

**Division 16: Fisheries, \$23 995 000 -**

Ms Guise, Chairman.

Mr Logan, Parliamentary Secretary to the Minister for Agriculture, Forestry and Fisheries.

Mr P.P. Rogers, Executive Director.

Mr B. Mezzatesta, Manager, Financial and Administrative Services.

Dr J. Penn, Director, Fisheries Research.

Mr P.J. Millington, Director, Fisheries Management Services.

Ms H.G. Brayford, Manager, Strategic Planning and Policy.

Mr HILL: I refer to the first three dot points and the fifth dot point on page 291 of the *Budget Statements*. This issue is pretty dear to my heart as I come from Geraldton. Some of the rock lobster fishermen have sought assurances that the Abrolhos Islands will remain vested in the Minister for Fisheries and that they will continue to be permitted to occupy sites on the Abrolhos Islands. Can the minister provide those guarantees?

Mr LOGAN: The minister affirms that the Abrolhos Islands will remain vested in the minister. The Abrolhos Islands management plan, which was released in December 1998, states that the issue of increased security of tenure should be addressed by providing a licence and lease system for existing and future development of the islands. These measures are currently being developed with a view to the introduction of a land lease tenure system by 2004. The rock lobster industry is involved in that development process.

Mr MURRAY: I refer to the first dot point on page 286 of the *Budget Statements*. What is the outlook for the recreational marron fishery, and how is the Government approaching the problem of marron poaching? Some good friends of mine in the south west of the State are good at marron poaching.

Mr LOGAN: I do not know whether Hansard picked up the admission by the member for Collie about his experience with marron fishing. I will move on to answer the question. The marron fishery is a highly valued recreational fishery with a season that generally runs from early June to late February each year. There has been a downward trend in marron catch rates over many years and resultant concern about the long-term sustainability of the fishery. The success of marron recruitment is linked to winter rainfall. A major review of the fishery is scheduled to commence this year to consider long-term management arrangements. For next season, it may be necessary to close all or part of the fishery due to low rainfall in order to protect residual parent stock in individual water bodies. Currently, legislation is being drafted under the Criminal Code as part of an omnibus Bill that will address the poaching issue. Mr Rogers will comment further on the state of the marron industry.

[7.10 pm]

Mr ROGERS: I have one comment to make about the state of the marron industry: I have had a long-term concern about the changing environment. There are two issues involved with that. One of those issues is the declining rainfall, which appears to be a long-term trend, and the impact that will have on water quality. When that is combined with the impact of increasing salinity in our south west rivers, one can only forecast a long-term declining trend in the availability of marron in our river systems. As water becomes more and more precious, it will generate matters of increasing concern over time.

Mr MURRAY: My immediate concern with the aquaculture industry is poaching on private dams. When is it likely that this legislation will be drafted? It is an ongoing issue. More meetings are to be held in the south west in the near future.

Mr MILLINGTON: This is a difficult issue because it comes down to the identification of the marron if the person is not caught in the act of removing it from the aquaculturalist's dam. That is the reason the parliamentary secretary indicated that an omnibus Bill is being drafted to try to clarify provisions in the Criminal Code about who owns the marron, so that authorities can prove that it has been stolen. It is complicated by the fact that some of those dams are dammed streams that may or may not be public waters. Those are some of the issues that parliamentary counsel is trying to grapple with in drafting the omnibus Bill.

Mr GRYLLS: I refer to page 292. An amount of \$455 000 has been allocated to regional aquaculture. Obviously, aquaculture in the regions is an exciting development for a lot of farming families. Can the parliamentary secretary provide more information about what that money will be spent on and in what areas?

Mr ROGERS: I assume the question relates to the capital works funding for aquaculture. The member is probably aware that there is an aquaculture park in Broome. There are also aquaculture parks in Pemberton and

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Albany. Part of the capital works is related to those areas. We are also mindful that it is an opportunity for further capital development if fish farming in Lake Argyle develops. We are looking prospectively at getting a land lease site in Lake Kununurra village, should that come to pass. That is one option. I am also aware of attempts to develop an aquaculture park in the Esperance area. Some of that capital funding may end up there. Some of these matters are yet to be fully negotiated, but they are the prospective aquaculture opportunities in the medium term.

Mr GRYLLS: Given the salinity issue in the wheatbelt and the way that we are trying to convince farmers to move into aquaculture to use some of that water, are there any plans to allocate some of that regional funding to the wheatbelt?

Mr ROGERS: We have done some work previously at the Beverley research station, but the member probably needs to talk about the Merredin research station. At this stage there is no specific program. We are seeking to work collaboratively with the Department of Agriculture on that and we have done some preliminary work in the area. One of the limiting factors is that there are insufficient hatchery supplies of various fin fish that might be of attraction to the wheatbelt to allow that development to proceed at a more rapid pace. To me that is a bit of an issue, but the reality is that the Department of Fisheries has not been in the business of producing fin fish for aquaculture stocking.

Mr LOGAN: Although it is not covered by this budget, in my role as parliamentary secretary for fisheries, I discovered that Challenger TAFE in Fremantle, which provides training, expertise and advice on aquaculture, has a number of projects in wheatbelt areas. It is using dams for fin fish such as bream. It has a number of pilot projects under way.

Mr HILL: I refer to the works in progress listed on page 292. What current works are proposed for the Abrolhos Islands?

Mr LOGAN: The management plan for the Abrolhos Islands released in 1998 proposed a gradual introduction of multi-use areas or significant conservation areas. Public infrastructure was identified as necessary to allow the use of the area by persons other than the fishing industry. The capital works program was developed in 2000, with funding following in 2001-02. This was also linked to the Abrolhos Islands sustainable tourism plan, which was released in April 2001. The basis of the work is to provide minimal public works, and for future developers to provide their own necessary infrastructure with opportunities for national contribution to public works to avoid the duplication of facilities. The two key streams for the departmental works are departmental facilities and research support, and public facilities such as environmental moorings, dive trails, a beacon interpretive centre, waste management, airstrip maintenance, environmental signage and communication infrastructure. I ask Mr Millington to elaborate on that.

Mr MILLINGTON: Our major thrust is to develop an enhanced camp on Rat Island, which will have both a laboratory and a camp site. One of the features of the island is that it has been identified in recent publications as a coral hot spot, one of about 16 in the world that have unique coral and seagrass communities. There is incredible interest, both international and national, from museums and other groups in going to the island to study. We feel it is necessary to provide a high grade of accommodation on the island so that when officers of the department are not using it, it can be made available to other research institutions to do work on the corals as well as on the island's large seabird populations that are of interest.

Mr SWEETMAN: I refer to the figure for full-time equivalents on page 284. The figure for the current year is 95 and it will increase to only 98 in 2002-03. The seventh dot point refers to the support that was provided for the successful operation of the volunteer fisheries liaison officer program. As a member of the previous Government and as the shadow spokesman for fisheries, I know that both recreational and professional fishermen agree that there are not enough Department of Fisheries people in either the field or head office. Professional fishermen have said that there are not enough people to do research and collect information, particularly on new fisheries opportunities, and to monitor existing issues as they arise within the fisheries. The recreational fishermen said there were not enough fisheries officers on the ground. They were concerned that we were putting too much emphasis on the volunteer fisheries liaison program, when at the end of the day the volunteers were powerless to do anything. There is nothing like having fisheries officers on the ground. I know the professional fishermen are paying their own way and contribute about 70 per cent of the total operating cost of the Department of Fisheries. I know that the weak link is the recreational fishermen who are seen not to be paying their way. I disagree; I think they are. It is just that the federal Government collects this money. Ultimately, we will be cash-flow positive from the goods and services tax. Has there been any thought of quarantining a portion of that to cover the remaining 30 per cent of operating costs pertaining to recreational fishermen to ensure that we have enough people in the field, not just monitoring the health of the wild stocks of

the various fisheries up and down the coast, but in the compliance side to make sure that no-one takes beyond their bag limit of the various species?

[7.20 pm]

Mr LOGAN: I will refer to some of the key points in my answer to the member's question and, as it is an operational matter, I will ask Mr Rogers to provide further detail. Currently nine FTEs monitor the activities of 600 000 recreational fishers with a fishing effort of 10 million fishing days. A number of concepts will be put forward during this year. As this is an operational matter, I ask Mr Rogers to give more detail.

Mr ROGERS: It is my pleasure to provide detail. I would like to clarify that nine FTEs do not equate to nine people; we have a spread of people across the State. One of the outcomes of this year's budget is a shifting of priorities in the total expenditure, so that there will be six more FTEs coming into the department focused, in the main, on recreational fishing activity controls. They will be on mobile patrols with a focus during the winter months in the Gascoyne, the Pilbara and the Kimberley; obviously, at the other time of the year, they will be focused in the south west on things like marron, Mandurah crabs, and rock lobsters at the beginning of the rock lobster season. It was an issue raised by the previous Government, and my minister was mindful of it and he treated that as a particular priority within the realm of funding for this budget.

Mr GRYLLS: I refer to the bottom line of the output and appropriation summary on page 279, the total consolidated fund appropriations. As some of the major fisheries operate largely on a cost-recovery basis, their management is not affected as significantly as the smaller fisheries. Will the parliamentary secretary please explain the large variations in funding from 2002-03 to 2005-06 and the impact this will have on the management of fisheries that do not operate on a 100 per cent cost-recovery basis?

Mr LOGAN: Basically, the member is referring to the difference in appropriations over the next four years, which increase from \$23.995 million to \$30.617 million and then drop down again.

Mr GRYLLS: Yes, the figure moves up and down. Obviously this is not over the whole industry; only the areas that do not pay as they go.

Mr MEZZATESTA: The total consolidated fund appropriation line should not be looked at for the day-to-day operating activities of the department because that number includes the capital works program. The numbers in the second last line of the output and appropriation summary table jump from \$4.7 million to \$7.4 million to \$7.6 million and then drops off completely. The last line of that table is not a good indication of the bottom line of the agencies. However, at the line titled "Appropriations provided to purchase Outputs" the increases are marginal. The significant increases in the out years are due mainly to increases in what are known as accrual appropriations for things like the capital user charge, which was introduced in last year's budget, and funding for depreciation. The member will see that in the earlier years our capital works program is significant - \$7.4 million and \$7.6 million. That adds to our capital user charge costs and our depreciation expense. As a consequence of that, we see that jump to \$23.4 million. However, in terms of the cash available for our day-to-day operating costs, across the period of the forward estimates, they are very flat.

Mr MURRAY: On page 285, a major initiative for 2002-03 relates to Shark Bay's inner gulf pink snapper stocks. What is the outlook for these stocks in the future?

Mr LOGAN: Studies have shown that the pink snapper stocks in the inner gulf of Shark Bay are discrete from the oceanic stocks and do not migrate or interbreed. The inner gulf stocks are targeted almost exclusively by recreational fishermen. Stock assessments show that both eastern and western gulf stocks were severely depleted between 1990 and 1995. A series of management measures were introduced in 1997 to allow breeding stocks to rebuild and the eastern gulf fishery remains closed. Management measures are in place in the other areas to reduce the impact of recreational fishing. The eastern gulf stock is rebuilding at a rate that suggests a reopening of the fishery for low-level fishing in 2003. The stocks at Denham Sound, however, appear stable and the stocks in Freycinet Harbour appear to be at a low level and some adjustment to management levels may be required - that is on the western side. The department will be discussing future management options with the community and wider consultation in June 2002. Mr Rogers would also like to express his view on these issues.

Mr ROGERS: As the Director of Fisheries, with responsibility for sustainability of the fish stocks, I continue to have concerns about the impact of exploitation in Shark Bay. The real issue is that no matter what management controls we put in place for either bag limits or size limits, there are far too many people for the low level of stock to prevent overexploitation. The time is quickly coming when we will have to limit the total number of fish taken out of areas, which will mean different types of management from what we are used to in Western Australia. In other words, we will have to deal with the very difficult issues of what is the harvestable take in numbers of fish and come up with mechanisms that allow for the allocation of fish to individual anglers to take those species. This is one of the problems facing Western Australia and we must look at the big picture. We are facing a continual growth in fishing technology, and fishing efficiency within the recreational sector is growing

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rapidly. Participation in the recreational fishing areas is growing rapidly. From memory, in the past 10 or 15 years we have seen the number of recreational fishing days grow from three million to 10 million. The strategy that the minister has put in place followed early work by Minister House on integrated fisheries management and is one of the most important issues facing fisheries in Western Australia and probably the world. Unless people not only come to grips with the allocations of total yield in terms of environmentally sustainable development principles and policies, which we are adhering to these days in our reporting requirements to Environment Australia, but also deal separately with the issues of allocation to each of the sectors that exploit that fish and manage them accordingly, we are facing the long-term prospect of declining quantities of fish for commercial and recreational fishing.

The highest risk arises around fin fish stocks. Most of the cost-recovered fisheries are not exploited by the recreation fishing fraternity, with the exception of abalone. For example, rock lobster fisheries are in a sound condition. However, the fin fish stocks are not large in Western Australia. The level of take is roughly 50-50 between the recreational and commercial sector. It is the area about which we know least. In the commercial sense, it is probably worth between \$50 million and \$100 million. In the recreational sense, it is worth between \$500 million and \$600 million. The challenge facing not only the department but also future Legislatures is how to deal with this vexed question of increasing exploitation and bring in new measures that will control the total take in all sectors within an allocation framework. That is probably one of the greatest challenges facing fisheries managers not only in Western Australia but across Australia as we try to come to grips with these issues.

[7.30 pm]

Mr SWEETMAN: Mr Rogers is primarily referring to a possession limit.

Mr ROGERS: No. In some fisheries we may have to move to a total take control. There is a range of tools to do that. I just mention one, which might be, say, by the total number of tags issued for a particular high icon valued fishery - for example, to deal with the lowering in Shark Bay of snapper stocks. However, if we are dealing with something like the oceanic stocks, where that is not practical and is not necessary in the short term, we might, with time, have to actively encourage either tighter possession limits or tighter bag limits. In the end, we might have to focus on other tools, such as even limiting effort. How to do that is a vexed question. However, we must come to grips with those increasingly difficult issues. Putting it in the broader context, the issue of natural resource management in Western Australia will become increasingly difficult as we move into the future, and it is largely driven by population.

Mr SWEETMAN: I will extend that a little. A lot of the recreational fishing advisory committees think that we may be giving up on the possession limit or accumulation of catch. There is a bag limit per day. A person might camp in a spot for a fortnight, a month, two months or whatever. In the regions we have always believed that there should be a maximum possession limit. It will be very hard to police and control that, because a person might leave during the week and take the catch into town or south or whatever. The previous minister had a real go at trying to introduce a possession limit of something like 17 kilos. Although that may have made it to the draft stage, I do not think it ever made it into the Parliament to be proclaimed.

Mr ROGERS: I will comment further because that is an important new area of control that the department and Parliament should think about. Certainly the issue was raised in both the Gascoyne review and the west coast review of recreational fishing. It is certainly within the recommendations of those committees. Those matters are before the minister at present, and I suspect that after an extensive consultative process has been gone through, he will make decisions on those two reviews probably some time in August or a little later. They are important questions, and the member is absolutely right on that issue.

Mr HILL: I refer to the first dot point of major initiatives on page 282. Has the department moved to implement the outcomes of the national competition policy reviews related to the rock lobster industry?

Mr LOGAN: The department has commenced implementation of the national competition outcomes relevant to the rock lobster industry. The maximum rock lobster pot holding will be removed by 1 July 2003 to enable licence transactions to take place prior to the commencement of the season in November 2003. Arrangements are also being put in place for a new class of domestic processing licence to be issued from 1 July 2003, with no cap on numbers - which is effectively deregulation of domestic processing. These licences will also allow the holding and fattening of rock lobster. The current arrangements for unrestricted rock lobster processing licences will continue, subject to review in 2006 when the risks of deregulation will be better identified. The current input management regime for the rock lobster fishery will continue until at least 2006, with a review to identify further efficiency gains from a change to the current regulatory regime over the next two to three years. Mr Rogers may want to add further to that deregulation question.

Mr ROGERS: Yes, I am happy to do so. It comes back to the process. In principle, the process will take two forms. One is using the mechanism of the Rock Lobster Industry Advisory Committee to help provide advice on

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the form and structure of new legislation to be implemented, which will have to take place, particularly in dealing with the control of the processing sector; and, secondly, in the longer term, dealing with the very vexed issues of increasing economic efficiency in a system that is based on input controls that by and large are becoming a matter of increasing issue in the fishing industry. One of the downsides of the input control system - it has upsides as well - is economic efficiency in use of resources and in the marketplace when there is a significant year-to-year variation in the sale price of rock lobster. As the world becomes more sophisticated in the way in which it utilises rock lobster, the difference between short-term and long-term contracting on price is becoming an important issue. I can well imagine that the industry itself will examine these issues as part of the review process as we move to 2006.

Mr SWEETMAN: Including quotas?

Mr ROGERS: That is certainly an option.

Ms RADISICH: I refer the parliamentary secretary to output 2 on page 284 and to the line item "Less Operating Revenues". I note that there is a brief explanation in the last column of that table, but I am interested to know whether the parliamentary secretary can provide an expanded explanation of the increase in operating revenues for the management of the State's recreational fisheries and what the increased revenue will be used for.

Mr LOGAN: Output 2 refers to management of the State's recreational fisheries. The 2002-03 budget includes an increase in recreational fishing licence fees, with estimated additional revenue in the order of \$540 000. The fee adjustments are in line with recommendations from the recreational fishing advisory committee and keep track with consumer price index increases. The revenue is proposed to be offset against the appointment of additional fisheries officers, which Mr Rogers has already pointed out. The number of additional fisheries officers to be engaged will be contingent on the additional revenue raised, but is likely to be between three and four officers. It is proposed to create dedicated two-man mobile recreational patrols based in strategic locations, but with the operational capacity to be utilised throughout the State to meet peak activity demand or management needs. Mr Rogers has already spoken on that at some length.

Mr GRYLLS: I have a quick question on page 279. Will the parliamentary secretary please state to which of the outputs on page 279 the revenue from the \$500 commercial fishing boat licence is allocated? In addition, what is the total revenue expected to be raised for 2002-03; and will the parliamentary secretary please detail the expenditure by program? Where can I find that on page 279?

Mr LOGAN: Those additional fees which the member has mentioned and which will be introduced can be found in the line item "Less Operating revenues". The figure shown is \$26 million. They are contained within that \$26 million.

Mr GRYLLS: Does the parliamentary secretary have any idea what the total revenue is expected to be?

Mr LOGAN: I am advised about \$600 000.

[7.40 pm]

Mr SWEETMAN: I refer to purchase of outputs on page 279, output 1, management of the State's commercial fisheries. I am not sure how many developmental licences there are up and down the coast, but the Department of Fisheries must feel justified for having created developmental licences for the blue swimmer crabs in Carnarvon. Those licences were issued only five or six years ago, and they have now converted to formal licences. One of the crab fishermen alone exported \$2.4 million worth of crabs last calendar year; not a bad job for a developmental licence. It is becoming an industry in its own right. Was money allocated to these developmental licences? I know that Fisheries is in fear and trepidation of allocating resources for the issuing of developmental licences when research periods sometimes extend to five years-plus; it must be a relief to know that the research has proved correct.

Mr LOGAN: With specific reference to the crab industry?

Mr SWEETMAN: Yes, blue swimmer crabs. How many other developmental fisheries are under consideration or have been issued licences along the coast?

Mr ROGERS: In broad terms, in the past year or so I have suspended the process for the issuing of new developmental licences, because of demands on resources which are more focused on answering questions about ecologically sustainable development, making sure that we address the requirements of the Environmental Protection and Biodiversity Conservation Act 1999 and issuing our own biodiversity for the reporting requirements to Environment Australia. That process has used up a lot of our resources. We have a fairly demanding schedule of reporting, which we must complete well before 1 December 2003, and it covers every fishery in the State. The Commonwealth's reporting requirements are an expensive process. To answer the member's specific question, even though I have suspended that process, two groups of fisheries of some significance have proceeded under the new developmental policy framework. The first is the blue manna crab

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fishery in Shark Bay, which has been very successful, and I acknowledge the member's point on that issue. We have also issued two licences covering crab development in Exmouth Gulf and another two from Onslow to Port Hedland. We are having discussions about other areas of potential development for the blue manna crab industry. Secondly, we have issued some initial exemptions in the octopus fishery. They are exemptions under the Fish Resources Management Act to allow the development to proceed. There have been quite a few - I cannot remember the number - but somewhere in the order of 10-plus in that area. The results from that fishery are very mixed, as the resource is very mixed. We have tried not to increase the number of boats or licences in the fishing industry. We have tried to encourage people to use existing licences and so on, because of the excess capacity, particularly existing in the wet fish sector. They are the two main areas. There may be one or two variations in deepwater leatherjacket fishing, but that is all I can recall.

**The appropriation was recommended.**