

## The Fishermens Portal Inc.



Submission to Productivity Enquiry

*Note: the views conveyed in this submission are not necessarily the views of all members.*

Compiled by  
Robert Pender  
Chair

The Fishermens Portal Inc.

The Fishermens Portal Inc. represents the interests of inshore Queensland commercial fishing families. It was formed due to a lack of focus on the welfare of our commercial sector by seafood industry representative bodies (questionably referred to as peak bodies), their affiliated partner groups and their members comprising of larger seafood industry businesses including retailers and wholesalers.

Our sector currently faces many hurdles and we welcome the opportunity to table some of the more relative issues to the Productivity Commission Enquiry.

1. In the last few years, amendments to legislation mean that the FRDC can allocate funds to industry promotion and marketing. Given that our sector contributes significantly with very little input into how our funds are spent, and given the focus and weight of resources allocated to research into Aquaculture we are not confident that marketing and promotion necessarily will improve our profitability.
  - a. *Ensure our sector is shielded against any extraction of levies that will be used for marketing and promotion unless our group (the Portal) is satisfied that the arrangements are fair and beneficial to the wild harvest sector.*
  - b. *Ensure ongoing communication with commercial fishing representative groups because seafood industry representative bodies can't represent us properly.*
  - c. *Do not reintroduce a requirement to hold a buyers licence to sell seafood.*
2. From time to time legislation is amended to deal with overfishing in parts of the world other than our waters (CITES). These changes impact on our viability and result in increased effort towards other species or stocks or areas. When the Australian Government enters into international arrangements that impact on our sectors viability it is unfair to expect us to wear the full cost.
  - a. *In such circumstances, fishermen require adjustments to be made so they can absorb the loss of income at least over a three to five year period until they can adjust to the new rules. This could be in the form of increasing the fuel rebate temporarily.*

3. When areas are shut to commercial fishing (net free zones for example) law provides for compensation based on the previous three years after tax earnings. This is not practical for any primary producer (think about why we have the option to use offset accounts) for a large number of reasons.
  - a. *The real value of the loss of income resulting from loss of access needs to consider future earnings, not past earnings after tax.*
4. Other sectors and some regulators are lobbying to force all commercial fishers to have VMS on all their vessels. Industry is expected to pay to purchase the device, install it and maintain it. If it breaks down we have to stop fishing, which can be a nightmare for us if the fish are running or/and we are a long way from port. Our sector is the primary producer component of this industry and as such can't pass costs on.
  - a. *Should VMS become mandatory then it is extremely important that the proponents of mandatory VMS be the ones who pay to maintain, purchase and install it. They also need to pay for any loss of income and for costs incurred to us should the device break down at sea forcing us to come home.*
5. Electronic observers and Fisheries staff observers to monitor interactions with SOCI and catches:
  - a. *Same as for para 4.*
  - b. *Additionally if Fisheries Staff come on board as observers there are questions about risk and indemnity that need to be addressed*
  - c. *We recommend considering that the VMS and electronic eye be part of penalties imposed on offenders*
6. Proponents of TAC's and ITQs in many cases have little understanding of the implications. The MRAG recommendations for Queensland's inshore fisheries do little to address increasing recreational pressure but do a lot to add costs and complexity to ours (unnecessarily).
  - a. *The MRAG recommendations have the potential to break many fishing families or drive them to being unviable. Our inshore fisheries provide wholesome, quality seafood to our communities and work for thousands of people but they are not profitable enough to be managed the same way as fisheries like the Northern Prawn Fishery or the Coral Trout fishery.*
7. Food Safe Production Queensland fees need to be reduced and the requirement to have the accreditation needs to be applied to the master fisher rather than the primary boat licence. When licenses are leased to commercial fishers the licence owner should not have to be responsible for what the fisher does – he has no control over them.
  - a. *The primary boat licence should be only a condition of the FSPQ accreditation but the actual accreditation should be the master fisher's obligation.*
8. Soon, AMSA and other regulators will go to full cost recovery from industry. Regulators are not concerned about industry's capacity to pay.
  - a. *We need some protection that ensures our fees will be reflective of our ability to pay. Suggest looking at the Fisheries Licensing fees which vary depending on the GVP of each fishery*

- b. *Additionally, should harvest strategies allow for adjustments in TAC's, corresponding adjustments need to be applied to the harvest sector as well*
  - c. *Additionally, we continue to lose access to fishing grounds with no corresponding reduction in licence fees. We need to address this.*
- 9. Our industry is fractured and there is nothing we can do about it. We are competing for a common resource and then, for market share. There are two significant bodies in Queensland: QSIA and its affiliates, and The Fishermens Portal Inc. In the absence of input from the Portal our members are vulnerable to lower profit margins so we need some sort of ruling that requires Government to consult with us on all issues. At the moment we have good relationships with most departments but there is a lot of lobbying from out there to get us out of the picture. We are very concerned about the current project that considers the development of a national peak body as it is giving weight to large business and aquaculture over small commercial wild harvest fishers.
  - a. *Periodically review performance of peak bodies*
  - b. *Ensure that the Portal is included in working groups*
  - c. *Continue to invite input from the Portal*
  - d. *Include The Fishermens Portal on all Government websites pointing to industry bodies*
  - e. *Allocate funding to eligible groups such as the Portal to offset costs of attending meetings and providing feedback necessary to ensure a sustainable and profitable industry.*
- 10. Branding is common within our sector (wild harvest). Some of our boats have fantastic reputations and there are initiatives like That's Wild! ([www.thatswild.net](http://www.thatswild.net)) that have a lot of traction. Yet it is difficult to see any support from seafood industry representative bodies or large wholesalers/retailers for branding that promotes our wild caught product exclusively. We also note the reluctance of seafood industry representative bodies to differentiate between wild and farmed product. Consumers want to know and if they don't they will choose something else.
  - a. *Any laws passed to show Country of Origin should also require the product to show if it is farmed or wild caught*
- 11. Third party accreditation has merit but costs need to be controlled. In many cases, a captive audience pays through the nose. Before we set up any requirements for third party accreditation there needs to be a reasonable level of choice of accreditor so that there is competition within that sector.
  - a. *Compile a list of current accreditors to distribute to industry*
  - b. *Continue this discussion with industry before making any decisions*
- 12. Consumers, regardless of the goods or services are usually not active participants of feedback (think Uber). Retailers and seafood industry bodies have shown in many cases that their feedback is insincere. For example, the loss of access to barramundi resulting from the Net Free Zones in Queensland last year has not resulted in a corresponding increase in the price from the wholesaler for barra this year. They are offering other species to consumers instead of trying to source the barra. However, where fishermen have their own markets direct to

consumers they are seeing a marked increase in demand and a willingness to pay extra.

Fair access between recreational, commercial and indigenous to the common resource is largely influence by political aspirations to gain votes. Commercial fishers get the sharp end of the stick every time. Indigenous fishers have a traditional right to continue to fish as they always have. The recreational sector is the most powerful; Sunfish quotes 70 thousand members and hundreds of thousands of supporters. But the effort from recreational fishers grows and grows. Bag limits will not control recreational effort.

- a. *Introduce a recreational fishing licence and tags for recreational catch to*
  - i. *Fund infrastructure for recreational fishing*
  - ii. *Provide a method of monitoring take*
  - iii. *Give value to recreational catch (it currently is a tax free form of income)*
  - iv. *Avoid upsizing where smaller fish are disgarded so that bigger fish can be retained while observing bag limits*
  - v. *Consider the rational behind having recreational fishing representatives being involved in reviewing management arrangements for commercial fisheries. If it is reasonable that the recreational sector is there then so too it is reasonable that consumers who can't catch their own are also there.*
  - vi. *Always include TO's in these discussions*

13. The Portal supports involvement of Traditional Owners in commercial harvesting of wild seafood. Where commercial activity is undertaken by TO's it is important that there is no increase in fishing platforms. This can easily be addressed by requiring the TO's to hold a primary boat license with the relative fishery access authority attached. Importantly, any fisher needs to understand the importance of avoiding interactions with SOCI, maintaining good relations between commercial operators and community and understanding how to look after their catch properly.
14. Codes of practice are very good methods of relaying local knowledge to new entrants on a regional basis. We find that 99% of people observe codes of practice. The trick is to make the rules suit the environment. For example, where there are species that have a very high post release mortality rate, why do we have regulated minimum sizes? This rule results in a lot of unnecessary wastage and loss of income. Inshore fish are robust to harvesting and the smaller fish naturally are predated on. Where we have seasonal closures (which is a good example of an input control) the cost of monitoring is low and the compliance is high – it is difficult to operate in a seasonal closure without being detected.
15. Climate change will more than likely have a beneficial effect on the volume of our inshore tropical stocks like barra and king, shark and mackerels.
16. Primary producers need to make hay while the sun shines. Catches are more related to flood events and sever weather events than effort and so this makes it very difficult to predict future catches in inshore tropical fisheries. It sounds good to have harvest strategies and TAC's but if the result of these management

arrangements is to prevent fishers from topping up their balances in the good times, then in the bad times they will go broke.

17. We have to be very careful about how we interpret viability – and therefore value of the resource to community. One fishing family may be able to maximize their profits by fishing at optimum times and having other forms of income to fall back on when the fish are not running. This family would show as a low volume producer yet in fact may be better off than a fisher who fishes every day and burns up his profits through increased running costs.
18. Decentralizing fisheries management may reduce costs but the further away our fisheries managers are from the fishing grounds the more important it becomes to have stakeholders at the table.
19. There is a strong opinion within the larger community that our stocks are overfished. Proponents of these concerns ignore the reports about the state of our stocks and lobby to remove/restrict access for other sectors. Most people who have concerns don't really understand too much about it or have personal motives. Governments also make decisions to gain voting popularity. The commissioner hopefully will consider the input rather than the volume of input into this enquiry.
20. There was strong lobbying from the recreational sector and the Qld Minister for Fisheries at the time Bill Byrne to say that the economic value of the Net Free Zone in Rockhampton would provide much greater benefit to the local community. It may be possible to have a look at this now to see if in fact, banning commercial extraction of barra and king has had a net benefit. It would seem better for sensible sharing of the resource. This was a political decision and the real problem for Australians here is that there are no indicators for us to make assessments on the value of the current state of a given area compared to the value of that area to community if it was shut to commercial effort.
21. Boat size limits in inshore net and crab fisheries in Queensland are perhaps not that relevant to sustainability and it could be argued that relaxing these restrictions would improve profitability and allow viable access to remote areas.
22. Investment warnings are really hurting our inshore fisheries in Queensland. We all know that when fisheries undertake their periodic reviews that management arrangements can change.
  - a. *We need to remove all the investment warnings so that at least operators can be comfortable about their investments until the next review.*
  - b. *Introduce a principle that means that 'any loss or gain is shared equally by all stakeholders within the sector'. The reason for this is that people can be seriously disadvantaged by decisions that result in a windfall for a minority. There are many ways to deal with this sort of thing.*
23. Some major challenges for our sector are

- a. *Potential resource allocation changes both within and between sectors (without adequate adjustments).*
- b. *Loss of access without sensible reduction of effort (not enough money to fund the required reduction) and compensation*
- c. *Dealing with new rules that restrict access to species that are fine here but overfished in other areas of the world*
- d. *Other issues as outlined through this submission*
- e. *Fishing industry representative bodies cannot possibly represent all sectors of the seafood industry without bias. We need to ensure that seafood industry representative bodies just can't assume representative status for the wild harvest sector of this industry*
- f. *Differentiation of wild and farmed product*

24. Some of the opportunities for our sector are

- a. *Continue to grow in strength as a representative wild harvest sector body with the interests of the harvest sector in focus*
- b. *Strengthen the presence of the harvest sector throughout the community by encouraging our members to nominate for local Government and to get involved with community events*
- c. *Become more profitable through enhanced direct contact between our sector and various Governmental departments.*
- d. *We find that there is a need to improve communication between Government departments. With the support of Government for our sector we can better develop intercommunications between departments and between Govt and fishermen.*
- e. *Building 'direct marketing' to the consumer. More and more, large business is leaning towards volume that concurrently reduces their interest in our niche products. The consumer finds it harder and harder to source our products through the supply chain and we can see enormous opportunities for our sector to connect with consumers. We have started marketing initiatives that will enhance our connections with consumers on a wide scale over time.*

25. Aspects of fisheries regulations that need to change: this is complex and there is no simple answer. But we would like to see more engagement (or a requirement to engage) between the following bodies/sectors:

*Wild harvest commercial fishers "the Portal" and*

- a. *Fisheries managers*
- b. *Parliament*
- c. *Minister (State and Federal)*
- d. *EPA*
- e. *Developers*
- f. *FRDC*
- g. *CITIES*
- h. *WTO*
- i. *EPBC*
- j. *Other*

26. Over capitalization: There are quite a number of examples where inshore fishers (operators as opposed to fisheries) have overcapitalized. Speculating on ongoing

large catches is foolhardy decision making that leads to not being able to cope with poor catches over a long period of time. These people who over capitalize are always on about viability and sustainability. They lobby for reduction of fishing platforms and they try to convince Government and NGO's like WWF that fewer boats mean better profits for the remaining fishers. Yet they don't offer to buy the other fishers out, they want the taxpayer to do it or they want the other fishers to walk out of the industry because they haven't got 'a significant investment'. Big boats and multiple licenses are examples of going too deep in an industry that is so influenced by seasonal variances.

- a. *Do not pander to people who have made poor choices by overcapitalizing.*
- b. ***Do not force people to inject more capital into their fishery so they can stay in it. Let market forces and economics determine outcomes for each operator who will either do well or fail pending his ability to make good decisions rather than impose laws that make it worse for fishing families. If we want fisheries to be more profitable we should consider assistance for fishing families to formulate business plans; like beef producers, our people are really good at what they do but a lot of them are not that good at keeping up with change and with business planning. A person may have many boats and many licensees but that may not mean he is a good operator. A person may have a single tinny and lease a license make more money than anyone. We should not be ranking operators on size.***

27. Viability and sustainability of our fisheries: each fishery is different. Inshore tropical fisheries like barramundi are managed through input controls and due to the comparatively low value of this product could not possibly afford the costs of managing **quota**. The stocks are robust and TACs pose many problems whether in good years or bad years Input controls are effective, flexible and generally able to be monitored, e.g., net drop, mesh size, seasonal and spatial closures.

As far as Queensland's inshore net fisheries are concerned, apart from the ever-increasing recreational effort, the problems associated with the recent implementation of the Net Free Zones and the threat of the MRAG recommendations being implemented in their fisheries management arrangements are OK. The Commonwealth Harvest strategy is not relative to our inshore fisheries and we are concerned that some fishery managers and politicians may not agree.

28. **Quota:** as stated previously inshore net fisheries in Queensland are not suitable for Quota or TAC's. Netting is not selective so when the TAC for a particular species is reached we have a problem with the whole fishery. Costs of production in remote areas are higher than in areas that are closer to markets and it is difficult to value units relative to different areas; in short, we do not want to implement quota into our inshore net fisheries. It may be reasonable to introduce separate management arrangements for different areas though.

Also when a fishery goes to quota we have a situation where the resource is no longer a common resource. It can be traded and that means it can be sold off to interests outside of the regions where it is located. When this happens the new owners have no interest in local issues and no interest in supporting the local

school or footy team or recreational fishing comp. If a foreign country has a stronger economy then we are in danger of having our natural assets sold off to overseas interests. This could easily happen if fishers are forced to fund debt during a run of bad seasons.

Simple input controls are the best tools to manage effort. We don't catch every day we go fishing. Many days are lost due to natural conditions like water temp, tidal run, moon phase, seasonal influences, turbidity, logistics of transport even and supply demand. **Forget about Quota's and TAC's for gill net fisheries in Qld just leave things as they are.** Mud crab (C1) is a different fishery and there are many tabled options about how that should be managed. WE are not attempting to provide input here as to preferred outcome of that fishery.

29. Circumstances where restrictions should be placed on vessels and fishing equipment and technology in wild capture fisheries: currently we are regulated in all the above. Where change is eminent then each topic needs to be considered stand-alone depending on triggers. Nets and pots are very benign and so have little impact on the environment.
30. Bycatch. Contrary to wide opinion, interactions with dugong, turtle, SOCI in general in inshore net and crab (Qld) fisheries is minimum. We would like to see more work go into assuring wider community about the low level of interaction. Commercial fishers do not want to have interactions with SOCI and so take steps to avoid them. We keep watch and talk to each other. If there are aggregations of SOCI then we move away. We feel prevention is the best approach and welcome research into advances in pingers etc.
31. Productivity Context: Where as performance indicators can show how effective an operator can be, simply being the biggest operator should not be the end game. As with recreational and TO fishing there are aspects to our sector of this industry that are artisanal. We have an identity that is as valuable to our niche product as the taste and quality of it. Our sector is small business. This is more appealing to community (for the most) compared to large operators moving through creating the perception that they leave nothing behind them.
32. If we have a TAC on our inshore fisheries then what happens in a year where the biomass explodes. Our predatory species are cannibalistic and Mother Nature soon kills off excess one way or another. Conversely, in poor years TAC's or ITQ's actually put more effort on a resource because fishers have financial pressure to catch their quota.
33. Reducing platforms needs to be done through some form of buyback and definitely not by compulsorily options such as unitization whereby, by a certain date a person must have increased his holding of units. This serves to transfer effort into hot spots and only makes things worse while at the same time makes the remote area operator overcapitalized. Also where there is a lot of recreational effort there is little to be gained for the commercial fisher by forcing him to invest until there are caps allocated to the recreational sector.



34. There are many ways of improving our profitability other than forcing us to increase our capital investment which has the potential to reward those who perhaps have in the past made poor decisions and are now too heavily invested in their fishery and to discriminate against those who have been making a good living from fishing but don't have the capital because they have kids away at boarding school or whatever.

- a. *Business planning. This is probably the most effective way of addressing concerns about viability and certainly an area where improvement is needed.*
- b. *Increase fuel rebates during the times when fishing is going to be more productive and*
- c. *Reducing fuel rebates when we know that fishing will be not that profitable. Industry can provide information on this that can be compared to historical catches. The overall rebate may not change but there will be a marked increase in profitability for the fleet as they'll choose to fish when it is worthwhile.*
- d. *Review licence fees so that they reward people for reducing their time on the water by not being applicable when the licence does not fish: but make up for it when the licence does. This is not to say that we support reduction of effort; what it will do is make operators consider the value for money they have to account for if they decide to fish every day or at optimum times. While we have set rates then there is no incentive to reduce effort even if a fisher thinks the chances of a reasonable catch are poor.*

35. **Understand this:** That catch rates are not negatively impacted by effort in fact most of our target species are better off harvested aggressively. Catch rates are more heavily influenced by seasonal conditions.

Share of the catch is influenced by effort. As previously stated, ranking operators by size is not recommended as big operators are not necessarily the most profitable over time in inshore fisheries.

36. **Objective of Fisheries Regulation** is clear. Many people do not take the time to try to understand the regs properly. There is no requirement for a person to undertake the commercial fishers modules these days. There is no requirement for recreational fishers to demonstrate that they understand that the regulations even exist.

37. Main objective needs to be sustainability. It is very difficult to define viability or Maximum Sustainable Yield due to the varied backgrounds of the person/s who is/are tasked with providing their views on the matter. Sustainability is key and fair access between sectors: when there is a sustainability problem then all stakeholders need to share equally. **If we want to tackle viability then the option of (voluntary) unitization has the potential to reduce platforms without forcing those who do not want to exit, out of the fishery.**

38. Fish is a common resource. **The social aspects** of access to the common resource are very important but its human nature to fight over it. **Social aspects should not be part of fisheries law.** A couple of things to consider here are:

- a. *Not everyone is able to go and catch wild seafood themselves.*
- b. *Inshore fisheries provide species that are sought after by recreational and commercial fishers where as prawns are not a sports fishing activity*
- c. *Consumers have to pay for their seafood with after tax dollars where as recreational fishers enjoy their catch for free.*
- d. *Largely the community does not realize how difficult it is for the commercial sector to have a good run. If it's not tides it's wind, or weekend closures or any number of things that restrict access. There needs to be more awareness generated by Fisheries aimed at the public so they understand commercial fisheries better.*

39. **OSC:** the Gulf shark and grey mackerel stocks are managed under the QFJA. This needs to be transferred to Queensland Fisheries.

40. Are there too many Authorities responsible for Australia's marine fisheries: As long as Fisheries Qld remains responsible for state fisheries and for the QFJA fishery we have not problems. If there is going to be any sort of centralization then we want to make sure that the Portal becomes more involved. We have a good relationship with FQ that has taken years to develop. We know that Federally since the change of the Parliamentary Secretary to the Minister for Fisheries we have lost our line of communication. We can't afford to lose Fisheries Queensland.

41. Impact of Australian international agreements on us: when restrictions are put in place that are necessary to deal with overfishing in other areas of the world our fishers need assistance. It is OK to implement these restrictions but very unfair to expect us to pay the cost.

42. Illegal fishing and black market have a huge impact on the profitability of commercial fishers and on the resource. That's why we want to see a recreational fishing licence and tags introduced for non-commercial catch.

43. Co-management: the idea sounds good but it hasn't worked so far. Recreational fishers (not all) loudly protest against the right of others to have access to seafood even though they can't catch it themselves. It will be a long time before community is ready to work together in this way and only after Govt has put a lot of effort into education.

44. Third party accreditations have a role to play but monitoring for compliance with current regulation should not be handed to an assessor. Further, these ideas cost a great deal of money and there is not a lot of competition in the market place, which means industry, pays through the nose. We need to do a lot of work on this before we make this mandatory. Food Safe Production Queensland is a good example of what not to do with regulation. They have auditors who charge **\$260.00** per hour. (That's \$ 2 6 0 .00 per hour). They don't try to get around industry and yet we have to pay every year for accreditation. Lets work through food safe first to fix the problems and then we can look at other types of certification. Otherwise all were doing is draining our sector with no benefit.

45. With Cost recovery, while we do support funding for FRDC it seems to us that its rare to see any interest from them to look into things that will improve our bottom line. Unless this changes we recommend that Fisheries cut into the FRDC share of our funding before coming after us for more.
46. The consumer is perhaps the greatest beneficiary as long as regulations protect commercial fishers.
47. The user pays idea works well and is welcomed by our sector. We previously talked about licence fees being relative to effort to encourage better results for time spent fishing. The same principle could be applied to GVP for each fisher the same as implementing tags for recreational fishers.
48. It is also reasonable to consider outsourcing some roles to contractors who may be able to operate a lot more efficiently than some Govt departments.
49. We often wonder how our licence fees are allocated. There are Boating and Fisheries, Qld Fisheries Management, Monitoring, FRDC etc. The Portal would be interested in working with Govt to review some of the costs. We acknowledge that currently Fisheries expenses are heavily subsidised in Qld but we are aware that this will change over time.
50. Should there be a charge on the use of fisheries to provide a return to the community from the use of the marine resources? **Yes.** This needs careful consideration. It needs to be relative to the GVP of the fishery, its location and it also needs to consider TO interests as well. This is a very delicate topic but we make the point that as long as the community from where the resources were produced retained the returns then the idea is very sound and we support it. We will need to work through the admin costs and what to spend the money on.
51. Industry needs to get to know the people in EPBC and AFMA before it can offer an informed view about part 10 of the EPBC Act.
52. Re research and monitoring. Funding should be derived from the Rec sector through the recreational fishing licence and tags. We are satisfied with the monitoring that is carried out in our inshore fisheries
53. Climate change will be a good thing for tropical fish stocks. We have to be more concerned with a misinformed public and other impacts like development and pollution.
54. Marine parks do not protect our target species. Our fishing apparatus, seasonal closures and other restrictions are very effective at ensuring ongoing sustainability of stocks. Marine parks cost huge amounts of money to monitor and mean compliance with various zones that are at times very difficult to keep up with. They introduce another layer of fisheries management that is not interested at all with supply of seafood but only wants to remove our sector. Marine parks and other types of closures are a nightmare for fisheries managers and industry.

55. Food safety: local Government (councils) have varied views on this but any place in Qld that processes seafood needs to be accredited by Safe Food Production Queensland. For FSPQ to give the accreditation, Council approval is needed – for Council to give the approval, FSPQ accreditation is needed. The accreditation is \$1700.00 per year. Processing includes (among other things) packing of live mud crabs, palletizing frozen boxes of fish and packing whole fish into boxes to prepare the product for the truck. We feel that \$1700.00 per year to have the accreditation to carry out these activities which are incidental to our operations is not necessary.

- a. The Council approval is reasonable but we would like to see requirement to have FSPQ accreditation removed. (Note to the commissioner: be interesting to see if you guys follow up on this as it will show that your reading all of it). Alternatively continue with the requirement but abolish the \$1700.00 per annum.