



26 April 2016

Australian Marine Fisheries and Aquaculture
Productivity Commission
Level 2 15 Moore Street
Canberra ACT 2600

Dear Commissioners

Submission to the Inquiry into the Regulation of Australian Marine Fisheries and Aquaculture Sectors

The Australian Fisheries Management Authority (AFMA) welcomes the Productivity Commission's Inquiry into the regulation of Australian marine fisheries and aquaculture sectors. This Inquiry provides an important opportunity to examine the regulation of Australian fisheries to identify opportunities to increase the productivity of the sector and improve ecologically sustainable development and overall economic performance.

AFMA's submission focuses on opportunities for productivity-focussed reform in four main areas: Commonwealth fisheries management; jurisdictional issues including increased recreational use; shared services; and streamlining environmental and fisheries management legislation. Before discussing each of these areas, some contextual and other information that might assist the Commission is provided below. Please note these points are far from comprehensive but seek to highlight a number of important factors.

Context for Australia's fisheries management

- Australia has the world's third largest Exclusive Economic Zone and our marine ecosystems support a significant and diverse common property fish resource as well as other ecosystem services.
- As a reflection of the underlying resource base, Australia's federation and their staggered development over time, Australian fisheries are diverse and generally small and their management is complex.
- Despite the relatively large size of our marine domain, Australia's fisheries production ranks 60th in the world in terms of volume. This reflects, among other drivers, a narrow continental shelf, the lower primary productivity of our waters, the

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higher costs of labour and transport, and this country's high standards for managing environmental impacts from fishing when compared to many other nations.

- Despite having strong access rights systems in place in many Australian fisheries, sovereign risk reportedly remains high in the minds of industry and those who provide access to capital for fisheries investment. Capital investment in new fishing and processing capacity remains at historic low levels and this is in contrast to otherwise similar fisheries in New Zealand.
- Australia's current fisheries management arrangements are based on historically defined combinations of target species, capture methods and fishing areas which variously overlap with other fisheries (within and between jurisdictions), other uses and the underlying ecosystem/s. While the current fisheries management system is reasonably robust to sustainability threats, the fisheries of tomorrow will need to remove existing and emerging impediments if significantly high productivity is to be achieved, or indeed, maintained.
- Scientific research has increased our understanding of the impacts of, and on, fishing, but there are still significant gaps in knowledge and many of these will persist for the foreseeable future. Fishery management decisions must correctly apply the precautionary principle, while still facilitating the productive and shared use of marine resources. Management systems also need to be able to adapt to changes in community expectation without creating sudden regulatory 'shocks' that undermine investor confidence.
- Real and predicted environmental impacts on fishing, including from climate change, are providing new challenges for long term fisheries management and only add weight to the need to ensure management operates smoothly within both the ecosystem and market without significant definitional, jurisdictional or other structural impediments.
- Some Australian jurisdictions have developed harvest strategies and ecological risk assessment tools, implemented at individual fishery level to facilitate long-term sustainable operations. However, decision-making would be made more effective and transparent, with long term benefits to fishery productivity and the marine environment, if agreed fishery and environmental outcomes could be applied across jurisdictions and other users of marine resources. Greater emphasis on economic as well as environmental performance of management would also promote more informed decision making. Some economic information is currently gathered to measure fishery performance, but this information could be augmented by the collection of quota transfer prices and other information.

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- Co-management, in appropriate circumstances, provides further opportunities for providing industry with the capacity to develop effective, tailored management that meets fishery management objectives, often at significantly lower net cost.
- The concept of individual rather than collective responsibility for managing fishing risk and reward provides a means by which incentives can be developed and introduced to encourage individual operators to meet desired outcome based measures, as opposed to common pool fisheries management approaches which tend to be indiscriminate and impact productivity.
- Information technology is rapidly changing how fisheries regulation and other management services can be delivered cost-effectively to industry. Given the substantial infrastructure costs of establishing such systems relative to transactional costs, there are significant cost savings and efficiencies to be achieved by fisheries management agencies that share IT-based, client service delivery systems.

The remainder of AFMA's submission expands on the four key areas that we feel provide significant opportunities for reform aimed at improving the productivity of Commonwealth and/or Australia's fisheries more broadly.

Commonwealth fisheries management

In line with the Government's commitment to reduce the burden of unnecessary regulation on industry, AFMA has been actively streamlining fisheries regulation within and between our fisheries.

A significant amount of redundant regulation has been removed and considerable improvements have been made in transactional systems between industry and AFMA. AFMA has identified many fisheries management arrangements that while similar in substance, have different wording and slightly differing application in different fisheries. AFMA has sought to harmonise arrangements using consistent regulatory wording across similar fisheries.

AFMA will continue its internal regulatory reform but has identified a number of significant opportunities for further streamlining of our regulation that will require substantial changes to current statutory Plans of Management or other similar structures. This could include combining many, if not all, existing plans under a single plan (e.g. bring all quota managed fisheries under a single Plan of Management). While there are significant gains for cost-effective management and industry's increased ability to adapt to future changes in their operating environment, such a change would also give rise to significant uncertainty about the impact of the value of access rights currently issued under existing plans. In consultation with industry, AFMA will continue to explore the pros and cons of such changes.

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Jurisdictional issues including increasing recreational use

Overlapping regulatory systems between jurisdictions significantly increase the cost of overall resource management, reduce investor confidence and lower fisheries productivity.

Reflecting jurisdictional boundaries within the Federation, there are currently eight separate Commonwealth, State and Territory management authorities variously charged under fisheries legislation with day-to-day fisheries management responsibility. Each of these jurisdictions also imposes, often through separate government authorities, broader environmental legislation on respective fisheries and, in the case of the Commonwealth environmental legislation, in all jurisdictions.

There are also four joint fisheries management authorities, comprised of the relevant State or Territory and the Commonwealth as well as the Protected Zone Joint Authority, operating under its own legislation. In each of these authorities, jurisdictions have taken steps to streamline and coordinate management.

For highly migratory and straddling fish stocks (e.g. tuna and orange roughy) there are currently seven multi-lateral, treaty-level regional fisheries management organisations that directly impact on fisheries management, mostly at the Commonwealth level. Australia is also party to a number of other international environmental agreements that impose requirements on management of Australia's fisheries as well as other Australian users (e.g. the Convention on Migratory Species, Convention on the International Trade in Endangered Species).

Offshore Constitutional Settlement (OCS) agreements are the principle means by which potential regulatory duplication is minimised between the States and Territories and the Commonwealth. Whilst they introduce a significant amount of complexity and red tape, most of these agreements have worked reasonably well to date. However, there are a significant and growing range of fisheries management overlaps and gaps that are impeding higher productivity and this will only increase over time unless management arrangements are better harmonised.

While there is scope for further refining and improving existing OCS arrangements, it may be necessary to revisit the underlying principles to ensure that they can deliver on future management needs. Other tools such as common standards, harvest strategies, accreditation, and shared services may provide better coordination of management between jurisdictions.

A growing issue for management of fish stocks in Commonwealth waters is how best to manage sharing arrangements between the commercial and recreational sectors. There is growing recreational interest in, and associated catches of, Commonwealth managed fish species previously taken predominantly by the commercial sector with the most notable being southern bluefin tuna. Recreational fishing limits are set and imposed by the States for all species and while this has been an issue for State and Northern Territory fisheries agencies for some time, increased recreational interest in fish species caught in more offshore Commonwealth fisheries has highlighted the desirability of managing these

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species on a common basis to ensure their sustainability. Improved reporting of recreational catch is essential to support long term management and, over the longer term, formal resource sharing arrangements between sectors will be required to properly manage the combined commercial and recreational fish catch within defined limits and minimise conflict and the risk of excessive fishing effort levels on the stocks.

Shared services

Fisheries management systems generally require managers to deliver a similar set of fundamental services to fishers regardless of the specifics of the particular management arrangements. These include:

- 'licensing' fisher access and often enabling some form of trade in limited access rights
- monitoring the location of vessels, fishing effort and/or catches through logbooks and/or some form of independent monitoring such as GPS-based tracking, scientific observers and/or cameras
- undertaking scientific research on stocks and/or the broader ecosystem
- collecting fees or levies.

Noting the potential for direct and indirect efficiencies for both regulators and industries, a number of Australian jurisdictions already share fisheries management services and this approach is becoming more widespread across both services and jurisdictions. For example, AFMA currently provides GPS-based vessel tracking services to most other Australian jurisdictions. AFMA also buys in all of its scientific research from State and Northern Territory agencies or external groups such as CSIRO. There remains considerable potential for further efficiencies in fisheries management through greater use of shared service delivery.

Interface between fisheries management and Commonwealth environmental legislation

The *Environmental Protection and Biodiversity Conservation Act 1999* (EPBC Act) impacts on fishery management at State, Territory and Commonwealth level, and affects how commercial and sometimes recreational fishing is undertaken. AFMA recognises the importance of strong environmental management to the long-term sustainability of fisheries. There are, however, opportunities for streamlining environmental regulatory systems.

The need for such streamlining has previously been recognised by the 2009 *Independent Review of the Environmental Protection and Biodiversity Conservation Act 1979* (the Hawke Review) as well as the 2012 *Review Commonwealth Fisheries: Legislation, Policy and Management* (the Borthwick review).

In particular, there are considerable efficiencies that could be achieved through removing the need for multiple separate environmental authorisations under the EPBC Act to be able to conduct fishing operations and export products, and provide for one approval which could be integrated with fisheries management approvals.

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There is potential to explore the possibility of accrediting fisheries under the EPBC Act which have received third party accreditation, for example, through the Marine Stewardship Council scheme, provided these third party schemes meet environmental and fisheries management objectives

AFMA is also interested in exploring accreditation of fisheries management agencies under the EPBC Act, similar to the accreditation granted to NOPSEMA so that fishing operations under AFMA's accredited fisheries management regime can function without additional review.

I enclose AFMA's background paper which explores many of these issues in more depth.

If you would like additional information or to discuss matters further, please contact me

Yours sincerely

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