



Australian Government
Department of Agriculture
and Water Resources

ACTING SECRETARY

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Marine Fisheries and Aquaculture
Productivity Commission
GPO Box 1428
Canberra City ACT 2601

Dear Commissioner

Marine Fisheries and Aquaculture - Productivity Commission draft report

Thank you for the opportunity to respond to the Commission's draft report 'Marine Fisheries and Aquaculture'. I welcome the draft report and note the breadth of the issues considered.

The attached document contains our views on matters relevant to the Department of Agriculture and Water Resources. This includes the Department's views on relevant recommendations to comprehensively support the Commission's findings in the draft report, as well as possible areas for further analysis.

If you require any further information please contact Gordon Neil, Assistant Secretary, Fisheries Branch

Yours sincerely

Lyn O'Connell

25 October 2016

DRAFT PRODUCTIVITY COMMISSION REPORT INTO MARINE FISHERIES AND AQUACULTURE

The Department of Agriculture and Water Resources welcomes the Commission's draft report on 'Marine Fisheries and Aquaculture' and notes the breadth of the issues considered. The scope and depth of the discussion on issues will provide a valuable resource in guiding and influencing reforms across a range of emerging issues affecting Commonwealth, state and territory fisheries agencies, including resource access, recreational and Indigenous fishing and managing the marine environment. The department considers that acceptance and uptake of recommendations could be enhanced with further discussion on the recommendations in light of four main themes noted below.

- Providing more detail on how and why current approaches have evolved to deliver policy objectives that are broadly accepted.
- A greater focus on approaches for understanding the relative net benefit to the community from the different sectors using the resource.
- How data limitations can lead to variable fisheries management outcomes where a balance between the cost of management and fisheries utilisation are made, including the cost of data and the application of precaution. Consider why notionally second-best but cost-effective approaches may be optimal.
- Canvassing issues around cost and who should pay for implementing recommendations.

The department notes that many recommendations reflect policy and regulatory approaches consistent with current Commonwealth wild-capture fisheries and aquaculture policies as outlined in the department's submission of 28 April 2016. The department hereby provides further discussion on subjects and recommendations in the below sections, where it considers there is value in reiterating positions, raising issues of concern or providing additional information to the Commission.

The Department notes that based on previous experience, many seemingly sensible measures which would improve cross jurisdictional management and sectoral resource sharing would not pass basic return for effort assessments.

Commercial Fishing

The department notes that the majority of Commonwealth fisheries already implement individual transferable quota (ITQs), where appropriate, in accordance with the 2005 Ministerial Direction for Commonwealth fisheries. The Commission may consider providing further advice on tiered harvest strategies that maintain risk at set levels by reducing catch limits as uncertainty increases for fisheries with low data levels. These strategies may provide greater scope for expanding ITQs to low value fisheries, where expensive data collection is a limiting factor.

Access to Fisheries Resources

Sustainable management of fish stocks requires appropriate mechanisms to identify and allocate fishery resources. The draft report recommends developing a national framework to promote the best use of the fishery resources and provide certainty in the allocation process. The department recognises the importance of a national approach to allocation in

fisheries resources between sectors, i.e. commercial, recreational and Indigenous, as well as across jurisdictions. The department notes that various frameworks and policies for resource sharing already exist across jurisdictions and developing a national approach may have implications for these policies.

The draft report seeks to promote the 'best use' of the fishery resources in determining resource shares. The department understands that this would require fisheries managers to compare the economic benefits of the commercial fisheries against the economic, social and cultural benefit claims of the recreational and Indigenous sectors using appropriate methods. Appropriate methods to value the national economic contribution of the individual sectors are essential in resolving the debate around resource allocation. Ideally, valuation methods should have relevance for making broader public policy choices and be consistent with approaches suitable for other (non-fisheries) public resources. It is also important that realistic comparisons are accepted by all sectors in order for allocation and management decisions to be broadly adopted.

The department would welcome the Commission identifying potential appropriate models/valuation methodologies which will allow for robust comparisons between the recreational fishing and commercial fishing sectors in economic terms. It would also be useful for the Commission to identify models that are not suitable for such comparisons. As identified by the department in its submission, the social benefit claims of the recreational sector adds another layer of complexity to the debate. Understanding the degree to which the social benefit claims might need be considered would be useful.

A related issue is assessing the national economic contribution of different commercial fishing operations and the licensing conditions required to safeguard and optimise public benefits from the use of the resource. For example both locally domiciled and foreign boats can operate in Australian waters with some vessels not paying Australian company taxes, employing local labour, supplying our domestic markets or ordinarily docking in Australian ports. The Commission could elucidate what should be considered in terms of 'best use' of the fishery resources and the net benefit to the Australian community from commercial fishing operations where companies and vessels are not paying Australian company taxes, employing local labour, supplying our domestic markets or ordinarily docking in Australian ports. These could potentially be reflected in licensing conditions.

Fisheries Spanning Jurisdictions

In noting that efforts to resolve cross-jurisdictional boundaries have been difficult and protracted, the draft report recommends that future negotiations focus on fish stocks that are of higher value/risk and subject to inconsistent management arrangements. The department notes that work is continuing between jurisdictions, including discussions at the Australian Fisheries Management Forum, to resolve critical issues that are impacting on the sustainability of stocks and the economic efficiency of fisheries. International treaty obligations also play a role in jurisdictional negotiations on fish resources that are shared international stocks. As noted in the draft report, ultimately, the benefits of reform have to outweigh the costs over a reasonable timeframe.

The draft report recommends making reform of cross-jurisdictional fisheries a collective priority through the development of a joint reform strategy. Development of a joint reform strategy could include guiding principles, identification of priority stocks and arrangements

to focus on and a process for negotiation between parties including consultation with industry and other stakeholders. However, this could take some time. The department notes that it would be reluctant to see individual negotiations currently underway delayed in expectation of a joint reform strategy.

The department also notes that Commonwealth fisheries have operated under harvest strategies since the introduction of the *Commonwealth Harvest Strategy Policy 2007*. As outlined in the department's submission, the Policy requires all sources of mortality to be considered to ensure the sustainability of a particular stock. The Commission could consider guidance on approaches in harvest strategies to ensure that appropriate cooperation is undertaken by jurisdictions to ensure cross-jurisdictional sources of mortality, including commercial and recreational take, are given due consideration in developing harvest approaches for individual stocks.

Recreational Fishing

The draft report recognises that for certain species recreational fishing is having a more significant impact on the resource as recreational fishers are taking larger volumes through increased targeting and/or more efficient fishing technologies. The draft report also notes that a lack of comprehensive and current data on the participation and take of the recreational fishing sector was constraining decisions in fishery management regimes regarding the impacts of recreational fishing on stock sustainability.

The Commission has proposed a range of measures to better understand the level and effects of recreational fishing on fisheries resources, including recreational fishing licences, tagging programs for high value species, catch and release survival rates, a review of recreational fishing penalty provisions and a national recreational fishing survey.

The key policy objective underpinning these recommendations is the need to collect appropriate data to support management of the sector and resource allocation between users. It would be useful for the Commission to discuss and identify the costs associated with implementing the recommendations. Additional advice could identify suitable models for recovering costs from the recreational sector including the use of licences and cost recovery models. For comprehensiveness, the report could also consider other ways to achieve the policy goals identified.

To adequately understand the recreational fishing take of species where there is a significant impact on the stock or the stock is a high risk in terms of sustainability, targeted surveys inclusive of relevant jurisdictions are needed. It would be useful to explore the interests of jurisdictions and to consider where there are compatible interests that could encourage engagement on a national level. Additionally, there are a range of issues which are likely to hinder national engagement. The Commission could discuss these issues and consider possible models for a national approach that would provide benefit to jurisdictions.

Indigenous Customary Fishing

The department recognises the culturally significant and unique benefits for many Indigenous Australians of maintaining access to customary fishing rights. As a public resource and with increasing interaction between various sectors using the resource there is a need to ensure all interests are given appropriate consideration in the decision making

process. During the 2016 federal election, the Australian Government announced its intention to amend Commonwealth fisheries legislation to strengthen the interest of all resource users, including Indigenous fishers, in Commonwealth fisheries management.

In the draft report, Indigenous customary fishing is given special recognition consistent with native title rights more generally. However, there is limited clarity about what these rights entail for catch limits, which is an outcome of customary fishing being generally exempted from fishery management regimes. The report could provide more clarity on customary fishing (which can include bartering) and Indigenous commercial fishing (for profit). It would also be useful to understand how the Commission views Indigenous commercial fishing in regard to traditional laws and customs and the criteria for determining 'priority shares'.

Managing the Environmental Impact of Fisheries

The department notes that the Department of the Environment and Energy is the Commonwealth department with policy lead on most of the issues raised in this section.

The draft report recommends online publishing of annual reports that fisheries produce as part of their accreditation requirements under the Commonwealth's *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) to assist in improving the public's understanding of fisheries, the standards they meet and how they are regulated. The department notes that improved transparency and accountability of fisheries should aid in building public confidence in managing Australian fisheries and in strengthening the social licence of commercial fishers.

The draft report recommends the use of explicit mortality limits for high risk interactions with protected species. The department notes that current regulation requires fishers to take all reasonable steps to avoid interactions as far as possible. It may be useful for the Commission to discuss this recommendation further in light of the balance between risk and cost, particularly where resourcing is limited. The Commission may wish to consider the potential effort and cost of implementing population assessments and how assessments should be funded against the material benefit of this approach in terms of management responses. Noting also that fishing fleets across several jurisdictions could be interacting with a single population of marine mammals.