Division/Agency: Fisheries and Forestry **Topic: Illegal fishers Hansard Page:** 108

Senator O'Brien asked:

What about the degree of recidivism amongst the apprehended fishers? What proportion are you catching on multiple occasions?

Answer:

Of the 213 persons charged with foreign fishing offences in the period 1 January 2005 to 28 October 2005, the Australian Fisheries Management Authority (AFMA) identified and charged 85 persons as recidivists.

Question: F&F 02

Division/Agency: Fisheries and Forestry **Topic:** Shark taken in northern Australian waters Hansard Page: 108-09

Senator O'Brien asked:

Senator O'BRIEN—How much Australian tropical shark is taken legally in northern Australian waters? Mr McLoughlin—It is much smaller than those estimates, because we have the catch and effort records from the states that manage the shark fisheries across the north. Senator O'BRIEN—Do you know roughly how many tonnes? Mr McLoughlin—No, but we could certainly pull that information out for you.

Answer:

In 2002-03, a total of approximately 3160 tonnes of shark (all species) was taken legally in fisheries that target shark in northern Australian waters (northern Australian waters are defined as the waters from Cape York in Queensland through the Northern Territory to the Pilbara in Western Australia and includes State and Territorial waters to the outer limit of the Australian Fishing Zone).

The figure of 3160 tonnes has been compiled from the 2002-03 Western Australian, Northern Territory and Queensland Fisheries Joint Authority Annual Reports.

The incidental bycatch of shark would also occur in other northern Australian fisheries. However, a reliable estimate of the amount taken is not currently available.

Division/Agency: Fisheries and Forestry **Topic: New Customs positions Hansard Page:** 109

Senator O'Brien asked:

You are going to fly those officers from Darwin to Broome, Gove or Thursday Island? **Senator Ian Macdonald**—Yes. Currently they are flown from Perth to Broome, in most cases, or from Brisbane to Thursday Island or wherever...

Senator O'BRIEN—What is your annual budget for airfares?

Mr McLoughlin—I do not have the details of airfares with me, but they are built into that budget of \$13.364 million.

Senator O'BRIEN—Can you get us the details of what your budget on airfares is, in relation to north Australian fishing circulation.

Answer:

The 2005-06 budget for airfares of officers of the Australian Fisheries Management Authority (AFMA) for the northern illegal fishing program is \$161,268 (excluding travel allowances). This figure does not include the 2005-06 airfare budgets for state fisheries officers engaged to perform functions under contract to AFMA.

Question: F&F 04

Division/Agency: Fisheries and Forestry **Topic: Meeting of Australian and Indonesian Officials in Jakarta Hansard Page:** 111

Senator O'Brien asked:

Are we able to get a list of the Australian representatives who attended?

Answer:

<u>Department of Agriculture, Fisheries and Forestry (DAFF)</u> Daryl Quinlivan (Head of Delegation) – Executive Manager, Fisheries and Forestry Britt Maxwell – Director, Northern International Fisheries Lara Santana – Northern International Fisheries

<u>Australian Fisheries Management Authority (AFMA)</u> Richard McLoughlin – Managing Director, AFMA Peter Venslovas – Senior Manager, Compliance and Licensing Wade Whitelaw – Manager, Northern Prawn and Western Trawl Fisheries

<u>Department of Foreign Affairs and Trade (DFAT)</u> James Larsen – Assistant Secretary and Legal Adviser, Legal Branch Marc Innes-Brown – Director, Indonesia Section

<u>Department of the Environment and Heritage (DEH)</u> Alex Wells - Assistant Director, Marine Protected Areas Management

Department of Immigration and Multicultural and Immigration Affairs (DIMIA) George Rhind - DIMIA Post Jakarta

<u>Australians Customs Services</u> Neil Sugget – Director, Enforcement Operations Tom Marshall – Deputy Director-General, Coastwatch

<u>Department of Defence</u> Christopher Read - Staff Officer, Maritime Operations, Strategic Operations, RAN Campbell Darby – Commander, Northern Command, RAN

<u>Australian Quarantine and Inspection Service (AQIS)</u> Robert Langlands – National Program Manager, Seaports

<u>Australian Centre for International Agricultural Research (ACIAR)</u> Amber Davidson – Country Manager, ACIAR Indonesia Barney Smith – Program Manager, Fisheries Research

<u>Australian Institute of Marine Science (AIMS)</u> Frank Tirendi – Research Group Leader, Coastal Processes

<u>Commonwealth Scientific and Industrial Research Organisation (CSIRO)</u> Stephen Blaber – Chief Research Scientist, CSIRO Marine Research

<u>University of Wollongong</u> Martin Tsamenyi – Director, Centre for Maritime Policy

Northern Territory Department of Primary Industry, Fisheries and Mines Bill Flaherty – Director (A/g), Fisheries

<u>Western Australian Department of Fisheries</u> Neil Sarti - Senior Policy Officer, Strategic Planning & Policy Trevor Broughton - Regional Director, WA Government Trade Office (Jakarta)

Division/Agency: Fisheries and Forestry **Topic: Bilateral fishing surveillance forum Hansard Page:** 111

Senator O'Brien asked:

In relation to the agreed bilateral fishing surveillance forum, has that been established and, if so, when is the first meeting proposed?

Answer:

It was anticipated that the first meeting be held in December 2005. Coastwatch now anticipates that the meeting will take place before June 2006.

Question: F&F 06

Division/Agency: Fisheries and Forestry **Topic: Bilateral fishing surveillance forum Hansard Page:** 111

Senator O'Brien asked:

Is this bilateral the subject of an exchange of letters or a signed document?

Answer:

At the Indonesia-Australia Marine and Fisheries Bilateral Meeting held between 24-26 August 2005, it was agreed to establish a bilateral fisheries forum between Australia and Indonesia to consider future cooperation on fisheries surveillance.

Division/Agency: Fisheries and Forestry **Topic: Marine Affairs and Fisheries working group meeting dates Hansard Page:** 111

Senator O'Brien asked:

I am sure that the minister is aware that the marine affairs and fisheries working group was set up under the Australia-Indonesia Ministerial Forum (AIMF) in June 2001 and the first meeting of the working group was in April 2002. How many meetings have there been of that working group since April 2002 and how many meetings as minister have you attended, Minister?

Answer:

The Working Group on Marine Affairs and Fisheries was established under the auspices of the AIMF at a bilateral Ministerial meeting in June 2001. Marine and fisheries issues had previously been progressed separately and Ministers agreed to establish the Working Group as a way to institutionalise current collaboration across the spectrum of marine issues.

The Working Group is comprised of officials from the Ministry of Marine Affairs and Fisheries and relevant Australian Government agencies. Ministers are not formally part of the Working Group, however they often meet at the time of the AIMF to discuss important issues and to agree on the report of the Working Group which is delivered to the AIMF.

Since the first meeting of the Working Group on 10 April 2002, three other meetings have taken place in 2003, 2004 and 2005.

Question: F&F 08

Division/Agency: Fisheries and Forestry **Topic: Marine Affairs and Fisheries working group meeting dates Hansard Page:** 111

Senator O'Brien asked:

Did Mr Truss go instead when the meetings are overseas?

Answer:

See response to F&F 07.

Division/Agency: Fisheries and Forestry **Topic: Illegal fishing Hansard Page:** 112

Senator O'Brien asked:

In relation to the proposed awareness campaign in eastern Indonesia about illegal fishing, can you tell us where that is at? Who is organising it? Who is going to pay for it?

Answer:

The education campaign in eastern Indonesia will be coordinated and funded by the Department of Agriculture, Fisheries and Forestry in consultation with the Department of the Environment and Heritage, Department of Foreign Affairs and Trade, the Australian Customs Service and the Australian Fisheries Management Authority.

A detailed proposal for the implementation of the campaign is currently being considered and revised as appropriate.

The actual delivery arrangements are still under consideration, however the program is to start as soon as practicable.

Question: F&F 10

Division/Agency: Fisheries and Forestry **Topic: Eden Region Adjustment Package Hansard Page:** 119

Senator O'Brien asked:

Some of the grants do not seem to have gone very well. Matilda's Bakery received a grant of \$967,000 and was supposed to create 46 new jobs within five years, but on 30 June this year the *Eden Magnet* reported that the Matilda Bakery had closed its doors in the previous days, throwing out the eight to 10 remaining staff. Do you know how many people it employed at its peak? Do you know how many people the Matilda Bakery—that got a grant of \$967,000—employed at its peak?

Answer:

An Eden Region Adjustment Package (ERAP) grant of \$967,000 was awarded to The (Pie) Man from Snowy River Pty Ltd. (not Matilda's Bakery Cafe, which is a trading name) to build and fit out a new bakery in Eden. They completed the program and received the final grant payment on 4th February 2002. The company then had 1 year in which to achieve its employment goal of 46 Full Time Equivalent (FTE) staff. The 5 year goal was also 46 FTE positions.

The Department of Agriculture, Fisheries and Forestry was recently advised by the company that the 'peak' employment at the bakery in Eden was 45 FTE positions at the end of the winter of 2003.

Question: F&F 11

Division/Agency: Fisheries and Forestry **Topic: Eden Region Adjustment Package Hansard Page:** 119

Senator O'Brien asked:

The *Eden Magnet* painted this picture of the grant recipient. It was in administration in June last year to forestall a Supreme Court bid by the Australian Taxation Office to have the company wound up. It subsequently traded under a deed of company arrangement in a bid to pay off creditors. It closed in June this year after 3½ years of operation and for the entire period of operation the owners say they made huge losses and had generated not a cent of profit. According to the *Eden Magnet*, the company owner says the bakery had a poor location and a failed five-year business strategy. Was this project a wise investment of \$1 million of taxpayers money?

Answer:

At the time when the decision to fund the bakery was made, the owners had no such concerns.

An independent financial assessment (by Ernst & Young) of the project pointed out that the location of the building was 'A desirable feature' and passing traffic had been predicted at 2.7million cars per annum.

The decision to approve funding for the bakery was considered in light of advice from a local advisory committee and an independent financial assessment. The Department of Agriculture, Fisheries and Forestry, based its funding recommendation on this information.

It should be noted that in order to claim the full grant payment of \$967,000 the grantee also had to prove that they had spent at least \$967,000 of their own funds on the project, (50% grant : 50% grantees funds), consistent with the funding policy for the program.

The Department of Agriculture, Fisheries and Forestry acknowledges that some projects supported by this programme failed to achieve their long term objectives, but many others (refer to the table in response to question F&F 22) have succeeded, and delivered significant outcomes.

Question: F&F 12

Division/Agency: Fisheries and Forestry **Topic: Eden Region Adjustment Package Hansard Page:** 120

Senator O'Brien asked:

Does the department know who owns the building?

Answer:

An Eden Region Adjustment Package (ERAP) grant was awarded to The (Pie) Man from Snowy River Pty Ltd. to build and fit out a bakery in Eden. The Department of Agriculture, Fisheries and Forestry understands that as at 15 November 2005, the Bakery building in Eden is still owned by the original grantee, The (Pie) Man from Snowy River Pty Ltd.

Question: F&F 13

Division/Agency: Fisheries and Forestry **Topic: Eden Region Adjustment Package Hansard Page:** 120

Senator O'Brien asked:

I take it there has been no thought of recovering any of the funds sunk into this failed business.

Answer:

One of the conditions of use of the Eden Region Adjustment Package (ERAP) grant was that the Grantee should use its best endeavours to achieve the ERAP objective outlined in the ERAP Guidelines, which was to supplement investment by businesses in the Eden region to create long-term employment in the region.

Once the grant applicant had completed the objective of the grant, which, in most cases was to purchase or construct an asset, and had provided sufficient evidence and receipts to be reimbursed the appropriate amount of grant funds for that asset, the grant agreement expired.

As one final safeguard to public monies, the Commonwealth agreement with all the ERAP grantees contains a generic clause that outlives the expiration of the grant agreement. The clause states, 'If at any time the Commonwealth forms the reasonable opinion that any part of the Grant has been used, spent or committed by the Grantee other than in accordance with this Deed, the Commonwealth may by notice to the Grantee require the Grantee to repay that part of the Grant...'

It was not the Commonwealth's intention to enter into agreements with grantees that effectively gave the Commonwealth the right to monitor and intervene in the ongoing day-to-day running of a company into the future. A line had to be drawn as to when the Commonwealth's involvement in an agreement ended. In the case of the ERAP grants that involvement ended when the purchase or construction of the asset was completed and the final milestone payment made to the company.

The job creation figures given in the various funding applications were an indication of what the companies thought they could achieve at the end of one and five years, after commencement of their projects. Unless it can be proved that any company did not use its best endeavours to supplement investment and create long-term employment in the region or that any company used any part of the Grant other than in accordance with the grant agreement, then there is no reason to consider repayment of the grant.

Division/Agency: Fisheries and Forestry **Topic: Eden Region Adjustment Package Hansard Page:** 120

Senator O'Brien asked:

He said: The bakery was a financial risk and could not have obtained a bank loan when the Commonwealth granted it \$1 million. If that is the case, can you on notice tell us why the department would grant almost \$1 million to a business to build premises at a location which was poor when it was obviously, according to Mr Nairn, a poor financial risk.

Answer:

The Department of Agriculture, Fisheries and Forestry (the Department) does not consider that the location of the building was of risk. However it does appear that the building's position has been subsequently being cited by the grantee as having affected the viability of the business.

The Department will not divulge confidential information about the finances of the company. The Department however will confirm that the grant was awarded conditional on the company obtaining finance, which was achieved. The company's application was also subject to scrutiny by an independent financial assessor.

Mr Adams has reported that, the bakery in Eden was not a "total loss" in the three and a half years it was operating. Apart from the 'peak' 45 FTE employment, the business has employed a total of around 300 people and brought about \$5 million into the town's economy.

Question: F&F 15

Division/Agency: Fisheries and Forestry **Topic: Eden Region Adjustment Package Hansard Page:** 120

Senator O'Brien asked:

In the same program, Pelagic Fish Processors received \$405,000. That was going to create 13 jobs within five years. Do you know how that is going?

Answer:

An Eden Region Adjustment Package (ERAP) grant of \$405,000 was awarded to Pelagic Fish Processors to partly construct and fit out a new fish processing factory in Eden. They completed the program and received the final grant payment in January 2001. The company then had 1 year in which to achieve its employment goal of 6 Full Time Equivalent (FTE) staff and 5 years to achieve 13 FTE positions.

On 27 May 2002 the Company advised the Department that the number of FTE Jobs at that time was 7. The Department has recently been advised, by the company, that employment at the factory in Eden is currently 14 FTE positions.

Question: F&F 16

Division/Agency: Fisheries and Forestry **Topic:** Allocation in the Small Pelagic Fishery Hansard Page: 121

Senator O'Brien asked:

Do you want to give us a considered answer on notice in relation to that matter? Do you want to talk to the Australian Fisheries Management Authority about solutions for pelagic—

Mr Quinlivan—We can give you information on the allocation decision and the process that is currently under way by AFMA, involving the New South Wales, Victorian, Tasmanian and South Australian governments.

Answer:

The Australian Fisheries Management Authority (AFMA) is undertaking an allocation process as:

- There are a range of stakeholders with significant interest in small pelagic species, including the recreational sector, conservation groups and other fisheries;
- It was widely agreed that the risks of not bringing this fishery under a management plan and the risks of not allocating fishing rights were considerable and that action was needed to raise the level of management of these species;
- An Independent Allocation Advisory Panel (IAAP) was appointed early in 2005 and consulted with industry on allocation issues and took written submissions. It delivered a draft allocation report for comment from industry on 29 July and again took written submissions. The IAAP delivered a final report to AFMA in October. AFMA intends to make a decision about allocation in the Small Pelagic Fishery at its meeting on 1-2 December.

• Early allocation of Statutory Fishing Rights is something that is required in order to ensure that a fishery does not become over-capitalised and consequently overfished. The allocation process is based on the premise of minimising the impact on the economic position of individuals in the fishery.

Note that there is no involvement by the States in the allocation process for the Commonwealth-managed Small Pelagic Fishery. The Commonwealth does not have jurisdiction in State waters, inside three nautical miles, for the small pelagic species and there is a reasonable level of fishing through State licences in their waters.

Question: F&F 17

Division/Agency: Fisheries and Forestry **Topic: Eden Region Adjustment Package Hansard Page:** 122

Senator O'Brien asked:

Thank you for that. Another of the ERAP projects was the Seahorse Inn at Boydtown, which received \$425,000 to create 43 jobs within five years. I am advised that although the inn did close for refurbishment, it has never reopened. I wonder if you could tell us what the department knows of the Seahorse Inn project at Boydtown and if indeed it is true that this project has received \$435,000 or part thereof, and whether in fact any refurbishment has taken place to date, and whether in fact any jobs at all have been created with that money.

Answer:

An Eden Region Adjustment Package (ERAP) grant of \$451,500 was awarded to Boydtown Pty Ltd to refurbish the historic hotel, the Seahorse Inn, at Boydtown. The refurbished hotel will include convention facilities which will be part of a larger tourist development. Boydtown completed the project and received the final grant payment in April 2004. The company then had 1 year in which to achieve its employment goal of 43 Full Time Equivalent (FTE) staff and 5 years to achieve 63 FTE positions.

It is understood that delays in finalising the fit out of the kitchen have delayed the opening of the hotel but the Department of Agriculture, Fisheries and Forestry was advised by the company, on 18 November 2005, that the hotel will be open by 31 December 2005 and will achieve its employment goal of 43 FTE positions.

Question: F&F 18

Division/Agency: Fisheries and Forestry **Topic: Eden Region Adjustment Package Hansard Page:** 122

Senator O'Brien asked:

How long have they been closed, do you know?

Answer:

The Department of Agriculture, Fisheries and Forestry (the Department) understands that the establishment has been closed for approximately two and a half years. As advised in F&F 17, the Department has been advised by the company that they expect to reopen the Seahorse Inn before the end of this year.

Question: F&F 19

Division/Agency: Fisheries and Forestry **Topic: Eden Region Adjustment Package Hansard Page:** 122

Senator O'Brien asked:

The Eden Performance Centre received \$190,000 for the construction and commissioning of the charter vessel the *Spirit of Eden*. According to the web site of Spirit of Eden Charters, the vessel *Spirit of Eden* is moored at Bermagui or Ulladulla. It is a fair way away from Eden—2½ to five hours. How does that benefit the people of Eden?

Answer:

The Department of Agriculture, Fisheries and Forestry has been advised by the Eden Performance Centre that the boat was sold in approximately May 2003 to a concern in the Eden area and that it has subsequently been sold on and moved up the coast. As reported in F&F 13, it was not the Commonwealth's intention to enter into agreements with grantees that give the Commonwealth the right, after the project has been completed, to monitor and intervene in the ongoing day-to-day running of a company into the distant future.

Other than for the misuse of funds, the Commonwealth's role in monitoring these companies ended when the company completed their respective projects.

Division/Agency: Fisheries and Forestry **Topic: Eden Region Adjustment Package Hansard Page:** 122

Senator O'Brien asked:

If someone got the grant, built the boat and then sold the boat, can they keep the money?

Answer:

One of the conditions of use of the Eden Region Adjustment Package (ERAP) grant was that the Grantee should use its best endeavours to achieve the ERAP objective outlined in the ERAP Guidelines, which was to supplement investment by businesses in the Eden region to create long-term employment in the region.

Once the grant applicant had completed the objective of the grant, which, in most cases was to purchase or construct an asset, and had provided sufficient evidence and receipts to be reimbursed the appropriate amount of grant funds for that asset, the grant agreement expired.

As one final safeguard to public monies, the Commonwealth agreement with all the ERAP grantees contains a generic clause that outlives the expiration of the grant agreement. The clause states, 'If at any time the Commonwealth forms the reasonable opinion that any part of the Grant has been used, spent or committed by the Grantee other than in accordance with this Deed, the Commonwealth may by notice to the Grantee require the Grantee to repay that part of the Grant....'

Unless it can be proved that any company did not use its best endeavours to supplement investment and create long-term employment in the region or that any company used any part of the Grant other than in accordance with the grant agreement, then there is no reason to consider repayment of the grant.

Division/Agency: Fisheries and Forestry **Topic: Eden Region Adjustment Package Hansard Page:** 122 - 123

Senator O'Brien asked:

You saved that half a million but it seems to be a couple of million gone west here. A company called Goldbat Pty Ltd received \$425,000 to refit a fishing vessel to operate whale-watching tours out of Eden, supposedly to create eight jobs. I do not have any detail other than the *Eden Magnet* article of 30 June which says two start-up businesses—the bakery which received \$967,000 and Goldbat Pty Ltd, which received \$425,000 to refit a fishing vessel for whale-watching charters—have failed to achieve the program's goals. Can you find out what has happened with the Goldbat project? Are the whale-watching tours still operating out of Eden?

Answer:

An Eden Region Adjustment Package (ERAP) grant of \$425,000 was awarded to Goldbat Pty Ltd to reconfigure the vessel, the 'Emellana C' into a 250 tonne purse seine tuna vessel with an on board freezer. The Goldbat project did not involve whale-watching activities. For information on the whale-watching activity refer to F&F 22.

Goldbat Pty Ltd completed the program and received the final grant payment in January 2003. The company then had one year in which to achieve its employment goal of 8 Full Time Equivalent (FTE) positions. The five year goal was also 8 FTE positions.

On 7 Jan 2003 the Company advised the Department of Agriculture, Fisheries and Forestry that the number of jobs at that time was 9.5 FTE positions.

The company went into external administration in March 2004 and as a result, the boat was sold around September 2004.

Division/Agency: Fisheries and Forestry **Topic: Eden Region Adjustment Package Hansard Page:** 123

Senator O'Brien asked:

Senator O'BRIEN—I do not want five-year-old records. I want contemporaneous ones because some of these things have gone belly up in the last 12 to 18 months.

Senator Ian Macdonald—What we will do to save you relying on the *Eden Magnet* any further is try and give the committee a list of the projects and what happened to them; where they are and what is happening. We would be happy to do that.

Answer:

See attached table.

[F&F 22 attachment]