

4 April 2016

**Australian Marine Fisheries & Aquaculture  
Productivity Commission  
GPO BOX 1428  
Canberra ACT 2601**

Dear Commissioner,

**RE: Response to the Issue Paper – Marine Fisheries and Aquaculture**

Southern Rock Lobster Limited (SRL) is a national organisation responsible for the management and co-ordination of Research, Development & Extension (R, D & E) in the Southern Rock Lobster Fishery. SRL is also responsible for the management and delivery of the Clean Green Product Standard, a third party accreditation program. SRL's membership is the three Southern Rock Lobster industry representative bodies from South Australia (SARLAC), Tasmania (TRLFA) and Victoria (VRLA).

SRL does not usually become involved in state fishery management matters and is aware that there are submissions from its member organisations that will address matters raised in the Productivity Commission's Issues Paper. However SRL will take the opportunity to provide comments on some of the matters raised in the Issues Paper.

**MULTI JURISDICTIONAL GOVERNANCE**

It is important that the objectives of fisheries management legislation are focussed on intended outcomes (i.e. the measurables) rather than how the regulations (the process) will be delivered. The objectives should therefore:

- Ensure resource/stock sustainability
- Deliver effective and efficient fishing operations that have minimal environmental impact

The Southern Rock Lobster species is a single stock harvested across three adjoining states each with separate management regimes. There is considerable duplication in the process which presents an obvious opportunity for policy review and regulatory reform. Such reform would streamline management across the industry. SRL recently held a workshop to obtain input from key stakeholders for the drafting of a new 2016-2020 industry strategic plan. There was agreement on a key issue to '*Promote Policy and Regulatory Reform that Achieves Harmonisation across SRL Industry*' and the strategies to support this included:

- a. Standardise the Harvest Strategy
- b. Harmonise Management Plans
- c. Undertake and Maintain a Single Stock Assessment

It is difficult to provide a figure for the total cost of the duplication for managing Southern Rock Lobster within three separate management regimes. However, it would stand to

reason that as a single species fishery there would be cost savings through a more harmonised regulatory and management process.

The New Zealand model for rock lobster management could provide useful lessons for harmonising governance arrangements in Australia. New Zealand harvests the same species as Australia (i.e. Southern Rock Lobster) with a similar TACC and manages the fishery as a single stock. The New Zealand Rock Lobster Industry Council (NZRLIC) acts as a central service agency for that country's commercial Rock Lobster industry and has a key role in annual TACC setting, stock monitoring and stock assessment research services. .

## **SUSTAINABILITY AND ACCREDITATION**

All Rock Lobster fisheries in Australia have harvest strategies based on Total Allowable Commercial Catch (TACC) settings and Individual Transferable Quota (ITQ) management. The complexities that contribute to the performance of a fishery require a number of factors/indicators to be considered each year and with stakeholder involvement in setting the TACC as a means to ensuring sustainability. In addition to this, export fisheries such as SRL are subject to accreditation under the Environment Protection and Biodiversity Conservation Act (EPBC Act).

Independent third party accreditation is a widely used and well recognised tool to benchmark and assess the performance of a fishery. The role of such accreditation is to assess the performance of the fishery against global sustainability standards and to suggest areas for improvement. They provide recognition for the fishery when assessment against agreed criteria is achieved and may contribute to achieving social license to operate.

SRL delivers a third party audited 'Pot to Plate' Product Standard titled Clean Green that was first introduced in 2004. The program was developed by lobster fishermen in response to serious challenges to work practices, environmental legislation and food safety issues that started to confront the industry in the late 1990's.

The program is to demonstrate that industry is well organised and mature enough to address its responsibilities and interests through an industry-developed, owned, self-managed and independently audited, standards-based program that establishes best practice in five key areas of:

- 1) *Vessel Safety Management Systems (SMS) and On-Board Work, Health & Safety (WH&S)* - Specific to the risks of rock lobster fishing vessel operations and workplace risks and hazards.
- 2) *Food Safety & Quality* – Implementing Good Manufacturing Practice (GMP) to ensure a premium live, healthy product across the supply chain.
- 3) *Animal Welfare* – This is important as it is a predominately live trade industry and also important from an economic perspective since live and healthy rock lobsters achieve a premium price

- 4) *Environmental Management* - Negating and managing any potential impacts of fishing operations on the marine environment, including interactions with threatened, endangered and protected species (TEPS).
- 5) *Sustainable Management* - Ensuring the wild rock lobster stocks are managed for long term sustainability through ongoing compliance with the *Environment Protection and Biodiversity Conservation (EPBC) Act 1999*.

During 2014/15 Clean Green undertook a considerable revision of the components of the program that established best practice standards for the safe operations of a fishing vessel, i.e. Vessel SMS and WH&S for work related tasks. The updating of the program was in response to the Australian Maritime Safety Authority (AMSA) introducing a National Standard for Commercial Vessels (NSCV) (Part E Operations) requiring all vessels to have an SMS and at the same time also addressing recent changes to WH&S legislative requirements of SafeWork Authorities. Clean Green is now recognised by AMSA as an equivalent solution to the regulatory requirements of NSCV. It is a voluntary program and a unique example of industry self regulation to also address other (than just fisheries) regulatory requirements that impact on fishing operations.

Clearly there is duplication in the requirements of sustainable fisheries management regulations in each state, the requirements of the EPBC Act and the provisions of the third party accredited Clean Green program. This arises because the basic objectives of the Fisheries Management Acts and the Environmental Management Acts are fundamentally similar: to ensure environmental sustainability. Such duplication carries and considerable regulatory burden for fisheries, especially those under cost recovery arrangements, and opportunities exist to streamline the process through recognition of third party accreditation programs.

## **COST RECOVERY IN MANAGING FISHERIES**

SRL is aware that the South Australian Rock Lobster Advisory council has made a considerable reference in their submission to this critically important matter and supports their position on:

1. Competitive Service Provision
2. Greater Transparency
3. Reducing costs of fishery compliance activity

Reference in the Issues paper regarding a '*Charge on the Use of Fisheries to Provide a Return to the Community*' underlines the importance of these fisheries in the economic benefits already being returned to rural/coastal communities and should also be a key consideration. A further consideration should be the high costs of production for Southern Rock Lobster which has risen significantly in recent in recent years and available data suggests the costs in 2012/13 were \$47.21/Kg. Any licence fee model based a Gross Value Production (GVP) would be unlikely to take into account these high production costs or a return on capital investment in the fishery, which for Southern Rock Lobster is approximately \$2.5 billion. Therefore industry would not support any GVP based licence fee model.

A matter worthy of consideration regarding economic return to communities is the impact of Australian Fisheries that have adopted TACC management with ITQ's. It is acknowledged globally that the unintended consequence of ITQ ownership by investors and/or foreign

owners has been a shift in economic benefits away from local fishing communities to urban or offshore based owners. The longer term socio-economic impacts on those communities and the potential for a lack of stewardship e.g. supporting pot sampling programs, handling by-catch, avoiding contact with threatened or protected species, through a shift to more contract fishers might be complicated to quantify, but should be undertaken. Most Australian fisheries regulations allow this to happen and without noting it in this submission would be ignoring a concern commonly raised by rock lobster fishers.

## **SCIENCE AND RESEARCH**

Well planned RD&E programs with investment targeted at priority projects are a key to a sustainable future for most if not all Australian fisheries. It is unfortunate that much of the good R&D work that has been done to reduce the ecological impacts is not always communicated and public perceptions of the fishing industry are generally poor. Yet, conversely seafood continues to be a popular fare across Australia.

The Southern Rock Lobster Industry has a very productive working arrangement with the Fisheries Research and Development Corporation (FRDC) in regards to the investment in R&D projects for the industry. SRL's role in planning and coordinating RD&E is established through an Industry Partnership Agreement (IPA) with FRDC that sets out the following arrangements:

- (a) Supporting relevant State and Commonwealth agencies in ensuring that the Southern Rock Lobster fisheries in Tasmania, South Australia and Victoria are managed on an ecologically sustainable basis and that they comply with relevant fishery management plans;
- (b) Investing in targeted RD&E and other activities that support and assist in delivering the Industry Development and Management Plan and the associated RD&E Strategy. Issues that may be included in the Industry Development and Management Plan and the RD&E Strategy include:
  - i. Sustainable development of the industry;
  - ii. Maintenance of resource access and property rights;
  - iii. Increases in productivity and profitability;
  - iv. Improved community relations;
  - v. Market development, market access and market research;
  - vi. Improved safety and training;
  - vii. People development across the entire supply chain

Importantly this arrangement enables SRL to be proactive and identify priorities and call for project applications from suitable researchers that address the objectives of the RD&E plan and also respond to emerging issues, e.g. responding to algal blooms that close areas to fishing. SRL has established an RD&E Committee consisting of industry, fisheries managers, R&D expertise to assist with project approval and monitoring.

The key measurement of a R&D project is in the take up of outcomes and therefore the “E” in RD&E as in the ‘Extension’ work of projects is critical to the adoption of the results by

industry and managers. SRL has invited the Principal Investigator of projects to make presentations to the RD&E committee on the outcomes from their completed work. This provides a direct channel of communication to fisheries managers and key representatives of industry associations and this is then followed up with articles in the SRL News publication that a broad circulation across the fisheries three jurisdictions.

Thank you for taking the time to consider the matters in this submission and SRL would welcome the opportunity to discuss in detail any of the issues that have been raised.

Yours sincerely

Ross Hodge  
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**Southern Rocklobster Limited**