



**Submission in response to the Productivity Commission  
'Marine Fisheries and Aquaculture Draft Report - Overview &  
Draft Recommendations' August 2016**

**Background**

This submission is made by the Northern Prawn Fishery Pty Ltd (NPF) on behalf of the Commonwealth Statutory Fishing Rights holders operating in the Northern Prawn Fishery. Our industry is comprised of a combination of individuals, small businesses and corporate fishing companies, many of whom are from intergenerational fishing families who have been involved in the NPF since the 1970's.

The NPF is committed to working with governments and other interested parties to achieve optimum outcomes for the fishing industry and the Australian community through effective fisheries management regimes. As such, NPF welcomes the opportunity to respond to the Productivity Commission's *'Marine Fisheries and Aquaculture Draft Report - Overview & Draft Recommendations'* August 2016 as follows:

**ACCESS TO FISHERIES RESOURCES**

**DRAFT RECOMMENDATION 2.1**

The New South Wales, Victorian, Tasmanian and Queensland Governments should develop and implement a harvest strategy policy. Harvest strategy policies should be developed with regard to the National Guidelines to Develop Fishery Harvest Strategies.

***NPF supports this recommendation.***

## DRAFT RECOMMENDATION 2.2

The Australian, Victorian, Tasmanian and Queensland Governments should develop a policy to guide the allocation of access to fisheries stocks between different sectors.

The allocation policies of all governments should seek to promote the best use of fishery resources and provide certainty in relation to the processes involved in determining resource shares. At a minimum these policies should outline:

- triggers for review of existing allocations between sectors
- the review process, including how consultation will occur
- key considerations that will guide decisions

These policies should be publicly available.

***NPFI recommends that the PC report should state that any future resource sharing policies MUST:***

- a) include explicit recognition of existing commercial fishing rights and***
- b) provide for compensation to be paid in the event that there is any reallocation of fishing access rights from the commercial sector (including to the community) in accordance with S 51 (xxxi) of the Constitution***

## DRAFT RECOMMENDATION 3.1

The Northern Territory and all state Governments should move each of their fisheries to an individual transferable quota management system unless it is demonstrated that this is technically impractical or not cost effective. If individual transferable quotas are not used, fisheries should be managed using individual transferable effort systems. The Australian Government should complete the move of its fisheries to either individual transferable quota or individual transferable effort systems. Governments should publicly release reasons for the approach taken to each fishery.

***NPFI supports the recommendation for appropriate systems of tradable fishing rights (ie ITQs or ITEs) to be implemented in all commercial fisheries, noting that both systems facilitate autonomous adjustment.***

***However, NPFI does NOT support the recommendation that ITQ's should be the 'default position'. There are numerous fisheries,***

*including the Northern Prawn Fishery, which are not suited to ITQ management. NPFI notes the recognition by the PC that these include short lived species (eg prawns, squid) with highly variable recruitment, often driven by environmental conditions which make it difficult, if not impossible, to set robust TAC's.*

*Under-estimation of TAC's can result in significant loss of profits to the fishery and the Community. By way of example, the underestimation of the modelled banana prawn TAC in 2011 would have cost the fishery between \$10 and \$15 million in foregone catch compared to actual catch. In 2015, fishers would have foregone in the order of \$25 million of tiger prawn catch as a result of underestimation by the TAC model compared to the actual tiger prawn catch.*

*Conversely over-estimation of TACs can result in stock depletion and overfishing. ITQs are also often problematic in multi-species fisheries as they can result in managing to the 'lowest common denominator'. It should also be noted that there are very few 'pure' ITQ-managed fisheries in Australia. Most ITQ-managed fisheries are subject to additional input controls (closures, limited entry etc) which are effective for improving stock and/or eco-system sustainability but which impose additional costs and reduce economic returns. Many of the 'theoretical benefits' of ITQs are often dissipated as a result of the overlay of additional input controls.*

*NPFI therefore recommends that fisheries should be assessed according to their characteristics to determine which type of management systems are most appropriate. By necessity this should include a cost-benefit analysis of various management options. Decisions on 'input or output' control management must be evidenced-based.*

*There are extensive global case studies to support the establishment of 'pre-conditions' for moving to ITQs (eg single species, ability to set robust TACs, single jurisdiction management, cost effectiveness etc) to avoid the imposition of extensive costs, time and resources which are often associated with investigation of alternative management systems.*

## DRAFT RECOMMENDATION 3.2

The Australian, state and Northern Territory governments should ensure that commercial fishing regulations are reviewed regularly to ensure they remain 'fit for purpose' against clearly articulated policy objectives. At minimum, reviews should occur when harvest strategies are revised.

***NPFI supports the recommendation.***

## DRAFT RECOMMENDATION 3.3

State and territory governments should take into account any impacts of proposed planning and land/marine use developments on the commercial fishing sector

***NPFI supports this recommendation. NPFI emphasises that there needs to be a broader understanding by government and the community of the impacts of land based developments such as urban runoff, water allocation, water diversions and reduced water flow on the productivity of commercial fisheries and the marine environment.***

***Until recently, there has been minimal research into the impacts of land-based development on fisheries resources and the marine environment. Current and future governments must invest in research to identify and minimise impacts of future development. Decisions on future development must be evidence-based supported by the best available science.***

## RECREATIONAL FISHING

***No comment***

## INDIGENOUS CUSTOMARY FISHING

### DRAFT RECOMMENDATION 5.1

Customary fishing by Indigenous Australians should be recognised as a sector in its own right in fisheries management regimes. The definition of Indigenous customary fishing should be consistent with native title.

***NPFI supports the recommendation that any Indigenous customary fishing should be consistent with native title.***

### DRAFT RECOMMENDATION 5.2

The Indigenous customary fishing sector should be afforded a priority share of resources in fisheries where catch or effort is limited. This allocation should be sufficient to cover cultural use by the local Indigenous community in accordance with proven traditional laws and customs.

Customary fishing rights should not be tradeable or transferrable, recognising the unique characteristics of the associated cultural benefits and that these benefits are exclusive to the community concerned.

Customary allocations and any controls over customary fishing activities should be developed in consultation with Indigenous communities.

***NPFI supports the recommendation.***

#### DRAFT RECOMMENDATION 5.3

The definition of customary fishing in fisheries laws should provide for fishing for commercial purposes, but only where consistent with traditional laws and customs.

***NPFI supports this approach and reiterates that there should be no re-allocation of resources from the commercial sector to other users. Commercial access to fisheries must be obtained in the usual way (ie through purchase or lease of existing fishing entitlements) except where jurisdictional arrangements already apply (eg Torres Strait PZJA.)***

#### FISHERIES SPANNING JURISDICTIONS

##### DRAFT RECOMMENDATION 6.1

In reforming cross-jurisdictional fisheries, Australian, state and Northern Territory Governments should:

- focus on fish stocks that are of higher value/risk and subject to inconsistent management arrangements
- consider whether transfer of management responsibility to a single government or better aligning management arrangements would produce the greatest net benefits.

***Whilst not relevant to the NPF, NPFI supports the recommendation to provide for consistency and more effective management arrangements and to reduce duplication, cost and regulatory burden.***

## DRAFT RECOMMENDATION 6.2

The Australian Government should set allowable catch limits of southern bluefin tuna for all fishing sectors (including the recreational sector). Sectoral allowances should be in place in advance of the southern bluefin tuna fishing season commencing on 1 December 2018.

In consultation with fishers, the Australian Government and state governments should negotiate the nature of, and responsibility for, the day-to-day management of recreational fishers targeting southern bluefin tuna.

***No comment***

## DRAFT RECOMMENDATION 6.3

The New South Wales Southern Fish Trawl Fishery should be absorbed into the Commonwealth Trawl Sector of the Southern and Eastern Scalefish and Shark Fishery by the end of 2018.

***No comment***

## DRAFT RECOMMENDATION 6.4

The New South Wales, Victorian and Queensland Governments should make the joint stock assessment process for the east coast biological snapper stock a reform priority and provide the resources necessary to ensure the timely completion of the assessment.

***No comment***

## DRAFT RECOMMENDATION 6.5

Australian, state and Northern Territory Governments should make the reform of cross-jurisdictional fisheries a collective priority and issue a joint reform strategy within 12 months of the release of the Commission's final report. Progress against the strategy should be reported annually over its term.

***NPFI supports the recommendation.***

## DRAFT RECOMMENDATION 6.6

The management arrangements for cross-jurisdictional fisheries and supporting memoranda of understanding should be reviewed regularly by governments to ensure they remain fit for purpose. At a minimum, they should be reviewed as part of any revision of the harvest strategy for the relevant species.

The task of reviewing and developing reforms to reduce the costs of cross-jurisdictional fisheries should be the subject of a joint Ministerial direction to agencies.

The Principles Guiding Revision of the OCS Fisheries Arrangements should be amended to include an intention to limit the extent of shared jurisdiction over expanses of water wherever possible.

***NPFI supports the recommendation.***

## MANAGING THE ENVIRONMENTAL IMPACT OF FISHERIES

### DRAFT RECOMMENDATION 7.1

The Australian Government should publish online the annual reports that fisheries produce as part of their accreditation requirements under the *Environment Protection and Biodiversity Conservation Act 1999* (C'wlth).

***NPFI supports the recommendation.***

### DRAFT RECOMMENDATION 7.2

The Australian, state and Northern Territory Governments should expand the use of explicit mortality limits for fisheries that have a high risk of interaction with threatened, endangered and protected species.

Limits should be used in conjunction with controls on fishing methods and equipment that have proven effective in minimising the impact of fishing activity on protected species.

***NPFI notes that there is a paucity of information relating to many bycatch species including some TEP species, and recommends the use of potential biological removal (PBRs) and/or 'proxies' to inform the development of fishery-specific harvest rules aimed at impacts on TEP***

***species. Harvest rules for TEP species should be developed in conjunction with RAGs and MACs.***

#### DRAFT RECOMMENDATION 7.3

Governments that do not already do so should make summaries of information on interactions with protected species publically available (online).

Summaries should be provided on a fishery by fishery basis and at a minimum include:

- the species with which there was an interaction
- the gear type used
- whether the specimen survived, was injured or died as a result of the interaction
- the total number of fishing days undertaken in the fishery across the duration of the reporting period.

***NPFI supports the recommendation, noting that this is already occurring in Commonwealth fisheries.***

#### DRAFT RECOMMENDATION 7.4

The Australian Government should clarify the purpose of the List of Marine Species established in Part 13, Division 4 of the *Environment Protection and Biodiversity Conservation Act 1999* (C'wlth) and provide further information on the criteria against which species are added to or removed from this list.

***NPFI supports the recommendation however we note that the PC report does not address the recommendation in the Commonwealth Fisheries Associations (CFA) submission to streamline the EPBC Act by merging Parts 10, 13 and 13a into a single assessment to reduce red tape and duplication. NPFI notes that this was a positive recommendation that would reduce regulatory burden and cost.***

***NPFI recommends that fisheries managed under the Fisheries Management Act 1992 which have achieved third party accreditation that is equivalent (or higher than) than the requirements of the EPBC Act should not require WTO. Such an approach will not result in third party certification replacing regulatory requirements or setting regulatory benchmarks (as inferred in the report). Rather, it will reduce duplication, regulatory burden and costs in situations where the***



***requirements of the EPBC Act have been met or exceeded through third party accreditation.***

## **DOWNSTREAM PROCESSES**

### **DRAFT RECOMMENDATION 9.1**

Governments should not extend mandatory country of origin labelling to seafood sold for immediate consumption.

***NPFI notes that the PC report does not support mandatory country of origin labelling (Cool) because Cool does not relate to food safety and that governments should not play a role in informing consumer choices.***

***NPFI does NOT support that position and asserts that Cool could be a significant tool to address the issue of product substitution which is allegedly occurring in some parts of the food service sector.***

***Product substitution is illegal and government has a regulatory responsibility to address the issue. The introduction of country of origin labelling for seafood sold through restaurants and catering outlets would assist consumers to make informed choices in the knowledge that Cool minimises potential for product substitution.***

### **DRAFT RECOMMENDATION 9.2**

The Australian Fish Names standard should continue to be used on a voluntary basis. Further development of the Standard by Fisheries Research and Development Corporation should continue to reflect the needs of industry and the preferences of consumers.

***NPFI supports the recommendation.***

### **DRAFT RECOMMENDATION 9.3**

Australian, state and Northern Territory Governments should ensure that licence and accreditation fees for seafood processors reflect the efficiently incurred costs of regulating these facilities.

***NPFI supports the recommendation.***

## **OTHER AREAS FOR IMPROVEMENT**

### **DRAFT RECOMMENDATION 10.1**

Australian, state and Northern Territory Governments should ensure that operational decisions are delegated to the relevant fishery management authorities to the extent possible.

***NPFI supports the recommendation.***

#### DRAFT RECOMMENDATION 10.2

The governance arrangements of advisory groups formed under fisheries laws should include: clear terms of reference; a conflict of interest policy; clear role descriptions for members; fixed membership terms; performance assessment regimes; and reporting arrangements.

Members of advisory groups dealing with technical matters should be appointed based on their expertise.

Ministers or departments should have the power to dismiss advisory group members who breach the terms of their engagement.

***NPFI supports the recommendations.***

#### DRAFT RECOMMENDATION 10.3

Australian, state and Northern Territory Governments should have clear policies on co-management in fisheries. These policies should provide practical guidance to stakeholders on the types of activities where governments are willing to collaborate or delegate responsibilities. The policies should include details of the capability and governance standards that are expected of stakeholders seeking to enter into a co management arrangement.

***NPFI supports the recommendation, noting that the FRDC report ‘Co-management: Managing Australia’s fisheries through partnership and delegation’ - REPORT OF THE FRDC’S NATIONAL WORKING GROUP FOR THE FISHERIES CO-MANAGEMENT INITIATIVE — PROJECT NO. 2006/068’ provides guidance and recommended pre-conditions for entering into co-management arrangements.***

***NPFI recommends increased focus and facilitation by fisheries management agencies to assist industry associations to move further down the co-management continuum, including in the Northern Prawn***

***Fishery where co-management arrangements have been successfully implemented over the past 8 years.***

DRAFT RECOMMENDATION 10.4

Fisheries agencies should provide easily accessible channels through which the public can share information on illegal fishing. Governments should ensure their fisheries agencies are sufficiently resourced to enable timely and proportionate follow-up action on information supplied by the public.

***NPFI supports the recommendation.***

DRAFT RECOMMENDATION 10.5

State and the Northern Territory Governments should implement best practice cost recovery arrangements where cost-effective. Where indirect methods of obtaining sectoral contributions towards costs are used, governments should set fees with reference to efficiently-incurred costs for essential services. Governments should transparently disclose the services or regulatory activities for which costs are recovered, and the amount and extent of costs recovered.

***NPFI recommends that cost recovery arrangements relating to fisheries management incorporate a percentage of public benefit with a level of consistency across fisheries in terms of the application of public good funds. NPFI notes that the public has an expectation that Australian fisheries are effectively and efficiently managed. NPFI asserts that there is an obligation by the Government to ensure that adequate government funding is provided to fisheries management agencies to support that outcome.***

End.