



HOUSE OF REPRESENTATIVES

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

Reference: Management of Commonwealth fisheries

HOBART

Monday, 23 September 1996

OFFICIAL HANSARD REPORT

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

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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.

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Mr Adams (Acting Chair)

Mr Andren

Mr Leo McLeay

Mrs Bailey

Mr Nairn

Mr Bob Baldwin

Mrs Stone

The committee met at 8.45 a.m.

Mr Adams took the chair.

ACTING CHAIR (Mr Adams)—I declare open this first public hearing of the inquiry by the Standing Committee on Primary Industries, Resources and Rural and Regional Affairs into the management of Commonwealth fisheries. I will be chairing the hearing today and tomorrow, in the absence of committee chairman Michael Ronaldson.

Earlier this year, a report of 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 auditor. We will report back to the House with recommendations for any government action that may be necessary to address or 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 and the fishing industry and from government agencies. Today we will hear from the CSIRO, individual fishermen and industry representatives. Tomorrow we will continue this process and include evidence from the Tasmanian government.

Before I proceed, I must say that the committee's proceedings are recognised as proceedings of the parliament and warrant the same respect as 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 to 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 the request.

SMITH, Dr Anthony David Miln, Program Manager, Marine Ecosystem Management Strategies, CSIRO Division of Fisheries, GPO Box 1538, Hobart, Tasmania 7001

YOUNG, Dr Peter Colin, Chief of Division, CSIRO Division of Fisheries, GPO Box 1538, Hobart, Tasmania 7001

CHAIR—We have received a submission from you, for which we thank you very much. Would you like to add anything to that submission or make a statement before we begin?

Dr Young—Yes, I would like to make a brief opening statement.

CHAIR—Please proceed, Dr Young.

Dr Young—The overriding issue that needs to be recognised when considering the management of Commonwealth fisheries is that a major change has been implemented by which community assets have been transferred to the private sector with very little or no public discussion, nor consideration of the implications of this action to the resources remaining as community assets. I refer here to the policy contained in the Fisheries Act, in which the managing authority for Commonwealth managed fisheries is instructed to allocate parts of the catch of fished species to individuals as unalienable rights, to be owned and freely traded. This policy was adopted in apparent ignorance of the concomitant need for vastly increased information to accurately track the amount of any species available to be caught sustainably.

The ANAO audit is, in general, a thorough and competent review of AFMA's performance in fisheries management. Although there are several areas in which the review implies unrealistic expectations of what is achievable, it nonetheless highlights and, in general, identifies many problems still present in Australian fisheries management. Despite the areas of criticism identified in the report, management of Commonwealth fisheries has, in general, improved under AFMA. In some areas its processes have led the way for other fisheries management jurisdictions in Australia; for instance, the use of biological reference points and their incorporation in some harvest strategies. AFMA has also developed a much improved stock assessment process and has successfully sought and obtained increased industry involvement in management and research, mainly through the management advisory committees and fisheries assessment groups.

I would like to draw your attention to a document that I wrote some two years ago entitled *An Evaluation of the Balance of Power Between Government, Industry and Science in Managing Australia Federal Fisheries*, with the subtitle *Setting the Fox to Guard the Henhouse*. This was written for another purpose, for the International Council for the Exploration of the Sea, but I think it is still pertinent. Copies of that have been given to the secretary.

ACTING CHAIR—Thank you very much.

Dr Young—In the document we have analysed the before and after of two separate fisheries as case

examples. The first is the southern shark. In summary, the conclusions were that the shark fishery was previously managed on the basis of inadequate scientific information—this is before AFMA—it was fragmented, and there was far too much effort. The attempts to reduce effort were subject to industry lobbying to ministers, and, when applied, they were inequitable and proved ineffective. After AFMA, more detailed examination was made of scientific findings, and a program of targeted research is now in place. It is still in place. Effective and equitable effort reductions are now in place, and negotiations are under way to put the fishery under a single management authority.

Of the south-east fishery, we say that this complex fishery was previously managed in a piecemeal way with a mixture of jurisdictions, lines on the water partitioning the fishery, complex effort rules, and, when individual transferable quotas were put in place, the level of the total allowable catch was arbitrary and the allocation method was found by the courts to be inequitable. After AFMA, the TAC assessments of all quota species are now done annually, and, where quota has to be reduced, it is. Boundaries within the fishery are being removed and effort on the species in the fishery is, where politically possible, being brought under single management control.

If AFMA's performance is seen in the context of Australian fisheries management, AFMA has led the way in many of the innovations and recent developments; for example, management advisory committee structures, industry participation, formalising stock assessment processes, use of sustainable indicators and the use of risk assessment. AFMA has been willing to make some hard decisions—for example, closing the gemfish fishery and reducing the orange roughy catches from 50,000 tonnes to 4,500 tonnes over four years.

Some of the criticisms on the application of ecologically sustainable development would apply to all jurisdictions in the country and most overseas. No-one has yet got it right, but AFMA is moving in the right direction. Australia is actually doing a lot better than most other countries, in terms of fewer collapsed fisheries, and our approach to management, especially industry participation, is held as a model to other parts of the world. Pamela Mace, who was the plenary speaker at the recent World Fisheries Congress, in her closing comments held up Australia's fisheries management as an example to the rest of the world.

Mr ANDREN—Dr Young, you speak of the ANAO's unrealistic expectations in that report. Can you be a bit more specific?

Dr Young—Yes. I think the unrealistic expectations come across effectively as the belief that some kind of surety could be made in terms of fisheries, and particularly on the ecologically sustainable side with the inadequate knowledge that the managers have to act from. My colleague Tony Smith might like to add something in that regard.

Dr Smith—I think, as we said in the submission, it was a fair report, but I think there were unrealistic expectations in several areas. One was in terms of ecologically sustainable development. It has been a buzz word for a number of years, both here and overseas. People are making efforts to move in that direction, but you cannot underestimate the difficulties in actually effectively implementing truly ecologically sustainable development. What it really requires is an understanding of the ecosystems that are being impacted—the effects not only of fisheries on those ecosystems but of other uses of the marine environment. As Peter Young said, we really do not have adequate knowledge to be sure of what those impacts are in most

instances. What we need to do is to put in place procedures and approaches that address those problems. But that is a staged process.

I think AFMA have been moving in the right direction and, as Peter Young said, in many instances they have certainly been leading within Australia in areas such as instigating the use of biological reference points. These are surrogates for ecological sustainability that relate particularly to the resource, and you now see, in a number of the fishery management plans that AFMA have developed, the explicit use of such reference points and, through the stock assessment process, estimates of whether or not these reference points have been exceeded. Some of the reference points are so-called target reference points—that is, where you think the fishery ought to be—and some of them are limit reference points—areas where you think the fishery should not be. For example, a biomass limit reference point is a level below which you would not wish the fishery or the stock to go. In a number of the assessments that we have been involved with and that AFMA have made use of, these limit reference points have been alluded to, and harvest strategies have been put in place to actually make sure that the stocks do not go below those levels.

So that is a practical way in which you can start to address ESD, but ESD is an enormous and complex problem. I think there was a suggestion in the ANAO report that really they had not achieved ESD, and I would say that no jurisdictions worldwide have actually achieved it, but they are going in the right direction.

ACTING CHAIR—Is there work being done on how we can get a handle on the ESDs in the sense of coming up with some sort of practicality or whatever?

Dr Young—Yes. This falls more in the bailiwick of CSIRO rather than AFMA, except that AFMA, of course, are encouraging and where possible funding. At this stage we are looking at a number of areas. For instance, we have a major project on the effects of trawling on the Great Barrier Reef which is looking not at the actual resource but at the impacts of the gear and the methods on other valued parts of the marine ecosystem. Other areas are the sorts of work that Tony Smith is involved with, risk analysis, and I guess he could speak to that. In general, the issue is that, if all you are interested in is the resource that you are fishing, you are not doing ecologically sustainable management, but to get that other stuff requires first of all either a heck of a lot of information or the kind of risk analyses that Tony Smith's group are particularly expert in. Perhaps you would like to express that.

ACTING CHAIR—Could you enlarge on that, talking about where the fish come from, where they start off and breed, et cetera?

Dr Smith—That obviously is part of the research that goes on. The fundamental question is how big and how productive the stock is. Of course, you cannot just go out and count fish like you can go out and count trees, and so that means that all of our estimates of the size and productivity of the resource and estimates of sustainable yield come with very great uncertainty associated with them. The way in which we have been trying to acknowledge that uncertainty but still provide advice to the fishery managers is to express it in terms of risk assessment. So, rather than saying that this is how big the resource is, or that the resource is definitely below some critical level, we tend to express that in terms of probabilities, and then it is really

up to the decision makers, in this case AFMA, to decide what level of risk they are willing to live with.

Mrs STONE—You have referred to the fact that one of the significant achievements of AFMA was to have this industry input and some cooperation, and in other parts you have referred to the problem that brings with it, where there is a commercial interest. Of course sustainability is also there but basically a commercial interest versus another set of interests that are longer term perhaps than the people in the here and now. What would you recommend as the ideal structure, industry structure, of AFMA so that you have still got that cooperation but perhaps there is not a sense of any decisions being driven primarily on commercial interest in the first instance?

Dr Young—Let me say first of all, I was a foundation director of AFMA and I was very much involved with its setting up, so I have a vested interest. But from my experience of working on the board and working with AFMA, I felt the composition of the board was good, but it did suffer from, if you like, there being no conservation side to things. The science member, who was myself, tended to be saying, ‘Hang on, we have got to think about impacts. We have got to worry about overfishing and the like.’

Certainly other members of the board also were not rabidly for overfishing or anything like that, but what we did not have was the balance of the people who perhaps go a bit overboard the other way. When one looks at the composition of the board, one should not remove the industry people, but add to the board a few more of the people coming from responsible community areas. I say responsible here; I am not talking about the crazies.

I think that would probably be all you would need to do to redress it. I do know that AFMA has recently employed an environmental officer, I think perhaps to redress the balance a little.

I feel very sympathetic towards the industry people who really want to get this year what they can out of the fishery, and not wait five years, because of the situations under which they get loans from the banks. They are really not treated like the farmers; they are treated somewhat differently. Consequently, the pressure is really out there to repay interest and what have you in a very fluctuating environment.

One can understand their concern about not looking to what their stock is going to be in 10 years’ time. We are rebuilding bluefin tuna for 20 years on, and that is fine. But those in the industry now have bills to pay this year.

Mrs STONE—Will you be recommending research-focused, academic-focused type membership in addition to what is covered there?

Dr Young—No, I will not. I think that should be there. I am thinking of people like the responsible green movement, such as Traffica Oceanica and people like that whom I have been dealing with in CSIRO advisory committees. When you get them in these areas, they behave very responsibly. There are other government agencies that could be included, such as environmental agencies like ANCA—in other words, people who have other interests than the exploitation of the resource. I am not saying they should dominate, but one or two members would help in that way.

Dr Smith—I think that the board is one level at which you have to be concerned about representation. To some extent the composition of the board has changed recently and there is less industry dominance than there was previously.

The other level at which the industry is represented is on the MACs, the management advisory committees. In those, they do tend to be numerically more dominant. But, of course, it is probably important that you have good industry representation at that level. You can see, in some senses, the board is a sort of check and balance against the operation of the MACs.

But I think the MACs themselves would benefit from having additional environmental representation as well. I note that one or two of them have, I think, Traffica Oceanica again as observers, but I think very few of them at the moment have permanent representatives.

ACTING CHAIR—It is one of the few organisations where we have got science and the industry together, where we are actually pulling out decisions. I do not know of any others. Do you know of any others?

Dr Young—No, certainly not in the fisheries areas. It is almost anecdotal. The Southern Shark Fishery is a really wonderful case study in how well it has worked. You had three sections of the fishery fighting with each other and all fighting with the scientists and everybody hating the managers.

I would say now after two or three years, there is complete agreement on where to go and what research is to be done. The industry is supporting research and it is that dialogue that enables people to talk through their differences.

Mrs BAILEY—There seems to be a general underlying criticism of AFMA about lack of data. Certainly in your submission, I think you mentioned both sustainable development and economic efficiency. Do you think that this is a problem because of the structure of AFMA or is it in its actual role?

Dr Young—We are talking about the biological data, and certainly collecting most of the information one would normally require from the fishery itself—a shot by shot capturing of the catch and the effort. However—and this is a technical aspect—because we are now no longer fishing in a random way and targeting time and species, because of these ITQs, it cannot any longer be used for the purposes of analysis that it used to be used for. So what we now require is an independent assessment. In other words, technically we really need another ship to go out there and sample independently. Then we get onto price and cost—and the cost of doing that is horrendous.

Recently, certainly in the south-east trawl, work has gone to actually have on-board observer scientists to sub-sample the catch. So it is on its way there. But the real problem is that the methods we used to use to analyse the fish catches can be used but the data is wrong because there is targeting now. This is in the ITQ fisheries. In fisheries which are not ITQ, such as northern prawn, that is not the problem any longer. As far as the economics is concerned, Dr Smith, would you have things to say in regard to that?

Dr Smith—No, I do not know a lot about that.

Dr Young—But I understand there was some criticism in terms of the marketing side of things. Whether or not AFMA should be doing that, of course, is open to conjecture.

Mrs BAILEY—What is your opinion on whether they should be doing it?

Dr Young—I am inclined to believe that if one is going the ITQ route, the free market should really be running that show. You either have it as managed for community welfare or you have it for private gain. Effectively what we have is a mixed model here where there is always a temptation. For instance, gemfish, which we recommended be closed was closed—the stock had collapsed—and a port was severely impacted. Is it the role of AFMA to leave that fishery open so the port can economically remain or not? I would say AFMA's major role, under the act anyway, was to close that fishery and the economic consequences are secondary to that.

Dr Smith—I think that point that Dr Young raised about fishery independent surveys and the need for them is very important. The experience worldwide has been the use of just the data from the fishery itself, the use of catch and effort, has led to some spectacular collapses. The northern cod is perhaps the most famous one. I do not know how well known that has become to people generally, but virtually half of Newfoundland was put out of business by the collapse of that fishery.

That was an instance where they actually had both data from the fishery and fishery independent surveys and the two were quite contradictory. In the end I think the government ran on splitting the difference between the signals they were getting from the fishery independent survey and the commercial fishery. But it turned out that the fishery independent survey was more accurate, and they ended up with a collapsed fishery.

ACTING CHAIR—There was one theory that they stopped clubbing the seals, therefore the seals started to eat the cod.

Dr Smith—There are a number of theories, but I think there is a general consensus—

Mr NAIRN—I am interested in your comment that a community asset has been transferred to the private sector. I presume you are referring to the ITQ system. Doesn't the community still have control of it, though, through the total allowable catch? It does not matter how those quotas are traded, AFMA will set the TAC for the various species and, as we have seen, a number of those have changed. So, really, the resource is not totally with the private sector as such.

Dr Young—That is certainly true of the target species—and thank God they did it that way. The New Zealanders did it the other way and it cost them millions and millions to buy that right back. The actual act of catching that target species impacts on other species which are still community assets because you have by-catch. You also have impacts of trawling on the bottom which also still remain with the community. So you have the community saying, 'We don't like these things going across the bottom and breaking it up.' They want to control that. But, in fact, the act of trawling is to catch a private asset which is the gemfish or the warahou, or whichever the species is.

So you actually have a very mixed model here. You have 4,000 species of fish in the waters around Australia, and perhaps 20 have been privatised; the rest have not. You have a very mixed model where you can go and privatise that lot but the rest are still with the community, and so you are going to get conflict. Who feeds on what?

I can give, for instance, an ITQ for jack mackerel to one person and I can give one for some bluefin tuna to another, yet the amount of southern bluefin tuna may control the amount of jack mackerel that are there. We have not really considered those interactions between the species. I am not saying that they are the answer, but these are the kinds of complex interactions that occur between species whereby your ownership of one property impacts upon another one, and how you manage yours impacts on the other. I am saying that those sorts of considerations have not really been discussed or thought about.

ACTING CHAIR—Is there any research being done down that track?

Dr Young—We have recently started to do some work in the south east. It is a very expensive and very complex process. I would say not a lot. There is really very little going on in Australia generally in that area. We are really just starting to look at those interactions.

Mr BOB BALDWIN—I would like to draw your mind back to the orange roughy experience of recent times and, in particular, the initial assessment of the stock. It has been said that it was far too much an optimistic assessment of the stock. From that assessment, the industry geared up in such a way that it would address that level of stock that was supposed to be there. As a consequence, we now have a lot of fishermen who are facing either bankruptcy or have gone that way. What precautions are there in place to ensure that this does not happen again, particularly observing the Commonwealth 1989 policy statement which directed on precautionary principles in assessment of stock? What do you have in train, more particularly, to ensure that this does not replicate on other fish assessments?

Dr Young—The so-called assessment that you refer to was, in fact, a throwaway line given by a predecessor of mine based on a trip on a commercial boat. At that time, I was the official CSIRO spokesperson on the South-East Trawl Management Advisory Committee, and our official advice was very different from that advice which a number of industry people used as justification for over capitalisation. If you look at the transcripts of the official CSIRO advice, you will find the assessment was grossly under assessed. We actually assessed 900 tonnes per annum based on surveys that we were doing at the time around the whole of the south-east trawl. As it was, we were surveying where orange roughy were not, not where they were.

The process in place now is such that no individual will be in a position to give their personal opinion without it being checked and verified, not only by other scientists but also by the TAC committee that has been set up—the FAC, the Fishery Assessment Committee. With the exception of that one throwaway line by one individual, you will find that all real assessments of orange roughy which have been subjected to very vigorous external evaluation on two separate occasions by industry sponsored external scientists have all been remarkably consistent. If individuals—and I had these arguments quite a few years ago—choose to take one piece of advice without getting a second opinion, and on that advice they make their economic assessment, I think that they are very unwise. I certainly would not.

Mr BOB BALDWIN—Further to that, and given your role in the involvement of AFMA, why were the quotas allowed to be run at levels that would lead people to invest in boats of this size and this nature?

Dr Young—That is a different question. The argument was: were there a million tonnes or 100,000 tonnes? There were 100,000 tonnes there, but that could be fished down to 50,000 tonnes, and should be fished to 50,000, or lower than 40,000 tonnes, to maximise the return.

The speed at which you are going to fish it down is entirely pragmatic. You can have 40,000 tonnes in the first year, and 20,000 in the next. You can do that however you choose. At the time, there were discussions with industry, with AFMA, and with the scientists as to a fish-down process over three years. In fact, you were very much involved with those developments. It was agreed by everybody.

What the newspapers did not seem to understand was that this was deliberate. It was not lack of fish that was causing the quota cuts, it was a planned fish-down to that level where the optimum production of the stock is there. Farmers do it all the time. You do not overstock a field where everything is small—or the animals are small—you get it to the size which is its maximum carrying capacity. So that was what was done there.

Mr ANDREN—I understood that evidence presented to us last week suggested that it was more than a throwaway line in this area and that, in fact, two reports were tabled that suggested that it was far more substantial an assessment of the orange roughy stocks. It suggested that it was on the basis of that that these huge investments were made. But given that overly optimistic estimate of the orange roughy stocks then, I wonder how effective the measurement tools are now, and how adequate the research resources are. In another submission, we are told that there is some question as to why AFMA is being judged on the adequacy of its knowledge of fish stocks. If they do not know, who is advising them and how do we achieve it?

Dr Young—First of all, I think that it would be very important to clarify which assessments we are talking about. The assessment I referred to as a throwaway line was the Harden Jones assessment. All other assessments have been thoroughly and rigorously examined by more than one scientist. Sorry, what was your second question?

Mr ANDREN—How effective are the measurement tools now, and should AFMA have that stock assessment capability?

Dr Young—The assessment tools that we use with orange roughy were three kinds of separate and independent assessments. In summary, first of all, there was an acoustic estimation where you count the back scattering of the fish. Then there was the egg survey where you count the number of eggs that are spawned by the females—and from a knowledge of the number of eggs that each female produces, you can count the size of the stock quite independently. And the third one was assessment which Dr Smith did which was working at the rate at which the stock is being depleted based on the commercial fishing data. They all gave, within reasonable boundaries of confidence, the same results—the same figures.

So, in other words, we are very satisfied with that. And there are a number of other fisheries where

we are happy with the numbers. We are happy with northern prawns, with gemfish, and we are pretty happy with blue grenadier. But there are a lot of species for which we do not have that information and the trouble is, to get that information costs a great deal of money. It costs many millions of dollars to get that orange roughly information.

I do not believe that AFMA can have its own assessments because to just take the fish catch data and do an assessment on it, is not an assessment. To have an assessment, you have to have, as we said before, independent surveys and estimates from that fish data. You have to have the research program which is pretty expensive and difficult. So unless AFMA had a research arm at least as big as itself, I really do not think that it could be done well. Dr Smith, do you have anything to add to that?

Dr Smith—Yes. I think that you could argue that AFMA do have ownership or some control over the assessment process, certainly through the fishery assessment groups, and so on. They are instrumental in commissioning a lot of the research in the first place. Then through these groups, which, as Peter mentioned before, involve scientists, industry and the managers, there is a formal process in place to evaluate all of the information, so everyone gets to look at it now. Through a process like that, you actually get joint ownership of the assessment, whereas before it was the scientists going off and doing these crazy things and coming up with numbers and the fishermen being stuck with it. Now all of the data, all of the procedures that are used to analyse the data are subject to pretty rigorous scrutiny. So I would say that in fact you have got a situation where everyone is having an input into it and everyone has some ownership of the assessments.

ACTING CHAIR—There could be a bit of a lull in getting all the data, though, you think now. Is that what you were saying earlier?

Dr Smith—We have targeted in our own research priorities that have been identified in general by the fisheries and by AFMA. We have some discretionary control over other sorts of research we do and we have tended to target that in areas like effects of fishing and some of these broader ecosystem areas, mainly because the advice that comes through the MACs is always to target the stock assessment and to focus on the stock itself, because it is the highest priority.

ACTING CHAIR—I would like a little bit more on the biological reference points. Can you give us a definition of how that is used as a management tool, as a research tool?

Dr Smith—The concept is relatively simple and the ones we tend to use in Australia, which is somewhat different from overseas, are so-called biomass reference points. The notion is that, if you do not fish your stock at all, there is some level at which the resource will remain and as you fish it that resource reduces in size but you are taking a sustainable yield from it, or some sort of yield from it. The view is that there is a level, which is generally unknown for most stocks, below which the resource is at increasing risk of collapse in a biological sense. Those levels have been debated a lot around the world and have been subject to some analytical scrutiny by comparing different stocks that have collapsed with those that have not collapsed and in general the level was set at, say, 20 per cent or 30 per cent of the unfished stock size. So what a lot of our assessments do—the orange roughly is a good example, the shark assessment recently and gemfish as well—is to take all the data available, including where available and, where possible, fishery independent data, and make an assessment of where the stock is relative to this reference point, the reference

point being 20 per cent or 30 per cent of the unfished stock size.

The way in which that then gets used in a harvest strategy or in a management plan is to say that, for example, for orange roughy there is a target level of, say, 30 per cent and a threshold level of 20 per cent, so if the stock is below 20 per cent of its initial size then the fishery will be closed, and if it is between 20 and 30 per cent then quotas have to be set such that the stock will increase towards the 30 per cent target. So they are not only used for reporting purposes but they are actually used as part of the management strategy for the exploitation of the resource.

ACTING CHAIR—The audit report goes into AFMA's failure on the precautionary principle. Dr Young, would you like to comment on that?

Dr Young—It is a bit of a problem, the precautionary principle, because it was agreed to at the Rio conference, I think without realising what the government was letting itself in for, and its interpretation on what the precautionary principle means—

ACTING CHAIR—It could mean actually stopping fishing.

Dr Young—It could mean stopping just about every fishery. excepting perhaps one or two, because when you look at it from the pollution aspect, the concept is that you are not allowed to do any activity unless you can demonstrate that it is not going to cause harm. Of course if we did that I think everything would go to a complete stasis. It is an issue that has concerned me a great deal and it really needs resolution by government, in my view, as to what the government means by the precautionary principle.

Mr BOB BALDWIN—I would like to draw your attention to your considered opinions on the offshore constitutional settlements. You say in your submission that bureaucracy and ANAO have great faith in the offshore constitutional settlements and the fact that they will resolve a lot of our fisheries management problems. You seem to go against that. Can you elaborate on that further?

Dr Young—The fundamental tenet of good fisheries management is that you have every single self-sustaining entity of fish stock managed under one jurisdiction. The problem with the offshore constitutional settlements is that I do not think that has always played the major role and, let us face it, for 20 years we have been trying to get offshore constitutional settlements up. You have it in some situations where the bait fish, for instance, may be under the jurisdiction of Queensland or New South Wales—this is for east coast tuna—but the tuna catching is under the Commonwealth.

I am not saying that offshore constitutional settlements are wrong. What I am saying is that I think getting them right is proving to be very difficult because of these interactions between species. Given my druthers, I would prefer a single authority but, being politically sensible about it, I just do not think that is on. When setting up these offshore constitutional settlements we have to be very careful about how we do them and the way in which we do them. For instance, there has been a lot of pressure to handle jack mackerel around Tasmania as a Tasmanian fishery in the past, yet we know nothing about whether that stock that was being fished there is part of the Great Australian Bight stock or part of the stock that goes off with New South Wales. Really, that information should be required before you get your settlement, but then you

cannot wait forever for that information to be obtained.

Mr BOB BALDWIN—Continuing on from that, where do you draw the line? Do you draw it at the coastline, or do you go up into the rivers or the inland waterways or, indeed, the freshwater catchment streams which come down? Where do you draw the line?

Dr Young—The High Court drew that line at the high water mark. But then the jurisdiction was given back to the states by the Commonwealth.

Dr Smith—I guess the fundamental issue is that no lines in the water, wherever they occur, are going to be correct for all species. What is really required is cooperative arrangements between different jurisdictions to make sure that, where anomalies arise, they are dealt with in a sensible fashion.

Mr NAIRN—Just going back to the ITQs, one of the big problems in the south-east fishery, as you mentioned before, is with by-catch and the mixture of species that swim together. You could have somebody who has fished out their quota on one species and is out there trying to catch another species with a separate quota, catching heaps of the quota of the species that they have already expended.

So, as I understand it, there is a fair amount of dumping that goes on, which is pretty wasteful of the resource. Do you have a view on how we overcome that? Should we be looking at ITQs for mixed species to cover a variety of them, or quotas that go over several years because of the changing patterns from one year to the next or what?

Dr Young—AFMA got dumped with the south-east trawl ITQs, it did not choose to set them up, and my personal view is that it is the worst fishery in the world for having ITQs, but they got it, so they had to run with it. That is precisely one of the problems that came up in the very early days again and again. I understand, and of course I have not been involved personally for a couple of years now, that certainly there has been allowance for carryover of quota from one year to the next, both under and over.

There have been suggestions for swapping of quota between species. In fact, a paper was written—I do not know whether AFMA commissioned it—on this whole basis that, if you are under on one species and over on the other, how can you swap the quota from one to the other without dumping. There is a biological aspect to that. It is a very complex and difficult problem which we do not have the answers to. I believe it is just something we have to live with and try, in a very precise way, to handle. You do not want to dump fish, obviously. But then there are other issues that come in.

People do not want to dump fish such as gemfish, for instance, and they have a trip limit, which the industry is very keen on. But you end up by catching a thousand tonnes of gemfish, even though it is closed. This is an imponderable you have in an ITQ system in a mixed fishery, such as the south-east trawl. Southern bluefin tuna, which is a single species fishery, is the ideal fishery for ITQs—there is no doubt about it—and those are the sorts of fisheries it should be put into.

Dr Smith—If I can just to add briefly to that. As Dr Young says, you will never completely eliminate by-catch, but one of the important things from the assessment point of view, and the management point of

view, is to at least understand what is happening out there, how much is being done, because that needs to be taken account of in the assessments that are made of those species, both the high grading and disposal of the target species and the non-target species. So if we had a better information base on what was actually happening—

Mr NAIRN—It is going to be very difficult to get that, though, isn't it, when you have fishing people concerned about possible prosecution, and what not, because they have accidentally caught a thousand tonnes of gemfish, as you say—they have not been trying to catch it at all. So you will never know.

Dr Smith—In those instances, it is probably worse to have a penalty system in place that hides the problem than one that allows it to at least be—

Mr NAIRN—That is right.

ACTING CHAIR—They have a system in aviation where pilots can report problems that they have encountered without being subject to some sort of penalty. Talking from my experience in the transport area, I think that has worked pretty well and the safety authorities are quite happy to receive that because they are actually getting information they can utilise which they otherwise would not get. Maybe that is an idea in the future.

Mr NAIRN—I think there would have to be a lot more trust built up between the industry and AFMA before you would get anywhere near that. There is an incredible amount of mistrust because of some of the almost frivolous prosecutions by AFMA that have taken place.

Mrs BAILEY—What level of research are you doing into disease of fish and, if you identify potential risks of disease, what is your responsibility in relation to AFMA?

Dr Young—The Division of Fisheries is doing no work at all on disease. The Division of Animal Health is doing a little. It has a diagnostic area at Geelong in the AHL complex, which is the agricultural high security area for agricultural diseases. I think it would be fair to say that the majority of the work that is being done on disease relates to aquaculture species, rather than wild species. Therefore, as a division, we have very little to do with that. That is not to say CSIRO does not.

CSIRO is on the relevant committee—whose name escapes me at the moment—which is chaired by Mike Rickard, who is the chief of the Division of Animal Health. That is a committee under the standing committee on fisheries and aquaculture, consisting of the various state agencies and CSIRO. It is in the process of developing plans at the moment, and it relates not only to wild fisheries, but principally to aquaculture species.

My own view, as an ex-marine parasitologist from 30 years ago, is that there is very little you can actually do with disease in the wild. It is there, it exists and you very seldom come across it because anything that is pretty sick gets eaten by something pretty quickly—unless you have a situation such as the pilchards the other year. The reality is that we have decided, we have judged, to put our resources into assessments and the like, rather than into disease.

Mr ANDREN—Just going back earlier to the answer about by-catch and ITQs, given that in your submission you mentioned that in the absence of adequate scientific information, the community represented by the green movement and recreational fishers started to ring alarm bells when they perceived their assets were endangered, is there any way that the industry can become more proactive to counter any negative publicity or movement that may be harmful to both the industry and perhaps commonsense in this area?

Dr Young—Yes. I think the industry itself is very keen on doing so and we certainly would support them entirely. It is a bit of a problem because at the Second International Fisheries Congress in Brisbane last month, World Wildlife Fund chose to release their views on this audit report at that time. The media did not want to hear about anything else. As hard as you might try, they are only interested in the negatives. The fact that you have the keynote speaker say that Australian management is about as good as you get went unreported. I guess it is one for the industry. Certainly in Queensland Ted Loveday is very keen on getting involved and getting the green movement knowing what they are doing. They are very supportive of protection of mangrove and seagrass.

It is almost one of these no-win situations in that, in absence of information, ignorance is rife and it is much easier to say that a fishery is collapsing than to prove that it is not. When the media pick that up, with no evidence, it is very hard to counter.

Mr ANDREN—I gather the conservation movement has got observer status on some of the management committees and such. Would you be suggesting any more formal integration of all points of view into the management, or does that get into a no-win situation?

Dr Young—I think it is beginning to happen. What we believe is that in managing a resource such as fisheries, you have really got to involve, where appropriate, all users or people with a stake. You have the oil industry, you have the sand mining industry, you have the tourism industry, you have recreational fishing; you have a whole lot of people with a vested interest in these outcomes. I am not saying that you have got to have one of them on every MAC, but I think, where appropriate, people who have a genuine interest should be part of the process. My own view is that they should be full members, rather than just observers, because that is the only way you get full ownership of the results.

ACTING CHAIR—I want to touch on the priority for research; you might explain how it actually comes about. I think it comes out of MAC recommendations to AFMA and there is some direction. That is the setting of priorities for using some of those dollars. Do you think we need some more dollars? I know you come out of that area; you are professionals and I accept that what you are going to say will be based on that criteria. But how do we actually set the priorities?

Dr Young—Yes. It is a very complex and mixed process that we have in Australia for Commonwealth fisheries. The managers of the fishery, that is AFMA, have very few funds for research. The bulk of the funds for research come to CSIRO in its general appropriation. If CSIRO so chose it could close down the Division of Fisheries and do no more fisheries research. The other funds come from the Research and Development Corporation, which is a major funder. The process for the R&D corporation is that you or I, or other researchers, can put in proposals to the R&D corporation for funding for research. However, that proposal has to be approved or at least it has to pass by the MACs and in the case of the Commonwealth

fisheries, it has to be approved by AFMA as being research that it requires. AFMA has membership on all the MACs and the MACs are, I would say, dominated by the industry, but they also have a scientific person aboard and by and large by a process of evolution each of those MACs has a planned priority of research for that fishery. It may not be done in the first year but it could be over the next five years. As part of that process, a research project is put up by the state research agencies and by CSIRO into FRDC which then funds that work to be done. In other words, CSIRO cannot just go and say, 'I think it is a good idea to do that.'

CSIRO has its own funding as well and one could argue, 'CSIRO can go off and do its own thing.' What we have also arranged that up until recently, because CSIRO is changing, each division had its advisory committee and, on that committee, we had industry, the green movement and a range of people including ANCA reps who also took part in the internal division's priority setting exercise. And remember, the division does a lot more than just Commonwealth fisheries. However, what we have found is that by going through the FRDC process which we had quite a lot of money for, we have to find matching funds.

In fact, they are paying for only the marginal cost of the research. The *Southern Surveyor* costs about \$4 million to \$4.5 million a year to run and if we put in the cost of the *Southern Surveyor* into an FRDC grant, we would not get that grant. So there is leverage. All the R&D corporations produce leverage so CSIRO's money is almost all levered into these FRDC grants. We have very little control of our own destiny, and those FRDC grants come through the MAC process. So the research now is very targeted.

What AFMA does not have, because it does not run FRDC, is control of what it wants to do. It is only persuading all the time. I believe it should have more money to commission research from whomever it wants. It does not necessarily have to be CSIRO, although obviously we would like to do the work for it.

ACTING CHAIR—And what about the CSIRO, would they like to be able to do more research that comes up?

Dr Young—Any researcher would always say that we need more information, and that would be true. Of course, recognising that the fishing industry is only one of a number of marine industries, we have to do that juggling act on saying, 'Where do we put our resources?' Luckily, this year, we have not lost money, and we must be one of the few agencies that has not. Nevertheless, there is an awful lot to be discovered out there of which fisheries is only part.

ACTING CHAIR—And does the *Southern Surveyor* do a good job?

Dr Young—It is about as state-of-the-art as you can get. It is very, very good. It was described by me as an 'awesome data collecting machine'. It works 24 hours a day non-stop whilst it is at sea and, yes, it does a very good job.

ACTING CHAIR—And it is big enough to get out there?

Dr Young—It can go anywhere you want to, yes.

ACTING CHAIR—We are going to see it this afternoon, I think.

Dr Young—Yes.

Mrs STONE—You have told us, Dr Young, that AFMA has been recognised by some as up there with the world's best in terms of management. We all acknowledge that there are problems throughout the world in terms of the difficulties of research and assessment of the sustainability and so on. But are there any lessons to be learned elsewhere? For example, have we any near neighbours—South Africa or other countries—doing it better where we can really change our systems or policies?

Dr Young—Interestingly enough, South Africa, New Zealand and Australia form a triumvirate of people who are doing it probably at the benchmark at the moment.

Dr Smith—I agree very much with that assessment. A few years ago our division got involved with ICES, the International Council for the Exploration of the Sea, and Peter has been to a number of their meetings and I have been to one or two. The problems of fisheries management in the northern hemisphere are just an order of magnitude more complex. Really, their ideas were set 30 or 40 years ago and have changed very little. They are changing now and I think, in part, in response to what is going on in the southern hemisphere. I agree very much. Those three countries that Peter mentioned in particular have been leading the way.

Mrs STONE—Is there cooperation where necessary between New Zealand, South Africa and Australia?

Dr Smith—There is very good scientific cooperation, certainly, and there is a fair bit of interchange at the management level as well.

ACTING CHAIR—Is there a fisheries cooperative research centre anywhere in Australia?

Dr Young—No, there is an aquaculture one but not a fisheries one.

ACTING CHAIR—Do you think there is a need for one?

Dr Young—Probably not. There have been so many committees. Having been part of, and mainly instrumental in setting up, the aquaculture one, I get weary at the thought. I think it would be good to draw in the universities; that is where we are really weak. With the exception of the maritime college, there really is not a lot about fisheries being taught at university level. There are all sorts of reasons for that. There is, already, particularly now, a great deal of cooperation in research going on amongst the states and the Commonwealth; there is a very good feeling amongst those. There is a process for a standing committee of consultations, for instance, the research committee standing committee, where the various research directors around the states and the Commonwealth get together and decide priorities and what have you.

Mr NAIRN—Are universities doing much fisheries research? We had some information early on in the piece which indicated that some universities had gone off and done all sorts of weird and wonderful

research, which was totally useless for any commercial fishing, and there was criticism that there was no sort of control over that. Is there much money being spent in universities, research wise?

Dr Young—No, very little. By the way, I believe that it is the role of the universities to perhaps do this sort of stuff, particularly the stuff that industry would think crazy, because no-one else can do it. We should let the universities do some of that work, that basic blue sky stuff.

ACTING CHAIR—Probably in north Queensland at James Cook they would do some work on that reef stuff.

Dr Smith—But they have very little engagement with the use of that data and how it feeds into management and so on. They do not seem to be interested.

Dr Young—With the exception of the CRC for reef management, where they are doing the effects of line fishing.

ACTING CHAIR—Did we lose a body from here to James Cook, some years ago?

Dr Young—No, the only people that have left from here would be the food technology group, which went to the Queensland department of primary industries.

ACTING CHAIR—Thank you very much, gentlemen.

[9.50 a.m.]

BRYAN, Mr Dale Francis, Unit 2, No. 5 Gladstone Street, Hobart, Tasmania 7000

ACTING CHAIR—In what capacity do you appear before the committee today, Mr Bryan?

Mr Bryan—My capacity is as an industry person, not representing anybody in particular.

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

Mr Bryan—Yes, there is one correction I might mention in the introduction.

ACTING CHAIR—Would you like to make a statement before we start?

Mr Bryan—Firstly, I would like to record my appreciation for the opportunity to participate in the inquiry and to present my submission. Clearly, AFMA has made more friends than enemies and it deserves acknowledgment for the achievements, despite the problems I want to identify. My endeavour is to improve the outcome for the industry.

I have used particular fishery references to demonstrate the issues. I would like to have those addressed by the inquiry if possible, in each instance I have a personal background and involvement, and I can and will submit supporting documentation.

The first issue is the economic reform as a result of management, and in this example I use the ling fishery. It is now suspected that trawling may be detrimental to survival of the species. Firstly, how long will it be before AFMA is able or willing to take corrective action? The second point is AFMA's bureaucratic attitude to management, particularly when states are involved, and I am not suggesting it is entirely their fault. In this example I will use the king crab fishery, which is best described as a debacle. It involves 10 aborted OCS meetings. Finally, I understand the proposal based on a deal has nothing to do with responsible management. AFMA's failure to deliver a benefit: the southern tuna fishery does not exist and fisheries protection is only an expensive token.

AFMA inherited many of these problems and they have progressively resolved many of them. Unfortunately, the need for the stakeholder who funds the authority to have a benefit back to the stakeholder, whether it be the fishermen or whether it be the community, has not yet been acknowledged. Some of us submit that AFMA must be required to take a business approach to management and not a bureaucratic approach.

I also refer to AFMA records of some significance: the Peachy report, which deals with fisheries protection and the problems associated with regional responsibilities; the AFMA report on the observer program, which reports on the costs of maintaining observers on foreign and joint venture fishing vessels; and, lastly, there is the Industry Commission report No. 17 on cost recovery and management of fisheries dated 3 January 1992. I draw your attention to the first recommendation of the commission report dealing

with OCS agreements, which demonstrates my claim that regional jurisdiction is the burning issue for AFMA.

Finally, I would like to use the opportunity to correct a mistake in my submission. In my response to term of reference 1 in paragraph 7(b) and 7(c) I argue that AFMA has no research capacity. I now know that AFMA has an annual allotment that they have programmed to influence the direction of research in their fisheries.

ACTING CHAIR—Just to come back to that mistake—

Mr Bryan—I argued in paragraph 7(b) and 7(c) that AFMA had no research capacity. That is not exactly correct. AFMA do not have a research capacity but they do have an ability, by their own making, to influence the direction of research.

ACTING CHAIR—Right. You have been in the fishing industry for 30 years. What do you think of the partnership approach which the AFMA model gives us? Thirty years is a long time and you would have seen a lot of conflict situations and a lot of politics in the fishing industry. What do you think of this approach of trying to get science and management coming through the model we have?

Mr Bryan—I think I mentioned in my submission that I believe the concept was introduced originally by John Kerin as minister, and I think the department head at the time was Robert Bain. That is when we were first introduced to the partnership approach and the involvement of industry, science and management in the forum to make decisions on management. The bureaucracy caught up with us eventually and put up a bridge and we could not cross it. We were sidetracked into a historic dissolution by the Senate of a management proposal. That led to the formation of AFMA. It was all downhill until industry finally convinced the government of the day that the approach of AFMA and the model of AFMA was the only way to reinstate what we knew in industry was the right way to go. And AFMA, since then, has enhanced that partnership approach, and it is the only way it can be done.

ACTING CHAIR—We get some criticism from people in the industry who are not involved in the MACs saying, for instance, that the people who are involved in there have some sort of advantage. Do you think that criticism is valid or not valid?

Mr Bryan—Ninety per cent of the time it is not valid. I will admit that I had a professional role to play at the time. I was involved in the setting up of most of the existing MACs today, and I had a 10- or 12-year time span on some of them. Those who sit outside and criticise simply will not accept the reality that their personal games and their personal issues have got to be left outside the door, otherwise the process does not work. AFMA people have done that well. They do not allow it because the AFMA board itself has the final check of what happens over here in the real consultation process. At any time if anything goes through the system that is self-serving, it is very transparent, it does not get anywhere.

ACTING CHAIR—Are you saying that if you put 10 fishermen in a room that there will be 10 different opinions?

Mr Bryan—It is exactly the same as the economists, yes, and one step better than scientists.

ACTING CHAIR—Thanks very much.

Mrs BAILEY—In your opening statement you said that the key issue was regional jurisdiction. Would you expand on what you meant by that for the committee?

Mr Bryan—AFMA inherited a book of rules called *New Directions*. It was the final demise of any high level consultation between the minister and the industry because we objected to it being produced without our involvement because it had several things in there that were not practical, have never been practical and never will be practical. You heard Peter Young talk about a couple of them, particularly about ITQs in a mixed fishery.

New Directions did not give AFMA any chance to deviate from basic principles. They inherited those problems and they still have them. Until somebody changes those policies or tells the audit report people that those policies do not really count or that they are not really practical, there is a real problem. Does that answer the question properly?

Mrs BAILEY—Yes.

Mr ANDREN—What have been the impacts of output controls on Commonwealth fisheries and how better do you think you could manage the stocks and the catch?

Mr Bryan—Output controls on a single species stable fishery or stable resource are the best in the world. As for output controls on the mixed fishery, I am not as smart as Peter Young, I do not have any answers. From the beginning I was involved in a working group that lasted for 12 months. It was a think tank. Industry paid \$100,000 to have that procedure go through on this question of ITQs and how they should be applied, or output controls.

At the end of the day the recommendation was that in the south east fishery it was fine to ITQ or quota orange roughly but we were going to get into all sorts of trouble by trying to quota or output control other incidental target fish or accidental catch that would occur as a result of trawling for orange roughly. That was the recommendation. It was ignored and AFMA is still wrestling with the problems associated with creating—I will deal with it particularly when you get to the ling fishery—a statutory fishing right on an accidental target that may or may not have to be changed or altered or removed.

It is a real problem and I do not think that AFMA has any capacity—it has not demonstrated any capacity yet—to really handle that without ending up in court in all sorts of funny court cases. I say that because, in the beginning, they had this *New Directions* which somebody in the department thought out and that became the operational manual for AFMA. It is one of the problems.

Mrs STONE—Mr Bryan, in your introductory remarks you made a statement that I would like you to clarify. You said that the southern fishery does not really exist. What did you mean by that?

Mr Bryan—I was referring there to the south-western Tasmanian tuna fishery. It does not exist—

Mrs STONE—In what sense?

Mr Bryan—But there is still a statutory fishing right being applied there, a permit being asked for and paid for, and fishermen being given a right to fish there, because *New Directions* said that is what they had to do. I am not saying AFMA is doing it wrong; I am saying that the principle is wrong. It dovetails with my complaint that, if you are going to take money off a stakeholder, you have got to identify a benefit for that money—it does not matter who the stakeholder is—otherwise you may as well not have an authority; you may as well have a government department doing whatever they like and not being accountable.

I used that fishery because I saw a piece of correspondence, which I have included in the paperwork here, where AFMA was demanding full payment for a permit for the south-western tuna fishery and the person they were dealing with wrote back and said, ‘Hey! I paid a deposit because I did not know what I was doing. There is no fishery there anyhow. So what the hell do I want a permit for?’ My question is: why is AFMA handing out the permit? When you look at it, the reason is that *New Directions* said they had to.

ACTING CHAIR—So there are some things written in the charter that AFMA has to do which are not relevant?

Mr Bryan—That is as I understand it, yes.

Mr NAIRN—Mr Bryan, have you worked in a practical sense in the south-east trawl?

Mr Bryan—I was involved in the beginning as a representative of industry in Tasmania for many years, yes.

Mr NAIRN—You said that you do not have any real solution to the ITQ system.

Mr Bryan—I do not have any real solution to putting ITQs on a mixed trawl fishery. There is not any.

Mr NAIRN—What were your experiences when it was input control? Should that have been changed in some way rather than going to output, do you think?

Mr Bryan—I firmly believe that, if they had ITQed orange roughy and then one by one, as required or necessary, or as the information came in, whereas the form on the activities of the boat gave them the information they needed, they could have then decided on the appropriate management species by species, not a blanket management of ITQs, saying, ‘Here is your piece of the action. Aren’t you catching it?’ ‘No.’ ‘It does not matter. We will take that for that.’ It would become a debacle, trading in quota. I will come back again to the ling fishery, where they had to actually increase the quota allotted originally because the accidental catch was far higher than what the quota was. So I believe—and it is only my personal view—that, if they had taken the approach that the industry wanted them to take, which was to quota the fishery that was in trouble at the time, which was orange roughy, and then let the rest be managed progressively, as required, some would have been quotaed and some would not have been. Some would have been left as a hook fishery, some would have been left as an incidental catch with no quota, while others would have been quotaed. It

was something that came as a result of time and experience, not just a principle being applied on a piece of paper.

Mr BOB BALDWIN—In comments that you have made before and in submissions we have received, in particular one from the Tasmanian government, there is talk about the dogma of ‘user pays, so user says’. When we listen to what you say, talking about direct benefit to fishermen for every dollar that is spent and collected from the industry, there has to be a direct benefit back to you. How do you respond then to claims that the industry appears to have an overlying influential role in the management and decision making process?

Mr Bryan—I would say that the submission was written by a bureaucrat. That is the fundamental difference between AFMA as a structure and the Tasmanian fisheries department. The fisheries department has no accountability back to a stakeholder at all, because the only person they are responsible to is the minister, whereas AFMA at least have a structure where they respond to, listen to and consult with the stakeholder who is paying the bill.

In the beginning, I think I said, we believed in user pays, user says. But we learnt over time that the community has also got a contribution to make to the authority’s role, so the community has an equal or, in some cases, a greater stakeholder role. But, as it comes out in further discussion here, as soon as AFMA have to deal with the states, they have to revert back to the bureaucratic approach. As soon as that happens, their role as responsible managers considering benefits to stakeholders gets a little bit watered down because they have got to deal with the states at a bureaucratic level, with a bureaucratic approach and result. I am afraid that the state fisheries do not have to answer to anybody except themselves.

Mr BOB BALDWIN—Can I ask you specifically what sort of fishing you do?

Mr Bryan—I am now involved in live fish. I was originally from the northern prawn fishery. I have actually fished, I think, in most fisheries in Australia in my time. But, at the moment, I am no longer in the fishing industry. I am exporting now.

ACTING CHAIR—Mr Bryan, let me come back to the question before that. On the constitutional arrangements, I think we have got evidence that it has taken 11 years in one instance to get the states and the Commonwealth to a state of agreement. You see that as a downer for AFMA getting those arrangements in place because of that time and coming back to deal with state departments.

Mr Bryan—Yes. I think I made the statement that, in every instance where a legitimate complaint could be levelled at AFMA’s performance in regard to the broad fisheries management activity, there was a jurisdictional problem underlying it somewhere. The area of concern or the area of failure would have been because AFMA have no option but to revert back to being bureaucrats when they are dealing with the states on jurisdictional issues, and fisheries management has nothing to do with it. It all becomes a deal. I will deal with that in detail, if you want me to, as we go along.

ACTING CHAIR—What, owning ground and—

Mr Bryan—Yes, some other reason.

ACTING CHAIR—Another reason than that fishing and the wellbeing of the fishing industry or—

Mr Bryan—It has nothing to do with it. I will give you an example, if you want me to. I used, as the example of this one issue, the king crab fishery. Now I personally, as a member of the FRDC at the time, fired off the need for research into that fishery and the research deed of management of that fishery. That is dated 27 July 1992. The obvious problem there was that you had four states involved and the Commonwealth, and the crabs were not where they were supposed to be. Besides that, you could not talk to them. But they are only some of the vagaries of trying to have sustainable development of a fishery.

I think, since then, there have been 10 aborted OCS meetings where industry and the state government sat around the table and said, 'Hey! We will make a deal here under the OCS banner.' I am told that we finally got agreement recently, that there was an OCS meeting that did have a result, but the result was based on AFMA's ability now to license tuna fishermen. Hear me out. This is important. So, finally there is a deal on how you manage the king crab fishery, because the states have given in and said, 'You can have that', which is the licensing control of amateur tuna fishermen. It has nothing to do with king crab, nothing much to do with tuna either. But that is a function that the states have given to AFMA. AFMA has said, 'Okay. Now you can have crabs.' That has got to be stopped.

ACTING CHAIR—Would that not have something to do with overcapitalisation and trying to work out something for somebody that may have lost some arrangement, and therefore given the fishery?

Mr Bryan—I have no idea what AFMA's objective was in wanting to license recreational tuna fishermen. They would have a sound reason for that. I have no idea why the states were reluctant or would not have said that 10 years ago, or five years ago. I have no idea. But I can assure you that it would have nothing to do with managing fisheries. It would have been a political, a power base or a property matter or something like that. That I see as being the key issue at AFMA and the only reason why it is still being able to be questioned, because it has got a deal like that.

Mr BOB BALDWIN—You are talking about recreational licensing for tuna fishermen. Which states does that apply to?

Mr Bryan—I have no idea.

Mr BOB BALDWIN—You made a claim about recreational tuna licences.

Mr Bryan—I said that I understand that a deal has been done, that OCS is now going to proceed on the giant crab and the basis of that deal is—you could ask the other people who may know more about it than me—that the AFMA will now be able to license recreational tuna fishermen and in turn the states will now be the managers.

Mr BOB BALDWIN—I think that you are way off the mark because salt water fishermen, recreationally, do not have licences as I understand it in any state of Australia.

Mr Bryan—I am sure you are the right people to find out whether I am right or wrong.

Mr BOB BALDWIN—That is why I am asking the question. You are making a statement about the trade-off in a deal in fisheries basing it on recreational fishermen being licensed for a particular species of fish, and AFMA have no control over recreational fishing.

Mr Bryan—When I did the submission I thought that I had better check this out. I picked up the phone and asked people directly involved what the status quo was and what they were up to and that was answer that I got. If it is rubbish, so it is rubbish.

ACTING CHAIR—We can establish that.

Mr Bryan—I think you can, yes.

ACTING CHAIR—I would just get your opinion on the argument that the fisheries out there are a public resource and when you have a quota system you are actually giving something away from a public resource. What is your opinion on that?

Mr Bryan—It is a public resource where the public has no capacity, interest in or possibility of using or turning it into dollars. It is only something fishermen can do. It is really a cock-eyed argument to say, 'This is a public resource'. If fishermen were not there, what bloody good to the public would that resource be?

ACTING CHAIR—Okay. What do you think about people who are not fishing trading quotas?

Mr Bryan—It is one of the automatic results of ITQs or individual output controls. If you put in a measure that attracts a value, the value straight away is a transferable, realisable asset. It is an automatic part of being an output control. With input controls you cannot do that. With output controls, it is a part of the system.

ACTING CHAIR—Of managing the fishery in the beginning?

Mr Bryan—Yes.

Mr ANDREN—You are critical of AFMA's approach to the ling fishery in your statement that a significant long-line hook fishery with much greater economic and environmental benefits is under threat, I gather. Are you able to put any figure on what you believe this approach may be costing the industry generally?

Mr Bryan—Not really. Before I resigned from my position of representing industry I was involved in a representation at that time—and I have included that documentation in here—that suggested that New Zealand had been down this track and, in fact, discovered that there was a far more economic benefit being a hook fishery than a trawl fishery. The problem was that when they decided to apply quotas to some species in the south-east trawl fishery—and ling was a significant species—they applied a ban on long-lines on the

one hand and a trawl quota on ling species. Straightaway, that is a statutory fishing right, it acquires a value and any change of that status is a real problem. I think a lot of people do not realise how difficult that is in law, to change something like that once it has been granted and once it is recognised.

Whether the ling fishery on the Tasmanian west coast is as significant as it was in New Zealand is yet to be seen. We have only had one long-line trawler operating there and that boat has been operating in conjunction with other trawlers. Comparisons have been made. There is a preliminary report out that is only a few days old on research conducted by Victoria in regard to the biomass and the stock assessment of ling. It would appear that this research shows that the age differential of trawl caught ling is two to five years whereas the age differential of long-line caught fish is 20 to 30 years. Quite obviously, this research also suggests that in areas where target trawling for ling is the major activity, changes are starting to occur in the biomass which suggest they are not being sustainable.

ACTING CHAIR—Do you have a source for that?

Mr Bryan—I will hand this in, mate. Yes, it is from FRDC's non-technical summary being published at the moment, and it is only the first start of signals coming through. What I am saying and why I am saying this is that it will take further research and further refinement by CSIRO and other scientists to agree or disagree that this is a valid comment. Some fishermen say that trawling does in fact destroy the habitat of ling. I do not know. I do not think anybody does. But the first signals are coming through and the real problem is, how do you handle it if there is a change that has got to occur, and I do not think AFMA has ever done that.

Mr ANDREN—Just a quick follow-up: what is the differential then between the trawl and the long-line in terms of the catch value?

Mr Bryan—I think you are better off asking that question of people involved in both or either. I would not want to be misleading, but I am told, I am advised by industry people there is a significant difference in the market.

Mr ANDREN—You have made a lot of statements and far-fetching things over a broad area. In conclusion, how do you fix the problem?

Mr Bryan—I would be very happy if somebody—like people of your capacity—could fix the problem of jurisdictional arguments. Then you have taken away 90 per cent of AFMA's problem, and then automatically AFMA may be less bureaucratic and more business oriented. I thought about this last night when I read the submission through again. When we established an authority in Queensland, the end result was the other way, we were too business oriented, and we had to wind back to being a little bit more balanced in regard to a government function. But the problems were different, and the need was different. Here AFMA has inherited, even by its own structure, a bureaucratic approach to fisheries management. I would like to see it able to now start moving away from that to the business approach. When you look at the reason why it is still there and why it is still taking that, you realise that it has no option, because the people it has to deal with are bureaucrats. That is where all their problems come from. So they have to take that role.

I have submitted to you a copy of the recommendations of an Industry Commission inquiry in 1992. They have cited exactly the same problems as the audit reports did—jurisdictional problems. OCSs are a fine structure and a terrific objective, but how do you make the states fall in line when they have got a political agenda that might not suit the fisheries management objectives of the Commonwealth government?

Mr ANDREN—So you are saying that the problems are jurisdictional. Which way do you see the jurisdiction going: total Commonwealth management or putting it all back to states?

Mr Bryan—The problem is there is no arbitrator in the system that says, ‘Hey, enough of this. It is a state problem, or it is a Commonwealth problem.’ It just goes on forever. That is the problem, that there is no arbitrator.

Mr ANDREN—We have heard today, and indeed it is true, that fish do not recognise territorial, state or international boundaries, they go where they want to go.

Mr Bryan—Neither do some government departments.

Mr ANDREN—Well, that may be a problem too. But that is what I am saying to you, how are you going to fix the problem? If you had the say in it—and you have been involved with AFMA—how would you fix the problem?

Mr Bryan—I would somehow or other appoint somebody with the power of arbitration, with a set time of, say, six months to sort it out. If they cannot sort it out, somebody makes a decision and the states and the Commonwealth fall into line, regardless of the decision.

ACTING CHAIR—I think we have got a few problems with the constitution and also in the High Court. But we need to bring that together. If it is an issue for our country, we should be able to bring that information together.

Mr Bryan—I cited that as being the single most important issue that you people may be able to address, because you have got the ability, you have got the knowledge, you have got the structure to find the answer. That is the answer nobody has yet found: how you make it happen.

Mr BOB BALDWIN—Where do you place the demarcation line?

Mr Bryan—I do not. In some cases, I do not think the demarcation line has got anything to do with it. It depends on the fishery and it depends on the circumstances of the fishery.

Mr BOB BALDWIN—You have heard here today from CSIRO saying that if the Commonwealth focuses on one style of fishery and leaves the states controlling another style of fishery and one is in the food chain and, therefore, the other species is dependent on that food chain for survival or for expansion of fish stocks, then—

Mr Bryan—They are all of the issues which should be considered at the time when they draw the

line; when they say, 'This is yours and this is mine.'

Mr BOB BALDWIN—But that is what I am saying. Where do you draw the demarcation line? The food chain goes right back to the mangroves—to the wetland areas—where the spawning of the micro-lifestyles occurs.

Mr Bryan—I have never been involved in an OCS discussion—I have been there for a few years listening to them—where that was the problem. The problem was always much more political and up-front with people saying, 'This is my power. That's your power. This is the line. I am not going to give you anything if you don't give me anything. If you give me something, I'll give you something.'

Mr BOB BALDWIN—We are taking the politics out of this and we are trying to find answers. You have said in your submission that, 'It doesn't appear like we have the qualifications.' You are the industry expert, so I am putting it back to you and asking you what the answer is.

Mr Bryan—I think you have the qualifications to take the politics out of it. I think that is the problem. You have got to take the politics out of that OCS forum and the OCS agreement. If you can take the politics out of it and remove all the bureaucrats, you will solve the problem.

ACTING CHAIR—Do you think the longer term situation of fisheries like rock lobster—

Mr Bryan—No problem.

ACTING CHAIR—And these ones in the state arena—there are some of those broader ones that maybe have to go out to the Commonwealth to have an arrangement with the states to manage those fisheries on a central basis. The south-east fishery goes from New South Wales around to South Australia, taking in Tasmanian waters.

Mr Bryan—The south-east trawl?

ACTING CHAIR—Yes. Do you have an opinion on that?

Mr Bryan—I raised that question too, but it is up to you to decide about that. I do not think that AFMA has yet been able to demonstrate the same level of efficiency that a

state can. My response would be automatically to the fisherman's interest: which is going to cost him the most? Which is going to offer him the biggest benefit?

Most of the state fisheries that you may like to target you will find being well managed, economically, with a direct benefit and an identifiable benefit, whereas AFMA ended up with all the hard ones, all the ones that were not easy to resolve. And they have still got them. They do not have any mechanisms open to them where they can just walk away and say, 'Hey this is yours.'

An example is the scallop fishery in Bass Strait. If you want an exercise in looking at what this is all

about, I could not think of a better fishery. I was involved in a shark fishery for eight years and, over a very difficult terrain and a very difficult situation, they have slowly resolved it to being now a cooperative approach. If every fishery had to wait the length of time that shark has had to find an answer, there would be no scallops in Bass Strait anyhow. So there is an example of where somebody needs to say, 'Hey, this is a Victoria-Tasmania problem, we are out of here' or 'You've had your chance, bugger off, the Commonwealth is going to take over.' One or the other.

ACTING CHAIR—Sure. We have already mentioned that there are difficulties and constitutional requirements in relation to that. Maybe the precautionary principle might be the way to do that because, if nobody has got an economic gain out of it, everybody might sit down and resolve it then.

Mr Bryan—I do not think it is gain so much as it is political kudos or whatever it is that people see—whether they be state or Commonwealth—and that managing a particular fishery or having control over licensing or access is a power base thing.

ACTING CHAIR—My Bryan, you can't be blaming politicians for these problems!

Mr Bryan—I am hoping politicians can fix that problem. All I am saying is that I am hoping I am identifying the real problem AFMA has, and hopefully you fellows can fix it.

ACTING CHAIR—You are, and thank you very much for your contribution and for your submission. They will certainly help us in our deliberations.

Mr Bryan—Thank you very much.

Mr BOB BALDWIN—Mr Chairman, will the report from the Victorian FRDC be tabled for inclusion?

ACTING CHAIR—Are you going to give us that, Mr Bryan?

Mr Bryan—Yes.

ACTING CHAIR—Thank you.

10.46 a.m.

HEWITT, Ms Gail, Executive Secretary, South East Trawl Fishing Industry Association Ltd., PO Box 69, Port Sorell, Tasmania 7307

RICHEY, Mr Stuart, Director, South East Trawl Fishing Industry Association Ltd., PO Box 69, Port Sorell, Tasmania 7307

ACTING CHAIR—Welcome. You have made a submission. Are there any changes to that submission that you would like to make? No? Would you like to make a statement before the committee questions you on the submission?

Ms Hewitt—I would just make a couple of comments. As an opening comment, it is our view the ANAO has shown little understanding of the dynamic nature of the fishing industry and of the complexities involved in fisheries management. SETFIA strongly supports the AFMA model and the partnership approach with industry, including the MAC structure. Having said that, I should add that there are still some problem areas we believe should be addressed by AFMA. With particular regard to the SEF, there are some major issues which need to be addressed on an urgent basis but which are largely outside the control of AFMA. We go into detail in our submission about those.

Just as a little bit of background: I am working as a fisheries management consultant. I did work for the Australian Fisheries Service for five years, from 1984 to 1989. I have worked for industry since that time. As well as being the executive secretary of SETFIA, I am also the executive officer of SETMAC.

ACTING CHAIR—SETMAC?

Ms Hewitt—The South East Trawl Management Advisory Committee.

ACTING CHAIR—Right. Let us kick it off from there. How do you think that structure that you are involved in works?

Ms Hewitt—Having been involved in the MAC structure in the AFS days, I think that it works very well. I think that the way in which the MACs are structured now, and the fact that the MAC members are seen as board members with a corporate approach to the fishery rather than in bringing their own personal interests to the table, works very well. It has been very hard to get them to change, but I think that over the last three or four years, it has happened.

ACTING CHAIR—They feel as if they own a bit of the decision making, I guess. Does that come through? Previously, things were imposed without authority, whereas, they are now being involved and there is an understanding why science and the management regime has come into place?

Ms Hewitt—Very much so. In the AFS days, it was really the government telling the industry what was going to happen.

ACTING CHAIR—And people were saying that was not right?

Ms Hewitt—Yes. There was a lot of mistrust and, certainly, there was no ownership of the ultimate decisions.

Mrs BAILEY—We have heard a number of criticisms today about the problem of the data collection. Could you give us some comments on what you think are some of the problems that AFMA faces in data collection. Then, perhaps, you could extend that and tell us if you think that a lot of the information that is used, particularly in terms of the cost efficiency and sustainable development areas, is used wisely. I know that it is a very broad question, but it is something that we have got to grapple with.

Ms Hewitt—I might throw that one to you.

Mr Richey—Yes. It is difficult for a start to get industry into the system of providing all the necessary paperwork. There is not only what is called the SEF 1, which are the research logbooks, so to speak, there is then a paper trail created to monitor the quota catches. So there is a series—

ACTING CHAIR—From a trawler's point of view, what do you require on a boat?

Mr Richey—The first thing you require is all your permits to allow you to go and catch fish and a relevant quota and all that has to be carried on board. The paperwork to be filled in is the scientific log book, which is referred to as a SEF-1—a south east fishery 1—which is filled in on a shot-by-shot basis; as the net comes aboard an indication is given of your estimates of what the catch was of all the different species, the depth, the time the net was on the bottom and your position. That is filled in as the fish are caught. When the vessel comes to port it gives a two-hour prior notice that it is coming in to unload. That then goes to a paging system which then goes out to the Tasmania police, New South Wales police or whoever. A SEF-2 form is then generated which gives an accurate weight of the fish coming off the vessel.

Part A of the SEF form is filled in by the skipper or an agent of the vessel as the fish come off the vessel. Part B is the verified catch: once the fish have gone to a processor, the processor then verifies that the catch weights are accurate. Accompanying that, if the load is big enough to encompass two or three trucks, each truck must then carry what is called a SEF-3, which is a transit form, which indicates how many bins of fish, the weight of fish and the species of fish that are on each truck. That creates a paper trail. The SEF-2 and SEF-3 forms must be faxed into AFMA within 24 hours of the vessel unloading and the forms are used for quota monitoring. If there is a difference between what the vessel says they have unloaded and what the processor says they have received, that discrepancy has to be sorted out for the quota monitoring purposes.

Mrs BAILEY—If there is a discrepancy, how quickly is it dealt with?

Mr Richey—Very quickly, for two reasons: if there is a discrepancy against the fisherman he wants to know where his fish have gone. In other words, if he unloaded one tonne of fish but the processor says he has only got 900 kilos, the fisherman wants to know where the fish are. But if there is a discrepancy the other way, he still needs it for his quota monitoring. Normal cases would be picked up within a fortnight. If there is a large discrepancy, AFMA is going to pick it up very quickly and want to know what has happened. It is more the fisherman or the processor who wants to know what has happened if their weights do not correspond.

Mr ANDREN—Is SEF-1 an assessment or an actual measurement?

Mr Richey—SEF-1 is an assessment of the fish as they come on board.

Mr ANDREN—This is just based on experience. It strikes me that there could be huge disparities between SEF-3 and SEF-1.

Mr Richey—Not really. Fishermen can look at a pile of fish in the corner and tell you very accurately what it is going to be within a matter of a few kilos. They are so used to it they know how much their brine tanks hold or how many bins they have filled. They can give a relatively accurate report.

Mrs BAILEY—Could I just have further clarification? SEF-1 is both type of fish and quantity?

Mr Richey—Yes. And location of where they were caught and depth and time.

ACTING CHAIR—Brine tanks are the tanks on board which the fish go into.

Mr Richey—Brine tanks are refrigerated seawater tanks where the fish are held in a chilled condition for up to 10 days, as against an ice room where the fish are iced in bins.

Mrs STONE—I hear what you say about the process of assessing what volume of fish have come in, the type, the quantity and the locality. People here this morning have talked about the problem of where you have the quotas for a catch within a mixed fishery and the dumping of the fish that have already perhaps reached the quota in the person's take. Have you any ideas about how to approach that problem where we are not getting an accurate fix on what is being in fact taken out of the fishery?

Mr Richey—There have been a number of methods tried. There is legislation in the pipeline that will allow for the surrender of fish which I noted one of the earlier speakers talking about. It is illegal for fishermen to bring in fish that they do not hold quota for. At the moment it is a catch-22 situation where you are not allowed to have it but you are not allowed to dispose of it either. Once the surrender provisions are in, at least the fish can be landed. At least the scientists can count the fish. It will be a far better idea for stock assessment purposes of what has been caught. It should free up the system a little that there is a system of carryovers and carryunders where you can over catch by 20 per cent for the year or under catch by 20 per cent and carry it forward into the following year. That has brought a lot of flexibility into the system. At the south-east trawl workshop only last Thursday and Friday there was a workshop on quota substitution where you might be able to substitute five kilograms of flathead, for instance, for one kilogram of morwong, but I think the general consensus of the workshop that it was just getting all too difficult, that that really was not the answer to the problem.

I suppose from a personal point of view, and I know from a SETFIA point of view, that prior to the introduction of quotas that the general view was that there should only be five species under quota until more was known about it, and then gradually add to that list. However, the New South Wales position was totally fixed on the introduction of quota, that they had to have 16 species—the scientific view at the same time was 16 species—and so we have 16. Frankly, the egg is so scrambled now that it would be very difficult to pull

quota species back out of the system. I think now that they are in it is virtually impossible to pull them back out.

Mrs STONE—What is your solution? Presumably you see it as a major problem.

Mr Richey—I see it as a major problem. The quota trading is the big one, there is still a reluctance to trade quota. As mentioned in our submission, until the adjustment issues are addressed and offshore constitutional settlement issues and capital gains tax issues are addressed, the quota market just cannot operate effectively. Until we get quota trading, along with the surrender and carryover and carry under, there will still be some form of dumping. I hate the word, but it is going to occur.

Mr BOB BALDWIN—Can you explain the capital gains tax issue that you talk about?

Ms Hewitt—Can I just add something there before we get off the track? There is some resistance to leasing quota in some sectors of the industry. They would rather throw it away than lease quota and I think that has got to come through. I was interested to hear Peter Young this morning saying that they are concerned about dumping. Particularly while the TACs are not being taken, for most species there is quota available if they would come into the system.

ACTING CHAIR—Has the MAC looked at that? Do they have any ideas on what direction to go down on that?

Ms Hewitt—Up until this year New South Wales operators did not really need quotas because of the loophole existing in New South Wales state waters. That has now been stopped by the introduction of trip limits on most of the quota species. This is our first year of having a quota system working and it is getting better all the time. It is just a matter of education and getting them on board and slowly people are coming on board.

Mr NAIRN—The marketplace is not working properly on that. You say that there is a reluctance to lease quota. I have seen examples where people have caught reasonable quantities of stuff that they do not have quota for and they will simply get on a phone on their way back in from fishing to somebody that they know has got the quota. They will want a price that makes it totally uneconomical for them to lease it because they will be paying a leasing price virtually the same that they will sell the fish for at the market.

The marketplace has not sorted itself out in that regard. I think, as Mr Richey said, that there is not the trading to bring the price down to the right sort of market so that you do not have that situation, so the fishers say, 'We'll just dump it rather than pay quota lease price.'

Ms Hewitt—It is a learning exercise on the part of those holding the quota as well. It is shakedown stage we are still going through.

ACTING CHAIR—Do you feel confident about that shaking down to get the market level?

Ms Hewitt—It is going to come just with economic reality. Ling is a classic example. Ling started off

very high and the price is gradually coming down as more and more people are entering the trading system.

ACTING CHAIR—Do you want to come back to that capital gains tax?

Mr Richey—The quota system in Australia was basically picked up from New Zealand, with the exception of two vital issues that were done in New Zealand. One was that New Zealand had an adjustment system to get a lot of boats out of the water so that there was enough fish to go around. The second one was that it was not realised that New Zealand does not have a capital gains tax system as we do here, which left us in the position that if, for instance, I had an inappropriate allocation of redfish and John Dory, for instance—which I was given—which do not occur in Tasmania, and you may have been given orange roughly, which do not readily occur in New South Wales, it would seem logical that you and I would just swap.

However, to do that swap, even though no money changes hands and the value of our quota package remains exactly the same, we will both pay capital gains tax for handing over these two bits of paper. That has totally stifled any form of trading. We are holding quotas here in Tasmania, for instance, that are more suited to New South Wales and New South Wales is the same, but we just cannot afford to get rid of them. We will lease if we can do a lease arrangement because that is just a normal business transaction, but to permanently get rid of a quota, which a lot of us would like to do, would cost us at the moment, so we cannot.

Mr NAIRN—That is assuming that the value has gone up since the original.

Mr Richey—In most cases it has. If anyone had bought their licence after 1985, in most cases the value has gone up and there will be CGT on it.

Mr ANDREN—You talk about adjustment arrangements in the industry. What sort of arrangements would you be suggesting? Something like the rural adjustment scheme to adjust people out of the industry totally? What do you think it is worth to the industry to do it?

ACTING CHAIR—Could I just add to that? You just mentioned New Zealand where they took so many boats out of the situation. Who paid for that?

Mr Richey—The New Zealand government.

Ms Hewitt—I think it was something like \$40 million. It was a big fishery.

Mr ANDREN—What are you talking about in our industry to adjust it to a viable standard?

Mr Richey—By adjustment, I may well have used the wrong term. It is a term that we are bandying around. An ITQ system itself should be some form of adjustment if you can get the system working. However, there is a group of fishermen who were actually given a quota that was less than the initial value of their licences. Quite rightly, those people are dissatisfied with the system and are determined not to see it work.

So what do we mean by adjustment? It is felt that the government which brought in the system in the first place and made the initial mess-up, should be prepared to come to the party to adjust these people back up to the level of their licences before they went to a quota. They have actually suffered a significant loss of asset value from what they had at the end of December 1991 and what they had on 1 January 1992 when they were allocated a quota.

Ms Hewitt—There are a number of operators who would like to get out of the fishery, but they cannot at the moment because they have suffered this loss of asset value and if they leave now they go with maybe half of what they had in 1991. So they are hanging in there hoping to get something additional.

ACTING CHAIR—Can we put a figure on it?

Ms Hewitt—It is \$8 million to \$10 million or something like that.

Mr ANDREN—By adjusting up, we are talking about excess capacity, are we not? We are talking about excess boatage and resources for the available stock. If we adjust up, are we not distributing existing stock amongst the same number of people?

Ms Hewitt—There is not an over-capacity of vessels, particularly in the orange roughy fleet. That has really restructured considerably and I think we are down to half-a-dozen full-time orange roughy vessels from probably 30 that were around before. When we talk about bringing them up, it would be giving them the money and they could either then choose to leave or buy up quota from other people. So whoever they are buying from, there is going to be a shakedown involved.

ACTING CHAIR—To the annual quota?

Mr Richey—No. If I can add to that, the fleet adjustment will come once a quota system is working and once people have confidence that what they are buying is not going to be eroded away or tossed out by a court. Then naturally some who have a low allocation will either decide to leave the fishery and sell to someone else or buy someone else out of the fishery, so that adjustment then will occur. The boat numbers will drop. There is a ceiling on boat numbers now but the number of boats will drop once the confidence is in there for people to buy quota or sell if they can sell.

Mr ANDREN—And the capital gains tax issue is suppressing the potential economic benefits of the industry as well, at the same time?

Mr Richey—Absolutely. The industry is not looking to be exempt from capital gains tax per se; they are suggesting a nine months moratorium to go and do your trading, so I can trade my redfish for orange roughy. However, if I trade down I will pay capital gains tax, and anyone who wants to be out is still going to pay CGT. It is purely to allow people to modify the state of their quota package so they have the appropriate species.

Mr BOB BALDWIN—In your submission you talk about compliance and in particular supporting decriminalisation of fisheries offences. You say that your industry members are totally opposed to the current

system whereby private homes are raided by gun-carrying police officers searching for evidence for use in prosecutions. What sort of offences are they looking for when they approach it and how would that be better served by on-the-spot fines? What sort of result is there when they carry out these searches and what sort of prosecutions do they lead to?

Ms Hewitt—I think there is a difference between minor and major offences. We have been successful in having on-the-spot fines introduced for log book offences and minor indiscretions. It is to be seen how they work. The industry does not see they should go to gaol for fisheries offences, and I think it is the introduction of the Australian Federal Police into investigation that has really got the industry offside. The fact is that on a few occasions private homes have been raided by federal police, including bedrooms and things like that, and fishermen just do not see that that goes hand in hand with the fishing industry.

Mr BOB BALDWIN—You comment on the gun-carrying police officers. I understand that all police officers in Australia carry guns, but as I read your submission it is as though they do what we refer to in New South Wales as a Gundy bust—with firearms drawn as they search, baling people up and that sort of thing. But what are they searching for when they do these home visitations?

Ms Hewitt—Paperwork.

Mr Richey—Yes, mainly paperwork and computer files, from what I understand. The difference is that Victoria and I think New South Wales have fisheries officers who have a small amount of discretion, have a different approach to fisheries management, whereas I suppose Tasmania is handled by the police and the police have no discretion. They come on board and, as you say, the police all seem to carry guns. The industry feels that the whole activity is more based on trying to get a bust rather than education and prevention of quota misdemeanours. Just the general demeanour of the people they are dealing with seems to be the issue.

Mr BOB BALDWIN—I think we all seem to know that fishermen are a style of people, and I have not been involved with them, that if you give them an inch they might take 1½ inches—maybe not a mile but 1½ inches—regularly to push limits and try and test things out. That is the nature of the beast. So by being slapped on the wrist and warned 450 times perhaps, how much of a deterrent is that going to be?

Mr Richey—We are not here to try to defend people who have been working outside the quota system; it is just that our members are of the view that just the general, normal fishermen going about their normal business do not really deserve to be confronted by a gun-toting policeman, that they would much rather have their fisheries officers who will come down, talk to them, point out if there is a minor misdemeanour and also act as a source of information transmittal—more of a liaison role than a policing role.

Mr BOB BALDWIN—What sort of fines are involved in log book offences and quota offences?

Mr Richey—There is a big difference between a log book and a quota offence. A log book offence is I think a \$250 on-the-spot fine. Quota offences can be virtually unlimited because they can come under the Crimes Act and carry gaol terms and unlimited fines up to confiscation of vessels.

Mr NAIRN—Can they confiscate the catch for log book offences, or only for something more serious?

Mr Richey—Not that I am aware of for the research log books. However, for the SEF-2 form, which we described earlier, which is the unloading form that goes with the boat, yes, the catch can be confiscated for that. That is the serious form. The idea with the SEF-1 is that it should never be seen by the managers, it is seen by the researchers, so if the fisherman is doing something not entirely correct, if he puts it into the SEF-1 form at least the scientist can count the fish, and that is the most important part of that form. SEF-2 is the actual unloading and quota monitoring form.

Mrs BAILEY—Can I ask you to comment on the industry's contribution to research, and do you feel that you get something in return for what you contribute?

Ms Hewitt—When the ANAO report picked up the fact that there is quite a lot that is not known about fisheries resources, it was a sad commentary on the millions of dollars that have been spent in the past on fisheries research. Under the current system, any project going to FRDC for funding must come through the FRAB process—the Fisheries Research Advisory Body. It comes to the MAC for endorsement; the MACs all had their five-year research priorities, their research plans. It goes to the AFMA FRAB, which is a Commonwealth one. So there is no way a project is going to get through there that really is not value for money or is not going to be relevant to that fishery. I think both the fishing industry and the community are getting a much better return on their dollar now that industry and all the stakeholders have some say in which direction the money is going to be spent.

Mrs BAILEY—So you would see that as a positive outcome of the direction that AFMA has taken.

Ms Hewitt—Certainly, and I think it is one that has also drawn some criticism from some agencies, that they see industry as having too much say in that process. It is one that we would defend and say we are just ensuring that there is a better return for the money.

Mr Richey—If I could add a little to that, SETFIA also commissions research through that process. SETFIA employs their own scientist as an adviser and we have one project left going at the moment, but the industry is always keen to initiate new ones.

Mrs BAILEY—Can I ask you what sort of projects of research you actually commission?

Mr Richey—The one that has been running for three years that is in the concluding stage has been the development of electronic data gathering equipment that is compatible with a commercial vessel's echo sounders, so it can be integrated with any commercial vessel, that it can collect data, that the data has also got the position, date and time and can then be stored digitally and then reused year after year as a comparison. It is not as good equipment as CSIRO has got and it cannot tell us how many fish are there, but it can tell us whether we saw the same amount this year as we saw last year or saw more. The project is just about complete. It has been quite successful and we hope to be able to use it on gemfish research in the future. It has been used on orange roughy and blue grenadier. We think it is quite significant that at a low cost we have been able to develop a monitoring tool to have industry involved. We strongly believe that

industry vessels are far more suited to gathering a lot of the information that is required.

Mrs BAILEY—Why do you say that?

Mr Richey—Mainly because they are commercial fishermen on the site the whole time, they know what they are seeing. They might not have the scientific or biology background but they are fishermen who know what they are seeing on their echo sounder and they can interpret it, they can tell you whether they are seeing more than they saw last year or less than last year, whether the fish are behaving differently. Fish behaviour to a fishermen is a big issue. To a scientist it does not seem to have attracted much attention. We continually say that the fish are changing their behaviour, that something like orange roughy, which was first caught in any large quantities in 1987—when they were first caught on St Helens Hill you could, quite frankly, tow a chaff bag through the water and catch orange roughy, the fish were sitting on the bottom waiting to be caught. Once they had 10,000 watt echo sounders pinging in their little brains for a couple of years they worked out very quickly why all their mates were disappearing. They are aware now of echo sounders and they are aware of trawl wires going through the water, so fish behaviour can change.

ACTING CHAIR—There is nearly an application grant there for the intelligent life of an orange roughy, is there not?

Mr Richey—Yes. It is a very difficult fish to work on because of the depth and the fact that most of them are dead by the time they come to the surface. Also, on research projects that the industry was proactive on this year: when it came to setting total allowable catches for orange roughy, it actually suggested a total allowable catch less than what the scientists were willing to accept in the southern zone. They are also suggesting closing an area in the southern zone for a period to monitor the reaggregation of fish.

It has been found that the effects of fishing in New Zealand have caused fish to leave an area and, by voluntary closures, fish have actually come back to those areas. All we want to do is get them back so we can count them. Whether they are caught or not is another thing, so long as we can get fish to come back to these hills so they can be counted.

Mrs BAILEY—Were your recommendations, based on your own research, accepted?

Mr Richey—Yes. The independent scientist whom we employ helped to develop the project and he keeps us informed of what is happening in the rest of the world. He said that they are doing it in New Zealand; they have closed an area and that has been successful so we picked it up and ran with it here. We thought that we would get the jump on the scientists and the rest of the community.

Ms Hewitt—Were you referring to the acoustic project we have been doing—developing the gear to put on commercial vessels?

Mrs BAILEY—I wanted to know whether the industry research had been accepted by the scientific research?

Ms Hewitt—It has been going for a couple of years and the last phase of it is to actually link it up

with the *Southern Surveyor* and to put it on there so it will be compatible with information coming off *Southern Surveyor*. You heard Peter Young say this morning how expensive *Southern Surveyor* is. It is too expensive for our type of fishery.

Mr NAIRN—Do you think we are getting value out of our \$4.5 million a year?

Mr Richey—We do not. Obviously it has worked for *Southern Surveyor* but we believe in most issues a commercial trawler chartered for a specific issue can produce the same or better results.

Ms Hewitt—One of the projects it is doing is on the ecosystem up off the New South Wales and Victorian coasts. It is ideally suited to that sort of work but not for going out and monitoring aggregations of fish. They do not recognise what they are seeing and even though they have commercial trawlers with them it does not seem to work very well.

ACTING CHAIR—Usually fishermen know better where the fish are than do the scientists. The scientists actually concede that point. That research sounds pretty exciting if it can come together. What is industry spending on that?

Mr Richey—SETFIA applied for a grant through the Fisheries Research and Development Corporation to fund this. However, our independent industry scientist is working on the project as well, and SETFIA pays for that. You talked of the acceptance by the scientific community: there will be a scientific paper coming out of this for peer review and we are confident it will get worldwide acceptance.

ACTING CHAIR—Do you see industry getting to a stage where it might be doing some more R&D itself, in the future?

Ms Hewitt—This latest project is a good example where we have agreed to a lower TAC than the scientists would have accepted. Part of that package is that we are going to develop a project to monitor the stocks and that will be done on commercial vessels with our independent scientist doing it. That will be the monitoring of those stocks. Just because industry is doing it, it will still be credible.

ACTING CHAIR—Especially if it is done using the machinery that you are talking about being utilised. One could utilise it over many years, as a basis.

Mr Richey—It has been a large learning process for all of us. When SETFIA first employed their own scientist in 1991 the scientific community basically referred to him as an industry lackey. However, the fact that he has been able to be a real interface between industry and the scientists shows that his work is accepted everywhere now and it is a good way to go. From an industry point of view, we now understand the science a lot better. We sit down with him and the scientists, and if we do not understand it we ask him, 'What are they talking about?' At the same time, he can feed into the scientific process the anecdotal information that he is picking up from fishermen the whole time.

Ms Hewitt—There is another project that we are just getting involved with too, from the SETFIA point of view. I have forgotten the title, but we will be getting people to go around and talk to the fishermen

about what they have seen; what changes have taken place; what impact climate, cold water, currents, wind—all these things—have. It is something that fishermen have talked about for many years. Just because the fish have gone from an area it does not mean to say they caught them all. Because they were all there one day and they were gone the next, according to the scientists, you have fished them all out.

ACTING CHAIR—Maybe their food has gone.

Ms Hewitt—Yes, exactly, or the water temperature has changed and they do not like that temperature.

ACTING CHAIR—I just want to touch on the point of the education of the fishers themselves. How do you get this information out to the fishermen? Fishermen are out working. I do not know whether they can take a week off, or two days off, to go to a seminar. Has that been thought about? How do you get the information out there? Do you have an educational program or campaign?

Ms Hewitt—I think in SETMAC we have a very good communication flow out to the industry. They get the chairman's summaries after every meeting. They get newsletters in between. We have an annual workshop, which we had last week. We have ad hoc seminars. The scientists go out on port visits during the stock assessment process and actually talk to the fishermen in the ports. In the SEF, we are probably more fortunate than in some of the other fisheries. I think we do have good communication.

ACTING CHAIR—Do you find that an issue? Some of us deal with the farming community. The leadership of communities gather information and deal with the policy making, but getting that information out to tell farmers why we have got a trading regime, why we export so much, that we have to be very sensitive about what we do with imports—those sorts of questions become very difficult when you talk to a farmer. I get the same feeling when I am talking to fishermen. Sometimes decisions are being made without their knowledge. I think it is better than it used to be. I would value your opinion on that and any other ideas you might have about it.

Mr Richey—It is not so much that decisions are being made without their knowledge. You can send out as much paper as you like, but you cannot actually force someone to read it, which is a problem. In parts of New South Wales there is a considerable number of people of Mediterranean extraction, who do not necessarily understand what is being sent out to them. We have tried to simplify it. I know that in one fishery they even talked of sending things out in Greek and Italian, but decided that that was going to be even more difficult in case a translation went awry somewhere and we were leading people astray.

ACTING CHAIR—There would need to be equality, would there not?

Mr Richey—Yes. It is very difficult, for all you send out, to force people. AFMA has only been going since 1992 and it is still a learning process for industry. I heard you mention earlier conservation members on some of the MACs. It has taken a while to get industry to accept them. In some of the MACs now, they are more than happy. But we only have to have one incident like we had at the World Fisheries Congress in Brisbane, which was hijacked by WWF and actually led by one of the conservation MAC members. That has set the whole conservation issue with MACs back five years, I think. The trust just evaporated immediately when you had fishermen opening their hearts to some of these people and telling

them about some of the practices that may not have been all that good and they suddenly found that they had been betrayed. A lot of bridge building has to go on over the next few years to get that trust back again.

ACTING CHAIR—I would just like to touch on the education side—new technologies, videos, that sort of area. Do you think there is an opportunity in that regard to get information out to the fishermen?

Mr Richey—AFMA has done it with the public to try to straighten out some of the views. All these things have been discussed at workshops, as to how we get more people involved. Quite frankly, that may be the case, but then everything has a limited budget. For instance, we target the cooperative managers as much as possible, to get them to come to workshops, so they can then explain to their members what is happening.

ACTING CHAIR—What about the bigger picture, that milk comes out of a carton and fish comes out of a box as fish fingers? Have you dealt with that as an industry?

Mr Richey—As an industry, no. I think that has been left to AFMA. It is possibly an area in which industry is lacking. But they are on such a rapid learning curve at the moment, I do not think they are quite ready to handle the fish in the box.

ACTING CHAIR—Most other industries do that research and provide that information themselves and deal with their own side of things. I take it that has not been the traditional way; but I am just trying to make the point that maybe in the future the industry will have to come to grips with that itself.

Mr Richey—Absolutely; I could not agree more.

Mrs STONE—I am not familiar with fishing as an industry. Is there much inter-family or inter-generational succession in fishing, where it is father and son—let us hope, daughter, too—along the way? That is one thing I am keen to know about. The other is that we have recently introduced what we have called modern Australian apprenticeships, where we have had a lot of business-led training schemes adopted, including in dairying, beef growing, wool growing and so on. Have the fisheries started to look at apprenticeship training and systems of capturing more skilled fisherpersons in the future with the right sort of environmental and scientific skills that are needed?

Mr Richey—The answer to the first question is that, yes, a lot of them are family businesses, mainly because of—

Mrs STONE—The cost of investing, in the first instance?

Mr Richey—That and the fact that the Australian industry is not all that big. We have a large area of water, but it is not rich. When there are company operations, they are normally just family company operations. There are some larger ones; but on the whole, yes, they are family businesses. As regards education, the maritime college in Launceston does an extremely good job of education. Most deckhands now are not just someone plucked off the street. They might come and do two or three months on a boat first, to see if they like it, and then it is straight off to the maritime college to get a good grounding in shipboard safety, navigation and that sort of thing. Once you get them back, you get some of the grandiose ideas out of

their heads and teach them how to catch fish. But the maritime college is doing an excellent job in turning out qualified crew.

Mr BOB BALDWIN—I would like to go back to the area of sustainable development and, in particular, to the orange roughy. According to your own words in your own submission, the increase in the fishing effort was due to optimistic biomass estimates by the then chief of the fisheries division of CSIRO. In your submission, you also outline the blue grenadier and the redfish and the fact that the total allowable catches have not been made up. What substantiation have we that it is not simply an overestimate of the stock resource there, and indeed that the stock may not be there to catch?

Mr Richey—There are a number of issues. One is that New Zealand generally accepts that a total allowable catch has been fully taken when they reach 80 to 85 per cent of the catch. That mainly accounts for the inefficiencies in an ITQ system, where you are rarely going to have 100 per cent catch. The only one we have it in, I think, is eastern orange roughy, where the difficulty there is trying to catch too little rather than too much. The TAC is probably 80 to 85 per cent. As discussed earlier, there has been quite a lot of leakage because of OCS or lack of OCS arrangements with some of the states where fish are being claimed as being in state waters and have not been counted as Commonwealth catch. Also, fish like whiting are totally dependent on the Japanese market. There is no other significant market for it. If the Japanese do not want a certain amount of tonnage that year, the catch will be small. That one has nothing to do with the availability of fish.

Flathead is in much the same way. With more grenadier being landed—the housewife prefers a larger piece of fish with no bones in it—the market for flathead is not a big market. Fish like mirror dory are a very difficult issue because the high catch rates—and you must understand a lot of the total allowable catches were set on the past history of catches—are associated with gemfish, because gemfish and mirror dory swim together. The gemfish has had a zero TAC, so it has been an incidental catch for some years. It is impossible to target mirror dory without catching gemfish, so naturally the mirror dory catch will be very low.

On blue grenadier, the total allowable catch was set at 10,000 tonnes, knowing full well that the catching capacity was not in the fleet here to catch it, but that the resource is quite large, that it would need some major investment in processing to get companies to want to harvest it, and while the TAC was set at 2,000 or 3,000 tonnes there would be no incentive for a major investment. By setting it at a high level to give the security that processors need—and I might add that high level was well within the bounds of the amount of stock that was there—it was to encourage processing. It is quite often brought up that the TACs are set so high for some ridiculous reason. That is why the blue grenadier TAC is high, to encourage processing. There is one company in Devonport in particular who have spent a lot of money. They are now on import replacement; they are supplying blue grenadier for McDonald's, where initially that came from New Zealand. It is going to be progress like that that actually develops the industry.

Mr BOB BALDWIN—What concerns me, going back to the original statement, is that the original assessments of the orange roughy were overly optimistic, to use your own words. How can we be guaranteed that the assessments of the stock in things like redfish and grenadier are accurate?

Ms Hewitt—I think with the orange roughy we, as an industry, took the initiative and got some

international reviewers in to have a look at the orange roughy, and they agreed with the assessments that we have.

Mr Richey—Perhaps with the final assessment on blue grenadier that CSIRO have done a lot of work on over the last couple of years—

Mr BOB BALDWIN—I also take you back to the gemfish when that first hit the market. There was a fishery that was never going to be fished out. It was very short-lived on the marketplace. Then we had the issue with the orange roughy. Is the grenadier or the redfish to blame? We have already seen southern bluefin tuna not reaching the sustainable market levels that we anticipated there would be. How sure are we on the evidence, or do we sit around in a couple of years time at another inquiry and say, 'We got that one wrong too. It's just another one that we go strike at; let's get into the next fishery.'?

Mr Richey—I am certainly not as pessimistic as you are with orange roughy. It sounds bad when you say we had a fishery that was 43,000 tonnes and it is now 5,000 tonnes, but it is not at that level because all the fish were caught. It is at 5,000 tonnes because that is the sustainable level and we will be able to pull 5,000 tonnes out of the water for the next thousand years.

Mr BOB BALDWIN—We hope.

Mr Richey—To the best of the knowledge that is in Australia, and that knowledge has been internationally reviewed, so to the best knowledge in the world we can be as confident as we possibly can. In fisheries management we can never be totally sure of anything. Southern bluefin tuna was very heavily hit. It is at a stock rebuilding stage now and I understand that the stock is increasing. Gemfish: yes, there was a collapse due to two factors—one was fishing and one is now regarded as having been an environmental factor, that for some reason there was no spawning for several years. But that stock is rebuilding quite nicely, from the last scientific report. So I am optimistic that we are now far more on top of issues than we were when these fisheries were going downhill during the 1980s.

ACTING CHAIR—We know that the gemfish did not spawn for a year or two, and that is one of the issues, but we do not really know the science of that, of why that occurred.

Mr Richey—We do not know why. It was an environmental issue for some reason but we do not know—and we cannot predict when that might happen again, so it just needs to be taken into stock assessments when TACs are being set. Obviously it has got to be kept in the back of the mind that there may be a collapse of the year class, so, rather than go too high, go too low.

Mrs BAILEY—Mr Richey, you would have heard a number of people making their submissions and we have talked about all sorts of issues here this morning, from environmental issues to cost efficiency, data collection, research. The one aspect that has not come up is marketing. Do you think AFMA has a role in marketing? Given the close cooperation between industry, science and AFMA, is this a role that you think should be developed?

Mr Richey—I personally do not, and I think most of the fishermen would agree that governments are

best left out of marketing, and that industry and their own marketeers can do the job a lot better.

ACTING CHAIR—What you are saying is certainly the way that it should go, but the marketing concept that if something is not being marketed it must affect the quota or why you have a quota, or something goes off the market, or something loses its marketability, it must come back to effect the management of fisheries, or how you are managing that fishery. Or if that fish becomes very popular in the market, there must be an effect back into the management of the fishery, or a chance of overfishing that fishery more than if it was not there.

Mr Richey—No, I do not think it can lead to an overfishing, because we have the total allowable catches in place. So we can only ever go up to that level. But the biggest issue affecting fish marketing is the Australian dollar in overseas markets. For instance, orange roughy this year, as far as quite a few of us were concerned, was a real disaster. We had a price drop of something like 50 per cent, purely because of the high dollar. As I mentioned, with marketing of whiting, the Lakes Entrance Co-op has specialised in whiting for many years, they have an excellent working relationship with the Japanese, and if they cannot sell it, I am quite certain that a government agency like AFMA certainly could not.

Mr NAIRN—Going back to the overall management of the south-east fishery, AFMA will be moving to statutory fishing rights in the not too distant future. As I understand it, the management plan is in place. How do you see that affecting the fishery, given that we still have not sorted out the problems with the quota system?

Mr Richey—With statutory fishing rights, you then start to achieve the whole process that AFMA is aiming at, that once fishermen feel they have long-term access rights to a fishery, they will look after the fishery. But while ever it is on a yearly basis, as we are with permits, there is no real incentive for anyone to look after it. But long-term access rights are a major part of the whole management process, the way I see it.

Mr NAIRN—You make the comment about yearly permits. The bone of contention in sorting out the problem is that in a legal sense there seems to be some legal advice that, although the quotas are issued on a yearly basis, there is an expectation that they will be issued year after year after year. And part of the reason why there is a reluctance by AFMA to redistribute quota without compensation is the potential new type of litigation that will be introduced because of that expectation. Has the industry as a whole looked at that real legal question? I have a real problem with that. AFMA seem to indicate that there will be this expectation that it could be challenged in court when, in actual fact, everybody only has a yearly licence.

Mr Richey—I have no legal background whatsoever, so I am not at all qualified, but it has been discussed through industry and that is why SETFIA has put a submission to the minister for fisheries seeking adjustment for those who have been disadvantaged. That is so that, rather than have 20 who are upset with the management arrangements but 120 who are prepared to live with it, if you have another allocation, we may have 20 who are happy and 120 who do not want to live with it, so we would prefer to sort out the small mess we have got, rather than create a whole new big mess.

Mr BOB BALDWIN—You talk about statutory fishing rights. You might be aware that last week in parliament, with bipartisan support, the issue of financial compensation for statutory fishing rights that have

been withdrawn was addressed. Under the constitution, anything issued by statute can be withdrawn without compensation, and that has been addressed and it will be set down by the government, with the ability to appeal to tribunal if it is deemed not to be adequate compensation. That must go a long way towards ensuring some sort of long-term future security. It was just one thing I wanted to point out there in particular.

Mr Richey—Absolutely, and industry is very supportive of that approach.

Mr ANDREN—Just getting into the jurisdiction area, what sort of impediment is the lack of any breakthrough in the offshore constitutional arrangements having on administration of the south-east fishery?

Mr Richey—It is a real bunfight. There have been loopholes. New South Wales has introduced trip limits in some of the in-shore waters. We have so many lines on water, with so many loopholes, that it has been impossible to have a quota system that does not leak. That is in the south-east fishery, but this whole issue goes across quite a number of fisheries.

Mr ANDREN—If you had the power, how would you arrange it?

Mr Richey—Purely on a species basis, that it does not matter who manages it, whether it be a state agency or a Commonwealth agency, as long as there is only one agency that manages the species for its range.

Mr ANDREN—Would you have a preference for management?

Mr Richey—Being an ex-deputy chairman of AFMA I suppose I am biased a little one way. A state agency obviously has better expertise with some things. With in-shore fisheries, such as rock lobster, which have been given to the states, the states have a far better likelihood of successful management. With something like the trawl fishery which covers a number of states or the southern bluefin tuna fishery, shark fishery, which covers a number of states, then obviously the Commonwealth would be better placed to manage it.

ACTING CHAIR—Do you find that this issue, like the evidence we went through this morning, goes to people holding ground, holding onto their turf, that sort of bureaucratic attitude, more than finding the goodwill to come to grips with sorting out the territorial matters?

Mr Richey—Absolutely, I think fish and fishermen run a distant second in some of these negotiations, that reality rarely raises its head.

Mr BOB BALDWIN—I would like to raise the issue of by-catch and in particular billfish as a by-catch. There are catches of it on long-lines even as far down as Bermagui. Can I ask for your opinion on that and the impact of that on recreational fisheries, which are also something that need to be considered?

Mr Richey—This is out of the south-east fishery area but I will put on my ex-AFMA hat for a minute. The industry has entered a voluntary code of conduct not to land blue marlin and black marlin. AFMA is in a difficult position where they cannot allocate a resource to one sector or another and they

cannot stop the catching of a species unless there are biological reasons to do so. That being so, the stock assessment on blue marlin and black marlin indicates that they are in a very healthy position, which makes it even harder for AFMA to do anything.

It seems to be purely an issue of perception. I read in the recreational magazines that last year was a very good year for blue and black marlin. My personal view is that striped marlin have a market value. I do not think fishermen really want blue or black marlin. Certainly, they are not targeting them to any degree, and without a change to legislation there is not an awful lot that AFMA can do. I really think it is an issue that should be sorted out on a voluntary basis between the commercial and recreational fleets.

Mr BOB BALDWIN—I draw to your attention something that you may not be aware of, that yesterday in the Sydney newspapers there was an expose about marlin being processed, obviously fin headed, and put into the markets, blacks and blues. They were being passed off as stripes into the marketplace, and that is creating obvious concerns.

Mr Richey—I am unaware of that. I think one of the agencies was developing some form of DNA testing so that they could recognise what was being marketed.

ACTING CHAIR—It looks like a perception thing again, between information not being out there for recreational fishers and concerns that AFMA has.

Mr Richey—Exactly, that while ever the stock assessments say that the fish is on a very sound footing it is really hard for AFMA to do anything.

ACTING CHAIR—I would like to thank you very much for coming and talking to your submission. We appreciate the time. The committee is much more informed since you have been here. Thank you.

Mr Richey—Thank you very much.

[11.56 a.m.]

HARRISON, Mr Anthony James, 19 Firth Road, Lenah Valley, Tasmania

MURE, Mr William James, Skipper, FV *Kiella*, Victoria Dock, Hobart, Tasmania 7000

ACTING CHAIR—Welcome, Mr Mure and Mr Harrison. Thank you very much for coming and for your submission. In what capacity are you appearing before the committee?

Mr Mure—I am here representing Mures Fish Centre. I am here specifically to talk about the south-east fishery non-trawl sector.

Mr Harrison—I am a fisheries consultant and I am an adviser to Mr Mure.

ACTING CHAIR—Your submission has been authorised for publication. Would you like to add to that or make any change to it?

Mr Mure—I have got a few things which I have written down.

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

Mr Mure—There is nothing in the submission that I would like to change. There are probably more things that I would like to add to it—a bit of our own history and our situation.

ACTING CHAIR—Please do that now.

Mr Mure—I have written it down in point form, but I will read it out. I will start with a bit of our history—that of Mures Fish Centre and my family. It is a family business. We were the first full-time dropliners, starting in 1975 on the fishing vessel *Mellicent*, targeting blue-eye trevalla. We have been promoting and marketing blue-eye trevalla for 22 years and we have been catching trevalla for 15 of the last 22 years.

We sold the *Mellicent* in 1985, when I travelled overseas to increase my fishing knowledge and when other areas of our business were being developed. We re-entered the fishery in 1993 and have been heavily involved since then. We did re-enter after discussions with the Commonwealth and state fisheries authorities. We are specialists in the fishery, and blue-eye trevalla is the key species for our business.

Now I will tell you where I believe the state of management for this fishery is. I have attended the last two south-east fishery non-trawl meetings and, to my understanding, it would seem that individual transferable quotas for blue-eye trevalla are to be implemented by 1 January 1998. That is at this stage. Things do change, though. It would seem that access will be restricted to those operators with catch history in the qualifying years by the beginning of October this year. It has not yet been determined how quota will be allocated, although there is a strong leaning by some south-east fishery non-trawl consultative committee members to allocate quota according to the quantity of fish individuals or licensed packages have caught during the qualifying years.

I just want to mention a few things about the stock assessment of blue-eye trevalla. A stock assessment was conducted in the late 1980s and the report found localised depletion, along with a reduction in the average fish size. However, I do not believe this is a fair assessment of the state of the overall blue-eye trevalla fishery. There may well be localised depletion, but I believe this is due to the fishermen who hammer their backyard areas day after day because they are close and easy to fish. The size of the fish can also be affected by targeting practices. Smaller fish are generally in higher demand and school-up in large numbers. They can be, and are, caught by targeting shallower waters. I would welcome an opportunity for another stock assessment, conducted on my boat, the *Kiella*, as I am sure the findings would contradict the previous stock assessment.

I would just like to make a few points about ITQs as a management regime. Mures Fish Centre depends on blue-eye trevalla. We are concerned about the fishery and would like to see it managed according to the principles of ecologically sustainable development. Management of all fisheries must be tailored to the needs of the stock and of the fishery because both these aspects vary. No single form of management is appropriate to all fisheries.

It is the principle of the Commonwealth government for full cost recovery for the management of Commonwealth waters. Therefore, the cost of managing a fishery must be suitable for the type, size and value of that fishery. AFMA has recognised that the ITQ management is not suitable to all types of fisheries due to the costs. I draw your attention to the top of page 40 of the audit office report—that is where it is actually stated.

My point here is that, even though ITQs are AFMA's preferred form of management, in this case I believe it is the wrong choice. I believe a more appropriate form of management would be along the lines of the successful Western Australian rock lobster fishery. This fishery uses input controls such as gear and time restrictions for a limited number of licence holders.

I will talk a little bit about the consultative committee members, if I may, and the concern over conflicts of interest.

ACTING CHAIR—I would prefer you not to name anybody.

Mr Mure—There are no names mentioned here. I am pretty keen not to name people myself. There is a quote in section 3.30 on page 34 of the audit report. What I am going to talk to here actually refers back to that about concern of conflict of interest. A particular example of how this can arise is when determining entry criteria for a fishery. The most common entry criteria is fishing history and, by selective choice of the period or number of years which will qualify for fishing history, groups or individuals can be advantaged or disadvantaged.

The choice of 27 May 1993 as the cut-off date for fishing history has disadvantaged us. We had planned to re-enter the fishery prior to this date. Buying a boat, acquiring the correct licences and gearing up is a long process. Unfortunately, these items are not available on the K-Mart shelves. Nevertheless, we still had written approval from the state and Commonwealth governments.

As a result, under these rules being proposed by the NTCC, we would have an insubstantial share of the fishery. In addition, had the starting point of the qualifying period been 1975 instead of 1988, we would have qualified for a substantial share of the fishery. The qualifying period ended over three years ago and there are licence holders who have not been involved in the industry for years who stand to gain large quotas under the proposed ITQ system.

There seems to be no specific reason for choosing these years, especially when you consider that west of Cape Jervis has different qualifying years, even though it was part of the south-east fishery and is coming under the same management regime as the non-trawl sector.

To conclude, this is a small but very important fishery and we believe that we have played a dominant role in developing this fishery in Tasmania for more than 20 years. The history of our role in this fishery and in fishing in general in Australia is documented in our book, *Mures Fish Tales*, which was published in 1993. I would like to present this book as part of my submission.

ACTING CHAIR—Thank you.

Mr Mure—We still retain a great commitment to and faith in the fishery. We want it to be managed in a sustainable and efficient manner and would like to cooperate in the management process. However, we have grave concerns about the sustainability of the proposed form of management and the way in which the policy is being developed. Thank you very much.

ACTING CHAIR—Mr Harrison, do you want to make a comment?

Mr Harrison—No, I do not want to add anything.

Mr BOB BALDWIN—I have read your submission and listened to what you have had to say there and one of the things you say is that one of AFMA's policies is to ensure that they will consult with the industry. You say that it is not happening. Can you expand on that?

Mr Mure—I certainly can. In fact, I wanted to write that in this but it all happened very quickly and I forgot about it. To date, fishermen in Tasmania in the non-trawl sector have had little or no consultation. There were some port meetings, I think, in May 1995. That was the last time we actually had representatives from AFMA in Tasmania to talk to fishermen about concerns over management proposals. I have been told on several occasions by the AFMA representatives on the non-trawl committee that ITQs will not necessarily go ahead if there is too much of a stink by fishermen here—it is not a foregone conclusion. Yet I have now found out that ITQs are to be implemented by 1 January 1998 and still no-one has come to talk to the fishermen about this to see what the fishermen's view is.

Mr BOB BALDWIN—So you have had no consultation at all?

Mr Mure—The thing they have just started doing is sending out a newsletter from the non-trawl consultative committee meetings. There have now been two newsletters to tell them what is happening. Again, that has only just started.

Mr BOB BALDWIN—That is after the decisions have been taken?

Mr Mure—Yes, after the decisions have been made. I have actually gone to TFIC just recently and said we have to get AFMA over here to talk to the fishermen. They have now said that somebody is coming over next month, I think.

ACTING CHAIR—How many fishermen are involved?

Mr Mure—They have reduced the number of fishermen in the whole south-east fishery. This is just an estimate, but I think there are 120 dropliners in the south-east fishery now. Some of them are cray fishermen who have a history in the qualifying years, so they are not full time. In relation to actual full-time dropliners in Tasmania—again, this is an estimate—you would be looking at between 12 and 15.

Mr BOB BALDWIN—Have you made any approaches to AFMA to have your views heard?

Mr Mure—Yes, I have been to the last two meetings. I have got up and talked to them and have asked for consultation. I have been assured there will be, but as yet it still has not happened. That is why I am a little bit upset about it.

Mr BOB BALDWIN—Let us clarify the point: you have gone to the meetings, you have raised the concerns, they have said they will talk to you, to date they have not and they have made their decision.

Mr Mure—And they have made their decision. The agenda of the last meeting I went to was that ITQs would be implemented for the non-trawl sector on the three key species—the three key species being ling, trevally, or blue warahou, and blue-eye trevalla—by 1 January 1998. That is their agenda.

Mr BOB BALDWIN—You have not heard what your share of this quota will be?

Mr Mure—No. The allocation process has not been determined yet. They are not sure how they are going to allocate. As I said before, there is a strong leaning by some members to allocate depending on the quantity of fish caught during those qualifying years.

Mr BOB BALDWIN—At any time during this period did AFMA call for submissions from that sector of the industry?

Mr Mure—No, not at all.

Mr BOB BALDWIN—Not even for submissions?

Mr Mure—No.

Mr ANDREN—Have you had any indication from AFMA as to why those years were determined?

Mr Mure—A warning was issued on 27 May 1993, and they are basing all history prior to that

warning against further investment in the fishery. I guess that is what they are basing their whole qualifying period on. As I said, we started looking at getting into the industry prior to this warning. The fact that we actually ended up in the industry after that warning has created a lot of troubles for us, obviously.

Mr ANDREN—What you are suggesting is that you feel you have pioneered an industry, largely, and because of that period where you were out of it you are unable to gain your maximum advantage from it?

Mr Mure—Yes. The way things are going it looks very much like we would end up with a very small amount. If they allocate quota according to how much fish you caught in the qualifying years, we will end up with a minimal amount of quota. They have not determined how they will allocate it yet, I hasten to add. They may decide to allocate it evenly across all shareholders, although that is highly unlikely.

Mr LEO McLEAY—Won't it be able to be sold?

Mr Mure—They will be transferable according to the agenda at this stage.

Mr LEO McLEAY—What sort of money would we be looking at?

Mr Mure—I would not like to say. Going by the New Zealand industry, which is really the only thing we can go by, usually it sells on a per kilo basis. If a fisherman owns 10,000 kilograms of quota, he would then sell it at a per kilogram price. I rang up someone in New Zealand and got some quotes. They said that when they first went to quota it was at a low price of around \$3.50 or \$4 per kilo. But at the stage I rang them, which was about a year ago, they were up around \$15 per kilo. So it could be anywhere.

Mr LEO McLEAY—So you are saying that people who are now out of the industry, or out of this part of the industry, are likely to get these quotas?

Mr Mure—There are people who are licensed holders, they own licences, but have not necessarily been fishing for several years and do stand to gain. Once quota gets issued they will have a statutory fishing right, if you like, in a fishery that they are no longer fishing in. The idea would be to either lease it or sell it. There are people who are not actually fishing out there in the industry who—

ACTING CHAIR—You made a decision to leave the fishery at one stage and then you decided to come back into the fishery. Is that correct?

Mr Mure—That is correct, yes.

ACTING CHAIR—And that is what has actually caused you some difficulty, and some date has been taken when you were not in the fishery?

Mr Mure—That is right, and it has created a lot of difficulty.

ACTING CHAIR—I take it that AFMA has talked to at least some of the 120 people who catch blue-eye trevalla.

Mr Mure—They talk to me just about every day.

ACTING CHAIR—How much of the trevalla that is caught would your processing plant do?

Mr Mure—Are you talking about the annual catch today, like now?

ACTING CHAIR—Yes, out of the 120 fishermen.

Mr Mure—We have our own boat. We catch around 50 tonnes a year and our business processes the lot of that. We have other fishermen who fish for us. They would provide probably another 50 tonnes a year. That is 100 tonnes per year on average.

ACTING CHAIR—How many fishermen would that be?

Mr Mure—We have always had another full-time fisherman working for us at any one time, but at this stage we have three other dropliners, including ourselves. It fluctuates, it depends on who it is and how much fish they catch. We like to keep a consistent supply coming through.

ACTING CHAIR—So you were still getting supply even when you were out of it.

Mr Mure—When we were out of it we were still getting—

ACTING CHAIR—That was for your retailing and processing.

Mr Mure—Yes, we had fishermen working for us.

ACTING CHAIR—The smoked fish is a very good product.

Mr Mure—I have always been a fisherman and, as I said, I went away for a while. We sold out but George, my father, did not have anyone to run the boat. Also, we were expanding our business in other areas. As I said, I have always been a fisherman and we wanted to get back into the industry again.

Mr NAIRN—The problem that you are saying is likely to occur if ITQs are introduced into the non-trawl fishery is not dissimilar to the problem that occurred with the south-east trawl. Given the sort of litigation that AFMA has been through in that area, I would find it very surprising if they continued down a course that would throw them into the same sort of situation. How sure are you that these sorts of decisions are being made because I wonder whether it really is the case or whether this is just throwing some things around so that AFMA can be pretty certain they do not fall into the same trap that they inherited from the AFS with the south-east trawl?

Mr Mure—If I thought I had a better than 50 per cent chance of their saying, ‘The Mures have been instrumental in the development of the fishery, they deserve something’, I would not be here today. As I said, I have been to the last two meetings and I have seen the way they have gone. I brought up my own case at the first meeting I went to and there were committee members who got very upset with the fact that I was

even looking at trying to be involved in the fishery. They said that no special considerations should be taken into account, especially pioneering of the industry and such things. A particular person said, 'You will have them coming out of the woodwork'. They were his actual words. But that is not true. We have so much documented evidence that we were been heavily involved in pioneering the industry. I cannot think who else would be in the same situation, especially anyone who is fishing now.

Mr NAIRN—How long have you been back in it?

Mr Mure—It was August 1993 when we started fishing.

Mr NAIRN—How long were you out for?

Mr Mure—We sold the boat in 1985, so it was eight years that we were not catching fish. When we sold the licence there was no indication of anything happening in the industry. Commonwealth permits were issued quite readily and if we had any idea that this sort of thing was going to be happening we would have hung onto our licence or leased it and kept fishing, but there was no indication at all at that stage that things would go this way. It is all very well in hindsight to say that we should not have got out of the industry or we should not have done this or whatever, but you cannot predict the future, unfortunately.

Mr ANDREN—Given that the figures I have got are that the south-east fishery catch is valued at \$57 million, \$54 million of which belongs to the trawl sector, \$3 million only to the non-trawl: is that the \$3 million market that you are operating in?

Mr Mure—In the non-trawl sector there are different fish. There are not just blue-eye trevalla.

Mr ANDREN—But with 120 long-liners working for \$3 million, there does not seem to be an awful lot of money to go round there, does there?

Mr Mure—No. That is right. As I said before, a lot of them are cray fishermen that go out in the off season and catch one or two tonne of fish a year. In fact, the majority of them would do that. There are only a very small number, probably between 12 and 15 operators in Tasmania, that are full-time dropliners. So, it is a small fishery. You are not talking about—

Mr ANDREN—Without ITQs, what is your return on investment at the moment?

Mr Mure—On the boat alone, we would catch fish worth under \$300,000. That would be a gross turnover in the industry.

Mr ANDREN—It is the value adding that is the—

Mr Mure—It is an important part of the whole business. As I said before, we are specialists in the industry, and blue-eye trevalla is the key species for Mures Fish Centre. It is an important part of the business, and to have our own boat makes sense, especially considering that I am a fisherman and that has been my life. I have been to the maritime college and my whole life has followed along that path of fishing.

ACTING CHAIR—Just to get away from your own situation. You have just touched on going to one or two management committees. It is a concept that AFMA has been pioneering, in the sense, that when it was structured four or five years ago, it brought the science and the people who work in the industry together, and let people work through some of those issues for sustainability and dealing with the long-term management of fisheries. You are rather critical in your submission that some people might have an advantage by being on that. I guess that is always going to be there. Do you see any pluses for it, or is it all a negative situation?

Mr Mure—It depends very much on who is on the committee, I think. The way I see it is that there are people there who are very eloquent and who can push their point very well. There are not a lot of fishermen like that. I have no disrespect for fishermen, but they are working people and they are not necessarily lawyers and all the rest of it. In my particular case, I can see that, maybe, the few people that get things done in this committee are the people that can speak well. They are the ones, from what I can see, that are pushing the agenda certain ways to advantage themselves.

ACTING CHAIR—What about the other people within that committee? They are there also to see that that does not happen.

Mr Mure—They are there also. There is a lot of—

ACTING CHAIR—They have not got any personal gain out of it, so would they not be the balance? Are you trying to get the structures?

Mr Mure—You would think so. But, again, I have been there, and a lot of them seem to sit on the sidelines and do not really get involved. It does get to a slinging match on quite a few occasions. You have fairly severe arguments and, I guess, they try to keep it as straight along the line as possible, but it does not always work that way.

ACTING CHAIR—I often ask, Mr Mure, if you put 10 fishermen in a room, do you get 10 different opinions? Would you agree with that?

Mr Mure—I would agree with that, yes, without a doubt.

ACTING CHAIR—It makes it hard to manage fisheries, does it not?

Mr Mure—It does.

ACTING CHAIR—And you cannot always blame politicians.

Mr Mure—No.

Mr BOB BALDWIN—In your submission, you state that industry members appear to be appointed for their personal expertise and, at least in some cases, do not see their role as representing all the fishermen from their state. Do you want to expand on that?

Mr Mure—Yes, I can elaborate on that. For a start, unfortunately, it seems that they are not there to represent fishermen I have heard; they are there for their expertise. That is not very democratic for a start. How do the rest of the fishermen get their point of view across if the representatives are not there to represent the fishermen? If their expertise is not necessarily the unbiased view that it should be, and if their views on how a fishery should be managed are not unbiased, it does not matter what everyone else thinks. That is what is going to go through because that is their view and they have been appointed for their expertise. There is no mediating factor in it at all.

Mr BOB BALDWIN—As I understand it, in this room here now there are some previous board members and, I think, current board members of AFMA who are industry representatives. So, how do you present your argument in light of that?

Mr Mure—I am sorry; how do you mean?

Mr BOB BALDWIN—You have members of the industry who actually are on the board of AFMA.

Mr Mure—You are not talking about the consultative committee necessarily?

Mr BOB BALDWIN—Both, indeed.

Mr Mure—I am sorry; I have lost you. Could you explain it a bit better?

Mr BOB BALDWIN—In your statement you say that there are people appointed for personal expertise—

Mr Mure—Yes.

Mr BOB BALDWIN—But they do not represent all of the sectors of the fishing industry. What I am saying to you is that we have heard from people on the board and other people we have met who actually are from the fishing industry, in AFMA. How does that sit with the statement you have made?

Mr Mure—I have said they are not there representing all sectors of the fishery. We are talking about the non-trawl sector here.

Mr BOB BALDWIN—So, you are being specific to your sector.

Mr Mure—To the non-trawl sector. I am talking there about the NTCC—the non-trawl consultative committee. I still do not understand what—

ACTING CHAIR—Let us come at it from another angle. If you see that model not achieving the goals, do we go back to a system where we just have bureaucrats who impose their will?

Mr Mure—No. I see what you are getting at now. I agree with the process. I think it is important to have industry members on the board. Maybe they should be there representing fishermen rather than just

representing themselves. The whole point is that AFMA has put them on there for their expertise. They are not there to represent other fishermen. Maybe they should be there to represent fishermen. Maybe it should be more of a single point of view that they are pushing which is their point of view; it should be more the fishermen's point of view. I do not know how that would be done.

It just seems very unfair that there are individual fishermen who are there for their expertise and the rest of the fishermen are there to promote themselves. I think if there is some way of having them representing the fishermen then it would be a better set-up.

ACTING CHAIR—If you were on that board and you were representing them, would you be representing the dropliners or the trawlers?

Mr Mure—I think they have tried to make it a good selection. They have a hook sector, I suppose, and then a gillnet sector. There is a whole heap of non-trawl areas—virtually anything that is not trawl. It is very varied. You have fish traps and all sorts of different ways of catching fish. I guess you need to have as wide a variety as possible. The thing about it is that even the two representatives from Tasmania are both hook fishermen. I guess they have not represented any other part of the industry.

Mr BOB BALDWIN—Have you sought for them to represent your industry?

Mr Mure—Unfortunately, I did not even know that the consultative committee was being put together when it was. Apparently, they did advertise and everything. It was when we first had the boat and I was just going flat out fishing. I was not involved in any of that process, unfortunately. The first I heard about it was when it was under way and things were happening.

ACTING CHAIR—Are there associations?

Mr Mure—Yes. There is TFIC. I have gone through them a few times too and I have told them of my concerns as well. They have been much more helpful than AFMA, to be perfectly honest.

ACTING CHAIR—Thank you very much for your contribution. Is there anything else you would like to add?

Mr Mure—No.

ACTING CHAIR—Thank you very much. *Hansard* will be published and we will be bringing down a report.

Mr Mure—There is one other thing. When we had the *Mellicent* we actually did some exploratory work in South Australia and Western Australia. There is a newspaper clipping there saying that we were the first people to catch blue-eye trevalla in South Australia, along with those few things there.

ACTING CHAIR—Thank you very much.

Resolved (on motion by Mr Nairn):

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 12.25 p.m.