



**Productivity Commission Inquiry – Regulation of Australian Marine  
Fisheries and Aquaculture Sectors**

Submission from the Government of South Australia

May 2016

## Introduction

The marine, estuarine and freshwater fisheries resources of South Australia are community-owned resources. The role of the Government, as custodian of these resources on behalf of the broader community and future generations, is to ensure they are used in an ecologically sustainable manner, while at the same time promoting optimum utilisation and maximising returns to South Australian communities. The *Fisheries Management Act 2007* (SA) (the Act) provides a contemporary framework to deliver these outcomes for South Australian fisheries resources.

South Australia's fisheries range from large-scale industrial-sized fisheries, such as the prawn and lobster fisheries, to small-scale community-based fisheries such as those which operate within the Marine Scalefish and Lakes and Coorong fisheries. These fisheries support commercial, recreational and Aboriginal traditional fishing activities which contribute to the social and economic well-being of the State and many regional coastal communities.

Experience world-wide has demonstrated where unrestricted access to fisheries resources is allowed, the incentive for individuals to conserve fish stocks is diminished. The resulting competition amongst and between user groups often leads to increased fishing effort and excess fleet capacity, which in time reduces biological, ecological and economic productivity. In this respect, South Australia was one of the first jurisdictions to introduce limited entry arrangements for fisheries in the late 1960's.

There are many and varied challenges affecting management of fisheries resources, including environmental variability, population growth, coastal development, competition for resources by a variety of stakeholder groups, advancements in fishing technology and catching capacity, among others. These challenges are a key driver for fisheries management to be responsive and flexible to changing needs and requirements.

In managing fisheries resources, Primary Industries and Regions South Australia (PIRSA) has the primary responsibility to protect, manage, use and develop the aquatic resources of the State in a manner which is consistent with ecologically sustainable development. This includes managing the activities of Aboriginal traditional fishers, an estimated 277,000 recreational fishers, 817 commercial fishery licence holders and 534 aquaculture licence holders.

PIRSA must also ensure the basis for sharing fisheries resources amongst all user groups is clearly understood and the allocation of fisheries resources and their level of utilisation is consistent with the needs of present and future generations.

PIRSA adopts a precautionary approach to fisheries management, which is embedded in the Act. Where there are considered to be threats of serious or irreversible damage to aquatic resources, or the environment upon which they depend, a lack of full scientific certainty or insufficient information will not prevent PIRSA from making management decisions. In situations where there is an environment of uncertainty, PIRSA will make resource management decisions in partnership with fisheries stakeholders.

South Australia's seafood sector generates an important economic impact for the State and supports significant regional development and employment. The landed value of South Australia's fisheries and aquaculture industries was \$393 million in 2013/14 and they directly and indirectly employed a total of 4,991 FTE, mostly in regional South Australia (EconSearch 2015).

South Australia is recognised as a national leader in the ecologically sustainable development and management of fisheries and aquaculture resources. PIRSA Fisheries and Aquaculture has undertaken a number of initiatives to implement regulatory reform, streamline and rationalise the management of the fisheries and aquaculture industries. These initiatives include a review of all rules and regulations pertaining to commercial fisheries and aquaculture legislation, implementing four-year cost recovery agreements with seafood sectors, and the commencement of a review of the Offshore Constitutional Settlement arrangements between South Australia and the Commonwealth.

South Australia has well-developed policies in place regarding cost recovery, co-management, harvest strategies, resource allocation, stock enhancement and aquaculture zoning. Fisheries and Aquaculture management and policy development is supported by robust scientific assessment, monitoring and research programs through the South Australian Research and Development Institute (SARDI), the research division of PIRSA.

## **Fisheries management**

The [Fisheries Management Act 2007](#) (SA) (the Act) provides a modern fisheries management framework which includes provisions to establish regulations and management plans for South Australian fisheries. The Act provides requirements for the general nature and content of management plans, including being consistent with the objects of the Act and setting out the strategies for achieving management objectives. Management plans are required to be laid before both Houses of Parliament.

The Act contemplates three types of fishing:

- Commercial.
- Recreational (including recreational fishing conducted as part of charter operations).
- Aboriginal traditional fishing.

Commercial fishing may only be undertaken in accordance with fishery licences issued by the Minister for Agriculture, Food and Fisheries. Recreational fishing is not licensed but is subject to a range of regulatory restrictions. The Act recognises Aboriginal traditional fishing as a separate category of fishing.

Fisheries management in South Australia is underpinned by regular scientific stock assessment of all major fish stocks. The scientific stock assessment work is undertaken by the South Australian Research and Development Institute (SARDI) Aquatic Sciences. All regular scientific stock assessment reports are published and available to the wider community via the PIRSA website. PIRSA has adopted the national reporting framework for stock status and recently published a South Australian fish stock status report, which is available to the public on the PIRSA website.

### ***Fishing rights and allocation of access to fisheries resources***

The Act requires for access to the aquatic resources of the State to be allocated between users of the resources. This must be done in a manner which achieves optimum utilisation and equitable distribution of those resources to the benefit of the community, in particular recreational fishing and commercial fishing activities are to be fostered for the benefit of the whole community. Fishery management plans developed under the Act must specify the shares of aquatic resources to be allocated to each fishing sector and must be based on the current shares in place at the time the management plans are developed. Commercial fishing licences are issued for the term of a management plan, which can be up to ten years. The Act requires for the Minister and Director of

Fisheries to manage fisheries in accordance with management plans. Furthermore, the Act requires for management plans to be reviewed before they expire, providing for 'evergreen' licences which are linked to formal management plans. In combination, these allocation and licensing arrangements provide transparency and certainty of access for all users and provide strengthened access security for commercial fishery licence holders to enable improved business planning and management. To our knowledge South Australia is the only jurisdiction with such allocation arrangements enshrined in legislation.

Once shares are formally allocated to the fishing sectors in formal management plans made under the Act, these shares must be maintained whenever management changes are made. Any decisions to vary resource shares is guided by the South Australian allocation policy: [Allocation of access to fisheries resources between fishing sectors](#). This policy provides guidance in the development of management plans under the Act and is a source of information for members of the fishing sectors and the wider community about the approach to resource sharing taken in the administration of the Act.

### ***Policy for the co-management of fisheries in South Australia***

PIRSA has managed fisheries in partnership and consultation with the fishing industry and other key stakeholders for many years, with the aim of achieving better fisheries management outcomes. The [Policy for the Co-management of Fisheries in South Australia](#) was developed to provide an overarching framework to promote further co-management of fisheries in South Australia. It is designed to further the objective outlined in section 7 (1)(e) of the Act, which states: "the participation of users of the aquatic resources of the State, and of the community more generally, in the management of fisheries is to be encouraged".

The co-management policy aims to provide clear guidance and establish criteria, from which government, industry and other key stakeholders can evaluate the costs and benefits and overall readiness of an industry or organisation to move from one stage of the co-management 'continuum' to the next. This staged approach is designed to provide clarity to all involved and to instil confidence in the broader community that co-management activities are being undertaken in a responsible and well-considered approach. A key initiative which has been developed under the policy, is to establish a mechanism for industry organisations to be adequately resourced to participate in co-management activities. Under this initiative, most wild catch fishing sectors have entered co-management agreements with PIRSA, enabling PIRSA to recover funds from all commercial fishery licence holders to contribute to industry organisations conducting co-management services for their respective industry sector. This resourcing is viewed as a key mechanism to enable industry to participate meaningfully in co-management activities.

### ***South Australian fisheries harvest strategy policy***

Worldwide, it has become best practice fisheries management to adopt formal harvest strategies to guide fisheries management decision making. This is evidenced by the requirement for harvest strategies to form part of independent third party certification schemes, such as the Marine Stewardship Council. In its simplest form, a harvest strategy provides a framework to ensure fishery managers, fishers and key stakeholders consider, and document, how they will respond to various fishery conditions (desirable or undesirable), before they occur. PIRSA Fisheries and Aquaculture division led the development of the [National guidelines to develop fishery harvest strategies](#), which has been adopted as best practice guidelines by all Australian fisheries Ministers, for use in Australian fisheries management. The [South Australian fisheries harvest strategy policy](#) is consistent with the [National guidelines to develop fishery harvest strategies](#) and

utilises information contained in the national guidelines. The South Australian policy provides an overarching framework for consistent harvest strategies to be developed and applied to South Australia's diverse range of fisheries in conjunction with the [Guidelines for implementation of the South Australian fisheries harvest strategy policy](#). The majority of South Australia's major fisheries have formal harvest strategies contained in their management plans. A number of these harvest strategies are currently undergoing formal reviews.

### ***Offshore Constitutional Settlement***

The Offshore Constitutional Settlement (OCS) is important for clarifying and providing the constitutional head of power for the management of species and fisheries across jurisdictional waters. In the main, the current OCS and associated Memoranda of Understanding (MOUs) have served fisheries management well, however they were implemented many years ago and require updating and refinement for some species.

PIRSA is currently working with the Australian Fisheries Management Authority (AFMA) to review the OCS arrangements and associated MOUs between South Australia and the Commonwealth in order to improve the rationalisation, transparency and effectiveness of jurisdictional fisheries management arrangements. Key issues for South Australia include the development of arrangements for the potential by-catch of Australian Sardines by vessels operating in the Commonwealth Small Pelagic Fishery, and the need for complementary management arrangements for Snapper to apply to Commonwealth licence holders to avoid by-catch in waters adjacent to South Australia. This is particularly important during the seasonal spawning closure in place for South Australia. There are other issues which may be addressed as part of a review of the OCS arrangements.

### ***Fisheries legislative reform***

PIRSA has identified the complexity of fisheries regulations and licence conditions as a source of potential regulatory inefficiency. Simplification and standardisation of the rules is desirable as a means of potentially reducing the administrative complexity and costs for PIRSA and industry.

In 2010/11 and 2011/12 PIRSA, facilitated a review of the existing regulatory regimes applied across South Australia's fisheries (known as the Rules Review project). All commercial fisheries rules were reviewed through this project and final recommendations were provided to industry groups. A significant sub-component of the Rules Review project was a review of the definitions and descriptions of gear, to rationalise the regulatory framework for permitted fishing devices. The outcomes of the Rules Review project are being implemented through amendments to fisheries regulations, through an ongoing regulatory reform process.

PIRSA Fisheries and Aquaculture has recently progressed regulatory reform work in several South Australian fisheries including the Marine Scalefish, Pipi, Sardine and Vongole Fishery. Ongoing regulatory reform is a priority in the Marine Scalefish Fishery, due to the scale and complexity of the fishery, in order to improve the long-term management, sustainability and profitability of the fishery, create more certainty and a more stable investment environment.

### ***Assessments under the Environment Protection and Biodiversity Conservation Act***

All Australian commercial fisheries which export product must undergo assessment for the purposes of the wildlife trade provisions of Part 13 of the *Environment Protection and Biodiversity Conservation Act 1999* (Cth) (EPBC Act). The assessment is undertaken to determine the extent to which management arrangements ensure the fishery will be managed in an ecologically

sustainable way. The South Australian Government supports measures to reduce the regulatory burden associated with assessments under the EPBC Act, such as extending the export exemption timeframe from five to ten years for commercial fisheries which have been assessed as posing low environmental risk. Officers from the Australian Government's Department of the Environment and PIRSA worked collaboratively in 2015 to consider South Australian fisheries under the new framework. The South Australian commercial Abalone, Blue Crab, Giant Crab, Prawn and Rock Lobster Fisheries have met the new EPBC Act requirements and have had their export approval extended until July 2025. South Australia also wishes to explore the scope to streamline or remove the Wildlife Trade Operation (WTO) mechanism in the EPBC Act, to enable all fisheries to be subjected to the five to ten year exemption process, rather than the annual WTO process which is in place for some smaller less valuable fisheries and requires more onerous reporting.

### ***Aboriginal traditional fishing***

Access to South Australia's fisheries resources by Aboriginal communities under the Act is provided through Aboriginal traditional fishing management plans. These plans may be developed when an Indigenous Land Use Agreement (ILUA), agreed to resolve a native title claim, is in place in relation to a native title claim area. The State engages in ILUA negotiations with native title claimants and other stakeholder groups, including the fishing industry.

The agreements arising from these negotiation processes will inform the way access to fisheries resources by Aboriginal communities is defined and implemented. Aspirations regarding commercial fishing are sometimes also pursued through these negotiation processes, and may be considered as part of any compensation granted for the suppression or extinguishment of native title rights and interests. Any commercial fisheries access would be provided on a commercial basis (and cost). The Minister and a native title group party to an ILUA may make an Aboriginal traditional fishing management plan under the ILUA for the management of specified Aboriginal traditional fishing activities in a specified area of waters.

An Aboriginal traditional fishing management plan must be consistent with:

- the ILUA;
- the objects of the Act; and
- any management plans for commercial fishing, recreational fishing or aquatic reserves under Part 5 of the Act which relate to the same area of waters.

The Minister and a native title group party to an ILUA may make an Aboriginal traditional fishing management plan under the ILUA for the management of specified Aboriginal traditional fishing activities in a specified area of waters. The *Yandruwandha Yawarrawarrka Traditional Fishing Management Plan*, as part of the [\*Management Plan for the South Australian Lake Eyre Basin Fisheries\*](#), is the only Aboriginal traditional fishing management plan which has been developed under the Act to date. In addition, there are a number of other commercial fishery management plans which include a formal allocation of shares to fish stocks for the Aboriginal traditional fishing sector (eg Abalone, Blue Crabs, Rock Lobster, Marine Scalefish).

### ***Recreational fishing***

Recreational fishing across South Australia is controlled by Act and the *Fisheries Management (General) Regulations 2007*. The recreational fishery is not licensed, but is subject to a range of regulatory restrictions such as size, bag, boat and possession limits, restrictions on the types of gear which may be used, temporal and spatial closures and the complete protection of some



species. Registration requirements exist for the use of recreational rock lobster pots and recreational mesh nets for Lake George and the Lower Lakes and Coorong.

The Act acknowledges the importance of recreational fishing to the State. The Act:

- Requires for shares of aquatic resources (fish and aquatic plants) to be allocated to the recreational fishing sector.
- Requires management decisions which are made to 'foster' recreational fishing for the benefit of the community.
- Provides for a management plan to be developed for recreational fishing.

A [draft Management Plan for Recreational Fishing in South Australia](#) has been developed to provide the management framework for the South Australian recreational fishery over the next ten years and was recently released for public consultation. The draft plan outlines the management response for the recreational sector when limit/trigger reference points for key species are breached; these limits are identified in existing management plans for commercial fisheries. When the need for a recreational management change is triggered, the changes are required to be appropriate for maintaining the allocations between three fishing sectors and ensure sustainability.

### **Recreational fishing grants scheme**

Community grants for up to \$25,000 and \$50,000 (GST exclusive) were offered by the State Government in 2015 and 2016, respectively, to help boost recreational fishing in South Australia.

The [South Australian Recreational Fishing Grants program](#) invests in projects which could include but are not limited to:

- increasing recreational fishing participation and skills through family fun days or training days;
- improving recreational fishing access and safety (paths, board walks, fishing platforms);
- improving recreational fishing infrastructure such as cooking stations, fish cleaning stations, seating, barbeque areas; and
- enhancing sustainable recreational fishing opportunities and experiences (such as through fish habitat restoration or stock enhancement).

### **Reservoir Fishing Access Project**

To help increase opportunities for recreational fishing, the South Australian Government has committed to investigate the opening up five offline SA Water reservoirs to recreational fishers through the [Reservoir Fishing Access Project](#), led by the Department of Environment, Water and Natural Resources (DEWNR). The five reservoirs which will be investigated are Warren, Bundaleer, Baroota, Tod and Hindmarsh Valley. This initiative will have a number of benefits for both fishers and the broader community, particularly regional communities.

The Government has established a Reservoir Recreational Fishing Taskforce to oversee the project and allocated \$400,000 for minor infrastructure around reservoirs, such as toilets and picnic benches. The first three reservoirs to be addressed as part of this initiative are the Warren, Bundaleer and Baroota reservoirs which have been stocked with fish using funds through the recreational fishing grants scheme.

## ***Fisheries enhancement***

Habitat enhancement is the active process of restoring or supporting the health of fisheries habitats. PIRSA supports the artificial restoration and implementation of reefs which improve fish habitat. Healthy fish habitats support South Australia's fisheries by providing environments where fish can feed, shelter, reproduce, grow and migrate. Fish habitat can be impacted by land-based and aquatic threats. Important South Australian fish habitats, including shellfish reefs and seagrasses, have been impacted by human activities. PIRSA is a part of [Australia's Fish Habitat Network](#), which actively works to protect and improve both marine and freshwater fish habitat.

### **South Australian Government Habitat Enhancement for Recreational Fishing Project**

The State Government has committed \$600,000 to the implementation of a habitat enhancement or artificial reef development to support recreational fishing opportunities in the South Australia.

Well-designed and ecologically sustainable artificial reefs can have a number of advantages by:

- improving the health of the marine environment;
- creating new places for fishing;
- increasing tourism; and
- generating benefits to regional businesses.

Innovative and proactive opportunities exist to implement an artificial reef which improves recreational fishing experiences and also enhances the health and diversity of the marine environment. The South Australian Government supports a best practice approach to the artificial restoration and implementation of reefs to enhance fish habitat. Examples of artificial reefs which represent a best practice approach to habitat enhancement include:

- purpose build reef substrate;
- shellfish reef restoration;
- re-snagging of waterways; and
- habitat repair.

The project is led by PIRSA (Fisheries and Aquaculture) in partnership with the Department of Environment, Water and Natural Resources (DEWNR), and in collaboration with RecFish SA, Environment Protection Authority (EPA), South Australian Tourism Commission (SATC), and the Department of Planning and Transport and Infrastructure (DPTI).

This project will also help inform future decisions about habitat enhancement and artificial reefs in South Australia.

### **Mud cockle stock enhancement trial**

The Port River Cockle Fishing Zone was closed to fishing in since 2011/12 due to sustainability concerns for the stock of mud cockles (Vongole) in the area. It is believed the poor stock levels at the time of closure in the Port River cockle fishing zone was a culmination of three factors:

- excessive and unsustainable catch and effort for Mud Cockles prior to the introduction of quota in 2008/09;
- environmental conditions and disease causing mortality events; and
- low levels of recruitment in recent years.



SARDI Aquatic Sciences is currently conducting research funded through the Fisheries Research and Development Corporation (FRDC), with the assistance of local commercial fishers, to investigate stock enhancement and restoration of mud cockle stocks (Project No 2014/028). The overall objective of this project is to provide relevant information to mud cockle fishers and fishery managers to make an informed decision on investing in the recovery of cockle stocks. Up to 10,000 *Katalysia rhytiphora* and 310,000 *K. scalarina* may be seeded as part of this project, which is due to be completed in June 2017.

The first stage of this research project to test growth and survivorship of mud cockles in Port River has commenced with 16,000 juveniles being placed in the closed area of the Port River. This first field trial will be completed in May 2016 and the information collected will be applied in the design of subsequent trials.

### ***Exploratory and developmental fishing***

The State Government has responded to requests from individuals and businesses seeking permission to investigate the viability of new commercial fishing activities through the issuing of exploratory and developmental permits (Exploratory and development permits). Often the new fishing activities sought to be undertaken will include potential growth and market access opportunities, such as the harvesting of species which are not currently fished commercially, or conducting fishing activities in new areas. Amendments to fishery regulations under the Act were made to prescribe provisions to the issuing of permits for exploratory and developmental fishing activities. These regulations assist in providing controlled access to the State's aquatic resources in a manner that will foster ecological sustainability and optimum utilisation.

Exploratory permits are granted to assist in the gathering of preliminary data to assist in determining if the commercial harvesting of a particular aquatic resource is sustainable and desirable. Exploratory fishing permits are issued for a maximum of three years and are not transferable. The limited timeframe encourages permit holders to actively explore the viability of the resource and avoid speculation in resource access.

Developmental fishery permits are also issued for a maximum of three years when more substantial data is required to assist in determining whether the proposed fishing activity is sustainable and desirable. As a result data collected must be reliable and meaningful to assist PIRSA in decision-making regarding the sustainability and desirability of developmental activities. In most cases, developmental activities will follow and expand activities undertaken in an exploratory phase. Developmental fishing permits are transferable as it is recognised during the developmental phases some permit holders may need to exit the fishery, while also providing them an opportunity to recoup some of their investment costs.

## **Aquaculture management**

### ***PIRSA's one-stop-shop approach to aquaculture***

In line with the recommendations made in 1998 by the South Australian Environment Resources and Development Committee inquiry into Aquaculture, the commencement of the [Aquaculture Act 2001](#) allowed PIRSA to focus the development of the legislative framework around the concept of a 'one-stop shop' approach. This effectively created a single point of entry to State Government for the aquaculture industry. Various provisions of the *Aquaculture Act 2001* require PIRSA to case manage and conduct referrals to various government agencies when developing zone policies and

considering licence applications. In addition, government agencies such as the EPA, DEWNR and DPTI readily participate in PIRSA's policy development, legislative review processes. Incorporating key government agencies into PIRSA's processes allows a whole-of-government approach to industry development and regulation, and a simplified framework for industry liaison.

### ***Planning for aquaculture through aquaculture zones***

In planning for the development of marine aquaculture in South Australia, PIRSA develops the State's [aquaculture zone policies](#) in consultation with the industry, key State and local government agencies and wider community.

Aquaculture zone policies are statutory policies which dedicate or prioritise spatial areas of the marine environment for the purposes of aquaculture activity, which essentially includes:

- species which may be farmed;
- areas where marine aquaculture cannot occur;
- the type of aquaculture system that is allowed; and
- limitations on biomass or leasable areas in a given location.

The development of a zone policy is based on technical information relating to the area and government and industry public consultation. Zone policies provide clarity to marine resource users on aquaculture use on areas of aquaculture development, as well as security for the development and expansion of aquaculture, in alignment with the principles of ecologically sustainable development.

### ***Environmental assessment and monitoring of aquaculture***

In South Australia, the assessment of individual aquaculture licence applications follows a strict set of guidelines. A semi-quantitative risk based assessment, based on a national best practice ecologically sustainable development (ESD) risk assessment framework is applied to determine the sustainability of each individual application. As part of the assessment process, risk events are examined and this assessment is applied at both site and regional levels. Under the Act, the EPA as a mandatory referral agency must approve the granting of aquaculture licenses and amendments to aquaculture licence conditions.

Annual Environmental Monitoring Programs (EMPs) are required for all aquaculture licences. The level and type of monitoring varies for each sector (eg the requirement for water sampling or benthic videos) and are outlined in the *Aquaculture Regulations 2005*.

As EMP requirements are sector-specific they generally require the following annual information:

- Site development and productivity (all sectors).
- Feed and chemical inputs (all sectors).
- Water usage and discharge (land-based).
- Interactions with site infrastructure and marine vertebrates (all marine).
- Disease incidents (all sectors).
- Debris incidents (all marine).
- Waste and refuse disposal (all sectors).
- Benthic video assessment (finfish, mussel, abalone).
- Benthic in-faunal assessment (finfish, tuna).

PIRSA is currently reviewing the environmental monitoring requirements for all sectors. PIRSA commissioned a research project conducted by the Commonwealth Scientific Industrial Research Organisation (CSIRO) to independently review the program against best practice monitoring techniques, as a means of continual improvement to the program. A new four-year EMP has recently been implemented for the tuna and finfish sectors, incorporating findings of the CSIRO review, whereby hydrodynamic, biogeochemical and benthic analysis will be used to inform regional assessment, amongst other changes, based on community driven environmental values.

### ***Streamlined Regulation of Aquaculture***

In light of legislative changes to the *Aquaculture Act 2001* which came into operation on 25 October 2012, PIRSA has reviewed the *Aquaculture Regulations 2005* following extensive public and industry consultation. The regulations are central to the operational framework governing aquaculture development in South Australia. Work is currently underway to implement the amendments to the regulations, which will update and streamline regulatory requirements for the aquaculture sector, such as lease and licence conditions, as well as navigational marking, biosecurity and environmental monitoring requirements.

A further example of improved regulation of aquaculture involved PIRSA's implementation of two successive 90 day projects, based on the South Australian Premiers Change@SA 90 day change project framework, in collaboration with the Environment Protection Authority (EPA) and the Australian Southern Bluefin Tuna Industry Association (ASBTIA). The 90 day project framework is an innovative program designed to unlock the potential of the public sector, whereby community and industry based issues can be addressed by relevant government agencies, in a collaborative and innovative manner.

By applying this framework, the projects were aimed at streamlining tuna industry regulation for licence assessment processes by identifying potential duplication of effort between the PIRSA and EPA and improvements to regulatory processes. Following the conclusion of these projects, a Memorandum of Administrative Agreement (MAA) was endorsed by PIRSA, the EPA and ASBTIA regarding process, which has led to the following benefits being realised:

- PIRSA assessment processes are now better aligned with industry farming cycles.
- Red tape and duplication has been reduced.
- Timeframes for processing applications have been reduced by 50 per cent.
- Estimated reduced costs for industry (\$700K per annum estimated by the tuna industry).
- MAA provides certainty for farmers regarding timing of regulatory processes.
- The environmental integrity of PIRSA's assessment processes was maintained.
- An overall improved dialogue between government and industry.

### ***Management Framework for Aquaculture in Australian Waters***

On the 18 June 2015, the Australian Government released a White Paper on Developing Northern Australia which included a commitment to develop a framework for managing aquaculture in Commonwealth waters. The Australian Government Department of Agriculture and Water Resources' preferred approach for regulating aquaculture in Commonwealth waters is to develop arrangements which provide for the state and Northern Territory governments to regulate aquaculture in Commonwealth waters adjacent to each state and the Northern Territory, while reserving a capacity for the Australian Government to regulate, should it so choose.

This approach is consistent with feedback from stakeholder consultation on the National Aquaculture Strategy, currently under development. It is also consistent with the strong management framework many states of Australia have developed for the regulation of aquaculture and the recognition which has been achieved across government, the industry and the community, for these frameworks. Although there is no immediate interest from the South Australian industry in developing operations in Commonwealth waters, these arrangements would provide industry with greater certainty and allow for a more consistent management approach to aquaculture.

South Australia's aquaculture management framework could be an important best practice informant of the development of a Commonwealth management framework. The positive outcomes achieved through aquaculture in South Australia is underpinned by the South Australian Government's aquaculture resource management framework and the *Aquaculture Act 2001*, which provides for dedicated aquaculture leases and licences, and aquaculture zone policies. This approach is underpinned by an inclusive and evidence-based strategy.

## Cost recovery

PIRSA has undertaken activity-based cost recovery in the commercial fishing sector since 1995 and the aquaculture sector since 2008. This process is based on the [PIRSA Cost Recovery Policy](#), which aims to improve the consistency, transparency and accountability of existing and future cost recovery arrangements, assist in establishing the appropriate levels of service delivery, and promote the efficient and equitable allocation of resources. The cost recovery policy adopts key principles adapted from the [Australian Government Cost Recovery Guidelines](#) (2005, 2014), and [Australian Productivity Commission Reports on Cost Recovery](#) (2001).

Cost recovery is designed to ensure specific industry sectors fund the government products and services which are directly supplied to them as a result of their commercial activities derived from access to the State's community-owned aquatic resources. The cost for the provision of these services is recovered by PIRSA (Fisheries and Aquaculture) through the administration of annual fees applied to regulated licences and leases, or fee for service work applied on a per-transaction basis. The fundamental principle applied under the policy is that the main beneficiaries of the services (commercial licence and lease holders) are required to bear the cost of the delivering the services required to manage their activities. The cost recovery approach also reflects the increased certainty afforded to commercial fishers in South Australia. In South Australia commercial fishery harvest rights and aquatic resource allocation are tied to the life management plan. Currently through the cost recovery process PIRSA annually collects approximately \$14 million from the seafood industry across the fisheries and aquaculture sector.

Each year PIRSA meets with representatives of each of the commercial seafood industry sectors (11 for fisheries and six for aquaculture) to consult on the programs of services required to effectively manage the States aquatic resources, and ensure legislative requirements under the Act and the *Aquaculture Act 2001* are met. The cost recovered programs include policy and management, leasing and licensing, compliance, and scientific assessment and monitoring.

Over the years the cost recovery process has been refined by the seafood industry and PIRSA, including independent reviews commissioned by both industry and government (the review report is available on the PIRSA website). The cost recovery process is now underpinned by detailed activity statements for all commercial fishing and aquaculture sectors sets out the provision of services required for each sector. These documents are available on the PIRSA website. The process is also informed by an effort recording system used by departmental staff (Timewise). Although this has resulted in an increased administrative burden, it has increased transparency

and accountability for the seafood industry. PIRSA has worked comprehensively with all seafood industry sectors to provide transparent and efficient processes throughout annual cost recovery meetings.

PIRSA has recently moved to enter into longer-term (up to four-year) cost recovery programs agreements with fisheries and aquaculture sectors, which fixes PIRSA-related programs and the associated costs over that period and applies the Department of Treasury and Finance's indexation rate between years. All South Australian aquaculture industry sectors and many fishing sectors have agreed to establish these longer-term agreements on cost recovery. This aims to improve the cost recovery process through reducing red-tape and improving service delivery and government-industry stakeholder relationships through:

- reducing process administration and improving resource allocation for both PIRSA and industry in focusing on priority industry development and sustainability issues; and
- increasing industry business stability through improving the predictability of regulated fees, allowing for improved budget forecasting and development activities.

## **Shared services**

The South Australian Government supports the principle government agencies should continue to take advantage of shared services opportunities where these are of mutual benefit to the jurisdictions and/or agencies involved.

PIRSA and the Victorian Department of Primary Industries have a formal strategic alliance in place regarding the sharing of science services. This alliance is designed to deliver more effective and efficient aquatic sciences research outcomes for end users, improved networks and complementary capabilities in the areas of aquaculture research and development, marine and freshwater ecological research and environmental assessment, and fisheries biology, assessment and modelling. The alliance also aligns with the National Research, Development and Engagement Strategy where SARDI is a major research provider for a range of fisheries and aquaculture activities. PIRSA Fisheries and Aquaculture also has arrangements in place to deliver fisheries compliance services for the Australian Fisheries Management Authority (AFMA).

Investigating opportunities to utilise critical infrastructure such as research vessels, aquaculture facilities and analytical services operated by SARDI could be considered to progress shared services opportunities in the future.

## **Compliance and monitoring**

PIRSA coordinates compliance activities to educate fishers, deter opportunistic and financially motivated fishery-related crimes and enforce the rules and regulations. The coordination of these activities is guided by fishery specific compliance plans, which are developed in consultation with the various commercial sectors. The dedicated plans ensure compliance effort is intelligence driven, efficient, cost effective and outcome focussed.

Each compliance plan comprises three core strategies (Education and Awareness, Effective Deterrence and Appropriate Enforcement) and is optimised towards increasing voluntary compliance and maximising effective deterrence. Analysis of intelligence and information holdings is regularly conducted to identify the major risks to the sustainable harvest of the fishery. The combination of strategies, actions and initiatives is critical to focus the primary compliance effort to manage the risks and achieve targeted outcomes.



The fishery specific compliance program provides a framework to monitor and regulate fishing activities that support the sustainable commercial take of aquatic resources. The risks and strategies are regularly reviewed and assessed for relevance to ensure compliance activities meet the objectives of the Act, associated regulations and the fishery's management plan. Any risks or emerging trends/issues of significance that arise outside the plan are addressed as required.

The principal outcome for all compliance programs is to support sustainable management of the fishery by:

- Increased voluntary compliance.
- Continued development of effective deterrence strategies.
- Accurate intelligence and risk predictions.
- Successful enforcement outcomes for repeat or serious offences.
- Development of efficient and cost effective compliance strategies.
- Continued development of stakeholder engagement programs.
- Reduced incidence of reported illegal activity.
- Reduced incidence of documentation errors and inconsistencies.
- Increased integrity in fishery management systems and/or quota systems.
- Increased positive interactions & collaboration with stakeholders.

The level of effort required to deliver the compliance program in accordance with the dedicated plan is reviewed annually taking into account:

- Previous effort required to deliver established programs developed over last 10 years.
- The identified risks to the fishery and any associated changes.
- Shifts or changes to the fishery management.
- Changes to fishing practices.
- Additional pressures or influences on fishers or the fishery.
- Intelligence holdings.
- Trends or change behaviours that required monitoring and/or investigation.
- Cost effectiveness and identified efficiencies.
- Any other relevant information required to deliver an effective compliance program to monitor and enforce the rules and regulations for each fishery.

## Environmental accreditation

Launched in 2015, the [Building South Australia's Premium Food and Wine Credentials Grant Program](#) is a co-investment grant program available to South Australian food and beverage businesses and industry. It aims to raise standards to assist with attaining third-party certifications which will support access to new markets and/or contribute to premium positioning and superior prices. The program has seen grant funding allocated to a range of fisheries and aquaculture operations which have pursued a variety of certification schemes including the Aquaculture Stewardship Council, Marine Stewardship Council, Friend of the Sea and the Quality, Health, Safety and Environment Code. Further details are available on the [PIRSA website](#). With several of South Australia's fisheries attaining third-party certification, or going through processes to achieve third-party certification, it would be a useful reform for these certifications to be recognised as equivalent to the current EPBC Act ecologically sustainable development assessment process. Such a reform would reduce the regulatory burden on these fisheries and on the agency requirements for assessments and reporting.



## Marine Parks

The [Marine Parks Act 2007](#) provides for the establishment of a system of marine parks in South Australia. Marine parks are not designed to manage fisheries, they are established to protect and conserve marine biodiversity.

The State Government is required to manage a marine park in accordance with a management plan for the park. Section 14 of the *Marine Parks Act 2007* establishes the process for preparing management plans, including the requirement to prepare supporting values and impact statements.

Nineteen marine parks were declared in South Australian waters in January 2009, extending over 26,000 km<sup>2</sup>. Following an extensive public consultation process, zoning arrangements were implemented through [marine park management plans](#) introduced in 2012. Restrictions on fishing in sanctuary zones came into effect on 1 October 2014. The [Marine Parks \(Zoning\) Regulations 2012](#) establish the prohibitions and restrictions for each of the zones.

The South Australian Government's long-standing position has been to approach the management of displaced commercial fishing effort in these zones by using the following sequential steps:

1. Pragmatic zoning to avoid fishing displacement.
2. Redistribution of fishing effort where possible without impacting ecological or economic sustainability of fisheries.
3. Market-based voluntary buyback of sufficient fishing catch or effort to avoid negative impacts on fisheries.
4. Compulsory acquisition as a last resort.

In 2014, PIRSA Fisheries and Aquaculture administered the [SA Marine Parks: Commercial Fisheries Voluntary Catch/Effort Reduction Program](#) on behalf of the State Government. The program aimed to reduce commercial fisheries catch and effort to mitigate any potential biological or economic effects from the redistribution of commercial fishing effort outside marine park sanctuary zones. The likely impacts on the commercial catch/effort of South Australian fisheries were estimated in a SARDI report [Estimates of historical commercial fishery catches/effort in final sanctuary and habitat protection zones in South Australia's marine parks](#) (Ward et al 2012).

Through the program, commercial fishers in the following fisheries were invited to make offers to voluntarily surrender their licence and/or entitlements:

- Western and Central Zone Abalone fisheries.
- Northern and Southern Zone Rock Lobster fisheries.
- Marine Scalefish Fishery.
- Charter Boat Fishery.

As a result of the program, the entire estimated displacement catch and effort was successfully acquired and removed through a voluntary process.

Consistent with Section 21 of the *Marine Parks Act 2007*, the *Marine Parks (Statutory Authorisation Compensation) Regulations 2015* establish a process for holders of statutory authorisations to apply for compensation if they believe a right granted by their authorisation is affected by the creation of a marine park zone or by a temporary prohibition or restriction of activities in a marine park.

The South Australian Government considers the marine park network complements our well managed fisheries and provides an opportunity to enhance our environmental management credentials to capture potential market benefits, particularly in international export markets.

## **Key opportunities for future improvement**

The South Australian Government encourages the Productivity Commission to consider the information contained in this submission, and in particular, the following key opportunities for improving the regulation of the marine fishing sector:

- Where relevant, review of OCS agreements, and where relevant the associated MOUs, to improve the rationalisation, transparency and effectiveness of jurisdictional arrangements
- Where necessary, and without diminishing the efficacy of fisheries and aquaculture management, regulatory reform to simplify, modernize and standardize management frameworks and rules to reduce administrative complexity and costs for government and industry;
- Reducing the assessment and reporting burden of the EPBC Act.

Any initiatives must support and improve the long-term sustainability of aquatic resources, consistent with the ecologically sustainable development objectives of fisheries and aquaculture legislation.