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Australian Marine Fisheries & Aquaculture  
Productivity Commission

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**RE: SARLAC Submission - Australian Marine Fisheries & Aquaculture  
Productivity Commission**

Dear Commissioner

Thank you to you and Ms Elle Saber for meeting with Mr Kyri Toumazos and myself here in Adelaide on 18 March 2016 to discuss this inquiry and issues relevant to our industry.

We certainly appreciated you making the effort to speak with us.

I am pleased to provide the below summary of the issues we covered, together with supporting attachments, which constitutes SARLAC's submission to this inquiry for your further consideration, as follows;

**1. Competitive Service Provision**

SARLAC has identified three priority areas as the South Australian Rock Lobster Industry's long-term 'agenda' for cost recovery and associated reductions in commercial licence fees, as follows;

1. Competitive Service Provision (across a range of areas / services e.g. fishery research and assessment and fishery compliance programs).
2. Greater transparency / accountability and reductions in Government overhead costs charged to industry.
3. Reducing costs of fishery compliance activity for Rock Lobster (directly links with point 1 above).

In relation to point 1 above, SARLAC has initiated a 'benchmarking exercise' of SARDI's service provision, at industry's cost, in conjunction with PIRSA and SARDI Aquatic Sciences. Terms of Reference (TOR) have been developed for this process, and it has progressed to the point where we have almost agreed on the content for a 'template' to be provided to alternate research providers in order to begin gathering information for further analyses.

By way of further explanation, I have attached an explanatory letter from SARLAC to PIRSA as **Attachment 1** and the finalised TOR for the exercise as **Attachment 2**.

## 2. Cost Recovery

As per point 1 above, SARLAC's long-term 'agenda' for cost recovery and associated reductions in commercial licence fees is as follows;

1. Competitive Service Provision (across a range of areas / services e.g. fishery research and assessment and fishery compliance programs).
2. Greater transparency / accountability and reductions in Government overhead costs charged to industry.
3. Reducing costs of fishery compliance activity for Rock Lobster (directly links with point 1 above).

To be clear from the outset, the South Australian Southern Rock Lobster Industry is not supportive of any shift from cost recovery to a licence fee model based on percentage of fishery Gross Value of Production (GVP), as has been introduced in Western Australia.

Any move towards a GVP-based model would be resisted by our industry; our preference is for a transparent cost recovery system which facilitates the provision of [relevant] services to industry efficiently, cost-effectively and on a competitive basis.

For the 2016-17 financial year, our industry was provided with the 'DRAFT Cost Recovery Program 2016-17 - Rock Lobster Fishery - Southern Zone' document by PIRSA. The proposed costs for 2016-17 in this document were blank, all of the 'Daily Charge Out Rate' information in this document was also blank.

Industry was provided with this document on 5 February 2016, industry met with PIRSA to discuss this document on 23 February 2016.

At the time of writing this letter, all of this detail (costs) is yet to be provided. As described above, industry has already been asked to, and has, attend meetings in relation to cost recovery programs for 2016-17 and also been asked to provide confirmation of our own requirements for inclusion into the commercial licence fee (industry has been able to provide this information as requested).

We have also experienced situations in past years when industry has had to make its own calculations of certain costs after PIRSA have been unable to provide them, for example; the total cost of management for the marine scalefish fishery that is attributable to the rock lobster fishery (most rock lobster licence holders retain a level of marine scale access on their licences). I would be happy to provide detailed information documenting this issue if required.

There was also considerable confusion in relation to the cost of SARDI Aquatic Sciences' program for the Southern Zone Rock Lobster Fishery for the 2015-16 financial year. For this cost in 2015-16 there was an industry driven 'correction' of the actual cost of the program and, despite clear information requests, industry having to 'forensically' dissect information provided in order to achieve a satisfactory explanation of the charges to be included in the commercial licence fee. Again, I would be happy to provide detailed information if required.

Positively, and at PIRSA's suggestion, the Southern Zone Rock Lobster Fishery is seeking a longer-term agreement on cost recovery to provide a greater level of certainty and security in relation to the cost of management. This process is further detailed in a letter I have included as **Attachment 3** to this

correspondence. In particular, please note the points in that letter relating to how we can work towards finding efficiencies to reduce the overall cost of fisheries compliance (point 3 above), this is, by far, the highest cost component of the licence fee.

3. **The SA Rock Lobster Fishery Rules Review & Gear Review**
4. **Fisheries Licensing Efficiencies**
5. **Progression of the PIRSA Fisheries and Aquaculture e-Business Portal / Platform**

Issues 3, 4 and 5 detailed above are documented in the Discussion Paper included as **Attachment 4** to this correspondence.

We spoke about these issues during our meeting, and I have subsequently provided further detail, specifically in relation to issue 3, to Ms Saber. Importantly, following SARLAC's initiation of dialogue on these issues, we believe it is intended to establish some type of 'working group', with relevant PIRSA personnel, to ensure these issues are progressed.

Issue 5 above relates to licence holders still not being able to perform required business transactions online. Transactions such as quota and licence transfers, vessel registrations and de-registrations, registration of vessel 'masters' etc must still all be performed 'manually' in South Australia. It is our strong preference to move towards an electronic solution for these types of business transactions as in place for Commonwealth Fisheries via AFMA's 'GoFish' system.

## 6. **On-Board Electronic Data Collection**

As discussed with you, the Southern Zone Rock Lobster Fishery has worked with a private company to develop an iPad Application known as 'Deckhand'.

This app has replaced two of the legislated 'paper reports' fishermen were required to complete on-board their vessels. Every vessel in the Southern Zone (approximately 165) utilised this application during the 2015-16 season (concluding on 31 May 2016).

However, all vessels were initially required to undertake 'dual reporting' for most of the season i.e. complete both the paper-based and electronic forms of reporting, as part of the transition. While we do appreciate the need to ensure accuracy of reporting etc, this has created extra workload for departmental staff as well as for industry.

Also, industry (at the fishery level) is yet to realise any significant cost efficiencies from the move to electronic reporting.

It must be acknowledged that PIRSA Fisheries and SARDI Aquatic Sciences, and particularly the specific personnel involved, have been extremely supportive and provided a high level of assistance to ensure effective introduction of this technology. PIRSA are also working towards introducing their own, phone-based, Interactive Voice Response (IVR) system to replace paper in 2016-17.

## 7. **Fishery Management and Stock Assessment & Monitoring**

The fishery management measures and the stock assessment and monitoring programs that underpin the Southern Rock Lobster 'stock' are applied across

three jurisdictions (South Australia, Tasmania and Victoria - please also note there is a small Southern Rock Lobster Fishery in Western Australia).

In each of these jurisdictions, the fishery operates within both State and Commonwealth waters, requiring involvement under the Offshore Constitutional Settlement (OCS) - please note that the OCS directly relates, and contributes, to some of the issues documented in the 'rules review' referred to previously.

While there is a basic common approach to science and management of 'the stock', each jurisdiction is actually different in their approach. Clearly, at a 'macro' level, it is inevitable that this structure will lead to inefficiencies and duplication.

The industry continues to work constructively with the Fisheries Research and Development Corporation (FRDC) and has established a national structure to guide expenditure of industry R&D levy money (via the national industry body; Southern Rocklobster Limited - SRL, and its Industry Partnership Agreement - IPA, with the FRDC) collected across the jurisdictions.

The FRDC's proactive approach and strong relationship with industry has ensured an effective investment of industry funds, despite the cross jurisdictional issues described above. And, while not a simple task, perhaps some further, high-level review of cross-jurisdictional management arrangements may yield further efficiencies for stakeholders involved in the Australian Southern Rock Lobster Industry.

Lastly, and related to management specifically in South Australia, during our meeting we spoke of a risk averse approach within the regulatory agency to some management issues here in South Australia. We provided specific examples at our meeting including spatial and temporal changes to management in the Northern Zone Rock Lobster Fishery and also the approach to management of the Marine Scalefish Fishery, to which Lobster licence holders have access.

Sometimes it must be acknowledged that an 'issue' / initiative / concept is within the best interest of the fishery, and that it is often difficult, sometimes impossible, to achieve agreement or even consensus amongst stakeholders. In order to drive positive change, sometimes the regulator will be required to 'champion' an issue and work constructively with the relevant industry body to achieve a constructive outcome in a timely manner. Delays and uncertainty (lack of structure) around required legislative changes to implement fishery management change erode business certainty for operators.

Thank you for your consideration and I would be happy to discuss or provide further detail at any time.

Yours sincerely

Justin Phillips  
**Executive Officer**  
South Australian Rock Lobster Advisory Council Inc.