

Division 11: Fisheries, \$59 950 000 —

Mr J.M. Francis, Chairman.

Mr W.R. Marmion, Minister for Environment representing the Minister for Fisheries.

Mr S. Smith, Director General.

Ms H.G. Brayford, Deputy Director General.

Mr T.L. Vo, Chief Financial Officer.

Mr B. Mezzatesta, Executive Director, Regional Services.

Dr B.W. Molony, Acting Executive Director, Research.

Mr B.R. Power, Acting Executive Director, Corporate Services.

The CHAIRMAN: This estimates committee will be reported by Hansard staff. The daily proof *Hansard* will be published at 9.00 am tomorrow.

It is the intention of the Chair to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point. The estimates committee's consideration of the estimates will be restricted to discussion of those items for which a vote of money is proposed in the consolidated account. Questions must be clearly related to a page number, item program or amount in the current division. It will greatly assist Hansard if members can give these details in preface to their question.

The minister may agree to provide supplementary information to the committee, rather than asking that the question be put on notice for the next sitting week. I ask the minister to clearly indicate what supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the committee clerk by Friday, 8 June 2012. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge the question on notice with the Clerk's office.

I now ask the minister to introduce his advisers to the committee.

[Witnesses introduced.]

The CHAIRMAN: I give the call to the member for Armadale.

Dr A.D. BUTI: I refer the minister to page 179 of the budget papers, and the line item "Efficiency Dividend" under "Major Spending Changes". I ask three questions that are similar to the questions I asked in the previous division. Firstly, how will these dividends be achieved in the 2012–13 budget estimates? Secondly, how will these dividends be achieved in the 2015–16 budget estimates? Thirdly, are these figures real or theoretical and just based on budget escalations?

Mr W.R. MARMION: As members know, there is a two per cent efficiency dividend in 2012–13 followed by one per cent in 2013–14, another one per cent in 2014–15 and one per cent in 2015–16. My understanding is that the Department of Fisheries will be looking at its operations and by 1 July will have worked out where in those figures the \$766 000 will come from.

Dr A.D. BUTI: Will the minister table those identifiable dividend targets? Will the minister table the things that have been identified as being part of the efficiency dividend as of 1 July?

Mr W.R. MARMION: They have not been identified yet so I cannot table them.

Dr A.D. BUTI: When they are identified, will the minister then table them?

Mr W.R. MARMION: I am happy to seek that information from the minister and see whether he is happy to table them in this house.

The CHAIRMAN: Member, your problem is going to be that the minister needs to reply to these questions by Friday, 8 June 2012. Do you understand that this cannot be a supplementary question? It will have to be asked at a later date.

[5.40 pm]

Mr W.R. MARMION: I think the member understands that. But, of course, the other avenue is to direct that question to the minister in the other house.

The CHAIRMAN: That is the cut-off time for supplementary information.

Mr C.J. TALLENTIRE: I refer to the line item for the regulatory fees and fines in the income statement on page 186. I am looking for figures that reflect the amount of money raised through the administration of the Fish Resources Management Act. My knowledge is a little hazy on this, but I understand that those who are involved

in commercial fishing pay a fair sum each year under the powers of the Fish Resources Management Act. I am looking for that amount in the income statement.

Mr W.R. MARMION: Is the member looking for a specific break-up of that \$27.180 million?

Mr C.J. TALLENTIRE: Yes, that is right. The figures there are in the order of \$25 million, \$27 million and \$28 million a year.

Mr W.R. MARMION: Is that in relation to commercial fishing licences?

Mr C.J. TALLENTIRE: Indeed, yes.

Mr W.R. MARMION: The director general might be able to come up with that particular figure.

Mr S. Smith: With regard to the collection of fees from the commercial sector, we generate revenue through an access fee that is set at 5.75 per cent of the gross value of production for the fisheries. That will bring in in the order of \$20.2 million in the coming year. For the recreational sector, we have several licences. The most substantial revenue-raiser out of that is the recreational fishing from boat licence. Those recreational licences combined bring in in the order of \$6 million. The commercial contribution plus the recreational contribution constitutes the vast majority of those figures there. We can give the member a more detailed breakdown of the recreational licence fees, or the commercial fees for that matter, if he wants them. I think he will find that that explains those figures.

Mr C.J. TALLENTIRE: Thank you; that is very helpful. Is it possible to have the more detailed breakdown? Could that be detailed by commercial fishery?

Mr S. Smith: For the commercial sector, we can give the member a breakdown by each individual fishery.

Mr W.R. MARMION: I will just check that we do not have that information handy. If we do not, I am happy to provide it as supplementary information. We will provide a breakdown of the income generated from the regulatory fees and fines in the different categories and we will break down the commercial fisheries into the fishing stock they relate to. Is that what the member is after?

Mr C.J. TALLENTIRE: Yes. I think the director general indicated that it would not be too difficult to break down the various recreational fishing licences and the revenue attached to those.

Mr W.R. MARMION: I am happy to do that for recreational fishing as well.

[*Supplementary Information No A53.*]

Mr W.R. MARMION: I understand that we have the recreational fishing information with us; we have the breakdown.

Mr C.J. TALLENTIRE: I refer to the first note on page 181, which states —

Adverse environmental conditions in early 2011 ... have affected some stocks in the Gascoyne region which has increased the number of stocks requiring additional management interventions ...

I note that they should recover by 2013. Which stocks is that referring to—that is, which fisheries? Again, can I have an indication of the costs involved in replenishing or re-establishing those stocks?

Mr W.R. MARMION: I am happy for the director general to elaborate a little more on note 1 on page 181.

Mr S. Smith: A number of stocks were affected. Amongst the most substantially affected were the Shark Bay crab fishery and the Shark Bay scallop fishery. When I mention the crab fishery, I am covering both the trawl and trap elements of that fishery. The flooding that occurred in Carnarvon meant that the crabs were flushed out into deeper water and essentially left the area. There are still some there, but they are relatively small in size. We have ceased fishing in that area at the moment. The stocks are showing signs of recovering quickly, but they are not yet in the shape that we think they should be to open up fishing in that particular fishery. However, crabs tend to reproduce quickly and recover quickly, so we expect that that fishery will be recovered by 2013 at least in large part; it might not be back to the full level it was previously, but that will occur over subsequent years.

The other fishery I mentioned was the scallop fishery. Scallops are notorious for having vast swings in the levels of production and catchability. They are way down this year. Past experience suggests that we do not know what they will be next year; it depends on the environmental conditions. If there is a bad year and the environmental conditions change, stocks recover very dramatically very quickly. So it may well be that we have very high catches in 2013, but we do not know at this stage because that will depend on environmental factors.

The heatwave issue was also mentioned. The marine heatwave event is a body of relatively hotter water moving down the coast. It has gone further down the coast than it has in past years and at higher temperatures. That has had an impact on stocks such as abalone in areas such as Kalbarri, where Roe's abalone were largely wiped out

due to the heatwave event. It is a matter of monitoring those stocks and taking action, as we have. As those stocks improve, we will look to reopen that to fishing.

Mr C.J. TALLENTIRE: I asked whether a cost figure could be associated with the replenishment of those management interventions.

Mr W.R. MARMION: The director general might like to answer that. I know that the member for North West also has a question about this.

Dr A.D. BUTI: I do too, but you are not the chairman.

The CHAIRMAN: Thank you for pointing that out, member for Armadale. As soon as the director general has answered the question, I will give the member for North West the call.

Mr W.R. MARMION: I know I am not the chairman. I am just saying that the director general might like to respond to the member's question.

Mr S. Smith: I do not have any specific figures for the cost of the management of that fishery as a result of these measures. I do not imagine it would be a particularly substantial figure in the sense that some of the impacts of the additional effort on both the research and management side will be offset in part by reduced compliance activity because vessels are not out on the water. The compliance costs can be substantial when things such as fuel for the vessel are included. Although I do not have actual figures, I do not think they will be particularly substantial. When I say that, I am not talking in the millions; I am talking in the tens of thousands or maybe the hundreds of thousands at most.

Mr V.A. CATANIA: It obviously has impacted in the Gascoyne region, particularly in Carnarvon. The director general probably knows Peter Jecks, and Abacus Fisheries has probably been hit the hardest in that it has had to close. Has any assistance been provided to businesses such as Abacus Fisheries, which has had to shut its business? I think about 30 employees have been laid off. Has any assistance been provided to Abacus or other companies that have had to close because the crab stocks have been washed out?

[5.50 pm]

Mr W.R. MARMION: The director general will answer that question.

Mr S. Smith: No financial assistance has been provided to Abacus Fisheries. I am very familiar with its situation. I think it has been affected as much as other fishers there. There is another trap fisherman there as well, and the trawl fisheries have also been impacted. Abacus Fisheries has had to lay off its staff—not all its staff, but effectively all the processing staff have gone. It still has a business that it is running, but the processing side of the business is certainly being wound down and may not be able to be worked back up to the levels it was at before. But it still has a business that it is running, and a very successful one by the looks of it in terms of the market acceptance of new products that it has been bringing on to the market—things like crab cakes—and it is also looking at using fish stocks that are not currently fished to produce other products. It is getting huge market acceptance, and I suspect its biggest challenge will be actual supply. It is not necessarily looking to do the catching itself into the future, but we think that it is an excellent business and we are keen to see it develop and progress further.

The public has assisted it through the Australian Seafood Cooperative Research Centre. That has provided some funding to Abacus Fisheries for projects that it has been doing over the last year or two, and I understand the centre is looking at further projects from that particular company because of the success of that project. I am hopeful that that company will continue to do well in marketing products from the Shark Bay region, and certainly I think there is a lot of potential for that. We would like to see that happen. However, in answer to the first part of the member's question, we have not provided any financial assistance to that company directly.

Mr C.J. TALLENTIRE: I refer to note 2 on page 181 and also to the fourth dot point on page 180, in which mention is made of the impacts of climate change on fisheries. Has the department looked at the actual dollar figure that is associated with climate change when it comes to the changing catch ranges? I should imagine the department has been able to clearly monitor the value of certain fisheries in which the catch has dropped because of things like the four-degree temperature increase over portions of the west coast. Does the department have some dollar figures that it can give me, or is that something that the agency has as a line of research?

Mr W.R. MARMION: Just clarifying, I was looking for the words “climate change” in both the second note on page 181 and the fourth dot point on page 180, which refers to a marine heatwave, but I think the member was generalising when he mentioned climatic changes. I guess that is what the member is referring to. The fourth dot point mentions that in the heatwave the water temperatures were four degrees above average, and note 2 mentions environmental conditions.

Mr C.J. TALLENTIRE: Globally, I think we would say that that is the direct impact of climate change on one of our great industries—our fishing industry—so I am looking for a dollar figure on it.

Mr W.R. MARMION: I will see whether the director general can put a dollar figure on that.

Mr S. Smith: I do not have a single dollar figure for it. What I can do is point to the changes in value of some fisheries and attribute a portion of that to environmental changes, but we will not know exactly what portion of any change in a fishery's value is due solely to environmental factors. In fact, there would be some fisheries in which the value has gone up because of changes in the environmental factors. The net impact of the environmental factors in the last 12 months would be negative, but if we try to assign a value to the environmental conditions for each individual fishery, I think the number would be so arbitrary as to be largely irrelevant.

Mr C.J. TALLENTIRE: Based on trends?

Mr S. Smith: At best it would be a very ballpark figure. I do not think it would stand up to a lot of rigorous scrutiny.

Mr C.J. TALLENTIRE: Are some trends emerging, though, in the value of our fishery? I suppose it would be more accurate to look at the tonnages of catches for various fisheries so we can escape any variations from exchange rates and things like that.

Mr W.R. MARMION: I think the data the member is trying to get is changes in tonnages, perhaps in certain areas where we know that there might have been some climatic changes, and from that deduce or make up some —

Mr C.J. TALLENTIRE: No. I am happy for it to be clarification —

Mr W.R. MARMION: We can provide that information.

The CHAIRMAN: Yes, but, minister and member for Gosnells, is it directly related to government expenditure?

Mr C.J. TALLENTIRE: Of course it is. This is the value of our fishery, and this is expressed in the Department of Fisheries' material. How can you dismiss this?

The CHAIRMAN: Member for Gosnells, are you going to argue with me?

Mr C.J. TALLENTIRE: You are asking me the question and I am giving you an answer.

The CHAIRMAN: No, I am giving you some caution, member for Gosnells, and do not argue back. I am calling you to order for the first time.

Mr C.J. TALLENTIRE: Thank you, Chairman. I will continue with my clarification —

The CHAIRMAN: No. Just rephrase your question. Thank you.

Mr C.J. TALLENTIRE: — for the minister. I am interested to know how the trends are going with the catch, in tonnage terms, of our various fisheries. I think we have 28 commercial fisheries. How many commercial fisheries do we have?

Mr S. Smith: We have 48 commercial fisheries that are either fully managed, managed or interim managed or some —

Mr C.J. TALLENTIRE: For those 48 commercial fisheries, I would be interested to see the longer-term trend in terms of the tonnage taken so that we can see which way things are going. If that trend is downwards, and one of the major explanations of it is changes in things like water temperature, then we are beginning to cost in the impacts of climate change. That would be very useful.

Mr W.R. MARMION: I am happy to provide that simplistic data, but there may be a lot of other reasons why tonnage can go up and down.

The CHAIRMAN: Are you happy to provide it, minister, and do you understand what it is you are undertaking to provide?

Mr W.R. MARMION: The director general might want to add to that so that the member is informed about what information he might be able to get from it, because we do not want to get tied up in PhD people saying that there is no science behind it.

Mr S. Smith: We can certainly provide the member with the information on the volume of fisheries—the catches that have occurred in those commercial fisheries over time, and it can be attributed to various factors. I think it is better going by volume rather than value, but I wanted to also make the point that in some fisheries these environmental conditions have also had a positive impact on the value of the fisheries. If we look at a

fishery like west coast demersal scalefish, for instance, in that particular fishery half the catch comes from the recreational sector. There are a number of species within that fishery in the west coast that are now easier to catch and more abundant than they were previously because of the warmer water. It is perfectly reasonable, for some of those species, to say that the value of the catch of each individual fish from the recreational sector is far higher than that from the commercial sector, because the amount of money that people spend catching them is far higher. If we look at the volumes for the commercial sector, it will not necessarily give us a picture of the real value of the fishery. However, if we go through the full exercise of quantifying the recreational sector and trying to attribute some of the changes in volume to the heatwave event, for instance, I think the figures that we ultimately get will be, as I say, somewhat rubbery.

Mr W.R. MARMION: Nevertheless, we are happy to provide by supplementary information the tonnages taken, with some trend over a period of, say, some years, or whatever we can provide that is reasonable, for the 48 commercial fisheries.

[Supplementary Information No A54.]

Mr J.E. McGRATH: I have a very quick question. I refer to the “Research and Monitoring” heading on page 182. I can recall that either last year or the year before we were advised that there was a very low puerulus count, and it was going to impact on the crayfish stocks. Was that borne out or have the stocks improved?

Mr W.R. MARMION: That is a very good question. I asked that during my briefing. Perhaps the director general might like to provide the estimates committee with the answer.

Mr S. Smith: Yes; several years ago the puerulus settlement was very low. In fact, it was the lowest on record. We have been recording those figures for in the order of four decades, so it was a major concern. The government took substantial action. It has in fact halved the commercial catch of rock lobster over a couple of years. The puerulus settlement provides an indicator of what the catch will be in three to four years from when those settlement figures are recorded. The action in cutting the total allowable catch for those fisheries was intended to protect the breeding stock for that fishery and also retain some catch so that it is spread out over subsequent years to protect the industry from those years when otherwise it would have virtually no catch.

Mr J.E. McGRATH: So how is it looking now?

Mr S. Smith: The catch now is at 5 500 tonnes because we are only just entering the period in which that very low settlement will start to be reflected in the breeding stock.

The CHAIRMAN: Thank very much, director general. Time has expired.

The appropriation was recommended.

Meeting suspended from 6.00 to 7.00 pm