

Thank you for the opportunity to comment on the Productivity Commission draft report on marine fishing and aquaculture.

While I find the whole document most informative and progressive, I have focussed my comments on two main areas - the recognition of Australian seafood consumers as primary stakeholders and the management of marine recreational fisheries.

### Consumers as primary stakeholders

To me, the keystone principle underpinning the marine fisheries dimension of this review is embodied in the statement:

"Fisheries are a publically owned resource".

What a pity that this does not appear until page 77 and then only in the context of resource rents. This principle underpins the main thrust of my submission - the position of domestic consumers of locally-caught fresh fish as primary stakeholders in resource sharing and related consultation processes. This statement should be foremost as the crucial starting point in any consideration of access arrangements for resources which are taken commercially and marketed mainly to domestic consumers.

In reading through the draft report I notice consumers mentioned in terms of consumer preferences, consumer protection, consumer law, consumer surplus, consumer confidence, consumer health, consumer safety, consumer demand, consumer needs, consumer tastes and information (eg in relation to fish names). In Box 10.2 (p.245), seafood consumers are listed midway through a comprehensive list of groups who may be considered as stakeholders "*depending on the management decision being considered*". This is stated in the context of stakeholder consultation. However, as resource owners, domestic consumers should be given equal status alongside resource "users" in allocation decision processes where they represent the main marketing endpoint.

The draft refers to "Particular concerns [including] the adequacy of current fisheries management regimes in dealing with community expectations and preferences for the use of fishery resources". When was the last time the community - the consumers of fresh locally-caught fish - was asked to express expectations and preferences on how the allocation of those fish should be allocated? Never. Why not? Because, as this draft repeatedly indicates, allocation processes are regarded as transactions between the catching sectors. That may be acceptable where the seafood resource in question is mainly marketed overseas, eg abalone and rock lobsters. But in the particular case where the "community", ie the owners of the resource, are also, in fact, the domestic consumers of locally caught seafood, how do "fisheries management regimes" determine their "expectations and preferences"? As illustrated in this draft report, domestic consumers are not directly involved in co-management arrangements (where these exist) and have no representative body or advocacy group through which they can articulate their concerns, preferences, demands and needs.

The discussion of "access arrangements (p.9) focuses on "*balancing the interests of different users*". This clearly indicates government access decisions concerned only with the catching interest groups.

The section headed "**Determining allocations between fishers** (p.10) confirms this limited view of who are the primary stakeholders. The matter of "*social amenity*" includes domestic consumers' access to their community-owned

seafood resources. Their interests are most certainly directly affected by "*arrangements for allocating access*". However, in almost all cases they are not considered let alone represented in decision processes.

While the draft report refers to uncertainty regarding governments' allocation policies "*maximising the value of fishery resources to the community as a whole*," it offers no trace of concern for consumers' interests as a primary criterion in weighing "*the value of fishery resources*". Government policy objectives should be explicit in referring to protecting the interests of Australian consumers.

Page 11 proposes that, in the allocation of access among fishing sectors, "the key guiding principle is to allocate fishing resources to the highest value uses across multiple competing parties". In the following discussion of what may constitute "value", there is no mention of what "value" means to domestic consumers and how that should be (a) measured and (b) given due consideration in allocation decision processes.

In the discussion of food security and self-sufficiency (p.16), it is one thing to avoid the risk of over-fishing; it is quite another thing to close proven sustainable commercial fisheries to placate recreational fishing lobbyists. When fisheries for snapper, whiting and bream are closed, the usual responses are quite cynical, such as

- "if they want to eat these species, let consumers buy NZ snapper or SA whiting, otherwise there's plenty of blue grenadier, orange roughy, etc, or
- the fresh fish supply being foregone as commercial inshore netting is banned makes up only a small percentage of marketed seafood.

While these and similar propositions may be quite valid - to some degree - they ignore the fact that sustainability of commercial fishing and clear absence of threats of over-fishing have been overlooked time and time again, to the detriment of local seafood consumers.

Even where there is sound information on trends in fish stock abundance and recreational fishing activity and catch, decisions are being made without any objective assessment of the impacts, other than on fishers. For example, the Victorian Government's 2014 decision to ban commercial net fishing in Port Phillip Bay was taken without any reference to 20 years of fisheries assessments showing the commercial fishery to be sustainable. As a result, for the sake of, perhaps, 100,000 anglers who fish frequently in that bay, six million Victorians will be deprived of 400-600 tonnes of community-owned fresh fish. The draft report refers to decisions on resource allocation and resource use "being made in an arbitrary way in several jurisdictions, significantly affecting livelihoods and social amenity" (pp 8, 49-50 & 74). The 2014 Victorian decision is a prime example. Where was there any semblance of balanced consideration of "the most valuable use of these resources" and "social amenity", bearing in mind that those resources have been shown to be capable of supporting both forms of fishing?

While I broadly agree with the discussion under "Consultation and collaboration with stakeholders" (p.28), my experience with statutory co-management bodies in Victoria confirm to me that domestic seafood consumers must be directly and effectively represented in their own right.

I fully agree with Draft Recommendation 2.1.

I also agree with Draft Recommendation 2.2 with the proviso that such policies should:

- guide "*allocation of access to fisheries stocks*" between major stakeholders which, for many fisheries, include domestic consumers;
- make clear provision for effective consultation with seafood consumers where appropriate.

As I have indicated above, I support what I believe is the intent of Draft Finding 2.2 where what constitute "*high value fisheries*" exclude fisheries in which domestic consumers have a significant interest.

Guidelines on what governments take into account in allocation decisions (p.52) should make explicit reference to how the interests of domestic consumers are to be (a) determined and (b) incorporated in allocation decisions. The same principle should apply in relation to competition for access to fisheries resources (p.70).

Further to this, in table 2.5, the benefits to domestic seafood consumers should also be detailed explicitly.

The Victorian example shown in the discussion of governments' arbitrary decision making (p.74) was not only totally arbitrary and made without any consideration of the proven sustainability of commercial net fishing - it was based on the false premise that recreational fishing participation can (should?) be increased to one million by 2020. The Andrews Government's target of one million recreational fishers is based on flawed economic survey results showing the numbers of adult fishers at 720,000 (19%) in 2009 and 838,000 (18%) in 2015. With the 2000/01 National Recreational Fishing Survey data indicating 389,000 adult fishers, it is inconceivable that numbers have increased by 115% in 15 years. Not only does this conflict with the 40-year declining trend in all other jurisdictions - it appears to reverse the 23-year trend in Victorian participation survey results, without any explanation. The two economic surveys on which that premise is based were founded on surveyed samples chosen in a way that demonstrably over-represented women, older fishers, frequent fishers and boat owners. There is a high likelihood that the true figure for 2013/14 was less than 500,000 at a participation rate of 10%.

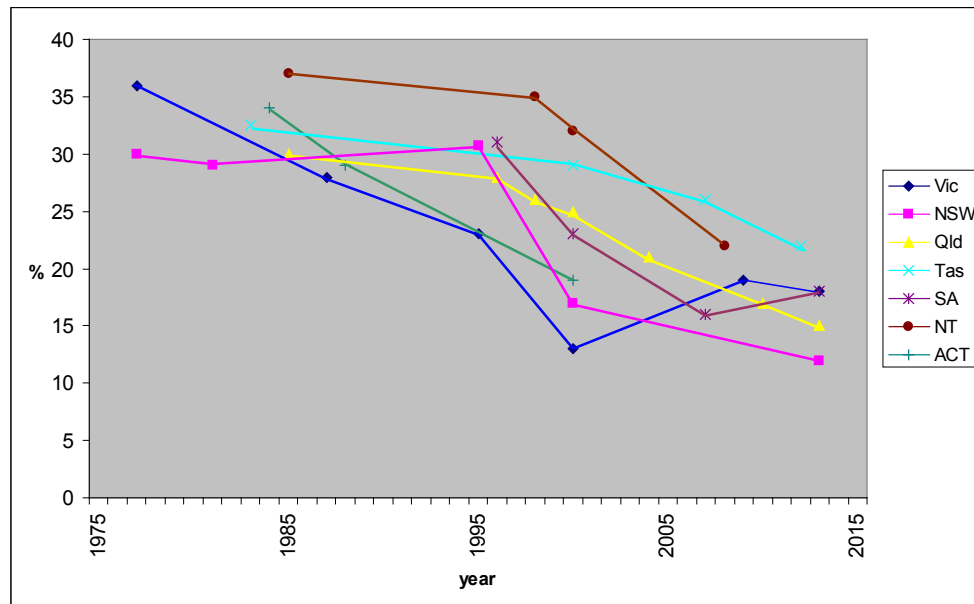
Page 77 outlines "the major advantages of price-based mechanisms for allocating access across sectors". In situations where the major markets are to domestic seafood consumers - the community owners of the resource - there are also major disadvantages, namely how to actively involve them in the transaction and how to measure and justify their right to a share.

#### Recreational fishing participation

My second major point concerns the Commission's proposition that much greater effort is needed to monitor and assess the growth of recreational fisher numbers and their impact on fisheries resources. I agree.

The draft report makes much of the likelihood that recreational fishing pressure will increase as a result of population growth and improved technology (pp17, 108 & ff). While this is a logical assumption, when it comes to fisher numbers it is not backed by evidence. In fact, participation in recreational fishing has been, and continues, to fall.

State and territory surveys of recreational fishing consistently show that participation in recreational fishing has been declining in both percentage and absolute terms since the 1970s. The following figure shows long term trends in participation rates in most states and territories since surveys began.



I make three points about the participation trends:

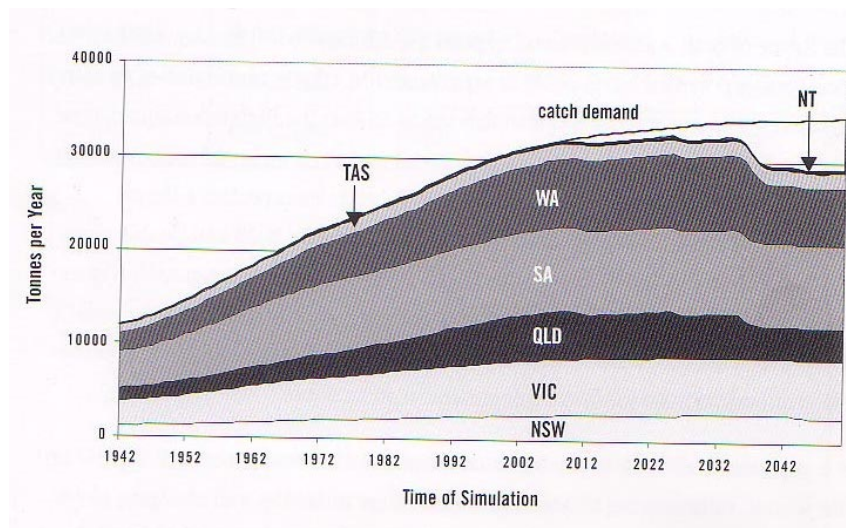
1. Since 2000, all states and territories except Victoria have adopted the phone-diary survey methodology used for the 2000/01 National Recreational Fishing Survey.
2. Only in SA has there been a sign of recent upturn in participation.
3. The apparent upturn in Victoria is based on economic surveys, in 2007/08 and 2013/14, based on samples which over-represented female fishers, frequent fishers, older fishers and boat owner-fishers. These last two estimates should not be relied on.

Note that, over time, these surveys have employed differing survey methods and have covered varying age groups.

The declining trends in fishing participation is mirrored in downward trends in relation to registered recreational vessels in, at least two states - Victoria and Queensland, and to current marine boat licences in Victoria. Box 4.2 shows the steady declines of:

- licence numbers and catches in the Queensland fishing charter fishery,
- active licences, clients, trips and catches in the SA fishing charter fishery.

This declining trend in participation is also consistent with a 2003 FR&DC-funded study, *Modelling Australia's fisheries to 2050: policy and management implications*. The following figure shows the likely trajectory of recreational catches out to 2050.



### Recreational fishing licensing

The statement (p.17) that " A well-designed licensing system is a key step for better managing recreational fishing" is entirely accurate, as is the recommendation that some states could make much better use of their licensing systems. Victoria's "all-waters" Recreational Fishing Licence (RFL) was introduced in 1999 to provide funds dedicated to new programs, facilities and services for the improvement of recreational fishing. Over the years, longstanding programs previously funded by the Victorian Government have been systematically cost-shifted to the RFL trust fund. According to the Government's accepted participation figure - 838,000 - only 49% of adult fishers held RFLs in 2013/14. Not only did this make the licensing system grossly inequitable; it meant that it was useless as a truly effective means of tracking participation and for research, surveys and communication.

I suspect the much the same could be said of the other state with a similar licence, NSW.

In contrast, Tasmania and WA have species or gear/method specific licensing arrangements - with no exemptions - that provide the fisher data and the funding for effective monitoring of their stocks of highly-valued species such as rock lobster.

Having been professionally involved in the development of Victoria's all-waters RFL, I totally endorse most statements made in the draft in relation to recreational fishing licensing. The one which I strongly disagree with is that " Licences should be readily available at low cost for the majority of fishers". In the two states with comprehensive licences - Victoria and NSW - the reality of government funding of recreational fisheries programs tells us that, without licence revenue, much of what fishers now rely on can only be provided by substantial annual licence revenue. This includes fisheries monitoring, research, surveys, enforcement, fish stocking, information, facilities and schools programs. All who benefit should pay - according to their ability to pay. Concessions should apply for qualifying adults as they do for some utilities and other government charges. There is a strong case for cost-only or even free licences for children so that they:

- are included in participation estimates and trends, and
- become accustomed to the tenet that, if you fish you must hold a licence.

I fully support Draft Recommendation 4.1 with the exception that, apart from young children perhaps, there should be no licence exemptions.

### Fishing charter operators

I fully support the proposition that all jurisdictions should require all recreational fishing charter operators to be licensed and to provide mandatory catch, effort and participation data. This should apply equally to fishing guides. In Victoria at present, fishing charter and guide operators benefit commercially from programs and services which are partly or wholly funded by (a minority of) recreational fishers.

### National and state/territory surveys

I totally support the recommendations regarding national and state/territory surveys of recreational fishing participation, catch fishing effort and expenditures. Five-yearly surveys should be conducted using a common methodology and covering the same time frames to enable aggregation of data at a national level. Box 4.3 (p.114) "Licensing and sample frames for surveys" outlines a strong case for the introduction of recreational fishing licensing with no exemptions.

Regarding Draft Recommendation 4.2, governments should weigh up the comparative feasibility and effectiveness of special licence endorsements and harvest tagging management systems.

While I agree with the good intentions underlying Draft Recommendation 4.3, as it is written it shows ignorance of the systematic, coordinated and comprehensive body of work conducted by state and territory fisheries agencies since 2000. Most of this work was coordinated by the FRDC's "Released Fish Survival" program and was focussed on the major species and species-groups identified in the 2000/01 National Recreational Fishing Survey as being released in large numbers. That said, the more recent surge in fishing for pelagic and continental slope species off south-eastern Australia is prompting new areas for such research and extension work.

Regarding Draft Recommendation 4.4, while I defer to state and territory governments on this matter, I note that the opportunities for non-compliance are increasing as healthy inshore fish stocks are increasingly being allocated wholly to the recreational fishing sector.

I completely agree with Draft Recommendation 4.5 - this is an area of pressing national priority.

Again, thank you for the opportunity to comment on the draft report.

5 October 2016