on this area?

**Mr Stevens**—Fisheries management has often been described as the skilful use of limited information, and I still think that is pretty much the case. In the process that Mr Exel has just described where we have not got sufficient research information, verified independent research information, it is very much a matter of talking to operators in a fishery to get their feeling on how a fish stock's health is. We are finding more and more that industry operators are coming forward who are interested in the long term and offering comments such as, 'We need to be a bit careful with the management of this stock.'

You still get one or two people who want to have it as an unregulated 'Let's just go out and catch it while it is there' type approach. However, there is an increasing number of people who want to make sure that it is there for future generations. You have got to make a judgment on the basis of what is known from a research perspective about the behaviour of a particular fish species, and oceanographic information, but most importantly, because there is a limited research knowledge, the actual experiences of individual operators in the fisheries are becoming more and more important.

**Mr ANDREN**—Given that there is some debate over the recommendations on the east coast tuna MAC from June 1995 over the billfish, what action did AFMA take on those recommendations?

**Mr Stevens**—AFMA took action to check whether we were legally entitled to do what the MAC was suggesting we should do. When we got legal advice from Attorney-General's we were told that we were not in a position to make the decision which they wanted us to make. It was really an allocation decision between one sector as against another. It was not a fisheries management decision in the sense of, 'Is the stock in trouble? Therefore, we ought to close one group off or all groups off.'

**Mr ANDREN**—There was action taken to monitor the activities of long-liners in the area. There was supposed to be some sort of voluntary ban. Is that still in place?

**Mr Exel**—There are a number of measures. There is the voluntary ban within industry on the retention of black and/or blue marlin. We retained limits on the number of hooks that can actually be fished in area E. We retained limits on the number of vessels that can operate in that region.

We also implemented four research programs to try to identify more explicitly whether interaction occurs between the recreational and the commercial fleet. Another looked at the economic value to try to put

it on some sort of a level playing field for doing assessments, and there is always a great deal of difficulty with that. Another is looking at the migratory structure of the black marlin and blue marlin in particular. We also closed off the retention of black marlin during the main spawning period when the marlin are actually present in area E in large numbers.

It will never be enough. As Mr Stevens has mentioned, it is a resource allocation decision, and as such one side would consider that nothing that you can do other than exclude all commercial activity will be sufficient and, from a commercial point of view, there is nothing that we can do, other than ensure that there is an effective balance between recreational and commercial, that will be sufficient.

**Mr ANDREN**—Are you satisfied the recreational fishing industry is getting enough input into the process?

**Mr Stevens**—Yes. I should say that in relation to MAC membership generally—and I stress the word ‘membership’ rather than ‘representation’—people are required to sign a letter of representation to the AFMA chairman saying that they will act in accordance with AFMA’s legislation, our policy on management advisory committees and in the best interests of the fishery. So in appointing MAC members we endeavour to try to get as much as possible people who are objective, fair, independent, et cetera.

In relation to the membership of the East Coast Tuna Management Advisory Committee, there is a recreational member, a permanent observer from the conservation sector—Mr Sant, referred to by World Wide Fund for Nature before—and there is a permanent observer from the game fishing association in Cairns.

There is a limit on the number of MAC members you have, but we have added permanent observers to give those people a place at the table. The MAC chairpersons are specifically asked to make sure that these people are included as though they are a MAC member. Yes, I am very satisfied that the game fishing sector, particularly those who live in Cairns, is represented at the table at ECTUNAMAC.

**Mr ANDREN**—I have one quick question. Given the suggestion that the President, Mr Clinton, should boycott any shrimp on the barbie in his upcoming visit, what damage is the by-catch issue doing to our export potential, and how urgent is the need to step up the work in this area?

**Mr Stevens**—It would be a little bit difficult for me to comment on what damage it is doing. I would say, however, that the industry is very aware of the issue. There is a lot of research being undertaken, funded by the Fisheries Research and Development Corporation in particular, into the whole issue of how to minimise by-catch. Also, the industry itself has taken on a responsibility to try and develop gear types which will limit the amount of by-catch that is unnecessarily taken.

It is one of those issues where you have got to have a balance ultimately between having a commercial fishery of economic benefit to the country and trying to continue to work away at minimising the by-catch problem that we have got in the northern prawn fishery. Certainly the industry is very keen to address it, but at the same time it has got a commercial incentive to continue to operate in that fishery. So it is one of those issues. I certainly do not think President Clinton should avoid any Australia prawns on the barbie. In fact, he should take the opportunity to eat as many as he possibly can.

**Mr CAUSLEY**—Is it true, Mr Stevens, that research in New South Wales on this modification of gear for trawling has shown that up to 80 per cent of by-catch is excluded?

**Mr Exel**—I would like to comment directly on that. That is correct in certain aspects of the fishery. In New South Wales, in particular, it is used to exclude what is called jelly blubber. That is, basically, large jellyfish. At some times of the year fishermen have actually had to stop prawn trawling because of the amount of blubber, but that has certainly worked extremely well.

In the northern prawn fishery, what we have done is to run commercial trials with various turtle excluder devices. We have found that the prawn catch is reduced by somewhere between 10 and 70 per cent, but the amount of fish that can be excluded has been shown to be as high as 30 per cent of what would otherwise normally be caught. Where they are at, at the moment, with the research is trying to use industry expertise to change those turtle excluder devices to a point where they effectively exclude turtles and fish while still retaining as much as possible of a normal prawn catch from the normal prawn trawler.

**Mr CAUSLEY**—I was not talking about blubber; I was talking about immature fish—mainly in estuary trawling, probably.

**Mr Exel**—Certainly in the northern prawn fishery it has not been shown to be as high as the 80 per cent figure. CSIRO are actually midway through a survey of 500 by-catch species in the northern prawn fishery. What they are trying to do is identify which of those 500 are impacted at all by trawling. Once they have narrowed it down to a workable list, then there will be research done into whether we are better off having closures for particular times, areas, seasons, or utilisation of minimisation devices. But it is no small study. I think FRDC is funding \$5 million or something towards that.

**Mr WAKELIN**—Mr Stevens, you invited ANAO in and yet much of the process seems to challenge the concept of ANAO's approach. The one that disturbed me was that in your opening comments you said that they had thrown in a few unjustified assertions to ensure that the report received appropriate publicity. It does really challenge the whole ANAO approach. Could you, just further, make a couple of suggestions about ANAO and what might help us in that area?

**Mr Stevens**—Yes, I can. As I say, I invited ANAO very early on, in about 1992 or 1993, to have a look at us. Subsequently they came over and spoke to us about doing an audit on the efficiency of Commonwealth fisheries management. In fact, their initial study was far broader than a study of Commonwealth fisheries management—I think it had five objectives. But, in the end result, they decided to have a look at AFMA, and AFMA alone.

My problem with the particular brochure that was published by ANAO was that, whilst we had a very positive and constructive iterative process throughout the development of the report itself, that brochure was published and was never cleared with us. The majority of the rest of the report was cleared with us. It is a matter of process, if you like, but I felt very strongly that some of the statements made in that brochure, which were not discussed with us at all but were very much designed, as it was sent to the media—in fact, we were rung by the media on the day that that was issued, before we actually got a copy of it—showed that they had adopted an approach with that brochure, in particular, of seeking publicity. I make no apology for



that.

**Mr WAKELIN**—With regard to the statutory authority nature of AFMA so that it can deal with the issues, in your comment you talk about freeing up the minister from the inevitable lobbyist and pressure groups. I think you are suggesting that that is a step in the right direction and it does get the thing focused in a better way, rather than being in the business of politics excessively. Can you just tell me, and the committee, some of those processes which do interfere with the good management of a fishery in terms of this lobbying process?

**Mr Stevens**—Yes, I can. Prior to the establishment of AFMA—this is not something that is just in the Commonwealth scene; I am sure Mr Causley would have been subjected to it at times as well—whenever a Commonwealth minister had to implement a closure, or change management arrangements or whatever, he or she was the one person who could sign off on it, because of the requirements of the legislation. He or she would be put under pressure by people who had an interest, often a vested interest, to go by a certain route, or another route or whatever. He or she would be in the inevitable situation, I would expect, of saying, ‘What the bloody hell do I do with this? So and so has told me that. So and so has told me this.’

What the management advisory committee and the AFMA process, with appropriate rigorous administration policy, et cetera, has provided is that anyone who has got something to say—as I mentioned in my opening remarks—has to put up or shut up before the management advisory committee. They have to justify their position. They cannot take a route outside the management advisory committee and come to the board. Anyone who has ever done that, certainly since I have been in the job, has been told to go back to the management advisory committee and put their case there.

The board does not consider individual approaches from individual interests. It requires those interests to go back to the management advisory committee, and the management advisory committee to make a recommendation to the AFMA board on the basis of objective, fair, consistent argument. That is what we have endeavoured to establish.

**Mr WAKELIN**—This is my last question. You have listed in your submission the various research reviews. There have been a fair few of them over a number of years. This is a matter of process. No doubt there is everybody having a bit of a chop at a range of things, and the challenge to bring it together is part of the brief. Obviously, we research sustainability—the whole thing tends to hang off it—and the limited resources. If there were two or three themes in that research effort, if we were to look into the crystal ball a bit, what could we say about research into future?

**Mr Stevens**—My colleague may like to comment as well, but I would say that annual stock assessment, assessing the state of the health of our fishery stocks, is absolutely critical and ongoing. In doing a stock assessment you have to decide that there are three or four or five different projects which need to be funded about fish behaviour, catch rates, or whatever, which all need to be synthesised into a stock assessment which says, ‘This is the state of the orange roughy stock,’ or ‘This is the state of the eastern gemfish stock.’ I guess we would want to see that continue and be the highest priority for us. If we are to do our job properly, we have got to have annual stock assessment of the state of our more commercially important stocks.

The second thing in terms of a priority is that we would want to know whether we can do something about things like by-catch. We need to invest in that and we need to invest in gear technology, et cetera to make sure that we limit the amount of unwanted species caught in the context of fishing operations. The third area is that we would want to know a lot more about ecosystem type stuff—the impacts of a lot of those things that I described in my opening remarks on the availability of fish stocks. All of that costs a lot of money.

I think we need to interact a lot more closely with the states, not only fisheries agencies but other agencies which are doing research into aspects which affect fisheries, whether it is the oceanography part of CSIRO, the fisheries part of CSIRO, the various water resources, I think it is, in New South Wales, all those various departments that do work which would be of benefit to us in terms of adding information to the stock assessment process. I would really say an annual stock assessment of our fish species is the most important thing we need to continue to do.

**Mr WAKELIN**—You mentioned it is essential to get the trust of industry. There are people who have got this great body of knowledge out there and they have this great mistrust, and there should be development of that process which complements, builds on, whatever, your overall body of knowledge. Could you just comment on where you see that fitting in? That is quite critical, I would imagine.

**Mr Stevens**—That is the most critical aspect. There is no question about that. It applies to all groups; it applies to conservation, environment groups, recreational groups, researchers and ourselves. Getting everybody to happily agree on the course that we should progress with is not an easy thing to do but it is the principal challenge of fisheries management.

**Mr NAIRN**—Two other recommendations: No. 21(a), which is seeking government endorsement to a proposal guaranteeing the confidentiality of logbook data other than for scientific purposes, similar to confidentiality afforded to the statistics required by the ABS. You disagree with that and you say you disagree because you would not want fisheries managers to lose access to individual returns. Would that necessarily be the case, though? I cannot quite understand what ANAO are about actually.

**Mr Rohan**—I believe that the main issue here may be the fact that court cases involving the compulsory release of logbook data for taxation or other purposes have proved that logbook data is not totally secure in terms of being confined only to research persons. So the suggestion there is that perhaps there should be some government or legislative policy arrangement to limit that. The second point relates to the independent verification of data.

In relation to both aspects, AFMA undertook a review of its data requirements this year and we have a report which addresses both aspects. In relation to the first, it is probably well established now in legal terms that there are uses to which logbook data has been compelled through courts—I guess where the courts have determined it is in the community interest for that data to be made available to other than researchers. We need to recognise that, be open about it and incorporate that in our data collection processes and policies.

The second, in terms of independent verification, is perhaps a little more complex. In the first instance, the ANAO appears to be proposing that we should be conducting more independent validation

exercises. The report we commissioned suggests that those may be of limited value in that, if there are incentives for operators to falsely declare what they are catching, it is not a cost-effective approach to have to conduct separate validation exercises or to put observers on boats to obtain correct data, recognising that for the rest of the time you are going to get incorrect data.

The approach suggested is that we should be looking from a management perspective as far as possible to remove the incentives for people to misdeclare data. That is something which we have examined. It is therefore not simply a data collection process. It goes right across the whole management process and it is something which we have agreed to do.

**Mr NAIRN**—Okay. You disagreed with (d) and (e). One was on education and your comment was that there were just not there resources. But you do not really comment on why you disagree with (e)—‘simplifying record-keeping procedures, especially in respect of fish discarded’. The discarding of fish seems to be one of the areas that is a bit more contentious. Would that require a lot more resources? It is more a management procedure, I would have thought.

**Mr Exel**—In terms of simplification of the data collected, the real difficulty with by-catch species is that what is being required is for increasingly more complex data to be provided by the industry. In other words, it is on each species—endangered species are obvious; then it is charismatic species, for example, seahorses, sea dragons and so on, because people want to know about those; and then it moves down to the individual fish species. With simplification, there is a real problem in terms of simplification of detail. Trying to line up how to make it as easy as possible for the fishermen to complete that record is obviously a significant priority from our point of view, because if it is an onerous task then they are very unlikely to actually complete it.

**Mr NAIRN**—Fair enough. On recommendation 30, with regard to quality assurance, I would have thought that that should be put back onto the industry. I would have thought that the industry should be looking at putting in place a quality assurance program, rather than the management authority. Would you agree with that?

**Mr Stevens**—Yes, I would agree with that. In many areas the industry is doing just that, particularly in Queensland where they have established a quality assurance program for their fisheries.

**Mr Rohan**—Could I add that we advised the ANAO that we are making progress in related areas associated with data collection, including the implementation of improved landing documentation. That is an initiative which is being proposed on a national approach, jointly between states and the Commonwealth, to have better records of landing.

**Mrs BAILEY**—Mr Stevens, ANAO was very critical of AFMA’s economic efficiency. You would have heard earlier Mr Jeffriess describing to us his interpretation of economic efficiency. Firstly, can I ask you for your reaction to the ANAO criticism; then can I ask what you determine economic efficiency to be; and, thirdly, do you believe that the goal of economic efficiency is inconsistent with ESD?

**Mr Stevens**—I will get Mr Exel to comment on those questions.

**Mr Exel**—If I can take the ANAO criticism in terms of economic efficiency, from our point of view they actually misunderstood—and that was quite clear in the report—what economic efficiency actually is. They talked a lot about reductions in boat numbers and that this was not clearly indicated and, as you heard Mr Jeffriess this morning, in fact if you set up a framework, economic efficiency may well result in increasing vessel numbers.

Secondly, what is economic efficiency? From AFMA's point of view, what we seek to do is to maximise economic efficiency through creating a framework that allows market driven activities to take place with a bottom line of ESD. In the fishing industry, because it is a community owned resource, we are unable to give people direct property rights as such like we have with land, so the Commonwealth policy of 1989 really was pushing ITQs as the most tangible asset that you could get which was as close to a property right as we know of it in land.

The idea was that the more secure the property right for the fisher, the more likely that person is, firstly, to look after the industry because they have ownership in it and, secondly, if you move to an ITQ regime that is based on a biological bottom line for the TACs, there should be no impediments on top of that to prevent market forces prevailing. In other words: do you use a big boat or a small boat? What sort of net do you use? When do you fish? Where do you sell your product?

The greatest difficulty, and I am coming now to your third point, is that trying to balance competing objectives is always very difficult and our objectives are structured in such a way that AFMA needs to pursue principles of ESD and pursue maximising economic efficiency.

In the Commonwealth fisheries that we currently manage, SBT is the only one where we could be said to have absolutely maximised economic efficiency from a Commonwealth fisheries management perspective because we have ITQs with no other restraints in terms of the catch of the southern bluefin tuna. That is in a pure economic definition. In the south-east trawl you have ITQs with a myriad of other controls for either ESD reasons, resource allocation reasons or OCS reasons. Our difficulty there is how we move over time to get to a point where we can create a management framework that minimises regulation and restriction on commercial activities, and yet maintains at all times that bottom line of the resource for the future.

**Mrs BAILEY**—Do you think that instead of having an overarching goal of economic efficiency that it should be spelt out differently for different fisheries?

**Mr Meere**—The economic efficiency objective in the legislation is about not wasting resources, capital and labour. In many of the frameworks that we establish for fisheries management there is a waste of resources and hence, if they are tied up and wasted in the fishing industry, they are not freed up to be used in more productive areas of the economy.

The whole idea of having that objective in legislation is to make us as managers of fisheries resources conscious of the fact that things that we might do to enable us to protect the resource and make it sustainable over time—the ESD objective—should not mean that we ignore entirely the fact that there are economic resources at play in the whole equation. So the maximising economic efficiency objective in the legislation is constrained by the overriding objective of managing on the basis of the principles of ecologically sustainable

development.

But it is important that we do not just put that to one side and ignore the impediments to good, sound market forces and that we allow operators to rationalise and use their resources in the best way possible, and hence allow the nation to use its resources in the best way possible from an economic perspective.

**Mr Stevens**—I think that the other important issue is the one that Mr Exel just raised, and that is that AFMA ‘shall pursue’. The parliament, wisely in our view, did not say, ‘AFMA shall maximise economic efficiency and shall do this.’ It said ‘shall pursue’. I think that the parliament in doing that, recognised the dynamics of fisheries management. It is such an ever changing environment, if you like, for a natural resource that it would be impossible for any agency to actually achieve those objectives if they were put in a format of ‘thou shalt do this’. So it was pursuing those objectives which is the important part of the objectives of our legislation.

**Mrs BAILEY**—So you feel that ANAO actually overlooked the word ‘pursue’?

**Mr Meere**—It was certainly discussed with them on many occasions, and so was the meaning of the objectives in the legislation, particularly the maximising of economic efficiency objective.

**ACTING CHAIR**—Do you think that you can achieve all your objectives under the present legislation?

**Mr Stevens**—We are always striving to.

**Mr ANDREN**—Given that in their report they say ‘most of the stock assessments indicate a general lack of confidence in the data received from commercial fishers’ and given your agreeance, I gather, that the cost of the research is almost prohibitive, would it not be the most economical track to go down? That is why I am surprised that you disagree with providing education programs stressing the longer term benefits. Is there no way that educating the fishers into the expediency of providing accurate data will not begin to provide for us that bio-mass, by-catch, ESD data we need? Otherwise, the other route is just almost impossible, it seems.

**Mr Stevens**—I will make a couple of comments in relation to that. The first is that we took from the ANAO’s recommendations specific, properly resourced education programs. There are two processes of education which take place under the AFMA model now. One is the very important one of the management advisory committees themselves where people’s awareness of issues gets raised through interchange with one another.

The second is our emphasis of the compliance programs undertaken by state governments on our behalf. They not only have a compliance objective but also have an education awareness objective so that when fishers are spoken to in relation to a possible misdemeanour they not only might not get booked but are told the reason that specific management arrangements are in place. We do not have the resources to implement specific education programs beyond those sorts of activities. That is why we disagreed.

**Mr CAUSLEY**—Is there an incentive that could be put in place for fishers to keep this data?

**Mr Stevens**—That is a continuing and evolving process. As I said before, it is getting better. It is very much a trust and confidence thing. What we are really looking to do in relation to the report that Mr Rohan was referring to before, which we will table with the committee—I think it is worth while the committee having that—is to look at the possibility of having things like two-hour reporting. People would provide their catch information on a more rigorous basis, if you like, across all Commonwealth fisheries. It would be on a cost-effective basis and we would try and comply with the government's present policy of reducing the amount of paperwork that small business has to comply with. We believe that there is a way of doing that. We need to talk to the industry about the process of it, what the requirements are of them—and we will do that through the management advisory committee process as well. We believe that there is a better way of doing it, and we are going to pursue that with the industry. Hopefully, that is less onerous.

**Mr Exel**—Let me just add as a supplement that, definitely, the sort of thing that we are looking at is using computer based vessel monitoring systems so that they can actually enter their catch data on the boat when they are fishing. It directly translates back to AFMA and goes straight into the computer—no paperwork at all.

Secondly, we are looking at electronic scales, and in fact we have trials running in Bermagui. Currently, they have to bring the fish in, weigh them and write down a logbook of what they have landed. It is electronically entered and directly relayed to the computer in Canberra. Electronic scales are going to be implemented probably throughout the southern area over the next few years as the trials gain more favour with industry. It is not something that we think we should be forcing on to anyone.

**Mr CAUSLEY**—A lower licence fee for those who cooperate?

**Mr Stevens**—Licence fees have been coming down ever since AFMA commenced, Mr Causley. Thank you for the opportunity.

**Mr ANDREN**—Is there any technology on the horizon that might tell us by satellite means what mass of catch is in a net and what goes into the hold of the boat, so if we do not know the stock variety at least we know the mass that is being taken at any one time?

**Mr Exel**—I think the easiest way would be to say that the technology exists but the Department of Defence would not allow us to actually access it. Spy in the sky is something that is definitely of concern. It is not the sort of thing that tends to engender trust and support, we have found.

**Mr ANDREN**—I was thinking of something more simple like the mass within the trawl being electronically transmitted to a database.

**Mr Stevens**—We will have to think about that one. I think the idea in terms of our compliance programs and the trust and confidence that I keep on talking about is that the industry has much greater confidence in management arrangements if they know that somehow or other independently everybody is being checked. The vessel monitoring system which is used in the orange roughy fishery, where we can keep

an eye on every operator and where they are fishing and make sure they are not fishing in enclosed areas, et cetera, everyone has a greater deal of confidence in the management arrangements by knowing that back in AFMA there is a screen which shows where every operator is fishing and no-one can break the rules in the sense of going into the areas that are closed. They would far rather have that than an on-sea presence of fisheries officers, which costs an arm and a leg. That is the sort of process we are trying to go through with compliance programs and with data acquisition, to simplify it for everybody and make it more cost effective as well and to have no great upheaval or anxiety in the industry about the cost of these things.

**Mrs BAILEY**—Can I ask a quick question about those closed areas? Is there regular scientific updating to show that the fish are actually in those closed areas?

**Mr Exel**—It obviously varies right throughout, from fishery to fishery, but, yes, there is. The idea is, for example, in the prawn fisheries the closed areas tend to reflect the nursery grounds, the seagrass beds, the mangroves. In the southern shark there were closed areas—rolling closures, which in fact have been since removed—which were supposed to cover the pupping grounds. The research program that we have in place now means that each fishery basically has a five-year research program. The idea is to cover all of the high priority aspects in that five-year period. So sometimes it may not be an annual review, it may be once every two years or once every three years. It will depend on the research priorities and the direction that has been set for that fishery.

**Mr Stevens**—Just to explain: sharks have pups.

**Mrs BAILEY**—Yes, I am aware of that.

**ACTING CHAIR**—Mr Stevens, you mentioned a report there. Can you name the report that you would like us to take in evidence?

**Mr Stevens**—Data acquisition needs, or something very similar to that, within AFMA, prepared by Mr Barry Kaufmann.

**Mr Meere**—We will provide a copy of that. We have not got one with us to give you but I will make sure the committee gets one.

**ACTING CHAIR**—Thank you. We have a few more questions that we have not got round to but if we keep going we will be here most of the day. You are happy to take some questions on notice and reply to the committee?

**Mr Stevens**—Certainly.

**ACTING CHAIR**—We will get those to you in the future. Thank you very much for your time and your evidence.

[11.57 a.m.]

**BATTAGLENE, Mr Anthony Nicholas, Director, Fisheries Programs, Fisheries and Aquaculture Branch, Department of Primary Industries and Energy, GPO Box 858, Canberra, Australian Capital Territory 2601**

**HARWOOD, Ms Mary Beatrice, Assistant Secretary, Fisheries and Aquaculture Branch, Department of Primary Industries and Energy, GPO Box 858, Canberra, Australian Capital Territory 2601**

**STAPLES, Dr Derek James, Director, Fisheries Resources Branch, Bureau of Resource Sciences, Department of Primary Industries and Energy, GPO Box 858, Canberra, Australian Capital Territory 2601**

**ACTING CHAIR**—Welcome. We have received a submission from you and that has been authorised to be published. Are there any changes you would like to make to that submission?

**Ms Harwood**—No, there are not.

**ACTING CHAIR**—Would you like to make a brief statement now, before there are any questions to you?

**Ms Harwood**—I would like to make just a brief statement, mainly just to put the department in context in relation to the subject matter of this inquiry and to indicate our relationship with AFMA. There are three main areas of DPIE with an involvement in fisheries management. Firstly, there is the Fisheries and Aquaculture Branch, which is the central point in the portfolio for policy development, advice and coordination on national and international fisheries issues.

The branch is responsible for policy development on the broad range of commodity issues relating to development of internationally competitive and environmentally sustainable fishing and aquaculture industries. The span of the branch's work encompasses strategic policy on fisheries management issues at the national level, as well as matters relating to Commonwealth-state relations, the environment, fisheries habitat conservation, food safety, quality and trade. So it covers quite a broad field of the normal commodity issues for the department.

We are also responsible for providing policy advice on national issues affecting the development of the aquaculture industry around Australia, as well as representing Australia's fisheries and aquaculture interests in international fora such as the Commission for the Conservation of Southern Bluefin Tuna.

The Australian Bureau of Agricultural and Resource Economics provides resource economics advice to the minister and the policy branches of DPIE. The fisheries economics section of ABARE undertakes research, collects information and provides advice to assist FAB in policy development across the range of issues affecting development of the fishing and aquaculture industries.

The Bureau of Resource Sciences is also an independent research agency of DPIE, which supports the



sustainable development of Australia's primary and energy industries by providing scientific and technical advice to government. BRS has a fisheries resources branch, of which Derek is the head, which provides policy and technical advice to assist the Fisheries and Aquaculture Branch and the minister. ABARE and BRS are also involved in providing advice and information direct to AFMA in support of Commonwealth fisheries management.

The submission from our department provides an overview of fisheries management arrangements in Australia, including the jurisdictional arrangements between the states and the Commonwealth. It includes information and comment on the issues before the inquiry, such as the adequacy of knowledge about fish stocks and habitats in Commonwealth fisheries, the challenges of practical application of ESD concepts to fisheries, the way fisheries management performance is monitored at the Commonwealth level, matters relating to economic efficiency in fisheries, and specific fisheries management issues raised in the ANAO report.

Our department, through FAB, ABARE and BRS, has a role in monitoring the status of Commonwealth fisheries and the performance of Commonwealth fisheries management. To facilitate this process, the Fisheries Resources Research Fund was set up to provide for additional research needed to monitor performance in these areas and to undertake strategic policy research for the purpose of improving Commonwealth fisheries management.

As in our submission, I would conclude this brief opening comment by saying that the Commonwealth fisheries management has made substantial progress since the creation of AFMA in 1992. There are major challenges ahead and they are ones which are faced by fisheries managers throughout the world. AFMA has established the consultative structures and the management arrangements which enable it to deal with these challenges in the future.

**ACTING CHAIR**—I take it from what you have said that you believe that AFMA is carrying out its duties pretty well—that as a body it can be compared to other fishing authorities throughout the world and it is an improvement on what was there five or 10 years ago.

**Ms Harwood**—Yes, that is the case.

**Mr CAUSLEY**—AFMA is actually funded through FRDC. How does it—

**Ms Harwood**—The appropriations for AFMA flow through the department but, essentially, it has its own line appropriations in the budget.

**Mr CAUSLEY**—So it is relatively independent of your organisation?

**Ms Harwood**—Yes, financially.

**Mr CAUSLEY**—In the research area, how much money is in the line estimates for research in the fisheries area, do you know?

**Ms Harwood**—Fisheries funding is quite complex at the Commonwealth level, in that funding flows through various portfolios and agencies. I might ask Dr Staples to summarise the way in which those financial arrangements are set up.

**Dr Staples**—If I actually attempted to summarise it we would probably be here all day. It is complex and the complexity arises mainly, from the complexity of the infrastructure which research supports. There is the environment portfolio, the science and technology portfolio and our own portfolio. Each of these supports research, for example CSIRO support of industry and science. Underlying that we have the state fisheries agencies and their own research agencies. Each of those agencies has its own research budget but they all can compete for funds through the Fisheries Research Development Fund and the FRRF fund. Through all that there is a complex interrelationship, of funding and responsibilities.

**Mr CAUSLEY**—How does that interrelationship work? You have mentioned three or four different departments there. Is there an overall body that makes decisions on where research would go?

**Dr Staples**—It is done at various levels. The overarching body for fisheries is the Standing Committee on Fisheries and Aquaculture, which has a research committee which looks at the national priorities; then FRDC itself has research priority setting, and each management advisory committee also sets priorities, as you heard earlier from Mr Stevens.

**Mr CAUSLEY**—So there would be many competing interests for that research. I use the broad terms, I suppose, of ‘pure research’ as compared to ‘industry research’ and more practical research, if you like, as to gear modifications, et cetera. As well, we have mentioned this morning the imperatives of research into fish stocks. How do you make those assessments? Is there a set formula or is it an assessment of the committee?

**Dr Staples**—There is no set formula. There is always the balance between long-term strategic research and short-term applied research. That balance is met mainly through consultation with the users and the providers of the research.

**Mr CAUSLEY**—The health of the stock, for instance, is dependent on some other areas as well. What is the relationship between your department and bodies such as the department of the environment and AQIS, and these areas, which would have a big bearing on the health of the fish stock?

**Dr Staples**— I will answer at a research level rather than at a more general policy level. The relationships are fairly informal but link through various topics. For example, if we have ballast water issues we work very closely with AQIS; there is a ballast water research advisory group which I sit on. Also, we work through informal meetings with the environmental groups and through the management advisory committees. The fisheries advisory groups are again very important in bringing us altogether in those issues. Perhaps Mary would like to comment at a higher policy level.

**Ms Harwood**—There are two aspects there. On fisheries health type issues there is close cooperation with AQIS, and also a process in train at the moment across all the commodities to look at contingency planning for incursions of exotic disease and pests into Australia. That is for fishing industries, but plant and animal industries as well. Our main connection there would be with AQIS and with the relevant people in the

states who are also interested in that area, and with industry.

On the environment side we have a regular liaison group which works together on issues of a fisheries environment type. It involves our department, AFMA and the environment portfolio agencies with an interest in fisheries. There are a lot of issues that we are monitoring, because there is many areas of action that affect both fisheries and the environment decisions. Those issues are also being brought into play in the development of an integrated oceans policy for Australia, which is in its early stages now.

**Mr CAUSLEY**—And any information that is gleaned through there then goes back through to AFMA? I am referring to information that is gleaned on environmental aspects that could have some bearing on seagrasses, et cetera.

**Ms Harwood**—Yes, it is a two-way flow, so there are substantial projects being funded by various sources of research moneys in terms of the impact of fishing on the environment or the impact of environmental disturbances on fisheries resources. AFMA has access to that information, as do other agencies that use it.

**Mr CAUSLEY**—The broad criticisms by ANAO of AFMA are that they have not done enough research on fish stocks and that they are inefficient. Do you have any comment on that?

**Ms Harwood**—I think that perhaps that criticism is a little simplistic because, as you have heard during this morning, there is a massive information need for fisheries management, and the research dollar can only go so far. The effort is directed at making sure we are getting good value for the research moneys available, and that they are directed to high priority areas, such as stock assessment for fisheries of importance, or where there are particular problems. I think perhaps there is an unrealistic expectation of having perfect information in the fisheries arena, which would be prohibitively expensive.

**Mr Battaglene**—AFMA has only had a direct research capability within the last year or so, or direct finances they can put forward towards research. That was the allocation of a million dollars from the Fisheries Resource Research Fund to that body.

**Mr CAUSLEY**—I think we heard—this figure might be from my own memory; I do not know whether we had it in evidence—that, for instance, the New Zealand government is spending something like \$20 million a year on research in fish stocks and that the industry is spending an amount of money as well. Could we get any of that information? Does it have any bearing on some of our fish stocks?

**Ms Harwood**—We could obtain information for you on the total research bill in New Zealand.

**Mr CAUSLEY**—For instance, orange roughy I suppose are common, and gemfish maybe.

**Dr Staples**—I understand the question to be: do we share information with New Zealand?

**Mr CAUSLEY**—Yes.

**Dr Staples**—Yes, we certainly do on those temperate species in Australia which we share with New Zealand. We work very closely with New Zealand scientists in the assessment process. They are quite often across here and we are across there working with them.

**Mrs BAILEY**—What is the process that is put into place to decide the priority for research? What input do you have into that process?

**Dr Staples**—If we limit the question to priority for research in support of AFMA's management of stock assessment, it is through a consultative process of scientists, the managers and the industry. Each management advisory committee has a research committee, the role of which is to set five-year strategic plans and research priorities, and get them back into the AFMA arena. That involves a range of agencies, but our bureau is active in all of those research committees.

**ACTING CHAIR**—If there is some sort of crisis and something needs researching in one fishery, there would be a priority for that fishery to receive funding?

**Dr Staples**—That would come through that particular fishery, and would then go to the AFMA overarching committee, which is the research and environment committee, to prioritise that against a crisis that is probably occurring in another fishery.

**ACTING CHAIR**—Do you think this works okay?

**Dr Staples**—It is certainly a great improvement on what has happened in the past, which was very ad hoc. It tends to be a very resource heavy process, requiring a lot of time and effort, but overall I think it is quite effective.

**ACTING CHAIR**—CSIRO gave evidence that they do not have the opportunity of actually funding much research themselves, that it is usually tied up with other priorities and they don't get to set their own priorities as much as they would like.

**Dr Staples**—I cannot speak for CSIRO, although I am an ex CSIRO scientist. I guess there are two sources of funds: one is the internal appropriation fund and the other is the external funding bodies. I would argue that they would have a large say in what is funded internally, and then they look after their own priorities.

**ACTING CHAIR**—Who looks after the research on marketing from an industry point of view?

**Ms Harwood**—Those matters would flow more through the Fisheries Research and Development Corporation and the other programs which have existed from time to time in the department, such as agribusiness programs, export marketing incentives and so on.

**Mrs BAILEY**—Were you suggesting that the majority of the research was reactive to crisis? Can you tell us how much of the research is actual forward planning and forward thinking?

**Dr Staples**—No, I was not implying that. It was in answer to a question about what happens in the case of a crisis.

**Mrs BAILEY**—I wanted to clarify that.

**Dr Staples**—As I said, it is based on five-year strategic planning for each fishery in which the high priority research is identified and then implemented through these different arrangements.

**Mr Battaglene**—Again, I would just like to add that it is a rolling plan, so priorities that come up along the way get included. You do not have five years, stop, and start again. You do incorporate—strategically along those lines—new issues.

**Mr ANDREN**—I have two questions. Firstly, the CSIRO: you say here in your submission that CSIRO switches their research efforts to meet the needs of clients who are prepared to pay more. I gathered when we were in Hobart that they do one sweep down the Western Australian coast and then head north for income producing purposes. Do you think it is economically rational for us to perhaps subsidise some more research by CSIRO to get the sort of data that we need in the interests of a more economically viable industry? Have you got any position on that?

**Dr Staples**—If I could answer that first and the others may want to come in. I believe it is going to be extremely important for AFMA in the future to have a commitment from CSIRO to provide that sort of information. I think we need some ongoing process in place to fund the collection of essential information. At the moment—I think we have referred to it a few times this morning—a lot of the assessment of the fisheries is based on the information we get from the fishing industry itself. That is because it is the most cost-effective way of doing it. There are a few fisheries now where we can do independent assessments, such as orange roughy, which is done with an acoustic survey actually counting the number of fish that are down there. I believe that we should be moving towards a more independent assessment of the stocks of the fish and not rely so heavily on the commercial data. So, in answer to your question, I think CSIRO should certainly be more involved in that ongoing research.

**Mr ANDREN**—The other thing is again from your document. You say that, according to the latest BRS assessment, many of the fish stocks managed by AFMA are considered to be fully fished but that current harvesting rates are not considered to be threatening the viability of the stock. You then say that three of the fish species managed by AFMA are considered to be overfished and that the status of nine of the fisheries is unknown. You also say that Australian scientists maintain that with the southern bluefin tuna there is a relatively low probability of rebuilding it back to acceptable levels, yet the Japanese scientists maintain it is almost certain that will occur. There is a mass of contradiction in here about research. How do you begin to address those contradictions?

**Dr Staples**—I believe the biggest contradiction is the last one you mentioned—the Japanese versus the Australian assessment of southern bluefin tuna. I think the others are all reasonably consistent. Three stocks in Australia have been overfished in the past and rebuilding is in place. Time will tell how successful that rebuilding will be. In terms of the Japanese and Australian scientists, it is a complex issue. It is to do with the involvement of other groups in the scientific process, which makes it very difficult to come to a

resolution.

**Mr ANDREN**—How much are the Japanese contributing to this process? Is it only in their own interests or is it in the interests of the stock?

**Dr Staples**—They are certainly doing their assessment from their national point of view. These results come to the commission for the conservation of Southern Bluefin Tuna. I would hope that scientists have the stock firmly in their foresight.

**Mr NAIRN**—In your submission you refer to a number of the recommendations from the ANAO report but you do not really say whether you agree with them or not. There are a couple of key ones which AFMA have disagreed with, and you have taken a middle road somewhere. If I could just pursue a couple of those. The first one is recommendation No. 1, which AFMA does not agree with. It is asking for an undertaking for an assessment of the new and proposed offshore constitutional settlement agreement, et cetera. Can you make some comments in regard to that in the light of where DPIE actually fits into that overall process?

**Ms Harwood**—The department essentially is in partnership with AFMA in seeking a resolution of the outstanding OCS arrangements—and in the ones that have gone before. So we work together with AFMA in negotiating with the states on producing the new arrangements. I would have to concur with the comments that Mr Stevens made, that that process has been an exhaustive one for the recently concluded instruments, for instance, across the north. In direction of resources, to revisit or review those at this point is of questionable value given the other priorities that are before us.

**Mr NAIRN**—So you agree with AFMA, you disagree with the ANAO report effectively, but recognise the importance of getting these OCSs in place.

AFMA also disagrees with recommendation 38. You make some comments in the paper, but I feel that we are throwing two balls in the air at the same time and are not sure which one to catch. Would you like to expand on that?

**Ms Harwood**—I will start and then I will pass to Mr Battaglione. Our intention was really to raise some of the issues surrounding how you measure economic efficiency and to point out that it is a complex question. Actually getting realistic measures of economic performance in a real fishery is not easy. Essentially, it was to draw attention to that fact and to raise for you some of the issues involved in measuring economic performance in fisheries.

**Mr Battaglione**—While AFMA disagree with that recommendation, they have actually gone a long way to improving the quality of the reporting against that and I think they are actually making big steps in that direction. In conjunction with that, we are undertaking research into indicators of economic efficiency within Commonwealth fisheries and that is being undertaken under the fisheries resources research fund. That research is due to report in the next month or so and the results of that research will then go into the AFMA process as well to try to identify new indicators if they are needed for their reporting process.

In addition, there is a survey program which is run annually on Commonwealth fisheries on which a whole range of financial information is reported and can go into this assessment program.

**Mr NAIRN**—Quite a number of the recommendations AFMA have said they agree with in principle but that it would be nice if you had unlimited resources and things. Just on that whole resource area, what is the size of the resources in the fisheries part of the department? Is there a possibility of sharing resources so you do not duplicate things in places where they could be utilised?

**Ms Harwood**—Essentially, the branch which I manage has 16 permanent staff. The bulk of our activity is actually directed to areas away from the focus of AFMA because we are covering the commodity issues of trade, quality, safety—broader environmental issues and international policy aspects. So in duplication, over the last few years we have evolved an efficient working relationship with AFMA, which does not have things being done on both sides of the fence. So it is a small unit in the department that handles the full range of commodity issues to do with fisheries.

**Mr NAIRN**—In some of those recommendations where they have agreed in principle but the resources are not there, is there anything in any of those that you have identified where the department could have a role or assist in any way?

**Ms Harwood**—We already work closely together on issues—for example, by-catch or general environmental issues and so on. So those efficiencies are there. I sympathise with AFMA because to actually pursue all these recommendations in their fullness would require a massive investment of resources.

**Mr NAIRN**—Can you put a figure on that?

**Ms Harwood**—I would not like to do it on the spot.

**ACTING CHAIR**—Let us try to get a ballpark figure. We are talking about several millions, are we not?

**Ms Harwood**—Yes, absolutely.

**ACTING CHAIR**—The department looks after aquaculture, does it not? Could you elaborate on why? That is usually a state arena. Can you touch on our role there?

**Ms Harwood**—The department works at the national level. Firstly, there is a national committee on aquaculture under the ministerial council structure where the state aquaculture managers and the aquaculture manager in the department work together on issues of national importance. There are some strategic issues for the industry where it is very important that there is nationally coordinated action. An example would be the registration of chemicals for use in aquaculture or the development of nationally consistent guidelines for environmental performance of the aquaculture industry. There are lots of issues where, by cohesive national action, the industry has a more stable and brighter future in Australia and learns from international lessons overseas as well.

**Mr WAKELIN**—The data from your research shows that about \$50 million was spent throughout Australia. Obviously that includes everybody—industry, states, territories and the Commonwealth—and there is a whole range of facilities, R&DC, fisheries resource research fund and so on. From that, I have about four or five questions.

The first one is the gross value of production assessment. The budgeted figure seems to vary from the actual figure; I do not know whether it does so regularly but it certainly has varied recently. How does that general instability in funding of research affect the effort? How easy is it to get the stability? You understand what I am talking about with this gross value of production—the variation from what they expect to what they actually get. It has to be done retrospectively. That is just one small point. How does that affect the effort? I guess a lot of that money is the federal component.

**Mr Battaglione**—It does not actually make a great deal of difference because we use the gross value of production to work out the amount of funding for the research funds by a three-year average. So we use the two previous years plus the projected current year. When you take it over that average, it does not make a great deal of difference. In practice, the gross value of production in real terms is not that big a difference.

**Mr WAKELIN**—Oh, \$2 million.

**Mr Battaglione**—But you are looking at a figure of \$2 million out of \$1.7 billion for the gross—

**Mr WAKELIN**—No, in the research effort of \$14.5 million. It seems that it has 10, 15 or 20 per cent there. It is not a big point but I just want to try to understand.

**Mr Battaglione**—The averaging does take that into account to a fair degree.

**Mr WAKELIN**—But, looking at the fisheries resource research fund, there is variability. In my experience of research, you do need a long-term approach, stability, the intellectual property in your people, et cetera. If we are going to get this sort of variation and you are discounting it as not important, I am really interested to know the stability of the research effort in their ability to plan with certainty.

**Mr Battaglione**—One of the biggest problems we have is planning long-term research because we cannot guarantee funding for more than one year and that is simply not good enough for a lot of biological research. I am sure that Dr Staples will add to that, but certainly one of the big problems we have in funding research is that you have to do one year blocks and you cannot plan for three to five years.

**Mr WAKELIN**—Therefore, there is an issue in stability of research effort. Would Dr Staples care to comment?

**Dr Staples**—Yes. The external funding that we are talking about—the R&D corporations—is a very short-term project orientated fund which does vary from year to year. The researchers themselves will have to put in applications every year for that and it does create a lot of uncertainty in what will and what will not be funded and carried through.



**ACTING CHAIR**—On that same point, you do talk about a five-year plan. Is that to do with the government budgeting situation, that we do not allocate for five years or we will not fund the plan?

**Ms Harwood**—I think the issue here is not so much that there are variations in the dollar amount year by year, as the uncertainty of annual funding and the way that influences the way you can allocate funds for research.

**Mr WAKELIN**—I obviously have concerns that it would not influence it. I go to the key part of my question, in terms of your department and AFMA, because Dr Staples, I think you were suggesting that you would be much more content if there was a more independent research effort than relying on industry, which seems to me to challenge AFMA's notion of a greater focus on using industry statistics and industry data and industry input. There seems to be a fundamental difference of opinion there between AFMA and the department.

**Dr Staples**—No, I do not believe so. I guess my contentment, as you put it, in terms of having independent assessments, was looking into the unrealistic in terms of the costing of that. We have then got to put our feet back on the ground and say, 'This is the amount of research money we have at the moment, and the most cost-effective way is to collect the data from the industry and we have to improve that process', and we are working very close with AFMA to make that work better. And I agree with Mr Stevens's comments earlier that is a matter of trust and familiarity with both the scientific side and the industry, and we are working towards that.

**Mr WAKELIN**—I thought you had a wariness about relying on industry. I thought I detected in your comments that there was a significant wariness there.

**Dr Staples**—It is not only relying on industry. The information we get and have to try and put back into biological perspective, is the catch and the catch rate from the fishing industry, and we use that as an indicator of how much fish is there. Obviously, we know lots of other things influence the catch rate and, therefore, it is not a perfect system on which to base these assessments.

**Mr WAKELIN**—My last question is just the old perennial and it is jurisdictional. How sound, how reliable, in terms of all this stuff about economic efficiency, et cetera and how well do we do the Commonwealth-state-territory and industry coordination?

**Ms Harwood**—I think there have been a lot of improvements in the years since AFMA was established—

**Mr WAKELIN**—Can I just have a quick supplementary to help you? If there were one or two areas that we might just strengthen, where would that be?

**Ms Harwood**—I think that the trends that are happening, in terms of who is involved in the decision making process for fisheries management, are going in the right direction. AFMA is broadening the membership of the MACs to include other stakeholders. At the national level there has been a real move to energise the process that happens under the ministerial council so that the standing committee on fisheries

and aquaculture is directing its efforts at the real, current, hot national issues, things like resource allocation or sustainability indicators and so on. I think we just continue that so that we keep looking to see whether the structures we have are actually focusing on the things that really matter, and whether they are capable of delivering a good, consulted outcome for fisheries management.

**Dr Staples**—To answer your question, one place where I would like to see some better coordination is in the collection of catch statistics and the sharing of the information from the different agencies. We have a lot of problems even putting together those basic statistics because they are held by different agencies. I would say that would be a high priority area.

**Mr WAKELIN**—Yes.

**ACTING CHAIR**—So there is certainly a need to pull all that together?

**Dr Staples**—There certainly is.

**ACTING CHAIR**—And for departments to swap that information?

**Dr Staples**—Yes.

**ACTING CHAIR**—How would we go about that, do you think, Dr Staples?

**Dr Staples**—It is going to be a distributed network approach in which we then improve our knowledge of what others have through use of directories. I guess the world wide web would be the tool I would be using to facilitate that. That is happening to a certain degree at this stage, but I would like to see it happen a lot more.

**Mr NAIRN**—From those comments I think I would be correct in assuming that you disagree with the ANAO recommendation that greater confidentiality be put into some of those catch records.

**Dr Staples**—No, I do not disagree with that.

**Mr NAIRN**—If you have more confidentiality is it not more likely that it is going to be hidden away somewhere where you cannot get at it?

**Dr Staples**—There is always the trade-off: we need the trust of the fishing industry to give us the information correctly in the first place, therefore we should have some confidentiality in place so that they trust us with that. So it is a matter of the right users having access to the data and a very strict confidentiality around the use of the data.

**ACTING CHAIR**—There is a bit of work to do here, isn't there? Who should be privy to the confidentiality?

**Dr Staples**—When you do decide that people are privy to that then make sure it works.

**Mrs BAILEY**—Do you agree with the ANAO conclusion that AFMA favours industry rather than taking conservation oriented or risk averse decisions?

**Dr Staples**—I would not agree with that, in my experience. Obviously we have talked a lot about the uncertainty of the science, and when there is uncertainty there are going to be different interpretations of that and they will range from a very conservative to a gung-ho approach, to use a colloquial expression. In all the dealings I have had with AFMA over the last four years they have managed to find the middle ground between those different approaches, but it is a very difficult area in which to decide where the middle ground lies.

**Mr NAIRN**—The question I asked before about the OCS, you did not finish the answer in relation to your involvement in that process. Where does the department sit in the negotiations between AFMA and the state bodies?

**Ms Harwood**—We are directly involved in the negotiations. In some cases where there is, for instance, fine detail work on some of the practical aspects of exactly what is going to go where and how it is going to be implemented, there may be separate working discussions between AFMA and the relevant state fisheries authority, but we are very much a part of the OCS process.

**Mr NAIRN**—Are you in a better position than AFMA to apply pressure in certain places—if I can say that tactfully—being the government department advising the minister as opposed to the independent authority?

**Ms Harwood**—We do our best to encourage things, to move things along, to try to find where the road blocks are, and to see if that is a place where we can help in resolving them.

**Mr NAIRN**—So where do you see the big road block at the moment in New South Wales?

**Ms Harwood**—Just a fundamental difference of view as to which aspects of the fisheries are most appropriately under Commonwealth jurisdiction.

**Mr NAIRN**—Simple as that?

**Ms Harwood**—Yes.

**Mr NAIRN**—Or as complicated as that, I should say; it depends on which way you want to look at it.

**Mr ANDREN**—Can you suggest why they cannot see the logic of the exercise, given that the other states seem to be coming on board?

**ACTING CHAIR**—We have had some evidence that the structure—the way the fishermen are organised in their industry structures—does not help getting facilitation there; does not help in getting information to flow down. Would you have any experience on that?

**Ms Harwood**—It is an unusually complex situation in New South Wales and there are different competing interests: the complexities of how the different sectors in the different fisheries interact and which points of view New South Wales fishermen wish to pursue. It is not as easy as resolving the jurisdictional arrangements elsewhere. It is the last one and there is good reason for that: it is so complicated and there are competing interests in who should manage what.

**ACTING CHAIR**—The audit office concluded that AFMA favours industry rather than taking a conservation oriented, or risk—

**Mrs BAILEY**—I just asked that.

**ACTING CHAIR**—I missed that. Did we get a decent answer?

**Mrs BAILEY**—Dr Staples' comments will stand.

**ACTING CHAIR**—Did you want to add anything more?

**Ms Harwood**—No, I would concur with Dr Staples' comments.

**ACTING CHAIR**—I will have to read the transcript.

**Mr ANDREN**—There is some suggestion of duplication. Given that we have got so little research capability, I think in here somewhere there is some mention of duplication of effort in the area of research, or the danger of it. I am just wondering, given the FRDC and the FRRF, why are they separate? Why aren't they both stock research and management research? Is there any overlap there, and is it getting in the way?

**Ms Harwood**—I do not think it gets in the way; in fact I think it is constructive. They serve very different purposes. One of them is directed towards research across a broad span of things of direct interest to the industry and in support of fisheries management. The FRRF is a smaller fund, and it is directed towards independent assessment of performance and policy research in support of policy for improving the performance in Commonwealth fisheries management. But they are distinct and they are best separate, and I do not think there are either inefficiencies or duplications in the way they operate.

**Mr ANDREN**—There is no industry contribution to the FRRF funds, and also the industry contributions are less than 0.25 per cent of GDP in the FRDC area. Are you suggesting they are renegeing on responsibility here, or just don't appreciate it?

**Ms Harwood**—It varies from state to state, the amount that industry, for instance, from the state based industries contributes. As Mr Stevens said, there are contributions made to research independent of the FRDC process, through particular Commonwealth managed fisheries. But you are right, the actual contribution by industry is lower than the 0.25 per cent that it can run to.

**Mr ANDREN**—And they were agreed amounts or just voluntarily arrived at, the 0.5 and the 0.25 per cent? Was that just voluntary?

**Mr Battaglene**—The FRDC fund is a little different to any of the other R&D corps, because there is seen to be a large community benefit, I guess, from fisheries management and from research into that area, which is why we have the unmatched portion which is distinct, I think, to fisheries. How they came to the actual figures of 0.5 and 0.25 I am not sure, but that is the reason we have the unmatched portion.

The reason there is no industry contribution in the FRRF fund is that, due to the arm's length position that AFMA has from the government now with relation to fisheries management, it is a way of monitoring AFMA's management performance, to avoid many of those problems which have been mentioned, such as industry capture. It is to keep an eye on that, to assure the government that fisheries management is going the right way.

**Mr ANDREN**—Going back to that area I was talking about, there was supposed to be a report after a meeting in late September over the Commission for the Conservation of Southern Bluefin Tuna. What is the result of the stock assessment between Australia, Japan and New Zealand? Have we got them yet?

**Ms Harwood**—The scientific committee for the commission met in mid-September. The scientists differ as to where they consider the stock is at. So the differences of view that are reflected in this report are still there. The commission has adjourned its meeting, so it has commenced its third annual meeting. We were not able to reach agreement on total global catch limit or national allocations, and we will resume negotiations some time soon to see if we can pursue that and get quotas in place for this year.

**Mr ANDREN**—Are Australia and New Zealand close, and Japan is the odd one out?

**Ms Harwood**—Yes.

**Mr ANDREN**—Or do they all differ?

**Ms Harwood**—Essentially, Australia's and New Zealand's views on the status of the fisheries are similar and Japan's is further apart.

**Mr WAKELIN**—Still on research, I am getting an impression that you feel it is coming together, that duplication is not excessive and it is going along not too badly. Yet in your own document you say:

Where many research agencies and funding sources are available, there is a danger of duplication and research overlaps or gaps, so, the community may not get the best value from scarce research funds.

Then in the last paragraph, you say:

Until recently, there was no mechanism to set broader research priorities at the national level or to coordinate the research priorities developed by the various relevant Commonwealth and State organisations. The Standing Committee on Fisheries and Aquaculture (SCFA), however, has recently decided to develop a set of national research priorities across all fisheries and aquaculture related research. The research subcommittee of SCFA has been tasked with developing the national priorities list for consideration by Standing Committee and Council.

Clearly, there is an issue here and it has been defined in your own paper. Therefore we come back to the

degree of evidence in the past of duplication. That is the first point. The second point is: what work is being done and what is showing up within the research subcommittee of SCFA in terms of setting those priorities?

**Ms Harwood**—The process that the standing committee has embarked on is essentially to answer those questions. By work across all the different committees, but focused through the research committees, the standing committee is looking at what, overall, are the national research priorities for Australia. Also, once you have those priorities and you see what the rest of the frameworks are delivering, it is looking at whether there are gaps or duplications. So it is essentially a two-step process.

**Mr WAKELIN**—The first part of my question, though, was what the examples were of the duplication. What was the experience and some examples of duplication which clearly showed out, to the point where it was needed to define it in a much clearer way? I asked specifically where it is at at the moment. I take your point that it is researching that. But if you could I would like you to define something that is clearly showing up, from experience, as to what we might be looking at.

**Dr Staples**—Perhaps I could try to clarify that. As we have discussed and other people have said today, within the fisheries management related research there is a process in place for setting strategic research priorities. However, in many other areas of research related to fisheries—for example, aquaculture research—there are not those sorts of mechanisms in place. Examples I could give you of duplication would be more in the aquaculture research. That is probably the nature of the research and it is very much private industry driven, therefore there is confidentiality in the end results. What we are trying to do at the standing committee in fisheries level is look at all the research related to fish, and try to get a process in place to bring aquaculture along with the fisheries management research.

**Mr WAKELIN**—Thank you.

**ACTING CHAIR**—You perceive that that is going to be growing area in the future?

**Dr Staples**—It certainly is going to be. Of course it will have its limits and constraints, but it is an ongoing growth industry.

**Mrs BAILEY**—This is a general question. I understand that you have no role in monitoring AFMA's management performance. Do you think you should have?

**Ms Harwood**—We do have a role in monitoring AFMA's management performance. There are two main pathways. AFMA's corporate documentation, corporate plans et cetera, have to be approved by the minister and they flow through the department for review. As well, we run a program of independent assessment which is funded through the FRRF for looking at those very questions—that is, the performance of management and the actual stock condition of Australian fisheries. So that is a role of the department.

**Mrs BAILEY**—I just read here that the 1989 policy statement did not intend for you to monitor AFMA's management performance on a detailed basis. So this is a process that you have developed and you have assumed this role, have you?

**Ms Harwood**—No, there are two levels of activity. We are not meant to be in there second-guessing individual decisions in the shark fishery, the scallop fishery, or whatever. At that level that is AFMA's business and they are responsible for day-to-day management. Our role relates to a broader overview of the standard and performance of Commonwealth fisheries management and Commonwealth fisheries themselves. It is a question of level.

**Mrs BAILEY**—I see.

**Mr ANDREN**—On that point, the role of the DPIE group is to undertake periodic assessment of the overall performance of the authority and advise the minister. Has this happened yet in relation to the ANAO report in any way? Have you taken any steps to look at those recommendations or are you waiting for the outcome of this inquiry?

**Ms Harwood**—Essentially, we are waiting for the outcome of this inquiry.

**Mrs BAILEY**—I do not quite understand why you are waiting for the outcome of this inquiry. If your role is to monitor that management performance and report to the minister, why would you be waiting for the outcome of this inquiry? Why are you not giving your own assessment to the minister?

**Ms Harwood**—It is the separation of the two things. We have the ongoing function of monitoring performance and having the independent assessment program managed through the FRRF. I presume that your question relates to the individual recommendations in the audit office report?

**Mrs BAILEY**—Yes.

**Ms Harwood**—No, essentially we are not providing a detailed analysis of those at this stage.

**Mr ANDREN**—Can you respond in general terms to the tone of the audit report, or is that unfair?

**Ms Harwood**—As I said before, there are many areas of sensible and valid comment in the audit office report, and AFMA acknowledges that themselves. They have already moved on a number of them to implement changes to the way they do their business to reflect those and pick them up.

The area we have tried to highlight in our submission is that some aspects of the audit office report are a little distant from the practical reality of fisheries management. Two examples of that would be in the area of applying ecologically sustainable development principles, and the challenges of that, and measurement of economic performance. That would be our general comment, that the real world of fisheries management is a lot tougher and more complex than one might assume from a reading of some aspects of the ANAO audit report.

**ACTING CHAIR**—We have seen an evolving situation here over the last few years of finding new directions and new tools of that management. Would that be a correct statement?

**Ms Harwood**—Very much so. An example is sustainability indicators. There is tremendous work

going on, both internationally and in Australia, to grapple with how to set performance measures that are real, whether they be biological reference points or whatever, that let you assess whether a fishery is in good shape.

**ACTING CHAIR**—Do you feel that in the past we have set some indicators on nonsense—on bad research or bad information—and that we have just been ticking along, maybe not knowing exactly what is there, and that now there is a sense of trying to get some reality into it?

**Ms Harwood**—There have been some tough lessons from the past. I think that things are improving. There is a tremendous will to direct the research and assessment to deliver the most certainty that we can from a highly uncertain environment.

**ACTING CHAIR**—I do not know whether you have had any contact with the fishers and the industry right through to the science level as well?

**Ms Harwood**—Yes, because there is greater engagement of all the people who are involved and interested in fisheries and greater understanding by them of the complexities of stock assessment or making a decision on a TAC for a fishery.

**Mrs BAILEY**—I am seeking some clarification here. Have you made no general comments whatsoever to the minister about this audit report? You are waiting for—

**Ms Harwood**—We have provided a brief to him on the aspects of the report—

**Mrs BAILEY**—I am sorry, what is a brief? Is that a criticism? Is it an acknowledgment that the audit was a fair process? What exactly does a brief mean?

**Ms Harwood**—The brief tells the minister what the main issues were that were highlighted in the audit report.

**Mrs BAILEY**—Could he not read that for himself in the executive summary?

**Ms Harwood**—Yes, he could.

**Mrs BAILEY**—Then, why the need for that? I want to know what is the purpose of your waiting until we have completed this inquiry before you make any sort of comment to the minister, even perhaps a general comment, when you have actually said to me that you do have a role in making independent reports to the minister on the management performance of AFMA.

**Ms Harwood**—Perhaps the best way to answer it is to say that the department's submission was very much prepared in consultation with the minister's office. So what is in the body of this submission that we have prepared that addresses many of the issues in the audit office report is something that has been discussed with the minister and his staff. That process is in train. There has been communication about the tenets of the audit office report and the approaches that the government would make at this stage in relation



to those issues. It is perhaps not quite fair to say that we are not engaged in the process. It is reflected through that submission at this stage.

**ACTING CHAIR**—And the minister would be waiting to see the reply from the standing committee to that report. That is the normal process of government.

**Ms Harwood**—I think the next step in the process of government is that there would be a response from the output of this committee and then a measured response from the government.

**ACTING CHAIR**—We have the brief. Our standing committees can take those reports up without a brief from the minister.

**Mr ANDREN**—Given that many of us are coming from a position where we are just absorbing a heap of information, it would have been useful to have had an assessment by you people of those recommendations and criticisms that are in that report to present to us so that we could get your professional assessment of what it was about.

**Ms Harwood**—That is essentially what we have tried to do in our submission. It is not our place to pre-judge the government's response to this report or to yours. What we were doing in this submission was basically running through the issues as we saw them from the perspective of our department and saying, 'This is the relevant information that you need to know,' or 'These are the issues. If you are going to look at economic indicators, think about these issues because it may not be quite as simple as what is in the audit office report.'

**ACTING CHAIR**—The government has a time limit to reply to a report of a standing committee of about three months, Peter.

**Mr ANDREN**—Given that, you have other bodies with major responsibilities in this submission of yours. You have the Department of the Environment, Sport and Territories. As far as I know, there is no such department any more, is there?

**Ms Harwood**—There was at the time this was written.

**Mr ANDREN**—I just wonder whether this is a new and serious submission to the terms of reference that we have or a rehash of a former report to some former inquiry.

**Ms Harwood**—This report was prepared in genuine response to give our best input to this inquiry.

**Mr ANDREN**—Did the department of environment exist then, though? I thought it ceased to exist—

**Ms Harwood**—Could you refer me to the page that you are referring to?

**Mr ANDREN**—It is page 17.

**ACTING CHAIR**—It may not be the same documentation, though.

**Mr ANDREN**—It is just the mention of the Department of the Environment, Sport and Territories.

**ACTING CHAIR**—Do you want to make a point on that, Peter, or do you think you have made your point?

**Mr ANDREN**—It just jumped out at me that that department does not exist as such now, does it?

**ACTING CHAIR**—But it would still exist in a unit. The Department of the Environment is still there.

**Mr ANDREN**—But sport and territories are in separate portfolios.

**ACTING CHAIR**—Yes, they might be separated.

**Ms Harwood**—My apologies if there is a mistake there.

**ACTING CHAIR**—No, that is all right.

**Mr NAIRN**—Would it be fair to say that, if the minister had not agreed to this parliamentary committee undertaking this inquiry into the ANAO report, the department would be taking a different position in response to that report, presumably?

**Ms Harwood**—Yes, there would have been a different process in train for responding to it.

**ACTING CHAIR**—Thank you very much.

Resolved (on motion by Mrs Bailey):

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

**Committee adjourned at 1.07 p.m.**