

Western Australian Fishing Industry Council

ANNUAL REPORT

2013–2014



WAFIC
Western Australian Fishing
Industry Council inc.

CONTENTS

WAFIC: OUR VISION	1
FROM THE CHAIRMAN	1
FROM THE CEO	2
SECURING RESOURCE ACCESS	3
COMMUNICATIONS	4
BUILDING COMMUNITY SUPPORT	6
FISHERIES UPDATES	7
LOBSTER	7
PEARLING	8
AQUACULTURE	9
ABALONE	10
PRAWNS	11
OTHER	12
MARINE STEWARDSHIP COUNCIL	13
FISH EYE	14
RESEARCH, DEVELOPMENT AND EXTENSION	14
FINANCIAL SECURITY	14



WAFIC: OUR VISION

OUR VISION

To represent a sustainable and united industry that is confident:

- ▣ of resource sustainability and security of access;
- ▣ of cost-effective fisheries management;
- ▣ that our businesses can be operated in a safe, environmentally responsible and profitable way; and
- ▣ that investment in industry research and development is effective and efficient.

To ensure the sustainable, responsible and profitable operations of Western Australia's commercial fishing, pearling and aquaculture sectors.



FROM THE CHAIRMAN

It has been a year of major change for WAFIC.

In addition to appointing a new Chief Executive Officer we carried out an extensive review that resulted in big changes to our structure and activities in order to better serve the needs of our members and industry.

WAFIC now has a full complement of high-calibre staff that exhibits the can-do attitude our organisation has not seen for many years.

Two of our six Board meetings were held in regional locations in the past year, in Busselton and Geraldton, and the success of these has seen the Board and staff commit to continuing this practice.

The Industry Consultation Unit headed by Angus Callander worked effectively in the past year, as did Guy Leyland in his efforts to secure a number of fisheries into the State Government's \$14.5million MSC project.

I congratulate all those engaged with the MSC process.

WAFIC has continued to develop close working relationships with a range of individuals and organisations and I believe these important connections will assist our industry in planning its collective future.

Looking forward, we have helped lay the foundations for Seafoods Directions 2015, a bi-annual event that WAFIC will host over three days next October at the Crown Perth.

The theme of this key event in the fishing and seafood industry calendar is "Selling Our Story" – a theme echoed in this report.

Finally, I extend heartfelt thanks to my Board colleagues, to our hard-working and dedicated CEO and staff and to all of WAFIC's members for their continued confidence and support.

I hope all readers find WAFIC's 2014 Annual Report informative and interesting and as always welcome your feedback.

Arno Verboon
WAFIC Board Chair

Above right: Arno Verboon (Chair)

THE WESTERN AUSTRALIAN FISHING INDUSTRY COUNCIL BOARD



Clayton Nelson
(Vice Chair)



Bruce Cockman



Damien Bell



George Kailis



John Hutton



Kerry Rowe



Kym Coffey



Nic Sofoulis



FROM THE CEO

On my first day as Chief Executive Officer, at the 2013 AGM, I expressed my belief that WAFIC had to evolve to meet the challenges facing our industry, and I continue to see facilitation of these changes as one of my primary roles.

In the past year, WAFIC has refocused its objectives, recalibrated its human resources to better serve the goals and interests of its members, and bedded down a new organisational structure.

The recently completed strategic plan, which articulates the four foundation principles of securing resource access, effective communication, financial security and building community support underpins WAFIC's operations plan. I am confident this new focus and direction will translate into tangible results.

In reviewing the past year it is disappointing to note a lack of progress in some areas, in particular the stalling of WA's new Fisheries Act and in the ongoing uncertainty surrounding both commonwealth and state marine parks planning processes.

Dealing with the impact of oil and gas sector activities remains a major drain on WAFIC resources. However, I am pleased to report finalization of a Memorandum of Understanding (MoU) between four key fishing sector groups, including WAFIC, and the Australian Petroleum Producers and Exploration Association (APPEA), that provides a positive way forward for future engagement.

The past year saw some noteworthy successes. The Industry Consultation Unit completed its third year of a Service Level Agreement with the Department and feedback indicates the process continues to work well.

This success was mirrored by the positive results of industry engagement with the Marine Stewardship Council (MSC) pre-assessment and accreditation process – a \$14.5million initiative funded by the State Government.

Providing WA's fisheries with independent certification on sustainability is crucial in mitigating criticism and adverse public perceptions about our industry and securing our commercial future.

Looking forward, WAFIC will continue to work on behalf of members to secure and maintain access to fishing resources, engage with state and federal government agencies and promote the industry through effective engagement with industry, community and media stakeholders.

WAFIC will also participate in key industry events that WA will host next year – the Trans Tasman Rock Lobster Congress in April, the WA Seafood Awards in July and Seafood Directions 2015 in October.

These high-profile events will showcase the many facets of WA's seafood sector and celebrate the contributions and achievements of the companies and individuals that make up our industry.

In closing, I thank WAFIC's staff for their work throughout the past year. Their professional approach to often complex and difficult challenges is acknowledged and appreciated and I look forward to working with them to further the interests of WA's commercial fishing, pearling and aquaculture industry in the year ahead.

John Harrison
WAFIC Chief Executive Officer

The recently completed strategic plan, which articulates the four foundation principles of securing resource access, effective communication, financial security and building community support underpins WAFIC's operations plan...

SECURING RESOURCE ACCESS

Western Australia's commercial fishing, pearling and aquaculture sectors are constantly challenged by the increasing amount of competition for access to the marine environment.

The industry acknowledges community expectations about the protection of the environment and the importance of sustainable practice. It also recognises the rights of other marine-based industries.

The rising regulatory burden imposed by government agencies responding to the competing demands of interest groups such as the oil and gas sector, environmental activists, tourism businesses and recreational fishers, is challenging our industry.

This increased burden, as well as the displacement of fishers by other marine activities, disrupts and sometimes severely limits their ability to supply consumers with high-quality products.

The industry makes no claim to exclusive access to the State's fishing resources and understands the need to share the marine environment with other users.

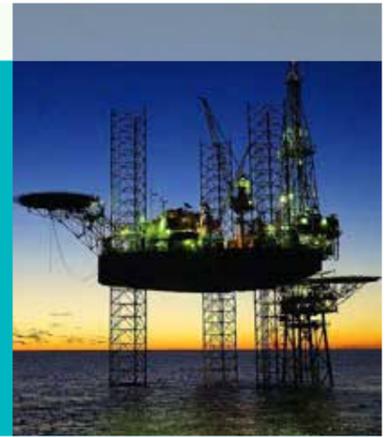
WAFIC plays a key role in helping the industry secure access by advocating for the fishing, pearling and aquaculture industry.

It achieves this through methods that include providing input into the development of state and federal government fisheries management policy and associated issues such as marine parks planning, trade agreements and occupational work and safety legislation, and also through effective engagement with other marine-related industries to achieve agreed resource-sharing arrangements.



CASE STUDY

In the past year WAFIC has worked very hard to develop a Memorandum of Understanding with the Australian Petroleum Production and Exploration Association (APPEA) – the offshore oil and gas sector's peak body.



This move was prompted by the rapidly escalating amount of petroleum sector activity occurring off WA's coast and its potential impact on resources such as pearl oyster, finfish and rock lobster fisheries.

WAFIC identified the need to develop an improved method of cross-industry communication in order to manage and resolve competing interests.

Both the commercial fishing and the offshore oil and gas industries are very important players in the state and federal economies. Although the economic scale of the state's fishing sector is smaller than oil and gas by some orders of magnitude, it remains a vitally important player from a social, cultural, environmental and heritage perspective – particularly in regional WA.

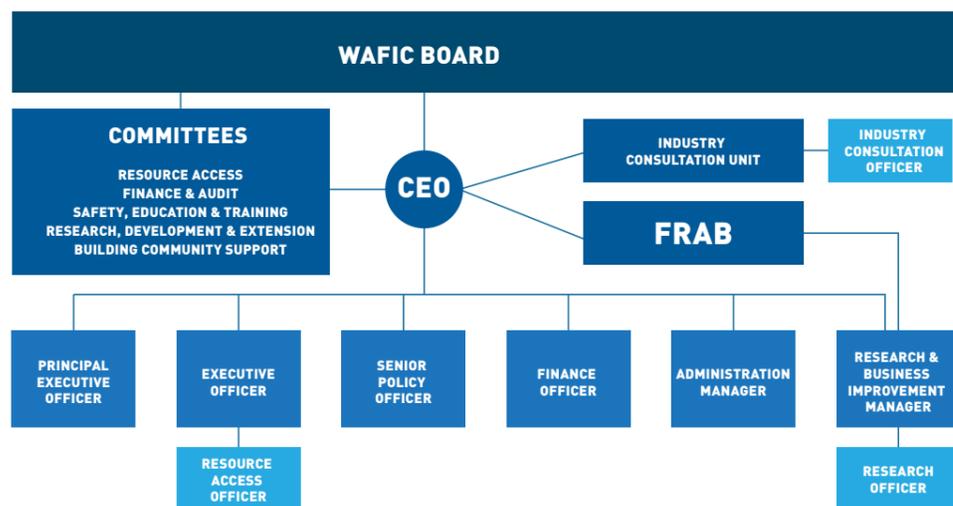
The new MoU agrees on a framework to foster cooperation, communication and consultation between WA's fishing sector and the offshore oil and gas industry.

One of the immediate results of this new approach was highlighted by a working group that met in late August (with representatives from WAFIC, APPEA, NOPSEMA, PPA, Curtin University researchers and the Department of Fisheries) to discuss the limited amount of information on research activities related to the impacts of seismic surveys on marine species.

The group acknowledged the lack of scientific consensus surrounding this issue, resolved to collaborate on an agreed position on available research following various literature reviews by industry and government, and to investigate ways to use this agreed position as a starting point to determine future research priorities and improve cross-sector and government communication.

It is early days, but this new approach has strong potential to provide greater certainty for the fishing industry by improving engagement with the oil and gas sector and achieving positive research, communication and consultation outcomes.

WAFIC ORGANISATIONAL STRUCTURE



WAFIC recognises that effective communication is crucial in achieving the goals of WA's fishing industry. WAFIC also recognises that effective communication is a two-way process and applies equally to both internal and external stakeholders within our industry.

During the past year WAFIC has implemented changes to its internal communications processes as well as continuing its traditional engagement with external parties such as government agencies, research organisations, media outlets, not for profit organisations and our industry counterparts in other states and territories.

Hard statistics demonstrate some of this work. In the past year WAFIC made 39 submissions or representations to state and federal agencies on a range of issues that included aquaculture zones, herring research, shark mitigation measures, the adjustment of access fees for fishery closures and fishery management plans.

Official correspondence topped the 100 mark and included letters to Prime Minister Tony Abbott in relation to the super trawler issue and Senator Richard Colbeck, who as parliamentary secretary to the Federal Minister for Agriculture has prime responsibility for Commonwealth fisheries, regarding misinformation about the environmental impacts of commercial sardine fishing off Perth's metropolitan coast.

WA Premier Colin Barnett was also approached in relation to proposed biodiversity conservation legislation.

WAFIC continued to protect and promote the interests of WA's fisheries through active involvement with such groups as the State Government's whale entanglement taskforce, the National Seafood Industry Alliance (NSIA), the Agrifood Alliance of WA, the Fisheries Research and Development Corporation (FRDC), the Seafood Cooperative Research Centre and through regular meetings with the Department of Fisheries and representatives of the Minister for Fisheries.

Internally, a great deal of behind the scenes work was performed to improve the way WAFIC communicates with its members. In the past year, two of WAFIC's six annual Board meetings were held in regional centres – Busselton and Geraldton.

The success of these meetings prompted a Board decision to continue this practice. WAFIC's Chief Executive Officer has also committed to regular face-to-face meetings with industry via a coastal tour process.

As part of a new initiative to revamp its digital presence, WAFIC has updated the format and content of its monthly newsletter. This is the first step in a plan to update and improve the WAFIC website to better communicate information about the commercial fishing sector.



CASE STUDY

Established in 2009 to represent industry at a federal level, the National Seafood Industry Alliance (NSIA) is made up of the seven State/Territory seafood industry peak bodies, the Commonwealth Fisheries Association and the National Aquaculture Council.

Collectively NSIA represents Australia's wild catch, aquaculture and trade-processor sectors and carries out its activities through the voluntary contribution of resources from its members. It has no staff. Priority areas of concern for the NSIA are:

- 1 Resource access (including the Federal Government's marine planning processes and the impact of climate change and policy on industry)
- 2 Sustainability
- 3 Research, development and extension
- 4 Promoting industry
- 5 Federal cost imposts

Leading up to last year's federal election, the Alliance sought commitments from political parties that they would address a range of issues if they won government.

These issues were not limited to, but included, a dedicated seafood industry policy, secure resource access with clearly defined rights, development of the wild-harvest and aquaculture sectors, improving public faith in fisheries management, reductions in red tape and cost imposts, a review of Commonwealth marine reserves planning and fisheries adjustment assistance packages, amendments to the Primary Industries and Energy Research and Development Act to enable levies for marketing and promoting seafood, maintaining or increasing current funding levels for the Fisheries Research and

Development Corporation (FRDC), Country of Origin labelling concerns, the fuel levy rebate and developing the export trade with China.

It is pleasing to note that the Federal Coalition Government is pursuing many of these initiatives and engages regularly with the NSIA. In the past year the NSIA has:

- 1 Made a submission to the Federal Government's Agricultural Competitiveness White Paper
- 2 Made a submission to the Rural and Regional Affairs and Transport References Committee about country of origin labeling
- 3 Met with leading environmental NGOs about seafood sustainability
- 4 Prepared a proposal for government to fund the development of a business model for a national peak industry body
- 5 Consulted with the FRDC on its strategic and operational plans
- 6 Met with Australian Maritime Safety Authority regarding the formation of a seafood industry reference group

WAFIC values the importance of communication at this level and will continue to represent WA's seafood sector as a member of the NSIA and promote our industry nationally and internationally through the activities of this important organisation.

CASE STUDY

The Industry Consultation Unit (ICU), established by a Service Level Agreement between WAFIC and the Department of Fisheries, entered its second full year of operation in 2013-14.

The ICU carried out Annual Management Meetings (AMM) in more than 30 managed, interim or managed by permit fisheries around Western Australia.

This was also the first year the unit facilitated the AMM for the rock lobster industry on behalf of the Department of Fisheries and the Western Rock Lobster Council.

Good attendances at all AMMs demonstrated the value placed on them by industry and the introduction of an "action item" update process established a useful benchmark for license holders to measure the success of any given ICU initiative.

Both the department and WAFIC have used the agreed outcomes process generated from the AMMs as their way of identifying and carrying out tasks to benefit industry.

In the past year there have been examples of outcomes agreed at an AMM that have resulted in the statutory amendment of a Management Plan – amendments that had, in some instances, been outstanding for a number of years.

On behalf of the department, the ICU also carried out a number of statutory management consultations.

One of these included the recommendation to amend the Cockburn Sound Line and Pot Fishery Management Plan to incorporate the independent panel's allocation of the octopus pot entitlement.

Many entitlement holders visited the ICU offices for an overview of the recommendations and in doing so achieved a better understanding of the process and how best to prepare their own submissions responding to the recommendation.

The AMM process provides an ideal forum for industry and departmental staff to engage informally following the meetings and to build and further develop productive working relationships.

The ICU will continue to use effective and open communication to generate positive outcomes and benefits for fishers.

The formal Service Level Agreement between WAFIC and the department ends in June 2015 and planning is already underway to start talks for a new four-year agreement through to 2019.

BUILDING COMMUNITY SUPPORT

WAFIC understands that building community support and maintaining a social licence to operate are crucial issues for our industry and a great deal of our work revolves around achieving these goals.

Encouraging community and political support for an industry that is an important part of WA's social and economic fabric helps to ensure sustainable, equitable and financially responsible management of the state's fishing and aquaculture resources.

The men and women who make up WA's commercial fishing, pearling and aquaculture industry demonstrate good stewardship of the resource on a daily basis and exemplify the pioneering spirit that developed our state.

Some of the methods WAFIC has employed to build community support in the past year include, proactive media engagement, involvement in community events and sponsorships – such as the Blessing of the Fleet and Mandurah Crab Festival – and effective marketing, branding and promotional strategies.

WAFIC will maintain its focus on building community support in the year ahead.

Indeed, some groundwork has already been laid to develop education programs with schools and training providers and to investigate improved ways of encouraging community support through targeted marketing and industry promotion.

WAFIC continued its involvement with the Marine Stewardship Council (MSC) and its work to provide independent assessment and accreditation of the sustainable management of WA's fisheries in the past year.

This is a key priority in developing community support given seafood consumers are increasingly sophisticated in their demands for quality produce that is also harvested and supplied in line with environmental and sustainability principles.

Looking forward, WAFIC will host both the State Seafood Awards in July and Seafood Directions 2015 in October and will participate in the Trans Tasman Rock Lobster Congress in April – key events that promise great opportunities to further develop the public support that underpins our industry.



Matt Watson is the MSC's Australian fisheries outreach officer and works out of WAFIC's Fremantle offices. Photos courtesy Matt Watson

CASE STUDY

The Exmouth Gulf and the Shark Bay prawn fisheries entered the full MSC assessment process this year aiming to join the Western Rock Lobster fishery – which, in 2000, was the first in the world to achieve MSC accreditation.

These two prawn fisheries were the first in WA to move into full assessment since the start of the State Government's \$14.5million MSC initiative.

The goal is to achieve social and marketing benefits by meeting the MSC's rigorous environmental benchmark for sustainable fishing.

Before a fishery is considered sustainable against the MSC's standard, it must undergo a thorough assessment that takes 12-18 months before final determination.

A third-party certification body (in other words, not the MSC) applies the standard and there is opportunity for stakeholder engagement throughout this process.

Engaged stakeholders can make submissions to the certifier and by feeding into the assessment process help develop any subsequent conditions that may apply to a fishery upon certification.

With stakeholder engagement in the MSC process facilitating solution-orientated outcomes, there is now opportunity for round-table discussions. Previously, stakeholder interactions had a limiting influence over local fisheries management.

This transparent process encourages the involvement of interested parties and gives industry a strong base from which to demonstrate that its operations and activities are aligned with global best practice.

This strengthens the credibility of fisheries and helps other stakeholder groups – such as environmental organisations, community groups and consumers – to better understand fishery harvest practices.

The process also has the educative effect of helping to dispel common misconceptions about fisheries management.

Upon certification, a fishery is entitled to use the MSC eco-label to promote and market its product as sourced from a sustainably managed fishery.

With the increasing interest in sustainability in both domestic and global markets, MSC certification provides industry with a competitive edge.

This outcome, in addition to improved traceability and product differentiation in competitive global markets, demonstrates the value the MSC label represents to the WA fishing industry.



FISHERIES UPDATES

At any given time there are more than 40 separate fisheries engaged in commercial fishing, pearling and aquaculture operations in WA.

WAFIC works diligently with all these fisheries – from the peak sector bodies that represent some of the bigger fisheries around the state to the smaller and less financially robust operations.

Although the following reports are not a comprehensive review of all the state's commercial fisheries or the activities carried out in relation to the various sectors, they provide an insight into some of the challenges and successes our industry has confronted and achieved during the past year.



LOBSTER



A strong economic performance and a number of key achievements have highlighted the past year for the rock lobster sector – the State's most valuable commercial fishery.

Underpinning the sector was the ongoing work by both industry and government to bed down the new quota system that has replaced the previous input control method of managing the West Coast Rock Lobster fishery.

The transition to quota saw a great deal of work carried out and an extensive review of input control processes. There is widespread acknowledgement in both industry and government that this process resulted in improved certainty that was reflected in good market prices.

The annual catch was slightly below the allocated total of 5800 tonnes, and demand for live exports remained high. Indeed, record prices were achieved at times of low supply around July and August.

At an administrative level, John McMath was appointed as the Western Rock Lobster Council's (WRLC) Chief Executive Officer in early February and Linda Williams was elected as the WRLC's first woman Chair a week or so later.

The WRLC is the peak industry body representing the interests of members of the West Coast Rock Lobster fishery and works with WAFIC on issues such as industry input to government policy, research and development and safety and training.

These skills and experience came to the fore in August last year when the Minister for Fisheries established a whale entanglement taskforce.

The taskforce, chaired by the Department of Fisheries' Director General, ministerial staff and representatives from the WRLC and WAFIC, was

formed to respond to the escalating number of whale entanglements recorded in the past few years. Although researchers are unsure of the causes, it has been suggested that contributing factors may include regulatory changes to fishing policy and the increasing population of whales migrating along WA's coast.

The rock lobster industry has taken a range of proactive measures since the taskforce was established including modifying fishing gear and improving communication and cooperation with various government agencies to respond to whale entanglements. Although there are no known whale deaths attributable to entanglement in lobster pots, the industry will continue to work with regulators and other stakeholders to find appropriate solutions.

Close and cooperative working relationships was a consistent theme for the WRLC throughout the year.

The establishment of a regular schedule of meetings with the Department of Fisheries and collaboration on strategic planning issues increased the industry's responsiveness to emerging challenges and opportunities.

The industry also executed an Industry Partnership Agreement (IPA) with the Fisheries Research and Development Corporation (FRDC) in March. This IPA provides a basis for identifying and funding key research goals and developing objectives that can be linked to the WRLC's 10-year research, development and extension plan and promises to underpin a strong future for the industry.

John McMath

WRLC Chief Executive Officer

PEARLING

The gradual improvement of the economies of the United States and Europe during the past year was reflected in a slight improvement in markets leading to cautiously optimistic management of Western Australia's pearling sector.

The wildstock resource provided 10-year average catch levels and pearl growing conditions were stable overall which allowed industry representation (through the Pearl Producers Association) to focus on repelling increased regulatory burdens proposed by both state and federal governments.

Perhaps the single biggest challenge in the past year was posed by the State's oil and gas sector. Responding to the rapidly rising number of seismic surveys and other petroleum industry-related activity took up an ever-increasing proportion of available time and resources.

Of great concern was (and remains) the potential impact oil and gas-related activity, especially seismic air guns poses to pearl oyster beds off the Kimberley's 80 Mile Beach – the only sustainable wildstock pearl oyster fishing grounds in the world.

Ongoing and regular engagement with the oil and gas sector over the past year identified cross-industry acknowledgement about the scarcity of agreed data and research.

With the help of WAFIC, the pearling industry plans to continue its dialogue with the petroleum industry and to develop an agreed framework and process to address such issues.

Other key challenges during the past year included:

- Delays in promulgating new WA fisheries legislation
- Maintaining access to areas declared marine parks by state and federal governments
- Increased regulation and costs associated with the introduction of the national marine safety system and national workplace safety regulations
- Loss of access to fishing grounds through oil and gas related infrastructure



However it was not all frustratingly slow progress. The State's pearl industry achieved successes that included:

- Integration of pearling legislation into the new WA fisheries management legislation
- Continued recognition by state and federal regulators of pearling as an acceptable activity in marine parks
- Reviving a baseline coxswain ticket in marine regulations for pearl oyster cleaning vessels
- Obtaining national workplace safety regulations listing of pearl diving as low risk 'general diving'.

These "wins" were achieved in close partnership with WAFIC demonstrating the results of persistence and an agreed strategic approach. They highlight the importance of our industry presenting a unified and professional face to the rest of the community.

The work that the pearling industry continued throughout 2013-14 with the Fisheries Research and Development Corporation (through its Industry Partnership Agreement for research on pearls) and additionally through its interactions with external stakeholders including the State Government departments of Fisheries, Parks and Wildlife and Transport; federal regulators such as the Australian Marine Safety Authority, SafeWork Australia and the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) and finally with its engagement with the oil and gas sector's peak representative body – the Australian Petroleum Production and Exploration Association (APPEA) – can only emphasize the importance of maintaining industry unity.

Brett McCallum

Pearl Producers Association Chief Executive Officer.

FISHERIES UPDATES

AQUACULTURE

The Aquaculture Council of Western Australia (ACWA) had a busy year that resulted in some key achievements for the industry.

A cooperative and open relationship with the Department of Fisheries and regular meetings with senior departmental staff saw ACWA provide positive input into policy issues such as abalone aquaculture, fish reseeding and restocking, habitat enhancement structures, the Mid-west and Kimberley aquaculture zones and the new Aquatic Resources Management Act.

ACWA has been greatly encouraged by the enthusiasm Fisheries Minister Ken Baston demonstrated for aquaculture development in WA since his appointment earlier this year.

The Minister is keen to see further development of the aquaculture sector and in collaboration with ACWA will soon release a number of initiatives designed to foster industry growth and development.

Aquaculture achievements in the past year include:

- Increased the membership of the Committee of Management to nine, with members representing a large part of the aquaculture industry in this State. The CoM comprises; Chair Geoff Glazier (Amwing Pearl Producers Association), Steven Davies (Marine Produce Australia Pty Ltd), Greg Jenkins (Challenger Institute), Glenn Dibbin (Blue Lagoon Mussels Pty Ltd), John Hutton (Maxima Pearling Co. Pty Ltd), Craig Kestel (888 Abalone Pty Ltd), Bruce Phillips (Curtin University), Steve Vidovich (Aquatic Resources Management Pty Ltd) and Rob Bell (Western Australian Resources Pty Ltd)
- Provided members with financial assistance to develop management and environmental monitoring plans. The funding was generated from the finalisation of a Caring for our Country grant
- Completed development of an industry environmental code of practice (eCoP) - with an eCoP also developed for the marron industry. The eCoPs are on the ACWA website and highlight the benefits of certifying businesses against the codes



- Carried out a strategic planning day to provide direction to ACWA, identify industry priorities and develop an action plan for the coming year. The plan is in the process of finalisation and will align with future initiatives to be announced by the Minister for Fisheries.
- Provided assistance to the mussel industry in relation to the review of the WA Shellfish Quality Assurance Program by the Department of Health and Curtin University
- Obtained \$15,000 from WAFIC to investigate the potential for a multi-species mollusc hatchery in WA and to redevelop the ACWA website
- Reviewed and updated ACWA's Constitution to ensure compliance with relevant regulations relating to the governance of associations

From a financial perspective, ACWA performed well in the past year with expenditure in line with budgetary forecasts. The organisation successfully passed audit and as a result the CoM did not increase membership fees for the 2014-15 financial year.

Tina Thorne

Aquaculture Council of WA Chief Executive Officer



ABALONE



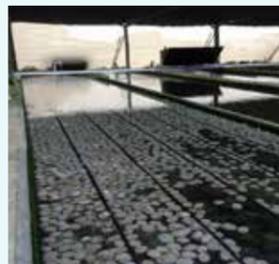
The 2013-2014 financial year was a relatively stable year for Western Australia's abalone industry although some concerning trends affecting the industry were experienced.

Of particular note were the increased number of reported shark interactions with divers, warm water temperatures slowing growth in some areas, ocean abalone farming, the proposed Ocean Reef marina development and marketing issues.

Marketing challenges throughout the past year were highlighted by a further tightening on the border from Hong Kong into China. Although prices were lower than usual at the start of the season there was a gradual improvement as the season progressed.

Western Australia's abalone sector worked closely with the Abalone Council of Australia (ACA), the peak industry body representing the wild-harvest abalone industry, and other abalone industry organisations from Tasmania, Victoria, South Australia and New South Wales to source new markets.

The ACA established the Australian Wild Abalone (AWA) brand. This campaign was showcased in China during Australia



Week in early April and did much to raise the profile of Australian abalone with importers, consumers and Chinese officials that promote new markets directly into China.

Full-page media coverage of the AWA brand in newspapers such as the Oriental Daily – daily circulation of 500,000 copies -- helped to promote Western Australia's wild caught product and give it a marketing edge.

The ACA and the Paua Industry Council of New Zealand jointly hosted the sixth national abalone convention in August.

More than 160 members and delegates converged on Queenstown, New Zealand, for a highly productive event that saw the sharing of national and international information, collaboration of industry leaders and government policy makers and the establishment of useful networks.

A wide range of guest speakers covered important topics including the global marketplace, resource productivity, fishery management and trade issues.

Closer to home, industry concerns mounted over the ramping up of an abalone aquaculture project in WA.

Greenlip abalone are reared in a hatchery in Bremer Bay to 30-40mm before relocation to a Flinders Bay lease near Augusta on WA's south-west coast. They are then grown out on concrete structures to around 130mm.

With the project entering the commercial phase, ongoing fears surround the biosecurity and disease risks that farmed abalone may present to nearby wild stocks.

A rise in shark sightings and interactions along the West Australian coast were recorded in the past year and abalone divers have increased their use of shark cages and shark pods.

The proposed Ocean Reef Marina development presents a direct threat to the state's abalone industry and continues to provoke concern about abalone stocks off Perth's metropolitan coast.

It has been estimated that habitat loss and other environmental impacts of the proposed marina development would reduce the 32 tonne annual quota by about 18 tonnes and dramatically affect both commercial and recreational abalone sectors.

FISHERIES UPDATES

FISHERIES UPDATES

PRAWNS



In 2013-14 all Western Australian based operators in wild prawn fisheries committed to the Love Australian Prawns marketing initiative.

This national campaign, developed by the Australian Council of Prawn Fisheries (ACPF), the Australian Prawn Farmers Association (APFA) and with the support of the Fisheries Research and Development Corporation (FRDC) and the Seafood Cooperative Research Centre, was given a significant financial boost by industry contributions through a voluntary levy.

The Shark Bay prawn fishery sees the Love Australian Prawns project as an ideal partner for cross-promoting its Shark Bay Wild branding.

Feedback from a high percentage of retailers during this first year of the campaign's operation has reflected the success of Love Australian Prawns as a sales improvement strategy and noted its positive impact in the domestic market.

As the first national campaign for an entire seafood category, it is being carefully watched by many in the seafood industry, serving as an example of what is possible with a coordinated and united approach to seafood marketing.

Looking forward, the industry is keen to leverage the success of the first year of this campaign and by extending the reach and influence of the Love Australian Prawns brand lift demand past the traditional retail peaks of Christmas and Easter.

Phil Bruce

*Shark Bay Prawn Trawler Operators' Association
Chief Executive Officer*





A broad range of issues affected Western Australia's fisheries in the past year.

The ongoing issue of marine parks planning required constant monitoring and WAFIC continued to provide input to individual proposals, particularly the plans for Horizontal Falls and the North Kimberley regions. WAFIC and the Pearl Producers' Association attended a workshop with the Marine Parks and Reserves Authority (MPRA), the Department of Parks and Wildlife, and traditional owners to highlight the importance of the region to our industry. Representations were also made on the need to align compensation processes in cases where fishers are affected by multiple marine parks.

The Federal Government's election commitment, to review the management arrangements for the Commonwealth marine reserves, is underway. The first major step of setting aside management plans, previously scheduled to come into effect in July 2014, was achieved in December 2013. Until new management plans are implemented there are no "on the water" changes for industry.

The Fisheries Adjustment Assistance Program is on hold pending the completion of a review of management planning processes. The amount and type of assistance will be considered once there is a better understanding of the new arrangements. The lack of information since December 2013 is disappointing, but WAFIC will continue to monitor the situation and advise members when required.

In August 2013, the long awaited Integrated Fisheries Management (IFM) process for the west coast demersal scalefish resource was finalised, with the commercial sector gaining an allocation of 64 per cent. This was a pleasing result although the retail sector indicated a bigger allocation was required to supply an affordable product.

In 2014, the IFM process for the Cockburn Sound and Peel-Harvey blue swimmer crab resource commenced. WAFIC met with the Integrated Fisheries Allocation Advisory Committee (IFAAC) and provided preliminary input into the process in advance of the draft allocation report being publicly released.

In 2013, the Department of Fisheries released Fisheries Research Report 246, which indicated substantial catch reductions were required in both commercial and recreational herring fisheries. WAFIC obtained Fisheries Research Development Corporation (FRDC) funding—matched by industry—for an independent review of the Department's research. Dr Jeremy Prince's subsequent review found



that substantial reductions were unwarranted and that the commercial and recreational sectors should work more closely with the Department of Fisheries to improve sampling.

An independent review of both the Department of Fisheries' and Dr Prince's research was undertaken and at the time of WAFIC going to press with this Annual Report, the Minister for Fisheries was still to make a decision on the herring fishery.

Allocation processes were undertaken for a number of fisheries throughout the year, including South Coast Crustacean, Developmental Octopus, Cockburn Sound Line and Pot and the Gascoyne Demersal Scalefish fisheries. The Minister for Fisheries appointed an independent allocation panel to make recommendations in all cases. WAFIC's capacity in these cases was limited to offering advice on the Terms of Reference to ensure fairness and equity issues were addressed.

Throughout the year, WAFIC made numerous representations on fishery-related issues including:

- 1 Facilitating a meeting of West Coast Demersal Scalefish Fishery licence holders and the Department of Fisheries to resolve research and management issues for pink snapper in the Geraldton and Kalbarri region
- 2 Coordinating input into the Midwest Aquaculture Zone project and facilitating a meeting with trawl and aquaculture interests about the project's proposed study area at the Abrolhos Islands
- 3 Participating on the Australian Sea Lion working group set up to investigate appropriate and cost effective ways of managing mammal interactions in the demersal gillnet fisheries
- 4 Working the northern demersal scalefish fisheries to develop a proposal to change the minimum size limits for a range of species that suffer from barotrauma. WAFIC looks forward to a positive response from the Department in this regard.

Felicity Horn

WAFIC executive officer resource access



The past year has seen the continued rollout of the State Government's \$14.5million Marine Stewardship Council (MSC) program – a four-year initiative announced by the Minister for Fisheries in September 2012.



The objectives of this initiative were to enhance public confidence in the sustainable management of WA's commercial fisheries, to meet retail need to only serve fish from fisheries either independently assessed or in a fishery improvement project and to assess the State's fisheries against a credible, independent and science-based standard.

The initiative subjects all Western Australian fisheries to MSC pre-assessment. Pre-assessments determine if a specific fishery can successfully pass a full MSC assessment.

Confidential pre-assessment reports allow those fisheries that don't meet the necessary benchmark to undertake a fisheries improvement program (FIP). FIPs are a voluntary and transparent way of helping fisheries improve their sustainable management practices.

Government funding is made available for those fisheries identified as ready to enter full MSC assessment – a voluntary process – and in addition, the State also pays the costs of the first annual audit of the fishery following MSC certification.

Carriage of the project is through a Certification Advisory Panel made up of Department of Fisheries, WAFIC, Recfishwest and the MSC representatives and in addition, WAFIC has secured a sizeable FRDC project to develop extension and chain of custody initiatives through the supply chain.

In the past year the MSC has appointed Matt Watson as its WA based outreach officer for an initial 2-year term. Matt is responsible for raising awareness and support for the MSC program across a broad range of interest groups including the supply chain and the community.

He also works with participating fisheries as they develop plans to pursue MSC certification.

The past year also saw the launch of a website www.wamsc.com.au to provide information about the MSC initiative. The website was funded by a Fisheries Research and Development Corporation (FRDC) grant and is designed to enhance industry communication and community engagement.

2013-14 was highlighted by a number of key activities including:

- 1 The completion of the Gascoyne fisheries MSC pre-assessments by Fisheries Certification International.
- 2 Meetings convened to determine interest in proceeding to full assessment
- 3 Exmouth Gulf and Shark Bay Prawn fisheries have negotiated and signed contracts with MRAG Americas Pty to conduct full assessment against the MSC standard. These fisheries are scheduled to receive MSC certification by mid to late 2015
- 4 West Coast Deep Sea Crab fishery is considering full MSC assessment
- 5 Completion of the Northern fisheries MSC pre-assessments by Intertek Fisheries Certification
- 6 Trochus fishery has expressed interest in proceeding to full assessment
- 7 West & South Coasts fisheries undergoing pre-assessment by MRAG Americas Pty Ltd
- 8 Pre-assessment briefings to fishers in Esperance, Albany, Bunbury, Fremantle and Geraldton
- 9 Peel Harvey recreational and commercial crab, and commercial net fisheries are currently in negotiation with Scientific Certification Systems Global International over MSC assessment of these fisheries

Guy Leyland

WAFIC-MSC industry project leader



The three-year partnership between WAFIC and the Department of Fisheries to roll out the Fish Eye program – an electronic catch management and reporting system – across the State's commercial fisheries will end in 2014.

During the first two years of the initiative, WAFIC and the Western Rock Lobster Council used the services of economist John Nicholls and Fish Eye coordinator Leith Pritchard to endeavor to make the program compatible with fisher's needs and to assist to meet Department of Fisheries' budgetary requirements.

In general these goals were achieved, but delays in implementing Fish Eye to Western Rock Lobster and other fisheries along with the lack of information about progress and the pace of software amendments has caused some frustration and undermined industry confidence.

In the past year, WAFIC engaged Mr Pritchard to provide Fish Eye training for rock lobster fishers. The training content was appropriate and the delivery effective but the rate of take-up by the sector was disappointing but is testament to the ongoing difficulties facing the program. Due to funding constraints WAFIC decided to end its involvement in this activity on 31 October 2014.

It is not anticipated that the majority of lobster fishers will be equipped to move to electronic reporting and interaction by the time the WAFIC-run training program ends.

For all other fisheries, WAFIC understands that the electronic engineering and software "back end" of the Fish Eye project is complete and that the Department of Fisheries will coordinate the further roll out of the program.

Leith Pritchard

Fish Eye program coordinator

RESEARCH, DEVELOPMENT AND EXTENSION

The establishment of WAFIC's new direction and focus in the past year saw the organisation make a deliberate decision to end its direct role in research development and extension projects.

WAFIC continues to play an important role in supporting and prioritising industry-based research projects through its administration of Western Australia's Fisheries Research Advisory Body (WA FRAB).

WAFIC provides both the Chair and Executive Officer to the WA FRAB and remains resolute in acting as a conduit for the development of industry-based research ideas and requirements.

Of the eight research applications submitted in 2014 competitive round, the WA FRAB recommended six projects that gained Fisheries Research and Development Corporation (FRDC) funds worth almost \$1.6million.

The 2015 annual competitive round is currently underway, with a strong short list of seven research projects across a range of agreed jurisdictional priorities.

The FRDC is a federal statutory authority, jointly funded by industry and the Commonwealth Government. The FRDC plans, invests in and manages fisheries research and development throughout Australia.

Close involvement with the FRDC's FRAB process ensures that WAFIC remains highly aware of the research needs and priorities of WA's commercial fishing, pearling and aquaculture sectors, and is positioned to support research applicants and specific projects that benefit our industry.

John Harrison

WA FRAB Chair

FINANCIAL SECURITY

One of the most crucial issues facing a fishing industry representative group such as WAFIC is how to source and maintain independent revenue streams that enhance the security and certainty of its continued operations.

Aside from facilitating financial independence, achieving such certainty can dramatically boost the confidence of members and external stakeholders in WAFIC's ability to represent industry interests without fear or favour.

Resistance to the potential influence of financial patrons is a significant aspiration, particularly when there is a risk that funding from any given source comes attached with conditions that can be changed.

As part of its new direction and focus, WAFIC has started down the road to financial independence and will strive to achieve this goal.

We have already shown we can deliver successful results to corporate clients such as the Department of Fisheries through the service fee we charge for the Industry Consultation Unit process.

In the coming year WAFIC will look for further opportunities for additional revenue streams.

Under present funding arrangements the State Government collects 0.5 per cent of the gross value of production generated by the commercial fishing industry and passes this money to WAFIC for representational services.

Although licence holders pay these fees, the State Government regards them as part of the overall 5.75 per cent access fees it charges industry and that it is through the State's largesse that the 0.5 per cent is passed to WAFIC.

WAFIC's position is that Western Australia's commercial fishing and seafood industry needs a strong peak body to defend access rights, grow community confidence and communicate to the wide spectrum on stakeholders.

For this reason, WAFIC has made financial security a cornerstone of its strategic plan for the coming years.

WAFIC's existing commitment to fiscal accountability and prudent economic management will remain as evidenced by the independently audited financial statements that can be found in our full Annual Report on our website.

WAFIC hopes you have found its 2014 Annual Report informative and interesting. Please email: cpo@wafic.org.au with your feedback.

Funding Agreement

Between the

Department of Fisheries

and

Western Australian Fishing Industry Council Inc.

for

**Provision of Peak Body Representation of Commercial Fishing,
Pearling and Aquaculture Interests**

For the period ending 30 June 2018¹

¹ Based on existing arrangements. Subject to change in accordance with Government policy.

1. CONTEXT

The Western Australian Fishing Industry Council (WAFIC) as identified in part 1, section 4 of the *Fish Resources Management Regulations 1995* as the 'peak industry body' is funded by Government to represent the commercial fishing industry in Western Australia, including the pearling and aquaculture sectors.

The Minister for Fisheries (Minister) has indicated that WAFIC is the channel through which coordinated advice of commercial fishing interests will be provided to Government, noting that five sector bodies² also provide fisheries-specific advice.

The Minister expects WAFIC to take a leadership role as the industry's peak body and to provide considered advice to Government on issues that may affect industry as a whole. WAFIC is required to canvass commercial fishing interests (authorisation holders) and sector bodies to reach a position, wherever possible, on matters referred to it, and to adopt a solution oriented approach.

This Funding Agreement (Agreement) is in the context of, and consistent with, Ministerial Policy Guideline 21 *Matters Related to the 2010 Funding Reform Decisions of Government* (MPG 21), in which expenditure of public funds of 0.5% of GVP of commercial fisheries plus a contribution from pearling and aquaculture marine lease holders is provided as base funding to WAFIC to support its role as the industry's peak body.

2. SCOPE OF AGREEMENT

For the purposes of this Agreement, commercial fishing interests includes the full suite of commercial authorisation holders under the *Fish Resources Management Act 1994* and *Pearling Act 1990* (or any subsequent governing fisheries legislation) including holders of Managed Fishery Licences, Interim Managed Fishery permits, Aquaculture authorisations, Processing Licences, Fishing Boat Licences, Exemptions permitting commercial fishing activities, and holders of pearling licences and leases. It is acknowledged that WAFIC may choose to extend its membership base to other parties such as seafood importers and exporters.

Specific services provided by WAFIC, pursuant to any separate Service Level Agreement (SLA) or contract with the Department of Fisheries, are excluded from this Agreement (eg Consultation Services SLA). Similarly, any projects or services associated with funds secured by WAFIC through avenues other than those secured through the WA Government (via access fees) are excluded from this Agreement.

² Pearl Producers Association, Aquaculture Council of WA, Western Rock Lobster Council, Shark Bay Prawn Trawler Operators Association Inc and Abalone Industry Association of WA

3. THE AGREEMENT

3.1 Funder Responsibilities

The Department of Fisheries shall:

- 3.1.1 Provide annual funding equivalent to 0.5% of Western Australian commercial fishing GVP (based on a three year average) plus a pro rata amount equivalent to 10% of water access fees paid by aquaculture and pearling operators. Payments to WAFIC will be made by 6 monthly instalments each year in July and January on invoice from WAFIC.
- 3.1.2 Work with WAFIC in a professional manner consistent with WAFIC's role as the peak body representing commercial fishing interests in Western Australia.

3.2 Peak Body Deliverables

As the recognised peak body for commercial fishing interests in WA and pursuant to this agreement, WAFIC shall provide:

Commercial fishing representation, including:

- 3.2.1 Effective professional representation of commercial fishing interests to Government, industry, other relevant organisations and the community. For the purposes of this agreement, representation includes:
- Advocacy on behalf of the fishing industry;
 - Strategic leadership for the commercial fishing industry on matters of significance;
 - Raising community awareness in respect of the commercial fishing industry;
 - Industry awareness raising;
 - Support for WAFIC members;
 - Coordination of industry advice;
 - Negotiating on behalf of industry, or providing a forum for negotiation/mediation; and
 - Research and policy analysis.
- 3.2.2 Provide representation of commercial fishing interests on fisheries management and Ministerial committees, as may be requested by the Minister for Fisheries or Department of Fisheries.

Peak body advice, including:

- 3.2.3 Provision of professional advice to the Government, Department of Fisheries and, as relevant, industry members on proposals and issues affecting commercial fishing.

- Advice will generally be sought officially through the Department of Fisheries or Minister for Fisheries.
- Advice may also be offered by WAFIC on matters WAFIC consider to be of relevant interest.
- Advice should aim to adopt a position, offer a solution, recommend what might be done to address a problem, or manage a situation.

3.2.4 With reference to WAFIC priorities, provide feedback on the Department's proposed deliverables and priorities as set out in FishPlan and related planning processes.

Consultation on management issues or proposals, including:

3.2.5 Consult with constituents and other interested parties on matters referred to it. The operational guidelines provided by WAFIC to the Department in June 2009 as set out below provide the framework for consultation including the role of the recognised sector bodies (refer footnote 2 for listing of sector bodies).

Principle	Responsible Association	Example
On generic policy issues which could affect, as a whole, the fishing, aquaculture, and pearling industries	WAFIC	Bioregional marine planning; safety, education and training; research and development policy and biosecurity
On policy issues which currently primarily affect one sector but which could have implications for the broader industry	WAFIC will nominate the relevant sector body and WAFIC and that body will jointly represent industry.	The Western Rock Lobster Council and WAFIC would represent industry on marina and port access issues which may primarily initially impact on the rock lobster industry in regard to certain locations but have precedents for the rest of the industry for other locations; the Pearl Producers' Association and WAFIC on animal welfare
On issues which affect only one specific sector	The relevant sector body would represent itself but WAFIC would be kept informed. If no relevant sector body, WAFIC will assist in setting up appropriate consultative mechanisms.	Regulation of lobster pot design (Western Rock Lobster Council); pearl promotion, (Pearl Producers' Association) e.g. Assisting the shark industry to establish the WA Demersal Gillnet & Longline Association and acting as Secretariat for interim period.

Engagement with key aquatic management stakeholders, including:

3.2.6 Engage with Recfishwest with a view to identifying joint priorities and development of solutions to issues of shared concern.

4. OPERATION OF AGREEMENT

4.1 Performance Monitoring and Review

Review of performance against deliverables outlined in this Agreement will be undertaken annually by the Department, informed by the WAFIC Annual Report and any supporting statements of performance from WAFIC against deliverables. The

Department may also canvass the views of other parties as part of this process. Performance may also be subject to audit or review by the Department.

Any identified potential non-performance (by either the Department or WAFIC) shall be discussed by the Director General of the Department and WAFIC CEO with a view to mutual resolution.

4.2 Amendment to Agreement

This Agreement can be amended at any time by agreement between the Director General of the Department of Fisheries and Chief Executive Officer of WAFIC, having regard for MPG 21, or may be amended in accordance with Government policy.

4.3 Dispute Resolution

Any dispute arising under this agreement shall in the first instance be discussed between the Director General of the Department and Chief Executive Officer of WAFIC with a view to resolution. If the dispute is not resolved the matter shall be referred to the Minister for determination, including an opportunity for both parties to be heard. The Minister may seek independent advice.

4.4 Revocation of Agreement

This Agreement can be revoked at any time by the Minister for Fisheries, having regard for MPG 21.

5. PEAK BODY GOVERNANCE

This Agreement is subject to WAFIC meeting its corporate governance obligations as an Incorporated Body, including reporting and auditing requirements, Governing Board and Constitution.

Funding provided under this Agreement shall be acquitted and audited as per Australian Auditing Standards.

In expending public funds, WAFIC is expected to ensure that its Board of directors and staff adhere to appropriate standards of behaviour and conduct.

Signed  _____

Director General
Department of Fisheries

Date: 03/06/14

Signed  _____

Chief Executive Officer
Western Australian Fishing Industry
Council (WAFIC)

Date: 10/6/14