



HOUSE OF REPRESENTATIVES

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

Reference: Management of Commonwealth fisheries

PORT LINCOLN

Monday, 26 November 1996

(OFFICIAL HANSARD REPORT)

CANBERRA

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

Members

Mr Ronaldson (Chair)
Mr Adams (Deputy Chair)

Mr Andren
Mrs Bailey
Mr Baldwin
Mr Broadbent
Mr Causley
Mr Cobb

Mr Crean
Mr Fitzgibbon
Mr Leo McLeay
Mr Nairn
Mrs Stone
Mr Wakelin

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

WITNESSES

JEFFRIESS, Mr Brian Charles, President, Tuna Boat Owners Association of Australia, PO Box 416, Eastwood, South Australia 5063 253

PIKE, Mr Robin Baird, Member, Tuna Boat Owners Association of Australia, PO Box 416, Eastwood, South Australia 5063 253

PUGLISI, Mr Joseph, Member, Tuna Boat Owners Association of Australia, PO Box 416, Eastwood, South Australia 5063 253

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Mrs Bailey (Chair)

Mr Adams

Mr Fitzgibbon

Mr Andren

Mr Wakelin

The committee met at 2.51 p.m.

Mrs Bailey took the chair.

CHAIR—I declare open this fifth public hearing of the inquiry by the House of Representatives Standing Committee on Primary Industries, Resources and Rural and Regional Affairs into the management of Commonwealth fisheries. For the record, I am the newly elected chairman of this committee. Earlier this year, a report by the Auditor-General on the management of Commonwealth fisheries was presented to the parliament. The report was then referred to the committee by the House of Representatives. Our task now is to review the audit report and to inquire into the matters raised by the auditors. We will report back to the House with recommendations for any government action that may be necessary to redress either the problems identified in the audit report or problems that the committee may discover.

We come to this inquiry with open minds about the auditor's findings. The evidence we are taking at these hearings and the written submissions that have been made to us will be important contributions to our review of the issues. The committee appreciates the contributions it has received from the public, the fishing industry and government agencies. Today we will hear from members of the Tuna Boat Owners Association of Australia.

Before proceeding I must say that committee proceedings are recognised as proceedings of the parliament and warrant the same respect that proceedings in 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.

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CHAIR—Welcome. Do you have any comments to make on the capacity in which you appear?

Mr Puglisi—I am president of Australian Bluefin Pty Ltd.

Mr Pike—I am managing director of DI Fishing Co. Pty Ltd.

CHAIR—We have received a submission from you and have authorised its publication. Do you propose any changes to that submission?

Mr Jeffriess—No, Madam Chair. We have simply submitted a small supplementary submission today.

CHAIR—Thank you for that. The committee will formally receive the supplementary submission, which will be submission No. 62.

Resolved (on motion by Mr Wakelin):

That the submission presented by the Tuna Boat Owners Association of Australia be taken as evidence and authorised for publication.

CHAIR—Before we begin any questions today, gentlemen, would you like to make a brief opening statement?

Mr Jeffriess—Yes, we would, Madam Chair, firstly on the ANAO report itself. The report is fundamentally flawed on a range of issues. For example, whether you look at the way that they have approached the issue of economic efficiency, the ESD issue or the issue of stock assessments, they are substantially wrong in fact and their interpretation of many of the issues is flawed intellectually, for a whole range of reasons which we have pointed out in our submission.

One may ask how they got so many things wrong—fundamental things, not just simple things. First of all, we believe that they just did not bother to ask anybody. It says in their report that they visited Adelaide. This fishery is the largest ITQ fishery under Commonwealth management in Australia. It is the second largest fishery, yet was never consulted by the ANAO on the most basic issues of fact.

To be fair to them, natural resource management is a difficult field, and it is easy to understand why

they got some of the things wrong. But others are fundamental issues which should have been addressed by simply asking anyone whether their interpretation was correct. We must state that AFMA allegedly tried to correct a number of those errors but was not listened to. Whether that is correct is another issue. If AFMA did not pick up most of these errors, then that is a sad reflection on AFMA's capacities as well.

On the second point, we do have a number of problems with AFMA. They are largely individual problems, particularly in the areas of enforcement and licensing. Frankly, of all the complaints you hear around Australia about AFMA and other parts of Commonwealth management, no-one has suffered more in dollar terms than this industry in terms of AFMA's management of those issues, particularly enforcement and licensing. As we have stated in the submission, that method of enforcement and the way they have carried out the after-effects of the initial enforcement have cost us tens of millions of dollars and continues to do so today. We have found a lot of those things unforgivable.

Despite the individual problems, there is a bigger picture which we have to look at all the time. What AFMA has brought—as was originally the target from introducing the fisheries management authority—is a sense of consultation through the MAC structure, which has been very positive and successful. They have brought a field of natural resource management skills which was missing before in the purely Public Service structure. The AFMA structure—whether the current individuals are correct is another issue—is far superior as a structure than its predecessors.

On the issue of how the current AFMA staff and board are carrying out the statutory authority model, it was always going to take a number of decades to change the culture of fisheries management, and one could not have expected to achieve miracles in five years. Obviously, opinions on the board and among individuals in AFMA differ, but we are more interested in the statutory authority model and whether it actually works.

Finally, I will give one example of how AFMA has brought a breath of fresh air into the consultative structure. Our supplementary submission today concerns the Great Australian Bight proposed marine park issue. It addresses the issue involving us being consulted in a very flimsy way by the Commonwealth Department of the Environment and by the current minister. We were not prepared to accept some of that lack of consultation and the offhand way that the industry was treated.

We saw a good example of the strengths of AFMA and the weaknesses of other Commonwealth government departments last week when we were visited by a senior official of DEST to explain what the consultative structure was for the next six months. It was an open book and they still had to consider whether a marine park was the proper course for protecting the environmental values in the Bight. On the same day, the Minister for the Environment issued a media release saying exactly the same thing.

Yet, the same day—allegedly, as reported in the *Advertiser* the next day—the minister himself gave an interview which made it quite clear that the park would be declared no matter what. That kind of not just a lack of consultation and lack of consideration for the industry from the stakeholders but also a total lack of respect for, in this case, the actual proper process strikes us as not just reflecting very badly—if, indeed, the allegations are true—on the particular minister and his department but also, on a positive note, it echoes again the strengths that AFMA has brought to fisheries management. Perhaps we get spoilt these days that we are

consulted.

This industry consists of up to 2,000 direct employees throughout Australia and their families, who live on Eyre Peninsula and other areas, and they deserve better. We have here today two of the major stakeholders in the industry who are well versed and have a lot of contact with AFMA and Commonwealth fisheries management. They have a long history in it and are well able to answer your questions.

CHAIR—Thank you, Mr Jeffriess. Mr Puglisi and Mr Pike, from your wealth of experience in the industry and having lived under other management authorities, would you tell us briefly how you have found the AFMA management.

Mr Puglisi—I have been in the game now for a long time—almost 40 years—and I have seen the fisheries under different managements. Personally, I think AFMA is doing a very good job. Of course there are areas where it has problems, but this is to be expected. As Brian said, it is good that you can at least consult with somebody and have a say, especially with the advent of the MACs. At least in our industry we have got a chance to have our say. I suppose that depends on what minister you are dealing with. After what Brian told me today I begin to wonder—as soon as they become ministers they become gods and disrespect the feelings of others. But that is my own personal opinion. Getting back to AFMA, with what they have to cope with I think they are doing a very good job. They fall down on the policing side of it and on the implementation of penalties.

CHAIR—Could you give us some examples of what you mean by that?

Mr Puglisi—For instance, we can go back to when they got the Japanese for having 100 kilos too much fish. It turned out a complete fiasco and I think it cost the Japanese something like \$4 million. It was absolutely ridiculous. It seems to me that, once they make a mistake, everyone is frightened to admit a mistake, and this is what you should not do. If you feel you have done a wrong, you should be able to right it and apologise. I think their handling of the case with the Japanese was an absolute disgrace. Those people went through traumas. They did the same thing to one of our fishermen who had half a tonne too much tuna. They threatened to take his livelihood away from him. The next thing, somebody can make a very blatant mistake and they will do nothing.

That side of it needs to be polished up—and it will come, I am sure. But the beauty of it is that this is the first time ever that I can recall that we do get an honest chance of having our say as to what happens in our industry. I would give AFMA eight out of 10 because I do feel that they are a lot better than what we have ever had before.

CHAIR—Mr Pike?

Mr Pike—The way the regime was, with the Australian Fisheries Service, it was just top heavy with bureaucrats and that is the way it operated—nothing got done. As soon as we were able to move away from that system and everybody could start working together—that is, the bureaucracy and the fishermen—in a system like AFMA we were able to put together management plans. They are the toolbox to be able to go into the future with confidence as investors. That is extremely important—we have to put the money up, we

have to put the plans up, and it has all got to be done together. The process is open and everybody can have a look at it. Anybody who wants to add to the process is invited to. It can be people from ANCA and even from private organisations. We have public meetings once a year and at any time they can come into that open process. Just that alone, and the confidence it gives industry to be able to move into the future, is extremely important.

CHAIR—I would like to open up the questioning. Mr Wakelin, would you like to start?

Mr WAKELIN—I will start with the Offshore Constitutional Settlement. Are you satisfied with the efforts? There are obviously a whole range of jurisdictional responsibilities of state and Commonwealth. Have you got anything that you would like to say about that?

Mr Jeffriess—In terms of AFMA, it was largely beyond AFMA's control. We think that if AFMA had been differently structured it could have made a greater contribution to solving OCS, particularly with Tasmania and Victoria. The problem rested with the philosophy of the previous minister, which did have some logic to it. He would not sign individually with each state; he was going to sign as a package with all states or not at all. The package with South Australia, for example, has been ready largely for 2½ years. His view was that, if he signed individually with each state, then the others would lag even further than they have. So, he was depending on the individual ministers in each state almost to apply peer group pressure to bring one another to the table. The fact is that, while it had some rationality, unfortunately, it did not work. That was a ministerial decision.

We were in the situation where we had a significant problem because of the lack of finality about OCS. We went outside the system and tried to solve it ourselves. It was with Victoria, in fact. All we met was a wall of resistance. So, people like myself have some appreciation of the difficulty of dealing with state politics.

At the end of the day, those state ministers are largely driven by their industry, particularly in the case of New South Wales, where the political margin is so small. So, we are not about to complain about public servants or ministers who do not achieve what they should have done more quickly, simply because they were responding to industry pressure—not our own, I might say, but other industry pressure.

Mr WAKELIN—That, effectively, means that one state stands out and that is it; you do not get agreement. That is what it boils down to.

Mr Jeffriess—To give you a simple example, the reason that Victoria and South Australia have not signed before, aside from Minister Beddall's philosophy, concerned a small area overlapping the two states—I think, about 10 square kilometres. Our view was that the agreement should have been signed conditional on that being fixed within five years. They declined to do it. It was as simple as that.

Mr FITZGIBBON—Would you say that AFMA's overall work has been hindered by the lack of progress in the OCS, and therefore they have been criticised for the lack of it in other areas, yet it is an area which they have not been really able to control, because they have not really been given the necessary power to control it? Is that what you are saying? Is it fair to say that?

Mr Jeffriess—That is a very clear reflection of the situation. What it meant was that dealing with each individual state on trip limits within state waters was actually almost unenforceable. Within all those constraints, AFMA has done an extremely good job. It is easy for us to sit back and be critical from afar—and we have not been, simply because we understand how difficult a job that is. Significantly, the delays have been industry driven. The industry itself has a lot to answer for.

Mr WAKELIN—I have a series of questions; but, because of time constraints, maybe I will just put a package together to which the witnesses might respond, and maybe I can help out as we go through.

Mr Jeffriess, we have talked about the ANAO approach at previous hearings and that sort of thing. I would like that to be restated, because you touched on it in your preliminary opening, anyway. The thing that really rocked me a bit was AFMA's director, Richard Stevens, talking about deliberately provocative comments in the ANAO report which seemed to be aimed deliberately at the media. I find that a quite remarkable statement, and I would appreciate a response on that.

I want to talk briefly about research and the scientists. I would invite Mr Puglisi to talk particularly about the Australian scientists and their view of the world—we have been at this quota level for many years—and what we might think about over time. Economic efficiency will lead me into your supplementary submission. There are a number of issues, and I apologise for them, but I think you will pick them up. On the boundaries issue, I am fascinated by the federal minister's declaration. As I understand it, the marine park goes to the South Australian-Western Australian border. Have I got that right?

Mr Jeffriess—No-one knows.

CHAIR—Perhaps we could leave that issue for another time. I think we are getting into, dare I say, dangerous waters.

Mr WAKELIN—I would invite a comment because I think it is important that we talk about economic efficiency and we can touch on the general issue of the park anyway. I would be interested in the general issue. Maybe it touches on OCS as well, I do not know, but the whole jurisdictional thing seems to come into it as well.

Mr Jeffriess—To answer the first question, the ANAO summary pamphlet for the media is significantly different from the conclusions sometimes reached in the report itself. It has obviously been written for the media and to appeal to the media and that is as much as can be said about that.

Concerning the second point, Joe can answer the question about the scientists but the whole point about the GAB Marine Park is that there is nothing more galling to the fishing industry than to hear the minister on television say last night that he is not prepared to concede in any way on the greenhouse effect because it would cost Australia jobs. At the same time there is this twaddle over the park. While ever this was going on and there was this kind of uncertainty and this kind of almost duplicity, if indeed the allegations are so, nothing would deter investment more than that and nothing would deter jobs in this area more than that. These people have their money in the business. Only they can answer that better than I can.

Mr Puglisi—There are a couple of things I would like to comment on. Before I get into the scientists area—I might get a bit emotional there—I want to say the point that really worries me about the position of AFMA is that I believe AFMA should be the body that does the negotiating on the international scene. AFMA operates the fishery, it knows all about it, yet when it comes to negotiating in the bilaterals and trilaterals we bring in DPIE. They are out of their depth all the time. I mean no disrespect to the lady that does it now, she is a good friend of ours and we get on very well, but you have to have the balls to be able to talk to these people. You have got to have the guts and be able to stand up to them. Unless you have got it you are behind the eight ball right from the word go.

I believe that AFMA has the people within it. They have the experience and they are the ones who should do the negotiation. It is upsetting. You deal with AFMA the whole year round yet then you go to an international discussion, like a bilateral or a trilateral, then DPIE takes over. You sit behind them and you know the answer and you know how you should answer or AFMA would know how to answer it but it has to be relayed across and it does not go right. It is definitely wrong.

I have been attending these meetings for about 20 years now, since they started, and I get so frustrated when I see this happening all the time. I believe that AFMA, if it is going to be the body that controls the fisheries in Australia, should be the body that does the negotiating on the international scene. I really feel that this is a big mistake we have.

The Japanese have professional people that deal with the fishery and professional people that are really into the industry. This is a mistake we make. It is definitely not right. I can speak for a long time about it but I had better not. That is one area where I really feel that we are slipping. We should allow AFMA to do our negotiation.

As far as our scientists are concerned, I am not one for knocking scientists. I pat people on the back if they are doing a good job and I also will do the opposite if I think they are doing wrong. Being in this fishery since 1956 I have seen the lows. I have seen the period when we went to the minister and told him the industry is in a disastrous situation and he said, ‘No, it’s not, it’s okay.’ It has been documented before what I said.

Our fishery for a long time was managed by politics. Nowadays there is not so much politics involved as far as politicians are concerned but they have a lot to answer for as far as the demise of the tuna industry is concerned. We were catching 6,000 tonnes of small fish, three and five kilo fish, but the politicians would not stop it because they were frightened of losing votes. That is another story.

But at the present time what we see today is a wonderful recovery. We cut our quota and we supported the management. We cut the quota, we keep cutting and now we have seen this recovery. In the old days we have had 13 planes out looking for one catch of fish. Today, on a good day in the middle of the season, one plane can find 300 patches of fish. So we see this recovery and we have never gone out and said, ‘Yes we want to rate the industry again, we want status quo, the industry has supported this.’ What frustrates us and the Japanese more than anything is the fact that our scientists never recognised that the industry has recovered to a certain extent.

They moved the goalposts. We make a joke of it. This year we will say, 'I wonder what the next thing is' and one year it says, 'Oh, there is no five-year-old fish.' They do not go into why they did not see any five-year-old fish. Or then they will say, 'We have suddenly realised that the fish that, for the last 30 years, we have been counting the otoliths on, and we reckon they live for 18 years', then they suddenly say, 'We have discovered that they live for 40 years'. So we have had to change our thinking.

If I found something that doubled in the commercial side I would investigate it. Maybe they investigated it but it did not take them very long, so what you find is that they are changing the goalposts. I honestly believe in my own heart that their feeling is that if we do not have a crisis, we do not have a job, so they are out to create a crisis to justify their existence.

The industry has never said double the quota; we would rather the quota stay the way it is. Commercially, we know that it is in a good state now and we would like to see it stay there, but we are a bit realistic. We know that they can catch another thousand or two thousand tonne without damaging the stock, then have the status quo for three years and continue like this.

I can understand the frustration of the Japanese—and the Japanese are only doing what they are doing now and saying that they want a 6,000 tonne increase to break the hold that the Australian scientists have. Australian scientists cannot back with any hard evidence one thing that they come up with. We can bring them down in flames, but they totally ignore us. So you can understand the frustration that we are feeling—as far as the scientists are concerned.

Rather than go on, you know the gist of what I am saying. This is shared by the whole industry. It is shared by the Japanese and the New Zealanders. The New Zealanders if we beat them at cricket will not support us; if we knock them off they are against us, that is all that is about. I own more quota than the whole of New Zealand.

Mr Andren—Given that you probably have got more experience in this area than perhaps anyone else, I do note that the audit report says that the current status of the SBT fish stock would seem to cast doubt on AFMA's assertion that the quota system is an unqualified success. In your submission you say that after all the research that has gone into the whole business—and most of it is highly commendable—the uncertainty in the stock assessment is greater than ever. Given those statements—

Mr Puglisi—Did I say that?

Mr Andren—No, that is what the report says.

Mr Puglisi—The scientists are saying it is worse than ever, but they have got nothing to back it up.

Mr Andren—Your comments on the stock assessments, were they not, in your—

Mr Puglisi—No.

Mr Andren—You are asserting then that as far as you can judge there is even room for an increase in

the quota.

Mr Puglisi—I look at it like this. Commercially, it would be wonderful to leave the quota like it is. It adds value to it, everybody knows the market and it is good. But realistically you cannot do that. Once a fishery has recovered you then must increase it with safety, and I have been promoting that last year and this year, and I have let my feelings be known. Increase it by a thousand tonne internationally, even 1,500 tonne internationally, and each country can get the proportion—increase it, but then leave status quo for another two or three years so that you can see how it goes.

We are frustrated and all the industry is frustrated, including that in Japan. The statement that Mr Andren made says there is more uncertainty than ever—more uncertainty! Let me illustrate once more. You imagine—these are the sorts of things we have to put up with—since I was 13 years old we have been counting the otoliths and the rings in the otoliths and they tell us how many years old they are. This is what the scientists tell you. All the scientists have told us this for the last 30 or 40 years.

We go down to Tasmania and they have it up on the big screen. You count them and they say that is a 15-year-old fish. Overnight, they suddenly say, ‘Oh, we’re wrong.’ Overnight! It is now a 35-year-old fish. At the next meeting it was 40. At the next meeting it could have been 50. Is that right? Three different things. This is from top world scientists. I say to them: with this doubling of the lifespan, there must be an enormous amount of work that you must put into all your documents so you can understand them. They say, ‘Oh no, just a few things on the computer and Bob’s your uncle.’ It does not work like that. It does not in the commercial world and I cannot see why it works in the scientific world.

CHAIR—I guess one of the main criticisms and indeed dilemmas of AFMA is maximising the economic efficiency while maintaining the sustainable development. Just in terms of looking at this—

Mr Puglisi—The problem is not with AFMA itself because they have no control over what the scientists say. AFMA might, as far as I am concerned, think totally differently. But they are too scared to go against the scientists.

CHAIR—That is a moot point. There is criticism whether AFMA is moving too quickly or too slowly in levels of stock management. You have described the way the industry has changed over time where you now have much greater consultation with the management authority. Can you see a structure developing where the industry works closer with the scientific community?

Mr Puglisi—The others will tell you this has been a pet baby of mine. I have even tried to instigate workshops to try and bring them together. I think that if—maybe I am wrong but it is worth trying—AFMA had full control of the scientific research which could then be governed and discussed by the MACs, you would get this closer liaison between us. I will tell you something just to illustrate the things that frustrate people like myself. We had a thing called an archival tag. This was a tag that was put inside the fish. The fish was let go and the fish could swim a year and all the stuff was recorded in its stomach. It is a wonderful bit of information. When we catch the fish that tag belongs to us but we give it back. We are supposed to get the information first, but it is public information after that.

We have brought in five archival tags in the last two years and I have not seen one shred of information. Not one! It belongs to me; they have it. But they do not give it to us because they want to publicly write it up in a book and take the credit for it while the industry suffers. We could be changing our policy, changing our management, changing our fisheries or changing something, once we got this information. But they will not release it yet because we will not give them the right to have total control. We say it is our fish; you put it in our fish; we recovered it; let us look at it then you can have it. We have seen nothing. It is wonderful information. You can see why I get frustrated.

Mr ADAMS—I take on board the situation where politicians become gods occasionally when they get elected and cheap shots at politicians are always very cheap.

Mr Puglisi—No, I did not make that as a cheap shot.

Mr ADAMS—When sitting on inquiries listening to fishermen, one often gets the feeling that fishermen think that they know everything that there is to know about the fishing industry—

Mr Puglisi—We do not.

Mr ADAMS—And that the scientists and anyone else have difficulties understanding it. How do we reconcile that? How do we bring some of that together in a practical manner?

Mr Puglisi—I do not like the fact that you think I am having a cheap shot, because I say this from the bottom of my heart. I want to illustrate to you how it affected me at one stage. This goes back to the marine park and I told that peanut that was here the other day. I had a boat with 22 men sitting in Cairns. I had a plane, a spotter and a pilot ready to go to sea and we had already found fish. But I was not allowed to go into that marine park until the minister from up that area—and I forget his name, but he was one of the top frontbenchers at that time—signed the paper. He told his staff, ‘No, I am not signing it until after the elections.’

I tied up a crew for three weeks and spent \$90,000 in wages. I laid in Cairns for three weeks and two days after the election he signed it. It was okay for him. He did not want to lose a couple of votes, but I had 22 men and plenty of families. This is why I say that sometimes the interference comes. That is one thing. I forget the other point I was going to make.

Mr ADAMS—The structure that we have with the MAC structure and AFMA is basically to take the politics away from some of those decision makers. But there still has to be some science within the fishery. We still have to make some decisions about the science. Now we are never going to get agreement with everybody about the science being right or wrong, but there has to be some sort of a decision making process to do that.

The indication I got was that you disagree totally with the science that was coming forward about the industry. I am asking you whether you think there is any science that is right, whether you think there are opportunities for working with science in the future and what sort of mechanism we need to do that.

Mr Puglisi—Don't get me wrong. You asked me to tell the truth and I am telling it how I see it. So don't get me wrong on that. You can come to my office and see my computers, and I have my own scientists now. I am a great believer in scientific information. I have been 100 per cent supportive of the scientists, but there comes a time when everybody has got to be up front with everything, especially the head of our scientific team, Sainsbury. There is just something about the man that is not prepared.

I will illustrate how we felt frustrated when we were in Tokyo. They have models that they put into their computer to work out what the returns might be. They call them models; I am not right up with it. Our scientists tried 70 different models before they got the one that gave them the answer that they wanted. So the Japanese said, 'That's wrong.' We talked to our scientists and we said, 'What do you think?' They said, 'They're bullshitting. They're not right. They want to catch all the fish.' But maybe they are. We bring in totally independent scientists, pay them a lot of money and they lean on the way that the Japanese go. Brian can give you the details. Then they say, 'Oh, because you've paid them, they're wrong.' These are top men in the world.

CHAIR—This is regarding stock assessment?

Mr Puglisi—Yes, stock assessment. How come we are the only country in the world that breeds scientists that know everything? Answer me that question.

Mr ADAMS—How do you go answering that? Are you making excuses for the Japanese overfishing and getting caught?

Mr Puglisi—I am not making excuses.

Mr ADAMS—I will just ask the question and then you respond. He was making an excuse for a Japanese fishing boat that was fined. Some people might say that the Tuna Boat Owners Association is rather close to the Japanese and that they have the industry where they want it. There is also the allegation that there is not enough on the MAC, that industry is too close to AFMA and therefore there needs to be other balances put in there. How would you respond to that?

Mr Puglisi—My response is this: maybe you do not understand the type of people who are in the tuna industry. We are not too close to anyone. I have even had it printed in the local paper that the Japanese own me. Nobody owns the Puglisi family, I can assure you of that—no-one, not even the banks. That is number one. But I am also realistic. I am a businessman. That is my market. That is the only place I can sell my fish. I have 100 families dependent on my family. Do you think I am going to crucify my market to satisfy somebody else? I am not being close; I am being realistic. I am a businessman. That is my market and, until I can get something else, I am going to do what the market wants. I am going to produce what the market wants and when it wants it.

CHAIR—Could we just ask Mr Pike to comment on that. I think he has been trying to comment for a while.

Mr Pike—It is not the fact that I have been trying to comment. I just think that some of these things

need clearing up. The closeness of AFMA with the industry only comes about because of AFMA being AFMA, not because of the MAC. AFMA is only one position on the MAC. I think Mr Adams has got that particular point wrong. It is a membership thing on MAC and they have only one position, so you have to get that right.

Mr ADAMS—This is evidence that we have been receiving. We received evidence that the MAC and the industry is too close to AFMA. What I am asking you from an industry point of view is: do you believe that you are too close? Do we bring in someone from say a conservation background onto the MAC as well?

Mr Puglisi—We have them.

Mr Pike—That is where the process is open. That is the good thing about the system that we have gone into. In the old days it was closed. You would hear all these reports that would come out after the event. It is better up front now. We went along to Shimizu last June to listen to the very thing you are talking about. This was a meeting of scientists. This is not a word of a lie, because we were there. After \$30 million of research into southern bluefin tuna the report said, 'We do not know very much at all about this fish. We need more money to find more about it.' This is exactly what came out in the summary after \$30 million of research. We had to travel to Japan to listen to this.

The second point about scientists is that they believe they are managers and they are not. They are only an input into the management. This is virtually what Joe is saying. They are managing and that is not what they are there for.

Mr Puglisi—Can I just illustrate one of the frustrations? We were all in Japan and at this particular meeting were all the scientists and industry people. It was open; we were all equal. We all went up there. There were seven from the scientific section, AFMA and all the rest of them and there were three of us. We went into a pre-meeting with our own body. We said, 'We've got to talk about the Australians. What are we going to talk about?'

By accident I heard one scientist say to another one, 'Do you think we ought to bring up the spawning fish?' I might have one eye, but I have two ears and I thought, 'What the bloody hell is going on here?' I said to him, 'What are you talking about? We're going into the meeting tomorrow. What? Have you got some hidden agenda?' He said something about spawning fish and he did not want to tell us. We got that bit of paper at 11 o'clock at night. We did not even sleep, but we got it. The next day our scientists went into the meeting saying that they recommend that we catch 1,000 tonnes of spawning stock on the spawning ground so they can get a quick fix on what is happening. Now you have to remember that in all of the past years they were saying, 'Don't touch the spawning stock', then they produced a paper to say that they are going to suggest that they catch 1,000 tonnes.

No doubt, in front of the Japanese we ripped our scientists apart. Any one of you, if you know anything about conservation, know that you do not ruin your spawning stock. One thousand tonnes is a lot and that is what they actually recommended at the meeting. Naturally, we as the industry, felt like throttling them. Anyway, that is another story.

Mr ADAMS—You had not been consulted?

Mr Jeffriess—We had not even been told. For four months it had been there on the agenda and nobody told us.

Mr ANDREN—I have a couple of questions on MACs. According to the ANAO report I have here, you do not have a conservation member on your MAC. Has someone come on board subsequently, or do they only have observer status?

Mr Puglisi—They are full members.

Mr ANDREN—And you have got one? Right. The other thing was that ANAO suggests perhaps separating the stock assessment group from the MAC. Do you see a need to separate these roles?

Mr Jeffriess—In effect, that happens already in tuna. There is an independent stock assessment which feeds into the Australian position for the trilaterals. The industry is not consulted on that position and neither is the MAC. So the MAC is outside that role. I have never seen a situation in any of the other fishery MACs where the MAC itself has changed the stock assessment of the fishery or the independent fishery advisory group. That is the problem: the ANAO does not give any examples of where the MAC has ever changed the advice for the fishery advisory group.

The criticism of the industry and AFMA's relationship is really something that comes from conservation groups and we complain they have too close a relationship with DEST. We find DEST, for example, purely an advocacy department as the GAB marine park has proven. They are in the business of advocating environmental issues and one position on environmental issues.

Let me give you the opposite with AFMA. We have had two major problems in the last two weeks. One is an industrial relations problem in which an award has been claimed by the AWU. The second problem is the GAB proposed park. At no stage has AFMA offered, or has it been proposed to them, to intervene in that. That is a situation where DEST would normally intervene on behalf of the environmental groups in those types of issues. Yet AFMA, rightly in my opinion, refuses to intervene in that group on behalf of the industry or anyone else.

So AFMA is largely more independent of the industry or any other stakeholder in fisheries than in most other industries where a government department is involved. For example, you would never have a situation with AFMA and the industry which allegedly happened with the CAA in the aviation industry. No-one has ever thought that.

Mr WAKELIN—Could I just come back to research and the \$30 million on bluefin tuna. They wanted more just to press on. Consistently, in the evidence we have been taking, it is a bottomless bucket for research to prove something. The executive officer of AFMA made the point that still research is the key, from their perspective, in terms of management.

I would appreciate your views, as practical fishermen, in terms of the research effort. It comes from a

whole range of sources—industry, government and levies. I could not confess to be on top of it totally, but I would be interested in your view about how the research effort is going and its contribution to fisheries management. You made some pretty telling comments earlier about that \$30 million and ‘Let’s just keep going.’ But your own anecdotal and practical evidence is telling you that the fish stock is recovering. Could we have a few comments about research generally?

Mr Puglisi—Just for one: we have pilots and planes flying around all the time and for years we asked that some of their evidence on what they see to be recorded and used as research. As yet, it has not been put in. That is 20 or 30 years of spotting and they still do not do it, but now they are starting to believe. In the last three years they have been doing a scientific spotting survey. But they are still reluctant to put that into the research, because maybe it is not telling them what they want. I believe that spotting is one of the major things, because you do physically see part of the fish. That is important.

I believe tagging is very important. But when I was 14 years old they were tagging tuna, yet nobody can tell me anything. I say to Brian and to the scientists, ‘In the 20 or 30 years of research, and after all of this money, you tell me one thing you can say with certainty.’ At least a farmer can say, ‘That is a hard wheat, we put genes in it, it produces this and it will grow in that.’ But it is a lot of money. It is not only the \$20 million or \$30 million that you have spent, it is the days and the effort that we all put in, and we go away from our work and our family to listen to this. Yet I defy anybody to tell me one thing that we have achieved. Can you honestly say one thing?

Mr Jeffriess—Not with certainty, no.

Mr Puglisi—Not with certainty, after \$30 million. If you had put that into grain, fat cows or pigs, you would at least get something. But for \$30 million, we got nothing. Yet every year we pay out of our pocket, the government pays out of their pocket and the Australian people pay out of their pocket.

Mr WAKELIN—I thought Richard Stevens actually touched on this; I would not want to misrepresent him. But he was very strong on the consultative process with industry the other day and the development of trust between the industry and AFMA. Therefore, to focus more on that practical knowledge might be of equal value when we spend all this other money without being able to prove very much at all, if anything. In other words, you are still relying on practical observation.

Mr Puglisi—There are a lot of things that are practical that we do not know and we are looking to the scientific side to tell us. I am the first one to do it. You have got to have a combination of research, management and industry. There is a lot that scientists can tell you, as a farmer, about your plot of ground. Nobody can tell you very much.

Mr WAKELIN—The last question from me on research relates to the consolidation or the cooperative effort of research. It seems to me there are various components of it. How coordinated is it? Would a more cooperative effort help? You mentioned the archival example as one.

Mr Puglisi—I will give you my opinion: we have tried our hardest and we will continue to try. I do not know how to get the scientists to respect us. This is the problem. Their attitude is that they are a cut

above the industry. They have got intellectual knowledge that we have not got. Mate, that means nothing. Don't kid yourself, it means nothing.

Mr ADAMS—In the past, there have been some difficulties with the industry. Was there overfishing in the past?

Mr Puglisi—Overfishing is not industry's fault because it was the industry that pleaded and instigated. I can remember going back and asking for a size limit. That was when politics was more involved. Politics managed fisheries to start off with, in a lot of fisheries; more so in the tuna fishery. You have got to understand that I have got children and grandchildren. They are all going to be tuna fishermen and they are all going to be in this industry. I have got \$50 million invested in the industry and I do not want to lose it. I am the last one who is going to rape this industry. Do you understand what I mean?

Mr ADAMS—Are you happy with the amount of money that is going into science now, with the levies that are being paid? Should there be more? Should government do more?

Mr Puglisi—Brian is more up with that. I am not about to say there should be more or less, as long as the money is being used properly. That is all I want to see.

Mr ADAMS—Fair enough.

CHAIR—It seems to me that one of the problems you are identifying is not only the access to the scientific information, but the actual management structure, where industry is now being listened to by the AFMA management structure. Can you make any recommendations to us about extending that structure to make sure that the scientific evidence is also included in that? Are there better ways that AFMA could be structured to make sure that that scientific evidence was being included? In the past, there was a lot of distrust between industry and management authorities. To a large degree now, that situation has been eliminated, has it not?

Mr Puglisi—Yes.

CHAIR—Can you make any recommendations at all that would extend that structure to include the scientific community?

Mr Puglisi—Getting back to what I said first, if AFMA were given the role as negotiator on the international scene, they would get more respect and they could then take the information from the scientists and use it as a management tool.

CHAIR—Let me just pick you up on that one point. If AFMA were to be given authority to negotiate on an international scene, isn't that putting it back into more of the political field that management has moved away from, which you have stated is a much better form?

Mr Puglisi—AFMA, to me, does not seem to be used as a political tool. AFMA, to me, seems to be pretty independent just now. That is my honest opinion. To illustrate what I am trying to do, when we are

sitting around and negotiating with DPIE, they do not ring AFMA and ask AFMA what they think. They ring Sainsbury and say, 'What do you think?'. Our scientists are the managers. It is wrong. The scientists should supply the information to management. What management does is up to them as managers.

How do we bring it around? Brian might have a better idea than me, but I honestly feel that AFMA should be given the role as negotiator on behalf of the industry at all times. MAC has got the industry input, and then AFMA can draw from whatever resources it wants to. I think that would be better. Not the scientific control—AFMA and the international scene, because you are giving away the hay. The Japs hate the Australian scientists, the scientists hate the Japanese scientists. They are all telling each other lies. They hate each other enormously. New Zealanders are in the middle. If you bowl them an underarm they will not talk to you for a year. This is how it works with New Zealand.

CHAIR—Mr Jeffriess, could I ask you to comment on that view of trying to make the scientific community a more integral part of the overall structure?

Mr Jeffriess—I think Joe is right in saying that if AFMA had control of the international negotiations, this process would be a lot more integrated. The real issue is more contact. You are looking at a model here with us and the South Australian scientists—we have lots of disagreements, but the disagreements are worked out day to day, because that is where the contact is. CSIRO are in Hobart and we are here. It is a very difficult process to get good human communication. So I think that is a fundamental problem which somehow we have to address.

The actual fact is that the external scientists, who are people of absolute international repute, did come up with a conclusion on the stock which was fundamentally different from the Australian position. That was rejected in the tone that Joe talked about. It was certainly a chastening lesson for us. The problem is that scientists in Australia have an awesome reputation as superior, in terms of motivation and intellect, to other professional groups, and that is not justified.

Could I just make one point in response to Mr Adams's reasonable point about the criticism of the relationship between the industry and AFMA, particularly in tuna. That criticism has been on the record a number of times from Tasmania and New South Wales interests. The New South Wales interests sold their quota to South Australia and now want it back at half the price, and that is just not equitable.

The second thing about the Tasmanians is that on the total east coast, including Tasmania, they own 250 tonnes of SBT quota. Of that 250 tonnes, 230 tonnes each year is leased to the ATBOA which we then lease back to Tasmanians and the east coast. The situation is that they complain about the control of the ATBOA on that issue. The simple reality is that when we ask the question, 'Why don't you lease it to one another?' because we don't want to be involved as the intermediary, it is a cost to us, et cetera, their response is that it is because they don't trust one another. We just rest our case on that.

CHAIR—I am aware that the time has got away from us, but is there a brief statement that any or all of you would like to make in conclusion?

Mr Jeffriess—Just quickly: the ANAO report does make some good points which AFMA is in the

process of taking up. For example, the actual scope of the AFMA annual report needs to be wider—more resources need to be put into that—and they need to sell themselves better. There are some very positive and worthwhile recommendations in the ANAO report. But, fundamentally, the type of problem that we would like the committee to address is that the ANAO is an organisation which obviously needs to consult more widely before it comes out with these reports which reflect badly on them.

The second point is that whatever the individual complaints you may hear about AFMA around Australia—and they are many, and a number of them are legitimate; there is no question about that—there is a bigger picture about a statutory authority concept and whether that is working properly or not. We hold the view that it is; others will not hold that view. All we can say is that our evidence should be judged, as against other criticisms of AFMA, on the basis that the tuna operators are people who have stayed in the business for 30 or 40 years through the ups and downs and when they could have sold out for tens of millions of dollars. They have been through the bad times and stuck to the industry for all that time. Other fishing groups have been more itinerant, you might say. We would like the committee to take that into account in judging the evidence about the history of AFMA and other organisations.

CHAIR—Thank you. Mr Puglisi, do you have a short concluding statement?

Mr Puglisi—I apologise if I got too emotional—

CHAIR—Not at all.

Mr Puglisi—I just say what I honestly feel in my heart and I am not prepared to say anything else. But I enjoyed it.

CHAIR—Mr Pike?

Mr Pike—Thank you, Madam Chair. I think the proof is in the pudding. It is all about management. It is all about value adding, it is all about adding value—it goes both ways there. The proof is in the pudding with this particular organisation. Thank you.

CHAIR—I thank you all very much for your attendance.

Resolved (on motion by Mr Adams):

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 3.51 p.m.