FINS

FISHING INDUSTRY NATIONAL STRATEGY

prepared for

AUSTRALIAN SEAFOOD INDUSTRY COUNCIL

by

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AUSTRALIAN SEAFOOD INDUSTRY COUNCIL

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ABBREVIATIONS AND ACRONYMS

ABARE	Australian Bureau of Agricultural and Resource Economics
ABOA	Australian Bibliography on Agriculture
AFMA	Australian Fisheries Management Authority
AHC	Australian Horticultural Corporation
AMLC	Australian Meat and Livestock Corporation
APPA	Australian Prawn Promotion Association
AQA	Australian Quality Assurance
AQIS	Australian Quarantine Inspection Service
ARRIP	Australian Rural Research In Progress (database)
ASIC	Australian Seafood Industry Council (formerly NFIC, see below)
ASTEC	Australian Science and Technology Council
AUSEAS	Australian Seafood Extension and Advisory Service
AWB	Australian Wheat Board
BRS	Bureau of Resource Sciences
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DPIE	Department of Primary Industries and Energy (Commonwealth)
FINS	Fishing Industry National Strategy
FIC	Fishing Industry Council (State)
FISHMAD	Fish Marketing Database
FRDC	Fisheries Research & Development Corporation
GATT	General Agreement of Tariffs and Trade (now WTO below)
GRDC	Grains Research & Development Corporation
HACCP	Hazard Analysis Critical Control Point
ISO	International Standards Organisation
MRC	Meat Research Corporation
NFIC	National Fishing Industry Council (now ASIC)
QCFO	Queensland Commercial Fishermen's Organisation
QDPI	Queensland Department of Primary Industries
TAFE	Technical and Further Education (State Department of)
WAFIC	Western Australian Fishing Industry Council
WTO	World Trade Organisation (formerly GATT)

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1. EXECUTIVE SUMMARY

1.1 INTRODUCTION

Following its annual general meeting in February 1993, the then National Fishing Industry Council (NFIC) agreed that a strategic marketing plan be developed, and a consortium comprising Mojo Australia Pty Ltd and SCP Fisheries Consultants Australia was later commissioned to undertake the task, subsequently broadened to become a Fishing Industry National Strategy - FINS.

The consultants, reviewed industry information and undertook comprehensive consultation with the industry, covering all states and territories. Ten workshops, including more than 200 industry participants from the catching, processing and retailing sectors, were held to get industry input, air the concept of a national strategy, set expectations and to provide the opportunity for the industry to communicate.

Not surprisingly, the key issues having been around for a long time, and having been identified in previous studies, there was widespread agreement on the issues and sub-issues.

Industry saw the need to:

- build an effective united industry image and voice;
- improve its interface with governments;
- improve product quality;
- improve industry negotiations on trade;
- improve the ability of the industry to make the most of market opportunities;
- ensure that access to resources is secure;
- lift information flow and training; and
- ensure an adequately funded and resourced industry peak body exists.

1.2 THE STRATEGY

The strategy developed to address these issues has six interlocking planks. They are:

- industry Profile;
- resource Access;
- quality;
- product identification;
- market development; and
- information flow.

The strategy also calls for the empowerment of a **peak industry body** to manage the implementation of the planks and advocate the industry's interests.

The foundation plank upon which the strategy is built is united **Industry Profile**. It involves establishing an adequately resourced representative industry body that is capable of:

- representing a united industry to stakeholders;
- improving the industry's self image and public image; and
- managing the implementation of the other planks.

Quality, **Product Identification** and **Resource Access** are integrated planks. They are the drivers of the strategy.

Quality involves creating a voluntary industry wide quality accreditation program and providing assistance for those who wish to participate.

Product Identification is crucial to the quality plank. Quality will not be realised unless consumers can readily identify superior quality product.

Resource Access is the third interlocking plank in this group. Resource Access must be sufficiently and uniformly secure and understood to facilitate the longer term investments that will be required to lift quality and reap rewards from such investment.

Market Development and **Information Flow** are facilitating planks. They are designed to make the environment more marketing friendly and to provide basic marketing tools that are difficult to access for other than the largest current players.

THE OBJECTIVES OF THE PLANKS ARE:

Industry Profile

Strengthen the position of the industry through a more robust self-image, greater recognition by the Commonwealth and State Governments, and promote its image to the community as a responsible resource manager, a provider of high quality food products and a significant economic contributor.

Resource Access

Facilitate the sustained development of the industry, including market related investment, by providing greater certainty about access rights to marine resources.

Quality

Raise the quality of the product, and the efficiency of the process, by ensuring quality standards exist throughout the industry, and to provide industry with the ability and motivation to meet them.

Product Identification

Enable the consumer to identify the type and origin of seafood, and whether it has met quality assurance criteria, thus providing incentives to industry for quality improvement.

Market Development

Develop a market focus in the industry, replace supply as the driver, by improving the industry's marketing capability enabling it to identify potential market opportunities, for new and existing products and take advantage of them.

Information Flow

Foster a more information orientated culture and put in place a structure for the development of efficient information networks.

1.3 OUTCOMES

A **national** fishing industry strategy will require a **national** approach to funding. Success will require the industry to provide significant resources, both financial and human.

ASIC as the peak industry body must:

- be accepted by the industry and promote a national viewpoint;
- be recognised by other national groups as authoritative; and
- have knowledge of, and access to, government decision making.

The desired outcomes from the six planks are summarised below. Detailed explanation and discussion of the planks is given in the body of the report.

Industry Profile

Industry capacity to deal with public issues must be demonstrated by:

- improvement in industry unity;
- implementation of a PR plan;
- improvement in consumer knowledge of, confidence in, and demand for, seafood;
- increased media coverage of the industry; and
- improvement in perceptions of the industry as:
    - a responsible resource user;
    - a producer of high quality food products;
    - a significant economic contributor;
    - carrying a high level of investment; and
    - operating with sophisticated world-class technology.

Resource Access

- a level of confidence in resource access that allows the resource to be used as security for investment and encourages long term value-maximising use of the resource;
- increased efficiencies and minimised waste;
- greater public understanding of and sympathy for secure access and good resource management;
- continued access to the resource.

Quality

- increased use of training;
- minimum agreed quality standards;
- companies attaining ISO accreditation;
- improved handling of fish at catching, distribution and retail level;
- recognition by consumers of improved quality;

- boosted consumer confidence; and
- increased value of catch through lower rejection rate/wastage along the chain and maximising prices.

Product Identification

- identification of product;
- usage of accreditation system and logo; and
- increased consumer confidence.

Market Development

- improved availability of quality product on the domestic market;
- establishment of trade issue negotiations;
- introduction of export skill training programs;
- increased availability and flow of information;
- more action to communicate with consumers in both export and domestic markets;
- enhanced ability to market new varieties and products; and
- seafood's share of demand maintained.

Information Flow

- audit of existing information systems and information needs;
- information delivery strategy including funding;
- enhanced promotion of existing systems;
- standardised training/curriculum development; and
- industry information broker and library.

Summary of the Activities and Outcomes

ACTIVITIES	OUTCOMES
Strong peak body Improved profile Good information Sources Proactive PR	**Industry able to defend itself against external threats**
Market Information Better Freight Deals	**Improved Export Trade $$$**
United Industry Focus on resource issues	**Ecologically Sustainable Development Confidence in Resource Issues**
Quality Standards Product Identification Branding	**Increased Consumer Confidence**

1.4 CONCLUSIONS AND RECOMMENDATIONS

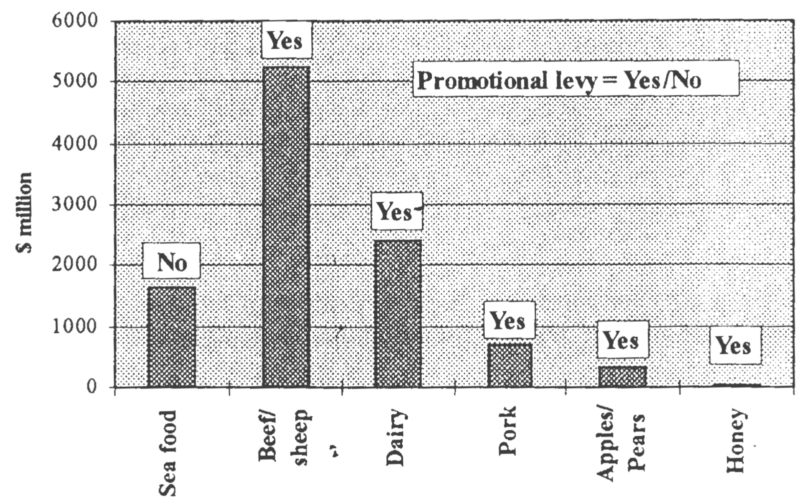
1.4.1 IMPLEMENTATION

Through the consultation process and raising awareness of marketing issues, a number of initiatives have been taken. However full implementation of the total strategy is desirable as soon as possible to draw all these initiatives together. The necessary steps in the decision making process should begin immediately, recognising that the processes to establish and put in place a compulsory levy may take up to two years. The implementation of the strategy will be ongoing.

In the area of industry profile the major area of responsibility must fall on ASIC as the coordinating body however state FICS must be involved at a state level.

The strategic approach to industry development has been widely adopted by other Australian primary industries. An indication of some of these industries, their size by value and whether or not they have an industry promotional levy is given in Figure 1 below.

Figure 1 Industry value of production



1.4.2 BUDGET EXPENDITURE

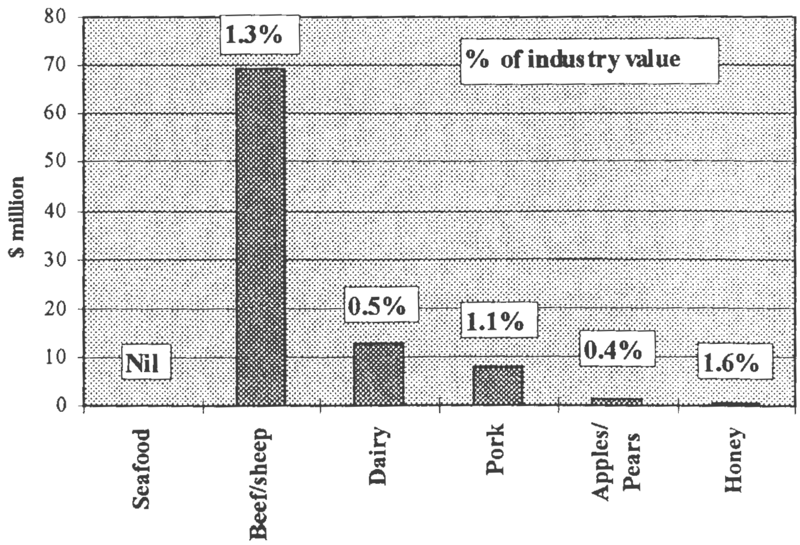
Implementing the Fishing Industry National Strategy, a major step forward for the seafood industry, will need funds. It is estimated that the strategy will require a budget in the first year of the order of $4.9 million which would be funded by a combination of compulsory and voluntary industry contributions. The division of activities by funding base recognises that it is Government policy that certain industry representational expenditures are not eligible for funding by compulsory levy.

Table 1 Summary of Strategy Implementation expenditure

Strategy Plank/Activity	Projected Expenditure ($'000)
Levy funded activities	
Quality	900
Product Identification	1400
Market development	400
Information flow	500
subtotal levy funded activities	3200
add; Levy collection	100
Total industry levy	3300
Industry funded activities	
United Industry profile	1500
Resource access	100
subtotal Industry funded activities	1600
TOTAL	4900

The proposed total outlay on the implementation of the fishing industry national strategy represents 0.3 per cent of total industry value of $1,633 million (as at 1993-94). Of this $3.3 million, or 0.2 per cent of industry value would be by way of compulsory levy, while the $1.6 million proposed for industry funded activities represents 0.1 per cent of industry value. Direct promotional expenditures by the beef and sheepmeat industries are 1.3 per cent of industry value and 1.1 per cent by the pork industry. Comparisons are shown in Figure 2.

Figure 2 Industry promotional budget



1.4.3 FUNDING

It is proposed that a levy be imposed to provide the funds necessary to undertake the core activities of the strategy, while additional industry contributions would be required for the representational activities.

The levy should be on all seafood 'caught' by commercial fishermen in Australia and on imports.

A compulsory levy is the guaranteed and equitable way to raise funds. A compulsory levy will require industry support, government approval and time to introduce. Almost without exception, other major agricultural sectors support their product in the marketplace with funds raised by a compulsory levy.

The mechanism for the collection of the compulsory levy component would require Commonwealth legislation. As this process will be lengthy, it is unlikely that a levy could be introduced before 1997.

In the interim it is suggested that ASIC apply to the FRDC for funding of the costs of obtaining industry approval for the strategy and employment of an implementation manager to undertake preparatory work prior to the commencement of the levy. Other sources of funding should be identified to provide the Implementation Manager with the funds for other expenses associated with the implementation of the strategy.

1.4.4 CONCLUSION

This report confirms that a number of the problems which have beset the industry for years continue to exist. That the long-standing problems still exist is proof that no effective solutions have yet been embraced.

It is also essential that the industry looks closely at emerging challenges and opportunities if it is to lay the basis for a profitable future.

This report includes several recommendations which could go a long way to providing all segments of the Australian seafood industry with a sustainable profitable future.

Specific recommendations include:

- Implementation of the six plank strategy detailed in the report.
- Confirmation of ASIC as the peak industry body with a revised structure and significantly expanded resources.
- Industry demonstrating to the Federal, State and Territory governments that it requires implementation of the strategy and the introduction of a levy to fund essential elements of that strategy.
- Industry raising the required level of funds through a two part process - support for a compulsory levy and for state industry contributions.
- Enabling the industry to prepare for the implementation of the strategy whilst the necessary levy mechanism is put in place, by FRDC being asked to provide funds for the employment of sufficient resources by ASIC.

Benefits to Industry, Government and Consumers

Benefits to Industry	Respect Recognition Resource access secured
Benefits to Government	A truly representative peak body A cohesive industry contribution Secure export income
Benefits to Consumers	Improved quality product Reduced fear of substitution Increased confidence

2. INTRODUCTION

2.1 BACKGROUND

In 1992, the then Australian Fisheries Council, formed a working party under its Standing Committee on Fisheries and Aquaculture to develop a National Strategy on value adding and marketing for the fishing industry. The Minister for Primary Industries and Energy directed that the working party be industry driven.

In September 1992, the Department of Primary Industries and Energy (DPIE) set up the working party but at that stage decided to defer its first meeting pending the publication of the Australian Bureau of Agricultural and Resource Economics (ABARE) report on the *Efficiency of Australian Seafood Marketing*.

At its annual general meeting in February 1993, the then National Fishing Industry Council (NFIC) agreed that a strategic marketing plan be developed, in conjunction with industry representatives at all levels. A paper was to be prepared outlining how the plan could be developed for consideration at the NFIC meeting in May 1993. The Fisheries Research and Development Corporation (FRDC) was to be approached for funding and to take carriage of the project on behalf of, and in collaboration with, NFIC. On the basis of a presentation by Mr Perry Smith, author of the *Efficiency of Australian Seafood Marketing*, to NFIC in May 1993 titled *Shaping the Industry* and a timetable proposed by the FRDC, NFIC endorsed the development of a Fishing Industry Marketing Strategy at its May 1993 meeting.

In June 1993 the FRDC called for expressions of interest from persons and organisations to submit applications to develop a Fishing Industry Marketing Strategy. No one applicant was considered to possess the broad range of skills required, and consequently it was agreed to appoint a consortium comprising Mojo Australia Pty Ltd and SCP Fisheries Consultants Australia to undertake the task. In the course of the study it was decided that the scope of the strategy should be broadened beyond marketing to a Fishing Industry National Strategy - FINS.

Since drafting of this report, NFIC has adopted a name change to become the "Australian Seafood Industry Council" (ASIC). ASIC is used throughout this report.

2.2 METHODOLOGY

Inputs to the strategy were previous reports, interviews, workshops and industry meetings.

The approach adopted by the consultants, under the direction of a joint ASIC/FRDC Steering Committee, was to review existing marketing related reports and documents relating to the industry and undertake comprehensive consultation with the industry. This was to confirm the relevance of issues raised in previous reports and add current issues to these. Subsequent steps included interviews, workshops, attendance at industry meetings, and much interaction between the consultants and ASIC/FRDC.

All this activity was designed to find out what exists, what could and should change and what is possible. The report's recommendations spring from the industry and have been synthesized by the consultants.

Talking with the industry

The consultation process involved key industry organisations and groups plus prominent individual stakeholders in all states and territories. Ten workshops were held in a number of locations to enable local industry input. Workshop venues were:

• Brisbane	December 8	1993	
• Canberra	February 8	1994	(Outlook Conference)
• Melbourne	April 28	1994	
• Port Lincoln	May 5	1994	
• Hobart	May 12	1994	
• Perth	May 17	1994	
• Sydney	May 25	1994	
• Darwin	June 1	1994	
• Canberra	June 24	1994	(Trade issues)
• Melbourne	August 8	1994	

More than 200 industry participants from the catching, processing and retailing sectors, from aquaculture and wild caught seafood sectors plus Government representatives were involved in the workshops. Participants are listed in Appendix 1.2 (page 1.4). FRDC participated in each of the workshops with either the Chairman and/or the Executive Director. Similarly the Chairman and Executive Director of ASIC participated in some workshops.

There was widespread agreement in the workshops on the issues and sub-issues.

The trade workshop in Canberra involved representatives from Departments of Primary Industries and Energy, including ABARE and AQIS, and Departments of Foreign Affairs and Trade, and Industry, Science & Technology. A specific output of this meeting was a decision to develop a directory, mapping the functions of Commonwealth Government departments involved in fish trade matters.

Benefits of the workshops included industry input, clarification of state issues, explaining the concept of a national strategy, providing opportunities for all parts of an industry in a location to communicate and set expectations. In this work marketing has been defined to the groups as broadly as possible to overcome misunderstandings that marketing equates with advertising and promotion.

Individual discussions

Over 90 people were interviewed individually, to provide a cross-section of industry views. Names are attached in Appendix 1.1. Other Australian food industry groups and several food industry marketing organisations were involved in discussions on resource access, specific freight issues, marketing and quality regimes.

Following suggestions from the workshops, a schedule of interviews was arranged in New Zealand with government representatives, processors and other organisations and the New Zealand Fishing Industry Board. Their input was valuable in developing the themes arising from the workshop.

Review of reports

A summary of the issues raised in the reports is appended as Appendix 1.4. The reports involved were:

• Casting the Net	ASTEC	1988
• National Seafood Consumption Study	PA Consultants	1990
• Fisheries Reviewed	Senate Standing Committee	1993
• Efficiency of Australian Seafood Marketing	ABARE	1993
• Shaping the Industry	ABARE	1993

Participation in industry meetings

In addition, because of interest engendered by the study, the consultants were invited to participate in a number of industry meetings:

• Oysters	Brisbane	December 1993
• NORMAC	Cairns	February 1994
• Freshwater Crayfish	Adelaide	April 1994
• Fish Names Meeting	Melbourne	May 1994
• Silver Perch Aquaculture	Sydney	May 1994
• Live fish	Brisbane	May 1994
• Aquaculture	Cairns	July 1994
• Residues in Aquaculture	Melbourne	August 1994
• Non-Tariff Barriers to Agric Trade	Canberra	August 1994
• National Aquaculture Conference	Canberra	November 1994
• Yabbie Growers Conference	Melbourne	February 1995

Hence the FINS study has already had input to and impact on a number of industry initiatives.

At all times there has been regular communication between the consultants, ASIC and the FRDC. The consultants would like to express their appreciation to all those who gave their time to contribute to the FINS study.

2.3 INDUSTRY RESPONSE

The major objectives of the consultative process were to:

- identify, discuss and agree the key issues facing the industry;
- test certain hypotheses developed to address these issues; and
- gauge likely levels of industry support for the actions necessary to address these issues.

Consensus is there - but not 100%

There was a strong degree of consensus in identifying issues and in determining the type of action to address them. The key issues have been around for a long time and have been identified in previous studies[1] and hence the consensus on issues and action was not surprising. Also while the need for a national strategy and the issues surrounding it are all evident, some groups still resist the concept of a levy for them while seeing it as a good thing in general.

[1] Smith P and Reid C, Efficiency of Seafood Marketing, ABARE Research Report 93.1 Canberra.

The industry saw that in any attempt to develop a national marketing strategy, there was a need to:

- build a united industry image and develop a voice with which to manage challenges to the industry's interests;
- improve and unify the interface with governments and other key entities;
- improve product quality and enhance the prospects of direct rewards for high quality products;
- improve (the clout industry can bring to negotiations) trade leverage, focus and effectiveness;
- improve the ability of the industry to act in concert, to focus on a market opportunity collectively;
- ensure that access to resources is secure so longer term plans and investment can be made in a stable environment (optimise sustainability, capital investment and long term planning);
- lift information flow and training to world best practice standards; and
- ensure that an adequately funded and resourced industry peak body is developed to manage the desired changes.

While various attempts have been made over the years to deal with these issues, industry recognised that progress had been hampered by insufficient resources and resolve to achieve an industry-wide result.

Industry and not product approach

The development of a national fishing industry strategy provides a new approach focussing on industry as a whole rather than a product oriented approach. It concentrates on those issues that are imperative in the current environment and proposes a coordinated action plan to effectively address them.

2.4 STRATEGY OBJECTIVES

The strategy exists to identify opportunities for the seafood industry supporting the goal of increasing the sustainable wealth it contributes to the nation as a whole and to the individual entities participating in it. This also involves identifying potential threats to the welfare of the industry and formulating ways to manage these threats.

The specific guidelines for the development of the strategy are that it should:

- be **realistic and actionable** with potential to add significant and sustainable value to the industry;
- offer additional **value adding opportunities** both to the industry generally and to a majority of individual participants, large and small;
- have **positive outcomes** for the nation as a whole and for consumers;
- have **obvious potential benefits** to the participants;
- be **realisable** in a relatively short time frame;
- be endorsed and embraced by the industry **(industry**, not government **driven)** recognising the role played by governments, particularly in fisheries management;
- be **market focussed** and help foster a market focussed culture within the industry; and
- describe an appropriate infrastructure to ensure the **successful implementation** of the strategy.

3. FACTORS INFLUENCING THE MARKET

3.1 LOOKING TO THE FUTURE

Many factors affect the marketing environment in which the seafood industry operates, including supply and demand for product and the activities of competitors. Strong demand and limited supply means the industry must make the most of existing resources. These factors hence have an impact on resource issues and quality. Being market focused, means looking externally first, then addressing the changes in the industry needed to meet the marketplace challenges.

There is likely to be a substantial increase in demand for quality seafood product, particularly in export markets and this will enable higher returns. In general terms supply is likely to deteriorate rather than improve. Some of the factors influencing demand and supply are discussed below.

The international and local marketing environment in which the Australian seafood industry must operate is both dynamic and difficult to predict. It is particularly unpredictable in terms of the long term availability of product due to an imperfect understanding of the long term viability of many of the world's important fisheries.

It is possible, however, to construct a useful general model of the likely future market for seafood product by examining the likely factors influencing demand and supply. This examination suggests that, in general terms, demand is likely to substantially outstrip supply and thus lead to significantly higher returns from the right product. This demand/supply imbalance is less likely over all products, but is restricted to certain desirable product segments and to quality, in both real and perceived terms and in presentation to the consumer.

3.2 FACTORS INFLUENCING DEMAND

The most obvious factors likely to influence the growth of domestic demand are:

- continuing health and lifestyle trends that favour the choice of seafood over other protein;
- continuing growth of outside home consumption and of tourism which will favour seafood;
- accelerating ethnic influences on domestic eating habits (increasing total seafood consumption and the possibilities of extended use of previously ignored or underutilised species); and
- more sophisticated distributors and retailers and a growing emphasis on fresh food display (creating new and more widespread markets).

In overseas markets the obvious factors appear to be:

- Multilateral agreements for the liberalisation of trade will open up new markets.
- Demand in the US and Europe is likely to remain strong (for reasons similar to those which apply in the Australian domestic market).
- Rapid growth of disposable income in Asian markets (increased ability to buy favoured but scarce products such as abalone, lobster, tuna and certain varieties of prawns. Also demand for replacement products for these scarce types).
- Increased growth in Asia generally following:
  - further exponential growth in disposable incomes in a very large population base;
  - priority given to quality food in discretionary spending;
  - high priority of seafood in food preference;
  - growth in health awareness;
  - growth in influence of sophisticated media and resultant awareness of variable environmental quality; and
  - demand for accredited quality and food from clean environments.

Selective export demand will take available product out of domestic market further decreasing supply of traditional mix of products. This will increase demand for replacement products.

3.3 FACTORS INFLUENCING SUPPLY

The most obvious factors likely to influence global supply are:

- A world-wide reduction in access to wild resources through overfishing, environmental degradation and increased regulatory management.
- Greater perceived and recognised environmental degradation due to increased media awareness and influence particularly in developing nations.
- With increased levels of education, media sophistication and consumer empowerment, there will be greater avoidance and rejection of product from suspect areas eg. South China Sea.
- Environmental legislation is increasing.
- There will be further reduction of resources by coastal development and urbanisation.
- Levels of protection will increase in smaller highly exploited nations eg. Pacific Islands.

The restraints on the potential growth of aquaculture as an alternative are not easy to define as growth is largely dependent upon wild sourced food supply and environmental factors.

3.4 IMPLICATIONS OF SUPPLY AND DEMAND FACTORS

The supply and demand scenario described is likely to have the following implications for the Australian seafood industry:

- Total value is likely to experience significant growth but this will not be uniform over species or market segments.
- The increase in demand for exports will not be uniform and is likely to be variable as the increased value attracts new competition and new replacement strategies.
- There is likely to be significant new pressure on the supply of many products on the domestic market. These pressures will have market, product and political implications.
- There may be improved potential for currently under-utilised species but this replacement potential will not be spontaneously realised. It will need management.
- The increased value will provide new motivation for reducing wastage at all points in the market chain and for the management of bycatch.
- Optimisation of value of available product will put the spotlight on quality and presentation.
- Increased global value, competition and the expectations of consumers will lead to increased market complexity and the need for more sophisticated marketing methods.
- Consumers will demand more information about and reassurance on the quality of expensive product. The need for and returns from product identification and branding will increase.
- Sophisticated marketing will become even more important.

Supply constraints in current high value segments of the market are often used as a rationale for not investing in marketing. The argument is put forward that the supply constraints themselves continue to drive up prices and therefore returns.

This approach involves a simplistic and false interpretation of the role of marketing. It confuses marketing with advertising and promotion. The latter are, of course, primarily involved in increasing demand which may not be justified if demand continues to outstrip supply. They are also, however, tools that can be used to increase perceived value and, therefore, to maximise returns in a supply contained situation.

More importantly, in a general sense, good marketing is about the long term management of opportunity. Its sophisticated application will be critical in managing the emerging global opportunities for seafood.

Australia is not unique in having its fishing industry unwilling to fully embrace sophisticated marketing disciplines. A recent paper in the European Union reported, "All too often, fishermen seem to feel that marketing their products is not their business and to be mostly unaware that the only way to secure commercially viable prices is to supply the market with what it wants in terms of both quantity and quality."[2]

Furthermore, despite the likely positive overall outlook for seafood, generally there is no guarantee that this will translate into a generally more buoyant future if it is left to its own devices.

In every segment the share of the wealth potential that flows to Australians will be very dependent upon a more sophisticated approach than has prevailed in the past. The competition for a share of the potential cake will increase with its value and with a more globally integrated market.

The stress on supply will also lead to a probable increase in pressure on many of the other perennial issues that have concerned the industry in the past and that resurfaced in the current study and consultation process.

To develop a strategic approach to marketing Australian product, the consequences of these effects are grouped under a series of headings which reflect various aspects of the industry, viz: profile, resources, quality, consumer confidence, market development and information.

PROFILE

- Industry and government need to understand the scope and implications of the supply and demand scenario.
- Australian consumer reaction to local lack of availability and export prices must be managed.
- Continued public support for access to the resource is needed.
- Benefits of critical mass in more competitive export markets should be maximised.

RESOURCE

- Resource access/tenure will face pressure.
- Waste/bycatch issue takes on new dimension.
- New role for aquaculture - needs to be integrated into the seafood industry.
- Control of resource will become an international issue.
- Understanding resource stocks takes on even greater importance.
- Long term management of resource is imperative.

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2 "*The Crisis in the Community's Fishing Industry*", November 1994, Communication from the Commission to the Council of the European Union and the European Parliament.

QUALITY

- The need for focus on quality and maximising value from quality inputs is even more important.
- Maximum utilisation of existing supply is needed.
- Maximum price for existing supply will be possible.

CONSUMER CONFIDENCE

- Consumer confusion/resentment over rising prices and short supplies may appear.
- Consumer re-education may be necessary.
- Need for consumers to be able to recognise and respect quality in both the local and highly competitive export markets.

MARKET DEVELOPMENT

- With effective marketing significantly more yield can be gained from existing volume.
- The price advantage currently enjoyed on overseas markets by a few scarce products could be used as a foothold for more diversified success.
- The industry, currently dependent upon a narrow product range with a limited spread of markets, is vulnerable if a market closes or a supply of product is limited.
- The growth in seafood exports should be considered in developing promotional programmes to ensure that local consumers are not potentially lost as an alternative market.
- Benefits of export success may need to be sold to the domestic consumer.
- Aquaculture needs to be considered in the marketing mix. It is both competitive and complementary.
- Less well known species could have scope for introduction to the market.

INFORMATION

There is scope for improvement as:

- The quality and relevance of current information is uneven and often inadequate.
- Poor information flow could become a major problem.
- Delivery of information is not consistent.
- Awareness of what information is available is not consistent.

3.5 INDUSTRY ACCEPTANCE

Any strategy must aim to keep additional regulation or cost impositions to a minimum. It should recommend initiatives or action planks that, when collectively put in place, would highlight new opportunities, and potential problems and create a new environment. This would encourage individual behaviour and decisions that are likely to exploit these opportunities and alleviate the problems because they will lead to more profitability over the medium and longer term.

As many as possible of the strategy planks should be voluntary and rely on the more quality orientated and professional participants in the industry exploiting the new opportunity by systematically lifting their game and horizons, and thus providing leadership to lift the standards and performance of the industry as a whole.

The strategy should allow a great deal of freedom of choice so that individuals can participate in the industry. It should encourage niche participants and a full range of scale of individual operators. Any culling should be brought about by natural market forces and not by regulation.

It is essential to have the strategy accepted and adopted by the Australian industry.

Again this situation is not unique to Australia. In the European Union it has been recommended "There seems little point - if indeed it is an option at all - in questioning the major trends which, whether one likes it or not, constitute the framework within which the fishing industry now has to operate. ...., there is an urgent need to acknowledge the developments which are influencing this framework, ie. the set of factors which because of the maladjustment of parts of the industry to new economic realities, make a continuation of the crisis a probability."[3]

3 The Crisis in the Community's Fishing Industry" op cit

4. THE STRATEGY

The strategy, developed from the work done by the consultants, is designed to encourage the industry to develop practices that are more likely to successfully exploit the opportunities and to prepare it to defend and advocate its interests effectively, in the face of the increasing competition for its resource base.

In general, the Australian seafood industry is, currently profitable, relatively well managed, professional and quite progressive. Although fiercely independent, it is not inward looking, and there is a great deal of consensus on key industry issues.

From a global perspective the fishing industry is likely to enter a new era of significantly more opportunity for reward. However, this increased potential will also attract competition far more sophisticated and powerful than at present. Management, investment and marketing focus will be needed to capitalise on the potential and to compete successfully in the global industry.

The strategy, with six interlocking planks, addresses identified issues and is aimed at improving the viability and efficiency of all sectors of the industry. The strategy offers opportunities for large scale corporate and smaller individual participants. Professionalism and quality are critical. The strategy positions the industry to meet the challenges in the future.

The strategy also calls for the empowerment of a peak industry body to manage the implementation of the planks and advocate the industry's interests.

The strategy is built on six planks. Two of these planks, the profile of the industry and resource access are core industry issues which go beyond marketing. The remaining four planks are quality, product identification, market development and information flow. The industry-wide issues may not be totally resolved within the context of the marketing strategy. However, they must be recognised as fundamental to a sound and prosperous industry which this strategy seeks to develop.

The planks of the strategy, industry profile, resource access, quality, product identification, market development and information flow, are analysed below in terms of the current situation and the perceived problems and opportunities. Objectives are presented for each plank together with strategies for meeting the objectives, actions relating to the strategies and outcomes expected to result from the actions.

The essence of each plank is;

INDUSTRY PROFILE

The foundation plank upon which the strategy is built is united Industry Profile. It involves establishing an adequately resourced representative industry body that is capable of:

- Representing a united industry to government, the public, the consumer, government agencies, key suppliers, other trade associations, key customers and trading partners.
- Professionally advocating the industry's interests to stakeholders and markets.
- Systematically and professionally improving the industry's self image and image to all publics.
- Managing the implementation of the other five planks.
- Providing a permanent in-house capability to produce ongoing beneficial strategies for the industry.
- Assessing the desirability and feasibility, or otherwise, of generic product promotion once the notion of a unified industry has matured.

QUALITY, PRODUCT IDENTIFICATION AND RESOURCE ACCESS

These are three integrated planks. They form the engine room of the strategy.

QUALITY

This plank involves the creation of a voluntary, industry wide, quality accreditation program. It is aimed at accelerating the adoption of a quality culture within the industry and at creating formalised standards and monitoring.

PRODUCT IDENTIFICATION

This plank is the twin of the quality plank. The true value of investing in a quality accreditation program will not be realised unless consumers can readily identify superior quality product and appreciate what it means to them in terms of both enjoyment and peace of mind. The product identification program would operate domestically and in export markets, and be available to quality accredited product only.

RESOURCE ACCESS

This is the third interlocking plank in this key group. Resource access must be sufficiently and uniformly secure, and understood, to facilitate the sometimes longer term investments that will be required to lift quality and to market branded products that can reap the reward from this investment.

MARKET FOCUS AND INFORMATION FLOW

These two are facilitating planks. They are designed to make the marketing environment more friendly for those choosing the quality/identification route and for the industry at large. They would provide basic marketing tools that are difficult to access for most operators, other than the largest current players.

Market focus is primarily involved in providing basic market information for each segment of the industry. This includes trends, sizes, consumer attitudes and basic requirements. It also involves industry wide fostering of marketing education. It is designed to help produce participants in the industry that are at least as marketing proficient as they are production or processing efficient.

Information flow is designed to foster a more information-orientated culture and to put in place basic structures for the development of an efficient information network.

4.1 INDUSTRY PROFILE

4.1.1 CURRENT SITUATION

The industry has no united effective representation, nor voice. The recognised peak national body in the industry is ASIC but it is under-resourced and inappropriately structured to effectively represent the industry and advocate its interests.

The geographic and sectoral break-up of the industry provides challenges associated with presenting an effective unified voice.

There may be a need to undertake formal research on the industry's image amongst key segments, there is a great deal of anecdotal evidence, and consensus within the industry, that the industry's overall image is poor.

Some important issues, not well articulated to the community, are the industry's economic importance, the standards of resource management and the commitment to sustainability.

There is currently no adequate entity to manage any of the initiatives recommended in this report nor to provide any ongoing strategic assessment or planning.

It is necessary to address these issues in an environment where other powerful and organised industrial, commercial and lobbying groups are actively questioning and threatening the seafood industry's right to access to the resource at current, or even any, level in the future. These issues are eventually solved politically which means that leverage with the general public and opinion leaders is essential. Currently this leverage is minimal and could deteriorate.

Current industry profile lags behind other sectors of primary industry. Promotion of the industry as a whole is ineffective and inadequate due to lack of critical mass and co-ordination. Compared with other food sectors, the seafood industry has poor information flow, poor image, poor dialogue with governments, poor dialogue with key suppliers and those in distribution infrastructure and is perceived as a poor resource manager.

Problems And Opportunities

Pressures from resource users and environmentalists

Many external pressures face the industry including those where other sectors are vying for use of the resource and where others believe the resource needs increased protection. Pressures, on both aquaculture and wild fisheries, come from:

- recreational fishers;
- tourism;
- environmentalists, focussing on:
  - resource levels;
  - pollution;
  - protection of endangered marine species; and
  - aquaculture
- native title claims; and
- by-catch.

The environmental and tourism lobbies are well organised, well funded and extremely powerful. In many cases the seafood industry has good synergy with competing interests that are not recognised and not advocated; for example the importance of fresh seafood to the tourist industry and the preservation of mangroves with the environmentalists.

The industry needs to have plans in place to tackle these pressures.

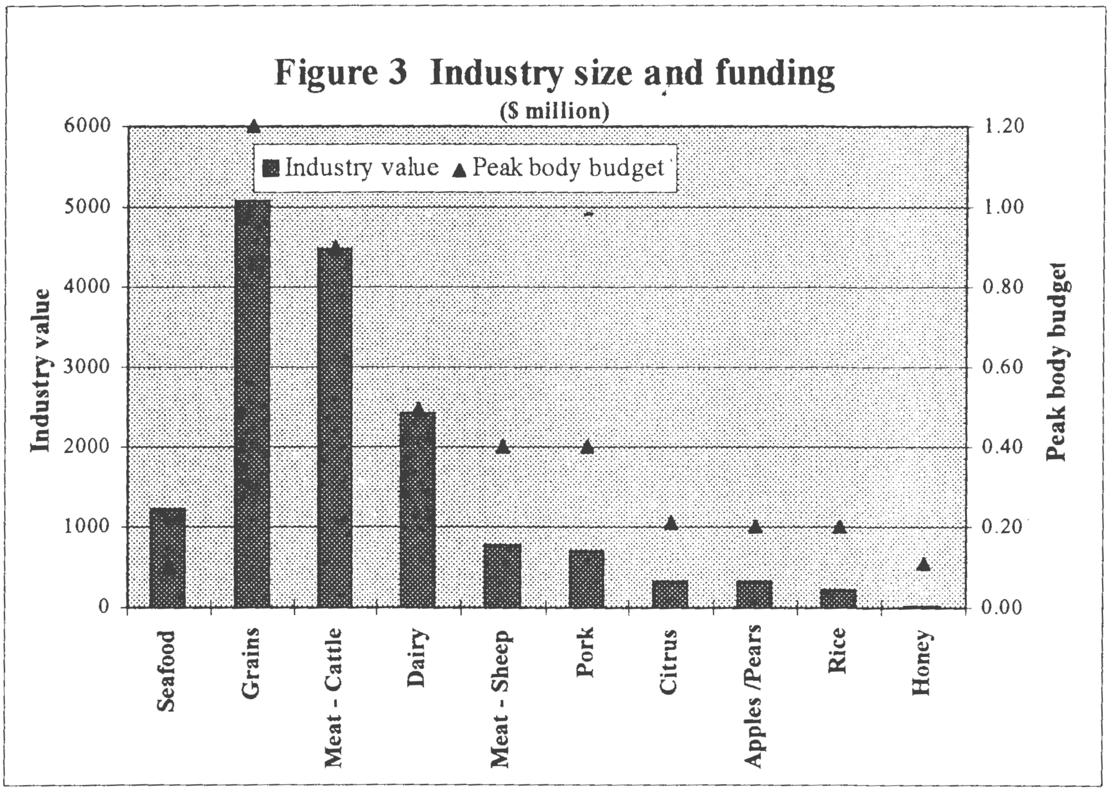
Industry fragmentation

Fragmentation of the industry reduces its ability to deal effectively with external pressures. A strong unified presence is required.

Government and public mandate needed

Any industry which operates within limits on the resources imposed by legislation requires the approval of the community and the government to operate. Examples are the mining, forestry, and fishing industries. Such industries cannot control the frequency and timing of negative publicity so must be prepared to act promptly when the occasion arises and have an ongoing positive campaign to counter adverse views. The fishing industry lacks the capacity to manage such PR issues at present.

The capacity of the industry to deal with public issues relates to its ability to speak in an authoritative and cogent manner. This requires a peak body which has the support of industry and sufficient resources to act on its behalf, whether to governments, to pressure groups or to the public. Other primary industry groups have well funded peak bodies that act as spokespersons for their constituents, as well as organising marketing and promotional programs. While the fishing industry is equal to, or larger than some other food industries, it has not provided comparable resources for promoting its image or protecting its interests. A comparison of the funding of the fishing industry peak body with some other primary industries is given in Figure 3 below and in Table 2 on the next page.



As can be seen from the information in Figure 3, the seafood industry spends very substantially less, as a proportion of its industry value, on funding its peak industry body than any other of the ten primary industries listed.

Table 2 Funding for Primary Industry Peak Bodies

Product	Industry Body	Funded By	Industry Value *	Budget
Apples and Pears	Australian Apple and Pear Growers' Association	Grower Levy and State Subsidies	$318 million	$200,000
Citrus	Australian Citrus Growers' Federation	$1/MT levy on growers	$326 million	$210,000
Dairy	Australian Dairy Industry Council	Australian Dairy Corporation Special Fund	$2419 million	$497,000
Grains	Grains Council of Australia	State subsidies / consultative fees GRDC/AWB	$5087 million	$1.2 million
Honey	Federal Council of Australian Apiarists Association	Voluntary levy on packers	$25 million	$100 - 120,000
Meat - Cattle	Cattle Council of Australia	State subsidies / Consultative fees AMLC/MRC	$4485 million	$900,000
Meat - Sheep	Sheepmeat Council of Australia	State subsidies / Consultative fees AMLC/MRC	$766 million	$400,000
Pork	Pork Council of Australia	Voluntary levy by grower $1/sow	$698 million	$400,000
Rice	Ricegrowers' Association of Australia	$120 per grower	$230 million	$200,000
Seafood	Australian Seafood Industry Council	Subsidies by State Organisations	$1233 million (excluding pearls)	$100,000
Forestry	National Association of Forestry Industries	Members subscriptions	$6,000 million	$1 million

* *ABARE - Gross value of Australian Farm and Fisheries Production 1993/94*

4.1.2 OBJECTIVE

To improve the profile of the fishing industry as a responsible resource manager, a provider of high quality food products and a significant economic contributor both within the industry and externally.

Critical to success is a significant and sustainable improvement in the profile of the industry in the eyes of:

- The fishing industry participants
- The Australian public in general
- Consumers of seafood products
- Governments (Commonwealth, State, Territory and Foreign)

Subobjectives

The objectives will be met by the following strategies:

Industry: Improve cohesiveness and capitalise on the greater strength which comes from acting in concert, and from the expanded membership of the ASIC. This would apply nationally and with regional emphasis for all wild and aquaculture seafood sectors.

Public: Demonstrate the responsibility of the industry in resource management, on environmental issues and its awareness of other needs of the community (recreational fishing, tourism). Demonstrate to the public the economic value of the industry to the nation as a whole and to the maintenance of their lifestyles individually.

Consumers: Increase awareness of the availability, quality and health benefits of Australian seafood. Educate the consumer on the value of quality and the enjoyment of new seafood experiences.

Governments: Increase recognition, facilitate access and consultation through demonstrating the size and economic strength of the industry. Ensure the fishing industry is on the agenda in national and international discussions on relevant issues

4.1.3 STRATEGIES

Strategies for achieving these objectives relate to the industry itself and its relationship with consumers, governments and the public.

Within the industry it will be necessary to develop a more robust self-image and strong uniform industry representation providing synergy and critical mass for the many common issues.

It is necessary to have an industry body which:

- enables industry/government relations to better reflect the size and value of the fishing industry;
- provides an ongoing capacity to manage and implement the industry strategy;
- facilitates intra-industry communication;
- represents all sectors of the seafood industry;
- is truly representative nationally and with regional emphasis for all wild and aquaculture seafood sectors; and
- manages communication to industry, the public, consumers and governments to meet the overall objective of improving the industry's profile and implementing the communication strategies listed above.

External to the industry the objective will be achieved by:

- demonstrating the responsibility of the industry in resource management, on environmental issues and awareness of other needs of the community (recreational fishing, tourism);
- demonstrating to the public the economic value of the industry to the nation as a whole and to the maintenance of their lifestyles individually;
- increasing awareness of the availability, quality and health benefits of Australian seafood;
- educating the consumer on the value of quality and the enjoyment of new seafood experiences;
- increasing recognition by, facilitating access to and consultation with governments through demonstrating the size and economic strength of the industry; and
- ensuring the fishing industry is on the agenda in national and international discussions on relevant issues (WTO MTN negotiations, Agri-Food Council).

Implementing these strategies will require an industry peak body with strong management and a sense of industry purpose. This means that the industry peak body should be:

- truly representative of all segments of the industry:
  - catchers/processors/marketers;
  - wild caught/farmed; and
  - all seafood types;
- appropriately resourced and staffed;
- adequately funded;
- supported by all sectors of the industry; and
- encouraged to consider forming alliances with other major agricultural sectors, through NFF in particular, and to undertake appropriate discussions and negotiations on national issues with relevant groups.

For industry to deal with public issues it should:

- be proactive and present the strengths of the industry and be positioned to address any opportunities and potential challenges;
- develop an information package on the economic significance of the seafood industry and other key issues;
- prepare and undertake a coordinated and adequately funded PR program to meet the objectives of targeted groups (public, governments, consumers);
- prepare a PR plan including guidelines for media presentation, choice of an industry "face", prepare information/educational packages, select national and international forums at which industry should be represented;
- link and co-ordinate all state and national PR;
- identify issues on which there should be an industry voice;
- determine industry spokespersons;
- monitor activities of other major food/primary industry groups and work with other industries, where appropriate; and
- monitor public perceptions towards the industry so that appropriate corrective and educational action can be taken.

The peak body's responsibilities should include determining those activities of short and long term benefit directly and indirectly to its constituents, and with their agreement, implementing those activities, being empowered and obliged;

- to raise the necessary funds to carry out those activities;
- to action or contract out the activities;
- to be accountable to constituents for performance and expenditure; and
- to liaise with other compatible/complementary industries.

4.1.4 OUTCOMES

ASIC as the peak industry body must:

- be accepted by the industry and promote a national viewpoint rather than a collection of state or sectoral ones;
- be recognised by other national groups as an authoritative point of contact in the seafood industry; and
- have knowledge of, and access to, government decision making and be consulted by government on major issues of significance to the industry.

Industry capacity to deal with public issues must be demonstrated by:

- improvement in industry unity;
- implementation of the PR plan and monitoring of results;
- improvement in consumer knowledge, confidence and demand for seafood;
- increase in media coverage of the fishing industry; and
- improvement in perceptions by government and the community of the industry as:
  - a responsible resource user;
  - a producer of high quality food products;
  - a significant economic contributor;
  - carrying a high level of investment; and
  - operating with sophisticated world-class technology.

4.1.5 VALUE TO INDUSTRY

Specific benefits of a well funded industry body would include:

- being equally considered with other primary industry groups;
- becoming a member of the peak primary industry producers body (National Farmers Federation);
- meeting with other farming organisations re issues such as fuel costs;
- establishing itself as responsible spokesperson (for example, for WTO);
- inclusion of the seafood industry on trade delegations;
- inclusion in policy formulation and industry programs;
- consultation on food standards, residues;
- consultation re heritage areas and endangered species;
- responding to recreational fishing and environmental lobbies;
- active liaison with food groups re research on export market requirements (packaging, price);
- getting better value for research dollars through association with complementary programmes;
- auditing existing information systems and needs; and
- acting as an information broker and industry library.

4.1.6 RESPONSIBILITY

Currently the major responsibility for industry profile is held by ASIC, State fishing industry councils and industry. It is proposed that these bodies would retain their responsibilities for Industry profile matters but that there would be greater co-ordination and ASIC's role would be increased with a greater focus on national issues. ASIC would become more proactive on major issues. It would be the responsibility of the industry body to initiate and co-ordinate all actions to meet the objectives using specialised external resources as appropriate.

Table 3. Industry profile summary

Objectives	Strategies	Outcomes
Industry:		
To improve the profile and self image of the fishing industry	By strengthening ASIC through increased membership and resourcing	A well respected and accepted peak body
To improve cohesiveness and capitalise on the greater strength which comes from acting in concert	By including aquaculture and wild fisheries under the one umbrella organisation	Contribution of the fishing industry recognised
Public:		
To demonstrate the responsibility of the industry in resource management, on environmental issues and awareness of other needs of the community (recreational fishing, tourism)	By being proactive and present the strengths of the industry	Ability to capitalise on PR opportunities
	By developing an information package on the economic significance of the seafood industry and other key issues	Approval of the community to operate
To demonstrate to the public the economic value to the nation as a whole and to the maintenance of their lifestyles individually	By preparing and undertaking a coordinated and adequately funded PR program to meet the objectives of targeted groups	Synergy and critical mass for the many common issues
Consumers:		
To increase awareness of the availability, quality and health benefits of Australian seafood	By preparing a PR plan including guidelines for media presentation, choice of an industry "face", preparing information and educational packages	Positioned to address any opportunities and potential challenges
To educate the consumer on the value of quality and the enjoyment of new seafood experiences	By linking and co-ordinating all state and national PR	
Government:		
To increase recognition, facilitate access and consultation	By identifying issues on which there should be an industry voice	Industry representation at national and international forums
To ensure the fishing industry is on the agenda in national and international discussions on relevant issues	By determining industry spokespersons	Fishing industry consulted on matters of significance
	By monitoring activities of other major food/primary industry groups and work with other industries	
	By monitoring public perceptions towards the industry	

4.2 RESOURCE ACCESS

4.2.1 CURRENT SITUATION

By world standards, Australia has a good record as a resource manager. Little use is made of this good management reputation to promote the industry, in terms of product quality and continuity of supply.

Reflected in both international and common law, there are no proprietary rights to wild fish stocks. Hence in Australia wild fish stocks are generally regarded as a common property resource. Access to the stocks is typically through the use of fishing concessions or licensing arrangements as part of fisheries management plans. Only in a few situations in Australia are fishers required to pay a return to the community for access to fish stocks.

Confidence in resource tenure is not uniform and varies by region and fishery.
The lack of uniform confidence:

- inhibits significant long term investment plans;
- discourages industry wide investment thinking and planning;
- favours regional or single fishery based activity; and
- inhibits investment particularly in relation to the implementation of long term marketing programs. encourages short term, production orientated thinking, tending to maximise the immediate exploitation of the resource, rather than long term management of the resource based on future market potential.

4.2.2 OBJECTIVES

To facilitate the sustained development of the industry, including market related investment, based on an industry wide assessment of the resource.
To ensure reliability/continuity of supply to consumers.
To encourage appropriate levels of investment from catchers and processors.
To enable marketers to establish longer term programs.

4.2.3 STRATEGIES

These objectives will be met by the following strategies:

- provide greater certainty about property rights and resource access;
- improve real and perceived uniformity of tenure; and
- provide clear definitions of resource potential by fishery over the maximum period possible.

Actions for implementing these strategies include:

- providing a clear definition of resource entitlement from the appropriate authority;
- defining the relationship between resource access and property rights;
- defining the criteria for a bankable access right and how it could be implemented in the various Australian fisheries (given current status of resource entitlement, what else is needed to make them acceptable security- length of tenure, annual allowable catch);
- working towards real and perceived uniformity of tenure across the whole industry;
- achieving a level of confidence in resource access that allows the resource to be used as security for investment and encourages long term value maximising use of the resource;
- increasing efficiencies and minimise waste by more effective utilisation/management of by-catch/over-quota catching; and
- achieving a greater public understanding of and sympathy for secure access and good resource management.

4.2.4 RESPONSIBILITY

Responsibility for resource access lies with the Commonwealth and state governments and ASIC and the state councils. AFMA plays a major role. It is not proposed that these responsibilities would change but that ASIC's approach to resource matters would be enhanced.

Table 4 Resource Access Summary

Objectives	Strategies	Outcomes
To provide a clear definition of resource potential by fishery over maximum possible period	By providing a clear definition of resource entitlement By understanding the relationship between, resource access and property rights	A level of confidence in resource access that allows the resource to be used as security for investment and encourages long term use of the resource Ecologically sustainable development
To enable marketers to establish longer term programs	By defining the criteria for a bankable access right and how it could be implemented in the various Australian fisheries	Increased efficiencies and minimised waste
To ensure reliability/continuity of supply to consumers	By working towards real and perceived uniformity of tenure across the whole industry	Greater public understanding of and sympathy for secure access and good resource management
To encourage appropriate levels of investment from catchers and processors	By managing by-catch and over-quota catch more effectively	Continued access to the resource

4.3 QUALITY

4.3.1 CURRENT SITUATION

Quality assurance is a promise to buyers that a product has been produced according to approved standards and procedures. Every buyer wants to be assured that the product they are buying will consistently satisfy their needs and/or those of their customers. If it does then they will come back again and again for more product.

The quality of seafood when it reaches the consumer is determined by the method of capture, its condition when caught, post-harvest handling, processing and presentation.

Maintaining quality at all stages of the post-harvest chain has been identified as a major problem facing the Australian fishing industry. The DPIE has initiated a program "SEAQUAL" to assist the fishing industry to institute quality procedures.

Exports

Seafood exports must meet stringent Commonwealth quality standards based on international quality systems. All land based seafood factories and fishing boats processing product for export must meet Australian Quarantine and Inspection Service (AQIS) requirements and be registered annually.

Opportunities

Under new quality assurance arrangements applying from April 1994 product is certified for export in-house under Australian Quality Assurance (AQA) arrangements or the Food Processing Accreditation (FPA) system based on Hazard Analysis Critical Control Point (HACCP) conditions.

There are also opportunities for export food processing industries to introduce quality assurance accreditation schemes outside governments' control. An example is the Australian grain fed beef producers. Feed lots that are accredited under the quality assurance scheme are able to label their product as AUST-MEAT Grain Fed Beef, for sale on Australian or overseas markets. However, quality assurance systems that are approved by a government agency are generally preferred by foreign countries.

Australian seafood exporters are well placed to adopt a quality assurance accreditation system administered by a central agency in conjunction with AQIS. Under an accreditation scheme, accredited seafood exporters in the group or organisation would have exclusive right to place an official logo, stamp or sticker on their product. The logo could also be used on premises, stationery and advertising and promotional material. Individual exporters within the group could, if they chose, affix their own brand names as well.

An accreditation scheme would assist processors to enhance the image of Australian seafood on export markets. To obtain accreditation exporters would need to have an approved AQA or FPA system in place meaning management and staff would have to receive training in quality control.

A national quality assurance accreditation scheme would require funding. Sources could be: accreditation fees, a product levy, the Commonwealth Agri-business scheme, the Australian Quality Council and FRDC.

Domestic

There are no national quality standards for product sold on Australian domestic markets. As a consequence domestic product in many cases is much lower in terms of appearance and general presentation than export product. Prices are also frequently lower.

State health regulations apply to non-export registered processing premises, markets, factories and retail outlets.

Establishment of a national approved quality accreditation scheme for suppliers to domestic markets is a high priority. However, implementation of a compulsory scheme would prove more complicated than for exports because of the fragmented nature of the marketing chain. Considerable quantities of fresh fish, crustaceans and molluscs are delivered direct from fishing boats to wholesalers, processors and retailers in the main centres. Major auction markets in Sydney and Melbourne receive seafood direct from ports and from interstate suppliers. The point at which a quality assurance system could be positioned in the marketing chain would need to be determined.

Imports

Seafood imports must meet quarantine directives under the Quarantine Act and are subject to inspection by AQIS. As well, imported products are subject to State health regulations.

4.3.2 OBJECTIVES

To raise the quality of the product and the efficiency of the process, to ensure quality assurance is "end-to-end".

To provide a quality assurance system which enables the product to:

- overcome consumer lack of confidence with seafood;
- match standards of other food products;
- maintain market acceptance; and
- command a premium against lower quality product.

4.3.3 STRATEGIES

- ensure quality standards exist throughout the industry;
- provide industry with the ability and motivation to meet those standards; and
- address quality procedures at each and every stage in the chain.

Actions for implementing these strategies include:

- promoting increasing awareness of ISO Standards to the industry;
- drawing up a national code of practice for industry-wide quality assurance on domestic markets on a voluntary basis;
- promoting universal use of temperature control as standard practice to the catching and transport sectors;
- reviewing the health/quality controls on fish retail outlets on a state-by-state basis;
- linking identified improvements in quality performance to the proposed industry promotion campaigns;
- introducing monitoring programs to audit compliance with agreed standards;
- introducing consumer education programs;
- making a concerted effort to encourage exporters to introduce quality accreditation or ISO schemes under AQIS arrangements; and
- introducing a voluntary quality assurance scheme, until all States can agree to compulsory standards.

4.3.4 OUTCOMES

- increased use of training;
- agreement to introduce quality code;
- number of companies attaining ISO accreditation;
- minimum agreed quality standards;
- improved handling of fish at catching, distribution and retail level;
- recognition by consumers of improved quality;
- boosted consumer confidence;
- increased value of catch through lower rejection rate/wastage along the chain; and
- increased value of catch by maximising return in both export and domestic markets.

4.3.5 RESPONSIBILITY

Current responsibility for quality lies with individual companies. The Commonwealth government has responsibility for export and import standards. ASIC makes a contribution to the development of export quality standards. The proposed responsibility would lie with ASIC to provide a framework, industry to work to a common standard. ASIC should initiate and co-ordinate through appropriate industry organisations. Added to the Commonwealth's existing role would be responsibility to standardise quality requirements for exports and imports and integrate with management plans.

Table 5 Quality Summary

Objectives	Strategies	Outcomes
Ensure standards exist	By promoting increasing awareness of ISO Standards to the industry	Agreed quality standards for export and domestic markets
Provide ability and motivation to meet standards	By drawing up national code of practice for industry-wide quality assurance on domestic markets on a voluntary basis	Improved handling of fish at all levels
To enable participation in any logo/accreditation program	By promoting universal use of temperature control as standard practice to the catching and transport sectors By reviewing the health/quality controls on fish retail outlets on a state-by-state basis By linking identified improvement in performance to industry promotion campaign	Improved consumer confidence in purchasing seafood Training focussed on market requirements Lower rejection rates and waste
To enable exporters to meet increasing non-tariff trade barriers	By introducing monitoring program to audit compliance with agreed standard.	

4.4 PRODUCT IDENTIFICATION

4.4.1 CURRENT SITUATION

There is uncertainty about origin, type, and date product caught and little branding of fresh product sold on domestic markets. Hence the consumer has little information on which to base a choice. Currently there is a committee making recommendations on uniform marketing names for use throughout Australia.

Existing problems are:

- product sold under many different names;
- no mechanism by which to quarantine regional problems;
- little leverage for quality differences;
- Australian exporters are not able to get maximum advantage by identifying product as being of Australian origin;
- little incentive for producers to invest in uniform quality if market can't differentiate and thus reward quality; and
- little to stop middlemen in export markets blending Australian quality accredited product with product of dubious quality thus endangering Australian reputation and diluting franchise of Australian quality.

4.4.2 OBJECTIVES

To provide incentives to industry for quality improvement and improve consumer confidence.

To build a desirable, preferred reputation for quality assured Australian product.

To build critical mass for Australian export product.

4.4.3 STRATEGIES

Introduce a simple, readily identifiable mechanism with which to identify and brand quality assured Australian product on domestic and export markets.

- introduce accreditation of product which meets quality requirements;
- make consumers aware that "branded" product can be trusted in terms of its quality and origin;
- introduce identification of date caught and type for all product; and
- enable the consumer to identify the type and origin of seafood and whether it has met quality criteria.

Actions to implement these strategies include:

- applying uniform marketing names to all seafood;
- introducing a "Use by" or "Packed on" date;
- identifying country of origin for all local and imported seafood product;
- use of brand symbol or logo for quality Australian product; and
- auditing the proper use of the logo.

• *4.4.4 OUTCOMES/VALUE TO THE INDUSTRY*

- identification of product;
- usage of accreditation system and logo;
- increased consumer confidence;
- justifies premium pricing/preference for quality Australian product;
- pre-empts compulsory date stamping, identification, compliance under externally imposed food standards;
- Removes constraint of lowest common denominator;
- Supports improved industry profile;
- Differentiates local from imported product; and
- Gives consumer recourse, allocates responsibility along the chain.

4.4.5 RESPONSIBILITY

Currently industry has the major responsibility for product identification. The Commonwealth has a role in the identification of exports and imports in ensuring true to label. State governments have a minor enforcement role. It is proposed that ASIC would have a greater role in ensuring consistent customer focus and would initiate and co-ordinate all actions to meet the objectives, using expert external resources as appropriate.

Governments would have responsibility for enforcement of fish naming regulations.

Table 6 Product Identification Summary

Objectives	Recommendations	Outcomes
To identify product by marketing name, country of origin, quality, date caught or packed, frozen or chilled	By applying uniform marketing names to all seafood	Identification of local and imported product
To improve consumer confidence	By introducing a "Use by" or "Packed on" date	Increased consumer confidence
To provide an incentive for quality improvement	By branding symbol or logo for quality Australian product.	Enables promotional campaigns
To differentiate for producer	By identifying country of origin for all local and imported seafood product	Premium pricing for identified product
To build reputation for Australian product	By auditing proper use of logo	

IDENTIFICATION OF AUSTRALIAN DAIRY PRODUCTS

The Australian Dairy Corporation (ADC) developed the "Dairy Good" symbol for use in Australia and in export markets. The cost of generic promotions using the "Dairy Good" symbol is met by the ADC, using funds generated by the compulsory industry levy.

The symbol is not a guarantee of quality, but rather is intended to certify the product is of Australian origin. However, it is expected that all users of the symbol will have in place, strict quality control measures. Each company applying for use of the symbol must provide details of the practices in place "to ensure that the physical, chemical and microbiological integrity of the product is maintained to prescribed standards".

Applications must ensure that a minimum of 90% of the dairy ingredients are of Australian origin.

The current charge per company for the use of the logo is a once only application fee of $300 and a license fee of $100 per year.

Presently over 40 companies use the mark in the domestic market, while 36 companies have the symbol on their exported product.

4.5 MARKET DEVELOPMENT

4.5.1 CURRENT SITUATION

Despite international success by a few, high value products such as rock lobster, abalone, tuna and prawns, the industry as a whole has a relatively poor sense of market development. Although these high value products generate respectable income and enjoy some sophisticated marketing management, their markets have been generated by an historic, production oriented trading culture and driven by their international market appeal.

On export markets these products are still largely handled by trading middlemen with little direct attempt to influence the end consumer. As a consequence, even the powerful Australian processors remain somewhat at the mercy of these middlemen, exchange rates, the vagaries of alternative supply options and spontaneous consumer choice. The dangers of reliance on a sophisticated trading, rather than marketing focus was brought into sharp relief in the prawn industry when it was confronted by substantially cheaper Asian aquaculture product with no consumer franchise available to inhibit substitution by the middlemen.

Segments of the aquaculture industry, particularly Atlantic salmon, have a more consumer orientated market focus but generally speaking the industry remains product or trader driven. The success of the spanner crab export industry to Chinese Taipei is an example of how improved market development can create a new valuable export opportunity from a previously underused and undervalued product. The value added mullet roe market development provides a further example.

However, some sections of the industry are still at the cottage level. Inshore fishermen, supplying the local market, make up the largest numbers in the industry. A small group of professional businesses operate in, and dominate the export sector.

There is poor synergy between aquaculture and wild fisheries with little attempt to synchronise the production potential of both to fulfil specific marketing objectives or to facilitate continuity of supply from the one branded source.

Consumer education and promotion in the domestic market is rudimentary. The majority of consumers are not confident in preparing seafood in the home.

There is currently a poor communications capability with which to introduce or gain acceptance of new or unfavoured species. Generally speaking there is no entity with sufficient individual marketing resources with which to undertake such tasks adequately. Product is offered to the market by individual suppliers with no attempt to educate or enlighten the consumer.

Poor communications capability makes new introductions or the potential for consumer re-evaluation of a species difficult. This not only wastes or significantly devalues the value of certain species, but will lead to major consumer dissatisfaction as increased export demand for certain favoured species makes changed domestic consumer habits essential to the wellbeing of the domestic market both in consumer and political terms.

4.5.2 OBJECTIVES

To develop an industry-wide culture that is marketing rather than production driven.
To improve the marketing capability of the industry.

4.5.3 STRATEGIES

- provide tools to industry to improve marketing skills; and
- develop marketing information infrastructure.

Actions to implement these strategies include:

- applying all elements of the marketing mix. Check preferences for product type, packaging, price, distribution methods, as well as promotion;
- promoting awareness of the role of market research in helping to understand the customer and make available to industry any consumption data;
- identifying existing data sources;
- making better use of existing seafood consumption data;
- collating information on overseas markets;
- making more use of Austrade capability;
- encouraging coordinated action on trade related matters, eg. freight negotiations;
- designing and implementing export skills programs/workshops for the industry; and
- designing and implementing marketing skills programs/workshops for the industry.

4.5.4 OUTCOMES

- improved availability of quality product on the domestic market;
- decisions based on market research;
- establishment of trade issue negotiations;
- introduction of export skill training programs;
- increased availability and flow of information;
- the emergence of the capacity and willingness to communicate effectively with the consumer in both export and domestic markets;
- enhanced ability to market new varieties and products;
- better able to switch between products and tailor products to meet market needs; and
- maintain seafood's share of demand for protein products.

4.5.5 RESPONSIBILITY

Currently no-one really has responsibility for market development. WAFIC and APPA are examples of two bodies undertaking marketing roles. Activities are undertaken on an individual company basis or regional basis. It is proposed that there will be a much greater role for ASIC in drawing together the existing roles and coordinating efforts in marketing Australian product.

Quality problems at Fish Markets
• Quality inspection restricted to minimum health standards and size restrictions only • Poor inwards quality control - fish often held for long periods in poor conditions while waiting to be unloaded • Post-market handling poor with product often taken from the market in open, non-refrigerated vehicles which can negate any benefits of good product handling up to that point. • Large part of turnover based on high volume, low value species • No recognition of individual producer to encourage premium price as a reward for quality handling on-board and up to the market

Table 7 Market Development Summary

Objectives	Strategies	Outcomes
To identify for particular markets - Specific requirements and consumer preferences - Trends in consumption of competing and substitute products - Opportunities for other seafood products	By applying all elements of the marketing mix. Checking preferences for product type, packaging, price, distribution methods; as well as promotion	Improved availability of quality product on the domestic market Decisions based on market research
To enable the industry to identify potential market opportunities for new and existing products and take advantage of these	By promoting awareness of the role of market research in helping to understand the customer and making available to industry any consumption data	Enhanced ability to market new varieties and products Better able to switch between products and tailor products to meet market needs
To assist in development of export and domestic marketing skills, including providing knowledge of what to ask, where to ask, who to ask and how to ask	By identifying existing data sources By making better use of existing seafood consumption data	Greater product value
	By collating information on overseas markets	Establishment of trade issue negotiations
	By making more use of Austrade capability	Introduction of export skill training programs
	By encouraging coordinated action on trade related matters, eg. freight negotiations	
	By designing and implementing export skills programs/workshops for the industry	
	By designing and implementing marketing skills programs/workshops for the industry	

4.6 INFORMATION FLOW

4.6.1 CURRENT SITUATION

The following points describe some aspects of how information is currently delivered:

- much information is time expired and in written format only;
- not user friendly in terms of presentation;
- multi-sourced (many providers);
- duplication, overlaps, gaps and inconsistencies;
- dubious accuracy;
- closed shop mentality;
- reluctance to change, unwilling to alter existing systems;
- externally imposed systems, eg. import data;
- no Australian document indicating export country requirements for seafood products (of New Zealand);
- existing databases: AUSEAS
FISHMAD (Technisyst)
ARRIP/ABOA (CSIRO);
- current publications Australian Fisheries magazine
Fishing Industry Directory
QCFO buyers and sellers guide; and
- co-ordination of training projects ie. TAFE.

In addition there is a lack of awareness of what information is available.

4.6.2 OBJECTIVE

To provide information which is:

- integrated;
- user friendly;
- available and timely; and
- delivered by simple devices.

4.6.3 STRATEGIES

- encourage and support the development of industry databases relevant to industry forecasting and market analysis;
- develop industry specific information streams and publications to provide information on markets opportunities, prices and other relevant data to industry in a timely manner;
- encourage and support the development of self-funding, user-pays market information systems; and
- encourage and support the coordination of industry relevant information sources.

Actions to implement these strategies include:

- auditing existing information systems and information needs;
- preparing a proper information delivery strategy including funding arrangements;
- enhancing promotion of existing systems eg. AUSEAS;
- examining and improving relationships between existing systems;
- standardising training/curriculum development; and
- providing the capability of an industry information broker and library.

4.6.4 OUTCOMES

- industry information broker and library; and
- timely, user friendly information.

4.6.5 RESPONSIBILITY

Currently the Commonwealth government is the only body which has a role in providing information through ABARE/BRS, Austrade and CSIRO databases. State governments also play a role through their fisheries agencies. It is proposed that ASIC would take a major role in initiating and co-ordinating improved information delivery.

Table 8 Information Flow Summary

Objectives	Strategies	Outcomes
To improve information flow to industry	By providing a point of focus for the collection and dissemination of relevant information and the setting up of information systems By promoting greater awareness of information such as the Seafood Catering Manual, which addresses the needs of the food service market By improving the Fishing Industry Directory to become the reference	Industry information broker and library Timely, user friendly information

5. BUDGET AND FUNDING

5.1 BUDGET EXPENDITURE

Implementing the Fishing Industry National Strategy will be a major step forward for the Australian seafood industry. However, to cover the wide range of its proposed activities and to achieve effective results, it will need to be properly funded. It is estimated that to fulfil the aims of the strategy will require an annual budget of $4.9 million. This would comprise activities funded by an industry levy of $3.3 million and activities costing up to $1.6 million funded by other industry contributions. The division of activities by funding base recognises that it is Commonwealth Government policy that certain industry representational expenditures are not eligible for funding by compulsory levy.

The proposed total outlay on the fishing industry national strategy represents 0.3 per cent of total industry value of $1,633 million as at 1993-94. Of this $3.3 million, or 0.2 per cent of industry value would be by way of compulsory levy, while the $1.6 million proposed for industry funded activities represents 0.1 per cent of industry value. Direct promotional expenditures by the beef and sheepmeat industries are 1.3 per cent of industry value and 1.1 per cent by the pork industry.

Table 9 summarises the proposed annual expenditure by activity and reflects the priorities in the initial stages of the program.

Table 9 Projected Budget Expenditure First year (summary)

Activity	Projected Expenditure ($'000)
Levy funded activities	
Quality	900
Product identification	1400
Market development	400
Information flow	500
subtotal Levy funded activities	3200
add: Levy collection	100
Total industry levy	3300
Other Industry funded activities	
Industry profile	1500
Resource access	100
subtotal	1600
Total	4900

It should be recognised that not all elements of the program will move at the same pace or be able to be implemented simultaneously. The budget outlined in Table 9 therefore should be seen as indicative of the order of expenditures to be anticipated and the spread between the various elements of the program.

QUALITY

A key starting point for the program must be the quality control plank. The major focus of activity must be to raise awareness of the importance of end-to-end quality assurance throughout the industry.

Table 10 Objectives, Actions and Budget for the Quality Plank

Objectives	Actions	Budget $'000	Outcomes
To ensure consistent standards exist and are recognised	Development of standards and manuals Publicity	250	Agreed quality standards for export and domestic markets
To provide ability and motivation to meet quality standards	Preparation of training information	200	Improved handling of seafood at all levels
To enable participation in any accreditation program	Industry liaison (personnel)	250	Improved consumer confidence in seafood
To enable exporters to meet increasing non-tariff trade barriers	Industry communications	200	Competitive export ability
TOTAL		900	

A total of $900,000 is budgeted to be spent on an industry awareness program which will include the preparation of material for courses for industry personnel and assistance for industry to prepare quality control manuals. Funds are budgeted for personnel to manage and implement the program and for industry liaison costs. Where possible the industry should access government support programs to assist in funding this activity.

PRODUCT IDENTIFICATION

Backed by the actions of the quality plank, the industry will set out to create a market image for its products. The image will be of a quality product which justifies a premium price. It will be based on a product accreditation scheme with the image sustained by a widely recognisable logo as the symbol for a quality product.

Table 11 Objectives, Actions and Budget for the Product Identification Plank

Objectives	Actions	Budget $'000	Outcomes
To identify product by name, country of origin, use by date	Design of Accreditation system	400	Identification of local and imported product
To provide a means of identifying quality product	Development of logo	100	Increased consumer confidence
To gain international recognition	Consumer advertising and PR	900	Premium pricing for identified product
TOTAL		1,400	

Such a new and innovative program will require a major awareness and education program both with the industry and the consumers. The program will have both domestic and export elements and while these may be linked, implementation will require actions in a number of separate sectors.

Actions will include the design of an accreditation scheme, the development of a logo, implementation through industry training and awareness programs and most importantly, promoting the scheme to the consumers in the various sectors of the market for seafood products. Total budget is $1.4 million, covering both the development of the scheme and promoting it to the consuming public in Australia and key export markets.

MARKET DEVELOPMENT

The market development activities proposed are the first in what should become a long-term industry program. The activities should be directed towards raising awareness of market opportunities and techniques of marketing and market development at many levels throughout the industry. The program would need to recognise that market awareness and marketing skills have been developed at different levels in different parts of the industry. Some in the industry already have a sophisticated knowledge of particular market segments or locations, while others may require assistance at a more basic level.

Training programs in marketing techniques and in the specific needs for export markets should be prepared and presented to industry participants. A further element of the program would be identification of additional market opportunities and encouraging the industry to develop innovative marketing ideas in both domestic and export markets.

Table 12 Objectives, Actions and Budget for the Market Development Plank

Objectives	Actions	Budget $'000	Outcome
To develop export and marketing skills	Design and implement programs and workshops	150	Greater ability to capitalise on market opportunities
To identify market requirements	Increase market research	100	Increase product value
To facilitate export	Establish trade issue negotiations	100	Better freight deals
TOTAL		350	

INFORMATION FLOW

There is a need to commence developing modern, nationally-based, user friendly information systems. These could be housed and managed by an adequately resourced ASIC management unit. The program should start with analytical work on marketing information systems. The aim must be to identify information needs and define cost effective ways to improve information access both in terms of time and location.

Table 13 Objectives, Actions and Budget for the Information Flow Plank

Objectives	Actions	Budget $'000	Outcomes
To improve information flow to industry	Upgrade information systems	250	Timely, user friendly information
To provide a point of focus for information collection and dissemination	Engage resources	250	An industry information broker and library
TOTAL		500	

INDUSTRY PROFILE

Resource based industries are under threat in many parts of the world. Issues of environmental degradation, resource sustainability, public health and consumers rights are widely canvassed, often in ill-informed public debate. The mining and forestry industries provide clear examples of how public pressure can alter the position of an industry in ways which are not always rational or economically sensible. As a consequence of this situation there is a need for resource-based industries to define themselves positively in the public perception and the fishing industry is no exception to this situation.

The marketing strategy therefore includes a significant program directed at developing a public presence for the industry as a responsible resource user, providing the public with wholesome and attractive food products. The program will start with research into public perceptions of the industry and will lead on to an ongoing program which creates a positive and widely recognised public image for the industry.

Table 14 Objectives, Actions and Budget for the Industry Profile Plank

Objectives	Actions	Budget $'000	Outcome
To improve the profile and self image of the fishing industry To address external challenges	Research to establish existing attitudes Industry spokesperson PR program	550	Industry capacity to deal with public issues
To improve cohesiveness and capitalise on the greater strength which comes from acting in concert	Resource ASIC	350	The peak industry body be accepted and recognised
To increase recognition of the contribution of the seafood industry	Information kits - Television campaign	600	Strong positive industry profile
TOTAL		1,500	

RESOURCE ACCESS

The value of investing money in developing marketing programs rests on the assumption that there will be a steady flow of product to be sold, the value of which can be enhanced by well planned marketing strategies. For the fishing industry the requirement is that the catching sector has a long-term planning horizon. Yet currently this is not so, or at best, it is uneven across the industry. It is an evolving situation. The gradual implementation of the Offshore Constitutional Settlement is leading to a more consistent set of access rights in many fisheries, however much remains to be done to give the industry a long-term stable base.

Access rights to the use of natural resources is becoming an increasingly widely debated issue in many countries. In common with the mining and forestry industries, the fishing industry finds itself increasingly regulated and required to be more publicly answerable for its actions. The establishment of native title is another matter which will impinge on the access rights issue. Dealing with these problems at a national level poses a further challenge to the industry. The strategy proposes funding for activities to deal with the resource access issue, as and when the industry needs to deal with the matter.

Table 15 Objectives, Actions and Budget for the Resource Access Plank

Objectives	Actions	Budget $'000	Outcome
To ensure reliability/continuity of supply to consumers To enable marketers to establish longer term programs	Documentation of material	50	Ecologically sustainable development Increased efficiencies and minimised waste
To provide a clear definition of resource potential by fishery over maximum possible period To encourage appropriate levels of investment from catchers and processors	Preparation of arguments for access Industry information kits	50	Greater public understanding of and sympathy for secure access and good resource management Continued access to the resource
TOTAL		100	

5.2 FUNDING THE STRATEGY

Having considered what funds are needed to implement the strategy, attention must now be given to how the funds should be raised, how is the money managed and who has control of the spending. This is followed by discussion on who would be responsible for carrying-out the various tasks - managing, action and follow-up.

In making recommendations on implementation of the strategy a number of assumptions have been made based on what is believed to be achievable and practical. These are discussed below.

Cost and funding assumptions

Implementation will cost a significant amount. Segments of the strategy could conceivably be implemented in isolation, but the impact is likely to be lessened and the cost proportionately higher. Implementation at a level of funding less than recommended is unlikely to achieve the desired result.

ASIC does not currently have access to the level of funds required for the quality control, marketing, product identification, information flow and resource access planks of the strategy. It would be the responsibility of ASIC to improve the industry image and establish its role as a significant, potent representative peak industry organisation and it would need appropriate funding.

5.2.1 METHOD OF FUNDING - INDUSTRY LEVY

The industry needs a mechanism to collect its money.

Other funds from specific government programs may be sought but they are unlikely to be sufficient to provide a base for ongoing industry activity.

It is proposed that a levy be imposed to provide the funds necessary to undertake essential activities to support marketing development for Australia's fourth largest primary production export earner. Funds required for industry issues will come from additional industry contributions for specific activities.

The proposal is that the major marketing related elements of the strategy be funded by levies on all seafood 'caught' by commercial fishermen in Australia and that it be applied to imports on the same basis as Australian product, taking into account international treaty obligations.

Whether levies are a percentage of product value or are cents per kilogram would have to be determined. Ease of administration suggests the latter. Table 16 sets out estimates of the impact of outlays of $4.9 million if they were allocated across the industry in proportion to value. There are two estimates - the first is based on Australian catch only, while the second includes Australian catch and imports The actual rate of levy for each fish type would be established using the same formula for all subsectors of the industry. (The estimated amount can be calculated to be of the order of 3.0 cents per $1,000 on the Australian catch only, or 2.3 cents per $1,000 on the whole industry including imports).

Table 16 Estimate of Allocation of Industry Strategic Marketing Levy based on 1993-94 production

Class	Species	Quantity	Value	Levy from Aust prod'n		Levy from all Industry	
		tonnes	$'000	$'000	$/tonne	$'000	$/tonne
Australian production							
Fish	Tuna	7209	116458	355.2	49.27	268.0	37.18
	Other	123863	324601	990.0	7.99	747.0	6.03
subtotal fish		131072	441059	1345.1	10.26	1015.0	7.74
Crustaceans	Prawns	20251	278107	848.2	41.88	640.0	31.60
	Rock Lobster	16979	421532	1285.6	75.72	970.1	57.14
	Other	6908	32696	99.7	14.43	75.2	10.89
subtotal crustaceans		44138	732335	2233.4	50.60	1685.4	38.18
Molluscs	Abalone	4723	176505	538.3	113.97	406.2	86.01
	Scallops	21820	67912	207.1	9.49	156.3	7.16
	Oysters	2879	49500	151.0	52.44	113.9	39.57
	Other	4631	139397	425.1	91.80	320.8	69.27
subtotal molluscs		34053	433314	1321.5	38.81	997.2	29.28
Total Australian production		209263	1606708	4900.0	23.42	3697.6	17.67
Imports							
Fish	Salmon	334	4680			10.8	32.25
	Hake	15258	45503			104.7	6.86
	Tuna	1736	2784			6.4	3.69
	Other	62969	265346			610.7	9.70
subtotal fish		80297	318313			732.6	9.12
Crustacea and molluscs							
	canned/preserved	4018	24699			56.8	14.15
	other	22351	179457			413.0	18.48
subtotal crustacea and molluscs		26369	204156			469.8	17.82
Total imports		106666	522469			1202.4	11.27
Total fish industry		315929	2129177			4900.0	15.51

For the bulk of the program, a compulsory levy is the guaranteed and equitable way to raise funds, ie the level of funding is guaranteed and it will be fair. A compulsory levy will require industry support, government approval and time to introduce. In reaching this assumption, a careful study was made of experience and practices in other food segments. Almost without exception, other major agricultural sectors support their product in the marketplace with funds raised by a compulsory levy. Some examples of these are set out in Table 17. Details are given in Appendix 1, Section 6.

Table 17 Industry-wide Generic Promotion in Australian Primary Industries

Product	Promotional Organisation	Industry Body consulted	Funding Method	Promotion Budget	Industry Value $m
Apples & Pears	Australian Horticultural Corporation (AHC)	Australian Apple & Pears Growers Assoc	Levy: Apples 17c/box Pears 19c/box	Total $1.2m Domestic $950,000 Export $250,000	$318
Citrus	AHC	Australian Citrus Growers Federation	Levy: $1.75/tonne	Total $920,000 Domestic $750,000 Export $170,000	$326
Dairy	Australian Dairy Corporation	Australian Dairy Industry Council	Levy: 45c/kg milkfat	Total $12.8 m Domestic $11m Export $1.8m	$2419
Honey	AHC	Federal Council of Aust Apiarists Assoc	Levy: 2.75c/kg	Total $400,000 all domestic	$25
Meat	Australian Meat & Livestock Corporation	Australian Meat & Livestock Industry Policy Council	Levy: various	Total $69.3m Domestic $18.m Export $51.2m	$5251
Pork	Australian Pork Corporation	Pork Council of Australia	Levy: $1.65/pig slaughtered	Total $8m all domestic	$698

5.2.2 LEVY COLLECTION

The mechanism for the collection of the levy would require Commonwealth legislation. For other Primary Industry levies responsibility for collection of the levy lies with the Levies Management Unit of the DPIE. Levy proceeds are passed to the appropriate industry statutory authority, which in turn implements the various promotional, marketing and other programs in consultation with the industry peak body. As is the case with APPA after collection, the funds would be passed to the FRDC. The Prawn Export Promotion Act 1995 states in Section 5(1), "In addition to the functions conferred on the FRDC....FRDC has the function of providing funds for approved prawn export promotion activities."

The requirements of this process include:

- industry support for the principle of introducing levies;
- regional industry groups to advise their respective State governments of their acceptance of the levy principal;
- federal ministerial approval for the levies and for legislation to be drafted; and
- legislation being introduced and passed by both houses of Parliament.

It is almost certain that the Federal Government would not agree to implement a compulsory levy using its taxing powers unless there was clear evidence of support for such a move from the majority of the industry and the State governments. It will be imperative therefore, for ASIC and industry leaders to gain industry agreement for implementation of the Strategy and to clearly convey that agreement to the Federal and State governments.

As this process will be lengthy, it is unlikely that a levy could be introduced before 1997. In the interim it is suggested that ASIC apply to the FRDC for funding of the costs of obtaining industry approval for the strategy and employment of an implementation manager to undertake preparatory work prior to the commencement of the levy.

A detailed assessment has been made of the alternatives to a compulsory levy, including:

- a national voluntary levy;
- a state/species based levy; and
- voluntary contributions for specific programs.

It has been concluded that none of these are appropriate presently to the seafood industry as the sole source of funds for the following reasons:

- may not cover all sections of the industry;
- may not provide guaranteed level of funds to meet contractual commitments;
- may not be agreed to by all states for reasons unrelated to the validity of the strategy or the views of their members;
- administrative difficulties through the lack of a single central point of collection; and
- no other national primary industry sector that has marketing and promotion strategies uses other than a federal levy system.

Levy Collection Method

No doubt some within the industry have reservations about a compulsory levy. Apart from initial concerns about having to reduce income by the amount of the levy there will be further concerns at the possibility that the levy might not be collected from everyone within the industry.

The industry can be assured that unless there is dishonesty (which in any event should be detected) the levy should be capable of being collected from everyone to whom it is intended the levy should apply.

The industry will need to decide on any levy exemptions that might be appropriate - for example where the annual catch by a commercial fisherman is so small that it does not warrant collection of the levy (ie., in those cases where the cost of collection of the levy would exceed the amount collected).

At this stage it is not possible for the levy collection unit of the DPIE to nominate exactly what system would apply although the officials concerned would welcome the opportunity to discuss with industry officials the types of systems that might be introduced. However, the Unit collects levies from a wide range of producers and its managers are confident that the system could be constructed so as to ensure that all levies would be collected. (Note this Unit oversees the collection of levies for APPA).

In discussion with the Unit it has been suggested that the mechanism would probably involve the deduction of the levy by agents at the first point of sale of product from the proceeds due to fishers. This would include wholesalers, retailers and retail chains, fishermen's co-operatives - at whatever point the ownership of product changed from the fishers.

Where fishers are not selling through agents (ie., direct sale) they would be required to lodge an annual return with the Unit.

In devising the collection and supervision mechanisms the Unit would make provision for the collection of levies to be audited. This could include spot checks.

Provisions could also be made for penalties for late payment of levies due, for non-lodgement of necessary documentation or for incorrect returns. For example, the current penalty for late payment of levies on certain agricultural products is 2% per month compounding, which is equivalent to a penalty of 27% per annum.

Accountability - the need for a statutory authority

Use of a compulsory levy necessitates a statutory authority. Long established Commonwealth Government policy is that the expenditure of statutory levies can only be undertaken by a statutory authority for reasons of accountability for funds expenditure including auditing.

There is no need to create a statutory authority to manage the levy funds. The basis for this is industry's strongly stated resistance to another body, and the recognition of the existence of statutory authorities in the industry, namely FRDC and AFMA.

The FRDC would be the most appropriate statutory authority to undertake this role as it is already involved in supporting marketing and has no areas of conflict with the recommendations as would be the case with AFMA (for example in the setting and policing of quotas). There is precedent for research and promotion to be the responsibilities of one organisation (for example, the recently created Australian Wool Research and Promotion Corporation).

6. RESPONSIBILITY FOR IMPLEMENTATION

6.1 RESPONSIBILITY

The responsibility for implementation will fall on various bodies, but with the primary responsibility for coordination lying with the peak body. Details of who will carry the anticipated implementation responsibilities for the individual planks are summarised below and presented by government and industry subsector in Table 18 on pages 64-65.

Industry profile

In the area of industry profile the major area of responsibility must fall on ASIC as the coordinating body however state FICS must be involved with the actual activities at the state level. Industry must have a major role as it is the industry itself being represented in this area. The role of government would be to facilitate the industry in raising profile and community awareness.

Resource access

The industry represented by its organisations interacting with governments has responsibility for a community resource. This is part of a wider debate about private use of public resources, for example, forests, mineral reserves and marine areas.

Quality

ASIC has a role in raising industry awareness of quality standards of product and process and in particular awareness of the ISO standards. The Commonwealth Government has a major role through AQIS which sets the standards for export. State governments have a role in public health. Organisations involved in research and development have a role by helping industry improve its packaging and transport methods.

Product identification

Currently industry has the major responsibility for product identification. The Commonwealth Government has a role in the identification of exports and imports in ensuring product is "true to label". State governments have a minor enforcement role. It is proposed that ASIC would have a greater role in ensuring consistent product identification and would initiate and co-ordinate all actions to meet the objective.

Market development

Currently no-one really has responsibility for market development. WAFIC and APPA are examples of two bodies undertaking marketing roles. Activities are undertaken by individual companies on a regional basis. There will be a much greater role for ASIC in drawing together the existing roles and coordinating efforts in marketing Australian product.

Information flow

Currently the Commonwealth government has a major role in providing information through ABARE/BRS, Austrade, FRDC and CSIRO databases. State governments also play a role through their fisheries agencies. It is proposed that ASIC would take a major role in initiating and coordinating improved information delivery. The Australian Seafood Industry Directory 1995-97 recently published by the Australian Seafood Extension and Advisory Service (AUSEAS) is a good example of facilitation of intra- and inter-industry contact.

6.2 TIMING

Implementation of the total strategy is desirable as soon as possible. Accordingly, the necessary steps in the decision making process should begin immediately, recognising that the processes to establish and put in place a compulsory levy may take up to two years. The implementation of the strategy will be ongoing.

6.3 STRUCTURE

The implementation of the strategy would be the responsibility of ASIC supported by the FRDC.

ASIC would be responsible for:

- managing promotion of the industry image;
- industry advocacy with Government and key suppliers and owners of infrastructure upon which the industry depends;
- managing accreditation and export and domestic labelling;
- developing and managing any generic promotion programmes; and
- facilitating activities such as training and information flow.

The current activities of ASIC are limited by funds. It is therefore only able to deal with activities of immediate need or priority. This limited funding means that it is unable to make long-term plans or to do more than act as a reference point for the industry. If ASIC were to be better funded and have a stronger structure the benefits would be:

- the ability to determine those activities of both short and long-term benefit, directly and indirectly to their constituents and with their agreement, to implement those activities;
- to raise the necessary funds to carry out those activities;
- to be accountable to constituents for performance and expenditure; and
- liaising with other compatible/complementary industries.

Specific benefits would include:

- to be equally considered with other primary industry groups;
- to meet with other primary producer groups on matters of common interest such as fuel costs and overseas and domestic freight charges;
- establish themselves as a responsible spokesperson on issues such as World Trade Organisation (GATT) negotiations; inclusion on trade delegations;
- inclusion in policy formulation and industry programs;
- consultation on food residue standards;
- consultation on issues such as heritage areas and endangered species;
- respond to recreational fishing and environmental lobbies;
- talk to other food groups about research on export market requirements such as packaging and price;
- get better value for expenditure through association with complementary programs;
- initiate and drive industry-wide quality programs;
- produce information such as a Directory of Exporters;
- support of education and training programs such as school information kits;
- audit existing information systems and needs; and
- act as a industry information broker and library.

For this to happen would require:

- the ASIC resource base be expanded to enable it to work with FRDC in developing national promotional and marketing strategies;
- the FRDC be the body to manage the industry financial input for promotional and marketing activities; and
- FRDC provide sufficient funds, through consultation funding, to enable adequate resources for implementation of the strategy to be made available to ASIC.

SUMMARY

This proposal would provide:

- adequate resources for the implementation of the proposed strategies;
- accountability to the government for the expenditure of funds raised through a statutory levy;
- the inclusion of imports in the funding of the activity; and
- no additional statutory authority in the industry.

Table 18 FINS Key Responsibilities for Strategy Planks

Plank	ASIC	State FIC	Industry	Commonwealth	State	R&D	Other
Profile							
Now	Major	Major	Major	Minor	Minor	Minor	Media - Influence, reactive to become proactive
Proposed	Increased, Focus on national issues Better coordination	Major	Major Coordinated, non-divisive	Minor	Minor	Minor	Media, proactive
Resource Access							
Now	Major	Major	Minor	Major	Major		Legal system major AFMA - Major
Proposed	Enhanced approaches		Ownership				Legal system decreased need AFMA - Major
Quality							
Now	Some (in relation to export standards)	Minor	Individual companies set standards	Exports/imports	Minor health role (local government)	Some (IFIQ, NSC)	
Proposed	Increased (consistent framework) Market needs focus	Increased product traceback	Common base standard Companies set own level	Exports/imports. Standardise, integrate with management plans	Health role	Some (improved focus on payoffs)	Training, PR, grading
Identification							
Now		Minor	Major	Minor - imports/exports	Minor - enforcement	Minor	
Proposed	Increased (consistent consumer focus)	Minor	Minor (branding) Some promotion	Consistent fish names	Consumer education Enforcement of fish names	Minor, convey quality messages to consumer	

Table 18. FINS Key Responsibilities for Strategy Planks (continued)

Plank	ASIC	State FIC	Industry	Commonwealth	State	R&D	Other
Market Development							
Now		Minor (WA)	Increased but minor APPA	Minor Austrade	Minor Trade missions etc. State market (Qld)	Minor Korea	
Proposed	Increased, facilitating	Some Management Advisory Committees (MACs)	Improved coordination	Minor, but coordinated with industry and state government	Minor	Minor	'Model' for other fisheries
Information Delivery							
Now	Nil	Minor	Nil	Some ABARE/BRS. Fishstats, CSIRO, ARRIP, ABOA	Minor Few extension services, Qld excluded, QDPI, AUSEAS	Minor FISHMAD	
Proposed	Major						Appropriate technology for the information involved

7.0 CONCLUSION

This report confirms that a number of the problems which have beset the industry for years continue to exist. Additional pressures have developed, while at the same time, a number of new opportunities are emerging for the industry.

That the long-standing problems still exist is proof that no effective solutions have yet been embraced. It is also essential that the industry looks closely at the emerging challenges and opportunities if the industry is to lay the basis for an ongoing profitable future.

This report includes several recommendations which, it is believed, if implemented at the appropriate level, could go a long way to providing all segments of the Australian seafood industry with a sustainable profitable future.

Specific recommendations include:

- The implementation of the six plank strategy detailed in the report;

- The confirmation of ASIC as the peak industry body with a revised structure and significantly expanded resources;

- Industry demonstrating to the Federal and State governments that it requires implementation of the strategy and the introduction of a levy to fund the essential elements of that strategy;

- Industry raising the required level of funds through a two part process - support for a compulsory levy and for state industry contributions;

- The levy being set at an appropriate rate per kilogram of product which, in the first year of operation, will raise $3.3 million, with the rate in future years to be established by ASIC in consultation with FRDC on an annual basis; and

- Enabling the industry to prepare for the implementation of the strategy, whilst the necessary levy mechanism is put in place, by FRDC being asked to provide funds for the employment of sufficient resources by ASIC.

APPENDIX 1

INDUSTRY CONTACT

AND

INFORMATION

CONTENTS

1. PEOPLE INTERVIEWED

The persons in industry, industry organisations and government interviewed by members of the study team are listed by location and organisation.

1.1 CANBERRA

Alison Turner	DPIE	
Jayne Gallagher	DPIE	
Jim Rhodes	Levies Management Unit	
Ed Treharne	Levies Management Unit	
Mike Perri	DITARD	
Rob Diamond	Secretary	Industry, Science & Technology Committee Australian Senate
Geoff Rohan	AFMA	
Perry Smith	ABARE	

1.2 BRISBANE

Rosemary Clarkson	IFIQ
Steven Thrower	AUSEAS
John McVeigh	NSC
Dion Mahoney	NSC
Michael le Grand	FISHMAD
Ray Teh	S.E.A Food

1.3 HOBART

Peter Shelley	TASSAL
Kim Evans	Department of Sea and Fisheries
Peter Young	CSIRO
Steve Gasparinados	TFIC

1.4 MELBOURNE

Geraldine Gentle	DCNR
Graham Suckling	DCNR
Rod Dedman	Melbourne Fish Markets
Karen Clifton	VFIF
Mark Gooley	AUSTRIMI
Fred Austin	DCNR
Owen Edwards	Cryovac

1.5 PORT LINCOLN

Clyde Cole	Yorkshire Abalone Farm
Colin Freeman	Australian Bight Fishermen
Robert Kennedy	SA Dept of Fisheries

1.6 ADELAIDE

Terry McEwan	Southern Zone, Rock Lobster Association
Jim Raptis and staff	Raptis and Sons, 1 Port Street, Bowden
Robert Kennedy	Aquaculture Development Unit Primary Industries

1.7 SYDNEY

Dennis Poulos	Poulos Brothers
Vince McDonall	Executive Director, CFAC/Secretary NSW FIC
Terry Kennedy	Assistant General Manager, Fish Markets

1.8 DARWIN

Darryl Grey	Director of Fisheries
Colin Shelley	NT Government Aquaculture Centre
Iain Smith	Executive Officer NTFIC
Jeff Reid	Barramundi Farms, Palmerston
David McGauran	Dept of Primary Industry and Fisheries

1.9 TOWNSVILLE

Bob Milne	Five Star Seafoods
Peter Hinsch	Harbourside Cold Stores
Noel Sullivan	Independent Seafood Producers

1.10 CAIRNS

Mike Rimmer	DPI Cairns
Mike Potter	DPI Offices - Cairns
Bob Lamani	Great Barrier Reef Tuna
John Bissell	Great Barrier Reef Tuna
Colin Price	Manager Sea Ranch Prawn Farm Chairman, North Queensland Aquaculture Consultative Committee
Sam Coco	Cocos Prawns
Jane Phillips	Masalai Waters
Klaus Canneloni	
Peter Saw	
Andrew Plimmer	Transcontinental Seafoods Cairns
Dave McAtamney	Independent Seafood Producers Cairns

1.11 WESTERN AUSTRALIA

Nancy Read	NC Read
Brett McCallum	WAFIC
Richard Stevens	WAFIC
Theo Kailis	KFM
Tony Gibson	APPA
Simon Bennison	WAFIC

1.12 EUROPE

Mike Short	Fisheries Division MAFF London
John O'Gorman	Fisheries Division MAFF - London
Patricia Slevin	Irish Sea Fisheries Board - London
M Jack Zerbib	Interpral Paris
M Jean-Pierre de Longueau	Ifremer - Paris

1.13 NEW ZEALAND

Wellington

Alastair MacFarlane	GM NZFIB
Ray Dobson	CEO NZFIB
Sally Hughes	NZFIB
Paul O'Neil	NZFIB
John Town	Executive Officer, Fishing Industry Association
Sir Tipene O'Regan	Chairman, Treaty of Waitangi Fisheries Commission
Robin Hapi	Treaty of Waitangi Fisheries Commission
Tom McClurg	Treaty of Waitangi Fisheries Commission
Robin Allen	Asst. DG, Policy, MAF Fisheries
John McCoy	Director, Fisheries Research
Judy Barker	MAF Regulations
Rick Christie	CEO, Tradenz
Rennie Davidson	Tradenz

Auckland

Vaughan Wilkinson	GM, Simunovitch Fisheries and President, Fishing Industry Association
Mike Bitossi	Marketing Mgr., Amalgamated Marketing
Trevor Bayley	Marcon Seafoods
Simon Brown	Seafirst Ltd.
Milan Barbarich	Antons Seafoods Ltd.

Christchurch

Kypros Kotzikas	MD, United Fisheries Ltd.
Mike Dormer	Director, Independent Fisheries
Liam Gillespie	Pacifica Group Marketing

Nelson

Peter Talley	Talleys Fisheries Limited
Phil Lough	General Manager, Sealord Products
David Hogg	Marketing Manager, Sealord Products
Denis Thomas	Quality/R&D Manager, Sealord Products

2. ATTENDANCE AT INDUSTRY MEETINGS

The persons attending each of the industry meetings are listed by organisation or activity in which they are involved or which they represented.

2.1 QUEENSLAND

Brisbane 8 December 1993

Name	Organisation
Industry Participants	
Ted Loveday	QCFO
Joe McLeod	QCFO
Roly Bowman	QCFO
Ron Duce	QCFO
Cliff Greenhargh	QCFO
Judith Ham	QCFO
Ian Hamilton	President Qld Fish Distributors Association
Ian Baulch	Chairman Qld Seafood Marketing Association
Peter McNamara	General Manager Raptis & Sons (Brisbane Fish Market)
Noel Taylor-Moore	QFMA
Roger Harrison	Director, Moreton Bay Prawn Farm (Australasia) Pty Ltd
Ric Morgan	Morgan's Seafood Restaurant
Martin Bowerman	Editor, Queensland Fisherman
Michael Le Grand	Technisyst
International Food Institute Queensland	
Rosemary Clarkson	General Manager, IFIQ
John McVeigh	National Seafood Centre
Steven Thrower	National Seafood Information Centre
Department of Primary Industries Queensland	
Pat Appleton	Acting General Manager, Fisheries Division DPIQ
Joanna Kane	Principal Marketing Officer, Agribusiness Marketing Services DPI Qld
Commonwealth Government	
Perry Smith	ABARE
Murray Johns	DPIE
National Fishing Industry Council	
Brian Jeffries	Chairman NFIC
Fisheries Research & Development Corporation	
Brian Hickman	Deputy Chairman
Dale Bryan	
Burke Hill	
George Kailis	
Bob Kearney	
Peter Dundas-Smith	Executive Officer

2.2 SOUTH AUSTRALIA

Port Lincoln April 1994

Name	Organisation
Industry Participants	
Brian Jeffries	Chairman NFIC
Graham Gribble	Executive President SAFIC
Mick Puglesi	Vice President SAFIC
Peter Peterson	General Manager SAFIC
Neil Bicknell	SAFIC Management Committee
Colin Freeman	Australian Bight Fishermen Pty Ltd
Jim Raptis	Raptis & Sons
Dean Lukin	Lukin & Sons
Hagen Stehr	Stehr Group
Glyn Chillingworth	Stehr Group
Brian Turvey	Oceantech Pty Ltd
Steven Moriarty	Southern Waters Rock Lobster
Clyde Cole	Yorkeshell
Terry Richardson	Yorkeshell
Suzetta Buttery	Spencers Gulf & West Coast Prawn Boat Owners Association
Ross Haldene	Spencers Gulf & West Coast Prawn Boat Owners Association
Commonwealth and State Government	
Robert Kennedy	SA Department of Fisheries
Terry Cain	Murraylands Regional Development Board
Merv Bawden	AQIS
Lara Damiani	SAFITC
Peter Dundas Smith	FRDC

2.3 VICTORIA

Melbourne 28 April 1994

Name	Organisation
Industry Participants	
John Sealey	VFIF
Karen Clifton	VFIF
Julie Aitken	VFIF
Owen Edwards	Cryovac Division - WR Grace Limited
Roy Palmer	Fishy Business
EJ (Ted) Doran	EJ Doran Pty Ltd
Simon McCarthy	Fish Marketing Association
Anthony Wolfe	Oceanic Food
Terry How	Oceanic Food
Bob Lees	International Food Processing Group
Commonwealth and State Government	
Ed Lewellin	AQIS
Ray Page	Ministry of Natural Resources
Mike Perri	Department of Industry Science and Technology
Graeme Suckling	Department of Conservation & Natural Resources Fisheries Branch
Rod Dedman	City of Melbourne Wholesale Fish Market
Neil McKenzie	VFITC
Peter Dundas-Smith	FRDC
Bill Widerberg	FRDC

2.4 TASMANIA

Hobart 12 May 1994

Name	Organisation
Fishing and Aquaculture Sector	
Steve Gasparinados	Chairman TFIC and abalone diver
Bob Lister	Executive Officer TFIC
Peter Chew	Oyster farmer and TFIC Committee
David Forrest	Tasmanian Marine Farmers Association. Barilla Bay Seafood
Kim Newstead	representing Tasmanian Mussel Growers Coop
Dale Bryan	Seablest Tasmania/FRDC
Teresa Kitanovic	TASSALL
Jeanette Green	AQUATAS Salmon Co
Sandra Gillanders	Tas Crays
Research/Government Sector	
John Waters	CSIRO, Division of Fisheries, representing Peter Young
Christine Ward	CSIRO Division of Fisheries
Simon Himson	Manager, Trade Development, Tasmanian Development & Resources
Kim Evans	Director, Department of Sea Fisheries
Will Zacharin	Product Development Officer, Primary Industry and Fisheries
Rory Byrne	Tas Fishing Industry Training Board
FRDC	
Peter Dundas-Smith	Executive Director, FRDC

2.5 WESTERN AUSTRALIA

Fremantle 17 May 1994

Name	Organisation
Industry Organisations	
Brett McCallum	WAFIC
Robin Pike	WAFIC
Richard Stevens	WAFIC
Mick Buckley	Pearl Producers Association/WAFIC
Simon Bennison	ACWA/WAFIC
Tony Gibson	Rock Lobster and Prawn Producers Association
Fishers and Fishers Coops	
Denis Gaunt	Mulataga Aquaculture
Nick Corbo	Fremantle Fishermen's Coop Society Ltd
Leith Pritchard	Geraldton Fishermens Coop
Andrew Young	United Midwest Rocklobster Fishermens Association
Leonard Scherza	Fremantle Professional Fishermens Association
Gil Waller	Salter Marine
Processors and Marketers	
Theo Kailis	Kailis Brothers
Jim Mendolia	Fremantle Sardine Co
David Carter	Kailis and France
Rod Johnson	NorWest Seafoods Pty Ltd
Rob Grant	M G Kailis Group
Dennis Hayward	K G Palmer & Assoc
Craig Kelly	Marpro International
Jack Leikas	Simon's Seafood Restaurant
Government	
Peter Rogers	WA Fisheries Department
Malcolm Anderson	WA Fisheries Department
Tony Goadby	Office of the Minister of Primary Industry; Fisheries
Observers	
Kathy Wallace	Deloitte Touche Tohmatsu
Carol Hofmeester	Deloitte Touche Tohmatsu
FRDC	
Peter Dundas-Smith	FRDC

2.6 NEW SOUTH WALES

Sydney 25 May 1994

Name	Organisation
Fishing Industry/Catching Sector	
Richard Roberts	Chairman CFAC, Oyster growers Association
Oleh Harasymin	NSW Commercial Fishermens Council (CFAC)
Vince McDonnell	Executive Officer CFAC
Ron Snape	CFAC
Duncan Leadbitter	Ocean Watch Pty Ltd
Peter Goadby	NSW Recreational Fishing Advisory Council
Processing/Handling/Selling Sector	
Dennis Poulos	Poulos Bros
Nick Ruello	Ruello & Associates
Norman Grant	Seafood Australia Magazine
Michael White	Pacific Seafood Management
Martin Palmer	Martins Seafoods/Master Fish Merchants Association
Hope Kearney	TCG Pacific Trading
Peter Doyle	Doyles Seafoods Pty Ltd
Paul Campbell	Charter Refrigerated Transport
Graham Turk	Manettas Limited/Sydney Fish Markets Pty Ltd
Government/Industry Representation	
Diana Lysaght	Office of Minister for Fisheries
Anne Purtill	National Fishing Industry Council
Graeme Crouch	NSW Fish Marketing Authority
Terry Kennedy	NSW Fish Marketing Authority
Allan Fridley	TAFE National Fishing Industry Education Network
FRDC/NFIC	
Bill Widerberg	FRDC
Simon Prattley	FRDC
Anne Purtill	NFIC

2.7 NORTHERN TERRITORY

Darwin Date ?

Name	Organisation
NT Fishing Industry	
Darryl Everitt	For Mike Fraser, Chairman, NTFIC
Nigel Scullion	Vice President, NTFIC
Clive Perry	NT Deep Sea Fisheries
Jeff Broadhead	Treasurer, NTFIC
Iain Smith	Secretary NTFIC
George Reid	New Aquaculture Farm
Russell Reid	New Aquaculture Farm
Lisa Moritos	NT Reef Fish
NT Government	
Darryl Grey	Director, Fisheries Division
Dick Slack-Smith	Director Research, Fisheries R & D
Christine Julius	Marketing Manager, Commercial Development
Jenny Young	Assistant Director, Northern Development
Rex Pine	Assistant Director, Policy / Administration, Fisheries Division
Peter Herden	Assistant Director, Management
David McGauran	Department of Fisheries
Colin Schipp	Assistant Director, Aquaculture Centre
Ken Baulch	NT Fish Training

2.8 COMMONWEALTH ROLE IN TRADE

Canberra 24 June 1994

A meeting was held with representatives of all Commonwealth Departments and Agencies with some role in the fishing industry, with particular reference to trade issues.

Name	Organisation
Australian Bureau of Agriculture and Resource Economics (ABARE)	
Padma Lal	Fisheries Section
Perry Smith	Fisheries Section
Australian Quarantine Inspection Service (AQIS)	
David Cox	
National Residue Survey (NRS)	
Heloisa Mariath	
Jan Booth	
Department of Primary Industries and Energy (DPIE)	
Alison Turner	Fisheries Policy Branch
Murray Johns	Fisheries Policy Branch
Jayne Gallagher	Fisheries Policy Branch
Deborah Webb	Corporate Policy (GATT) Section
Reinhard Thieme	Bilateral Relations Branch
Ian Coombes	Agribusiness Programs
National Fishing Industry Council (NFIC)	
Brian Jeffries	
Anne Purtill	
Tom Davies	
Dale Bryan	
David Townsend	
Department of Foreign Affairs and Trade (DFAT)	
John Creighton	Agriculture Branch
Tim McGrane	Agriculture Branch
Department of Industry Science and Technology (DIST)	
Mike Perri	Marine Industries Dev Program
Peter Morris	Agri-Food Council
Australian National University (ANU)	
Anthony Bergin	Academic with interests in fisheries
Fisheries Research and Development Corporation (FRDC)	
Peter Dundas-Smith	
Bill Widerberg	

2.9 INDUSTRY WIND-UP MEETING

Melbourne 8 August 1994

Industry wind-up meeting to review the output of the Workshops and the conclusions drawn from the industry consultations.

Name	Organisation
Simon Holloway	Agrifoods Council, AUSTRADE
Roy Palmer	Retailer
Leith Pritchard	General Manager Geraldton Fishermens Coop
Oleh Harasymin	Fisherman/retailer
Richard Stevens	WAFIC
George Kailis	M G Kailis Group/FRDC Board Member
Ray Teh	S.E.A. Food International Pty Ltd
Tom Davies	Lakes Entrance Fishermens Cooperative
Colin Bishop	Executive Officer QCFO
Anne Purtill	Executive Officer NFIC
Peter Dundas-Smith	Executive Director FRDC
Simon Prattley	Project Manager FRDC

3. NOTES ON WORKSHOP DISCUSSIONS

The following are a review of discussions at five selected industry workshops which serve to highlight key issues and attitudes expressed by the industry.

3.1 INDUSTRY REVIEW MEETING

It was agreed that whilst there were many different industries at an economic level, at a political level, and in terms of the strategy we are talking about, there must be an industry view. Queensland was particularly concerned with access to the resource as a major issue. Victoria talked about legislative reduction at fisheries and conflict between commercial and recreational fishing interests. There was some discussion about the number of past enquiries and reports as to why there has been no progress resulting from these. The conclusion drawn was that previous reports were full of discussion of the issues, but no ideas as to how to make it happen.

The FINS study, is action oriented, and has recommendations on activities to produce the results. However, for this to happen, the industry must bite the bullet providing funds for these things to happen. It was discussed that the industry as a whole must be seen to benefit from these activities not just the fishermen. "It was agreed that the industry must accept the need for the strategy, not merely comply with its suggestions". It was suggested that the Fishing Industry is a fragmented diverse industry, partly as a result of State Government control and management mechanisms "how can you get industry to agree when you cannot get State Government's to agree on technical or management issues".

Summary

In summary, the view on Industry image was that it was not a one-off exercise, but that an ongoing capability was required to defend the industry when statements are made by others. The image plank must focus not only on the catching sector, but the handling and selling sectors, also that the image is not a "one-off" process, but long-term maintenance. It was generally agreed that professionals would be needed to develop a strategy for improving the industry image and the industry could then implement it. The co-ordination should be professional and independent. It will require money and will be initiated by the FINS study. It would have to be driven by someone with some ownership of the outcomes. The image must be directed at public image, consumer image, aquaculture image, political image and self image.

Quality Assurance

Activities here must be market driven. Must be all one system with all parts aware of what the other sectors of the industry are doing. People require investment in promotion, and training. A code of practice will have to be developed for all levels from consumer to catcher. Need to instil the same level of confidence in fish consumers as they have when consuming beef. There are standards set for exports, but we don't keep the same standards for the domestic market. Quality standards of food for the public have increased in the past ten years. QA goes beyond product quality. It includes availability throughout the year, portion control and consistency. Benefits of quality systems are; an improved return because of lower wastage and better grading of product. It also reduces the negative element in the feedback system. However, sound incentives will be needed for the industry to take part in this. It may require accreditation, apprenticeships and licensing of fishmongers. The responsibility may lie with State R & D advisory boards and the National Seafood Information Service could carry the codes of practice information. Need a scheme in the marketplace which will create a reward for consumers and hence for accredited sellers. In driving this, in the FINS implementation stage, consultants should be identified who can put such schemes in place.

Export Trade

Actions may be at a corporate or industry level. Negotiation on freight rates and freight availability need to be on an industry level. It was agreed that critical mass was vital in getting action on export trade matters and that the industry must work together.

There was a lot of discussion on information as to whether the industry was using what information was already available or whether the information they required was not available. The Dairy Industry was offered, as an example of a good strong export oriented industry. It has started to do well. It has had structural adjustment, consolidation into a few large companies which can drive the export activities, and major co-operatives corporatising to create critical mass.

On the topic of information, it was suggested that for information to be shared it must be a mutual, financial advantage. Industry image in the export trade, industry power in negotiating freight, you need a very strong industry voice. Examples were given of bodies which were formed without consulting the fishing industry, for example the Agrifood Council and The Market Access Committee.

In summary, the group concluded that the funding of industry organisations affects what they undertake. Any body must be seen to be truly representative and it must be well funded for it to be effective. It was recommended that the consultants provide a list of activities we recommend that the industry body undertakes and that should lead to agreed conclusions on the need for better funding. Consultants must find the best way to do it and functions that it would serve. There was some questions on the level of representativeness of the National Fishing Industry Council.

The topic of trade was mentioned specifically by the workshops held in **Western Australia, South Australia** and **Tasmania** which have very strong export industries in fish and seafood.

3.2 COMMONWEALTH TRADE ISSUES

At this stage the eight issues were;

- Resource Access and Security
- Quality and Training
- Consumer Knowledge and Confidence
- Industry Image
- Information Exchange and Communication
- Product Development, Trade and Industry Structure

Aspects of trade which were mentioned in the workshops were;

Legislative Controls, tariffs, transport freight rates, freight availability and information flow on market requirements in overseas countries. AQIS saw the trade issues as including European access, asset based inspection system, residue monitoring for aquaculture. Japanese registered quality control exporter system and entry of live molluscs. AQIS hold information on the legal import requirements of other countries. They have advisory and training roles on quality and processing systems. AQIS however is less interested in quality than public health requirements. They believe import and export standards are coming closer. One output of this meeting was a practical way of improving the information flow and industry understanding which is incorporated in the trade mapping exercise. "Australian fishing industry is good at trading with Asia but not marketing".

AQIS has a one-stop shop for exporters. Both technical people and export facilitators will assist newcomers or those with little knowledge. Will point people at the Austrade hotline. FIAC has a separate secretariat. Is there a wider role for it to handle other industry issues? Should NFIC set up a sub committee? Use the NZ Fishing Industry Board as a model for better communications methods, also look at what horticulture's done.

One of the conclusions of this meeting was that fisheries is often left out of discussion, relating to trade in food products in Canberra. There was support for revival and strengthening of the Fishing Industry Directory. This should be followed through with action items in the report. It was suggested that lines of communication to the fishing industry are very frail. The Fishing Industry did not make representations to the public servants on GATT issues. Canberra agencies deal with national trade strategies, bi-lateral relationships across commodities, national trade policy and priorities, generic issues, studies on non-tariff barriers, requirements of importing countries, and a market access. 'Government cannot do the job for you, but can help to get access by overcoming artificial barriers'. Government regards industry as clients with problems to be solved, and will assist where it can do so. It is particularly focussed on formal barriers but can help with informal barriers if it knows of them. It is the industry's responsibility to communicate about these barriers.

Under the level the Government agencies work at, there must however be a strong industry body to represent it to Government and make input into the decision making processes. In terms of information available from the various agencies, there was seen to be a need for a single source of information, for example, to find out about importing country requirements. New Zealand has this information readily available through one source.

The question as to how Government agencies report back to the industry was also raised. Government agencies concluded that they have no focal point to whom they can communicate their findings. They also discussed the absence of a central co-ordinating body for aquaculture. Aquaculture was seen to be very diverse and fragmented. There does not appear to be any centralised database for example, on live fish exports.

Quality Assurance

The Government agencies can play a large role in Quality Assurance. For example, in the United States, imported product is certified 'This Carton Inspected By'. AQIS could do this, however, an education process would be needed to control the process. It is not just an inspection process. AQIS sends a bulletin to every registered exporter. It was pointed out that Australia could require a country of origin labelling for all imported product as other countries do.

The Agrifood Council Secretariat is charged with developing the export potential of the food industry.

Points it could contribute to were;

- Airfreight
- Clean food
- R&D centres of excellence
- Quality programme
- Market access committee

The processed food area is of strong interest to Ambassadors and Ministers at the moment. The Agrifood Council can carry fresh produce items, but queried whether fish needs a separate committee. It was suggested that the Australian Horticulture Commission knows their industry well, their structure barriers and markets, the Fishing Industry needs to develop its own interface and think about Government Industry interface. The DFAT said this was the first formal contact they had had with the Fishing Industry at this workshop. Horticulture and dairy are well organised, but fish is not. The fishing industry it was said, needs an identity and a process. With the exception of one letter from an individual about prawns, the Fishing Industry had no input into GATT negotiations. The peak body should represent the entire industry. The Fishing Industry is not getting attention from Government and has not drawn heavily on Government. Note the links between Federal and State Governments whilst this workshop included Federal Government representatives only, there are State links particularly in the areas of fish as food, which involves State Health Departments and fish as a resource, which involves State Fisheries Departments.

There was a deal of discussion on FIAC and the Market Access Committee. There was also discussion of the need for a one-stop shop and a hitchhikers guide for the fishing industry. New Zealand was used as an example, the way things could be. The FINS study must give examples of success stories and case studies, particularly Austrade success stories. It must also show how to fill the gaps in communication and how to report back to industry. There was discussion that the Fishing Industry needs an overall framework, vision and strategy rather than just solving yesterday's problems. For example, a vision for the year 2000. It was also suggested that the Fishing Industry needs an expanded seafood directory. Government must be reassured that industry has a long term view of where it is going. Government is about building industries up.

Freight

The Government has agencies which have been involved in freight negotiations for a number of perishable goods industries. The following points were raised;

- Non overlapping seasons
- Freight forwarding role
- Method of co-ordination
- Central computer booking system

Comment

There has been a lack of attention to the fishing industry, as the industry has not made it a political issue as meat has. (Note possibility of alliance with National Heart Foundation. To promote best, Australian fish must identify as Australian and fresh).

3.3 VICTORIAN WORKSHOP

The Victorian Workshop included very little reference to export. It was focussed on increasing domestic consumption and domestic issues. Of particular interest were better image, better quality control and training, better marketing and consumer education. Better retail outlets, perhaps licensing of fish shops. Wider availability through major chains and resource issues to ensure a sustainable resource. NFIC not well known. Need a viable active peak body. Would like to develop an information kit for schools.

3.4 NEW SOUTH WALES WORKSHOP

The number one issue was seen to be improving community esteem and industry image. It was seen to be important to show that the industry is here for the long haul not just transitory. Comparisons were made with the position of the Fishing Industry and that of the Forest Industry twenty years ago. The Fishing Industry is associated with waste. They should be seen to be producers of a resource not just skimming the top off and wasting the rest. The recreational sector was seen to be growing and their claims that commercial fishermen are taking their resource was seen to be strengthening. Need to get the public to be able to identify with the commercial fishing industry by improving the image of the catching sector. This argument was added to by those who said the image problem was even greater than that, because in the industry, fishermen were seen as something less than average. The conflict results in poor management practices.

There was some discussion on regulations, management policies and prices. It was hoped that CFAC communication would improve. It was commented however that New South Wales has another elected body and does not have proper representation across the board. The need for adequate representation was stressed. Representatives of the oyster industry discussed a shellfish sanitation programme and the need to improve consumer confidence.

There was much discussion of the need for a Quality Assurance programme and the positive benefits of that. In New South Wales, the industry is seen to be declining because of the lack of quality assurance. This lack was blamed on political structures in the state. Reference was made to the EPA and the State Pollution Control Commission who have legalised levels of pollution". One constraint to the adoption of quality standards was seen to be that 70 per cent of industry participants were seen to be non-commercial.

There was some discussion about the length of time these marketing issues had been around, some ten to fifteen years. The difficulties have been from within the industry. The problem is getting people to perceive that what is being done is good for the individual as well as for the industry. This is an internal not an external problem. The aquaculture representatives were concerned that their image was not tarnished with those environmental problems which the wild catch has.

Quality was discussed, and it was said that it was difficult to get fishermen to see the product in terms of a consumer. The policy should be to encourage recognition of quality at the initial stage. Using catch history to set quotas encourages bulk catching not quality handling. Whilst there were comments that fishermen's feelings that they are second class citizens drives their approach to industry, and lowers the quality, it was also said that the quality of seafood in New South Wales has come a long way. On boat handling has improved, modern technology on boats has contributed to improved quality, education and training has improved.

There was some discussion on the inconsistencies in the regulations on various products for example; strict regulations on milk and meat but none on fish in New South Wales. Quality Assurance procedures in other states are statutory backed but not in New South Wales. There were questions on the standards and regulations and the wording in the dairy industry. These participants spontaneously raised the issue of compulsory levies. One comment was that in depth marketing is about money and this means a levy and that frightens everyone. After a long discussion on quality, there was then some discussion on consumer perceptions and tastes and the opportunities for selling different types of fish.

There was a lot of comment about the need for access to the resource and that there was not point having quality if there was no product to process. Confidence in resource tenure was one of the major concerns of the group at this workshop. This was particularly a comment about the South Eastern Trawl Fishery. It was suggested that this narrow view of New South Wales may not consider that Australia is better off because of the introduction of managed fisheries. Elements of the strategy to market a particular species are quality control, naming, tagging, volume ceiling, distribution methods, promotion, description of produce, priced and fixed selling price and consistent supply.

Promotion and PR was seen as Industry responsibilities as they are the chief beneficiaries. The comment was made that you can't expect the Government or others to do this and the response from the media would be strong as they were starved for information on seafood.

The discussion then turned to the need for a strong industry voice and particularly the need for such a body to communicate with the transport industry. There was discussion about whether the peak body could co-ordinate marketing and promotion as well as being tied up with resource and management issues. To sell the marketing to the industry may need to look at how marketing can increase industry profitability. There was then discussion on the relative importance of marketing issues and resource issues with points being made that if you don't have the fish resources to increase production then you have to make the existing resource more valuable and that there is a large amount of imported product and any marketing efforts would benefit imports. Some cynicism that one was finally talking about marketing when for a long time people have said all problems were resource driven.

Peak Body

It was seen that NFIC needs more funding, at least three or four more professional people to deal with specialist issues such as trade. It needs to be able to co-ordinate action and initiate quality programs. There were queries as to whether one organisation could represent catchers and importers and processors and exporters. There was resistance to the catching sector carrying the full cost. There was discussion that other rural industries get their money by direct levies.

Vision of the future

In summary, these participants wanted to see the industry profitable, better structured, addressing consumer needs and exporting product and quality areas, evolution of present government management structures replaced with better organisation, development of a vision of unity, better managed resources to include aquaculture, strong peak body. It was also underlined that it was likely that very little of the Australian product will be available on the domestic market, most of it will go to Asia.

In Summary, the vision included a managed fishery which includes the catching and recreational sectors and optimum use of resources with close co-operation between all sectors and close consultation between these sectors and government. An industry which is valued by the average people in the street and which has pride in itself.

3.5 TASMANIAN WORKSHOP

The view of the Tasmanian Fishing Industry was that resource access and sustainability were the major issues, unless they have sustainability, there is nothing for the future. The industry expressed a fear of the government over-controlling the industry and believed that the Government or management plans were the answer. There was also a lot of discussion on the particular regulations affecting aquaculture. Discussion at this workshop centred on aquaculture and on the abalone industry. The fishing industry was described as silent, invisible and fragmented, with the exception of the abalone industry. The abalone industry was used as an example of a way of achieving property rights. There was then discussion on industry image. Comments made included, 'would like to see the industry present its image on television as is done by meat or forestry, show what a range of products we have'. 'Have to project a professional image and quality product'. 'Must be aware of the range of factors which affect public image'. 'Dairy industry with dairy made etc has a clean image'. 'We have some good boats but plenty of bad boats and poor image' There is also 'a lot of the community are pollution conscious and our industry is seen as being polluters, this affects the image'. Need to market image to the community as well as to ourselves, but media coverage is mainly of bad stories not good stories.

View of Government

This workshop believed that government was viewed as an 'us and them' scenario and it needed to be changed so that there was more mature professional communications in discussions with government. However, there was a reaction from some members of the workshop that the government was out to control the industry. There was then discussion of quality and codes of conduct. The Salmon industry was given as an example of an industry that works in harmony and has a strong code of quality practices. At the other end of the scale seem to be the trawl fish industry. It was believed that

Tasmania could promote its clean, green image for fish, even more than on a national basis. There was much talk of labelling food as Tasmanian versus labelling it as Australian. Quality practice would have to support this though and they believe that not only do the strong points have to be promoted, but that quality practices have to be put into place to eliminate the worst points. Tasmania believes that its standard is seen to be higher because of its clean environment. Tassal was cited as an example of a company who has good quality practices in place, good branding and commands good price. The comment was made that the industry is not meeting the problems identified in the industry survey done several years ago.

There was then discussion on trade and the problems with the transport industry. Stories of product damaged and destroyed and about freight availability and pricing. There was also discussion about promoting wild versus farmed fish and about promoting Tasmanian versus Australian product. There was concern though from some people that any promotion might increase imports. The consensus was that all Australian product should be identified as Australian. There was then some discussion about industry structure and talk of the "incredible distrust between processors and fishermen". Spontaneously this workshop then gave New Zealand as an example of the fishing industry model to follow. Talk of New Zealand as an example, brought up the point that in New Zealand, they take 1.7% of GDP for marketing. There was then discussion on industry levies and the need for money to bring changes into the industry. It was also discussion of the distrust of bureaucratic structures, implying that the industry wants their own industry body to manage any program. The changes the Tasmanian industry would want to see in the future were;

- More market focus
- Quality assurance at national and state level to back this up
- Codified and cohesive Tasmanian approach
- Umbrella organisation representing Australian industry needs
- An industry body which is respected and responsible
- A stronger network in communication
- A united industry
- An industry which is not invisible
- The satisfied consumer and biological sustainability to underpin the marketing effort

3.6 WESTERN AUSTRALIAN WORKSHOP

The Western Australian workshop began with a number of points made by a Rock Lobster fisherman, who was discontented by the prices he was getting from the processors. The discussion then reflected the fact that the WA industry has a strong processing sector, particularly in Rock Lobsters, and there was a lot of talk about price. However, the main view of the meeting was that fisheries and agriculture must develop away from quantity towards quality on a sustainable catch basis.

There was discussion on industry image and the fishing industry as part of the food industry was generally agreed that the fishing industry has to mature and promote its image. There was concern about the fishing industry pricing itself out of the local market. It as agreed that there was a need for joint activity, that better results would come from all parties working together. Although the competition within the industry is fierce, need co-operation for the sectors to move ahead.

The resource issues discussed focussed on sustainability, regularity and redistribution of species. There was discussion of a number of species which are not properly utilised and of aquaculture products which have potential for growth. There was then discussion on funding. The question was asked "How do you fund educational marketing campaigns, how do you deal with National versus State programs".

New Zealand was brought up as an example on the comparison made was that the NFIC has a budget of $100,000 whilst the New Zealand Fishing Industry board income is $4 million.

It was suggested that the study needs to highlight issues to be dealt with federally and those to be dealt with on a state basis. Then provide a budget as to how to fund dealing with these issues. A national body with adequate funding could deal with tariffs, quality, foreign ownership, industry wide freight rates, marketing, specific market research, and promotion would be better done at the sector level. Quality control was discussed and it was said that there was a need to keep up with world standards or Australia would fall behind. New Zealand as quoted on quality assurance and quality control. It was said that TQM and taxation incentives to encourage companies to be progressive in quality control and self regulation. Quality control should be in built rather than at the end of the line. There was then discussion of variations in handling of the product and airlines schedules and of the need for negotiation on freight space and timetables. There was a WA committee recommendation for an airfreight export council. Hubbing was suggested.

Vision of each of the attendees for the future was;

- A level of co-operation within the industry as a whole
- Better image and get ourselves together
- United
- Focussed on positive issues
- More vertical integration
- Co-ordinated quality
- National body
- Strong national structure

4. SUMMARY OF ISSUES RAISED IN PREVIOUS REPORTS

Summary of issues raised in previous reports

REPORT TITLE	Fisheries Reviewed 1993	Efficiency of Aust'n Seafood Marketing 1993	Casting the net 1988	Natnl Seafood Consumption study 1990
FOCUS	MANAGEMENT OF FISHERIES RESOURCE	DOMESTIC SEAFOOD MARKETING	POST HARVEST TECHNOLOGIES	Quantitative domestic consmptn data
Issues	Property rights Jurisdiction Management costs International fisheries obligations Cost recovery Industry alienation from Canberra	Market information and research Consumer uncertainty Seafood promotion Govt involvement in export markets	Lack of co-ordination of marketing and promotion No uniform standards for imported seafood Need for national quality assurance regulations for product for domestic consumption Export sales based on few products in a few markets Transport:- off-shipment, lack of refrigeration	Quality Consistency and reliability of supply Lack of co-ordination of marketing. Naming confusion Poor storage and handling Lack of promotion
Recommendations	Strengthen MACs Improve communication between AFMA and industry Coordination and funding of aquaculture Consult prawn industry re levy Develop export certification system Prohibit dumping of over-quota catches		Strong marketing effort Product development Development of new markets Post harvest training Development of fleet to work outside 200m limit	A market driven industry More sophisticated packaging Improve marketing

5. STRUCTURE OF THE NEW ZEALAND FISHING INDUSTRY

There are six main industry bodies. Three bodies are industry associations, namely the Fishing Industry Association, the Federation of Commercial Fishermen and the Fishing Industry Guild. There are two statutory organisations, the Fishing Industry Board and the Treaty of Waitangi Fisheries Commission. There is one Government department, the Ministry of Agriculture and Fisheries.

MINISTER OF FISHERIES

MINISTRY OF AGRICULTURE AND FISHERIES

Policy	Resource Management	Quality	Research

SEAFOOD INDUSTRY

Statutory Organisations	**Industry Associations**	**Enterprises**
Fishing Industry Board and Committees	Fishing Industry Association	Catching
	Federation of Commercial Fishermen	Processing
Treaty of Waitangi Fisheries Commission		
	Fishing Industry Guild	Marketing

The Fishing Industry Board was formed in 1963 by an Act of Parliament. It reports to the Minister of Fisheries and is responsible for industry co-ordination, promotion and development. The Fishing Industry Board members are made up of industry representatives (5), Government appointees (3), and Maori representatives (2). The Fishing Industry Board provides a forum for councils and committees covering areas such as marketing, quality, stock assessment, aquaculture and product groups. The Fishing Industry Board is funded by a levy on fish landed, with an annual budget of $4.5 million and permanent staff of 23.

The Treaty of Waitangi Fisheries Commission is also a statutory board established to hold and distribute quota allocated by Government to Maori interests in recognition of the Treaty of Waitangi obligations. The Commission has a similar consultative role with the Minister of Fisheries as the Fishing Industry Board. It also provides representatives to the Fishing Industry Board and all of the Fishing Industry Board's committees.

Some publications of the NZFIV are listed below:

New Zealand Seafood Exporter Directory

The New Zealand Seafood Industry
New Zealand Seafoods, The Best Naturally
General Promotional Brochure on New Zealand Industry and Products

New Zealand Seafood
The Best Naturally
Product and availability details with section for supplier details.

6. SUMMARY OF PRIMARY INDUSTRY LEVY COLLECTIONS 1993-94

The following table summarises the levies collected on behalf of various primary industries by the Department of Primary Industry and Energy in 1993-94.

Commonwealth Primary Industry Levy Collections by Industry Group 1993-94 ($'000)

Category	Frequency	Draft Budget	Revised Budget	Total 1993-94	Actual % of Budget
Livestock Levies					
Livestock Slaughter/Export	monthly	26809.0	26770.0	29308.3	109.48
Pig Slaughter	monthly	11437.0	12191.0	12412.8	101.82
NRS Game Animal	monthly	4963.0	350.0	287.1	82.02
Cattle Levies (2)	monthly	41225.0	40985.0	50971.7	124.37
Beef Production	monthly	40460.0	40460.0	43637.6	107.85
Deer (3)	monthly	100.0	100.0	136.2	136.23
Total Livestock		124994.0	120856.0	136753.6	113.15
Grains Levies					
Meat Chicken	monthly	660.0	602.0	804.7	133.67
Oilseeds	quarterly	1279.0	1858.0	1522.9	81.96
Cotton Research	monthly	2275.0	2397.5	2570.4	107.21
Grain Legumes	quarterly	2748.0	4097.0	3402.8	83.06
Sugarcane Research	monthly	4256.0	4430.0	4481.1	101.15
Wheat Industry Fund	quarterly	42548.0	50296.0	60216.7	119.72
Laying Chicken	monthly	655.0	635.0	725.9	114.32
Pasture Seeds	quarterly	120.0	120.0	121.2	101.00
Goat Fibre	monthly	40.0	40.0	21.7	54.18
Rice	quarterly	877.0	943.0	771.8	81.85
Coarse Grains	quarterly	5623.0	7433.4	7419.6	99.81
Total Grains Levies		61081.0	72851.9	82058.8	112.64
Horticulture levies					
Honey (4)	monthly	550.0	550.0	565.4	102.79
Grape research	annually	522.0	544.0	546.0	100.36
Milk Fat	monthly	169590.0	179902.0	182331.7	101.35
Dried Fruits research	monthly	498.0	463.0	460.6	99.49
Wine Grapes	biannually	2208.0	2246.0	2301.4	102.47
Citrus	monthly	1834.0	1992.0	2291.9	115.06
Apple and Pear	monthly	3627.0	3627.0	3367.6	92.85
Nashi	monthly	202.2	138.0	127.3	92.25
Nursery Products	quarterly	750.0	720.0	623.9	86.65
Potato	quarterly	807.0	866.0	902.8	104.25
Dried fruits Export Charge	monthly	1539.0	1539.0	1468.3	95.41
Avocado	quarterly	357.0	420.0	485.2	115.51
Chestnuts	quarterly	56.0	56.0	52.6	93.89
Macadamia Nuts	biannually	368.0	368.0	353.2	95.97
Cherries	annually	0.0	46.0	42.8	93.00
Onions	quarterly	0.0	15.0	16.9	112.54
Total Horticulture		182908.2	193492.0	195937.6	101.26
Total Levies		368983.2	387199.9	414750.0	107.12

Source: Levy Collection Unit, Department of Primary Industry and Energy

7. SUMMARY OF ISSUES PRESENTED TO WORKSHOPS

Issue	Subissue	Element
1. Resources	Access	Control and monitoring
		Aquaculture sites
	Sustainability	Resource management
		Balancing supply and demand
		Effective utilisation (by-catch and waste)
		Endangered species
	Security	Tenure
		Native title
2. Quality	Quality assurance	Buyer confidence
		Regulation and/or self regulation
		Licensing sellers
		Code of practice
		Training
	Quality standards	Accepted industry standards
		Generic quality procedures
3. Consumers	Needs	Market research
	Knowledge	Education
	Confidence	Marketing names
		Alternative species
		Packaging
		Labelling/Use-by date
		Branding
		Recipes
	Protection	Health
		Consumer affairs issues/standards
	Product	Availability
		Wild caught/farmed
		Choice
		Promotion
	Buyer specification	Standardised descriptions
4. Industry Image	Responsible resource users	Industry culture/behaviour
		Industry self-image (pride)
		Industry education
		Environmental responsibility
	Economic importance	Trade effects
		Local effects
	Level of investment	Overcapitalisation
		Industry restructuring
	Community support	Public relations
		Education
	Unified industry	Mature communications
		Breakdown State and other barriers
		Healthy competition
		Sea and/or farmed product

Issue	Subissue	Element
5. Information	Communication	Within industry
		Between like industries
	Market research	Export
		Domestic
	Market/price data	Real-time value
	Non-market information	Post harvest technology
		Legislation
		Structure
		Who's who
		Product availability
		Sources of market development funds
6. Products	Value adding	Product development
		Technical back-up
		Consumer needs/research
		Live product
		Producing to consumers needs
	Source	Wild caught
		Aquaculture
7. Trade Impediments	Distribution	Distance
	Freight	Availability, time and speed
		Common industry access
		Industry-wide rates
		Handling quality control
		End-to-end quality assurance
	Technical	Quality
	Tariff	Government policy
	Non-tariff	Legislative
		Residues/health
		Structural/network
	Information	Coordination/one-stop shop
		Overseas representation
	Foreign ownership	Catching sector
		Processing sector
		Marketing sector
8. Structure	National strategy	Industry recognition
		Ownership
		Maintenance
		Accountability
		Legislation
		Funding
		Implementation
		Role of NFIC
	Sector strategies	Ownership
		Development/Maintenance
		Accountability
		Legislation
		Funding
		Implementation
		Current models (APPA)
	Government involvement	Commonwealth/States legislation
		Trade representation

APPENDIX 2

TECHNICAL PAPERS

CONTENTS

LIST OF TABLES

1. BRIEF PROFILE OF AUSTRALIAN FISHERIES

1.1 OVERVIEW

Commercial fishing takes place throughout the Australian Fishing Zone (AFZ) which covers approximately nine million square kilometres and extends out to 200 nautical miles from the coast. Because of its long geological isolation from other continents and the wide range of habitat Australia has one of the world's most diverse range of fish, crustaceans and molluscs. It includes more than 3,000 species of fish, 2,000 species of crustaceans and 10,000 or more species of molluscs. However, many of the species are of little commercial value and only 200 species of fish, 60 species of crustaceans and 30 species of molluscs are commercially harvested for sale on domestic and export markets. Australia has the third largest fishing zone of any country in the world, but ranks only 55 in terms of landed catch. While the total catch is small in tonnage terms, compared to other nations, what sets it apart from many other countries is the relatively large catch of high value species, particularly crustacea.

The gross value of Australian fisheries production in 1993-94 was a record $1,607 million. This was an increase of 17 per cent from the previous record of $1,374 million in 1992-93. The largest component by value was crustaceans (mostly rock lobster and prawns) with a gross value of production of $723 million This was 45 per cent of total catch value and was a similar percentage of total catch in both of the last two years. The value of fish production was $441 million (28 per cent) of which tuna was the largest single species by value at $$116 million. Molluscs (abalone, oysters and scallops) were worth $433 million (27 per cent) The value of mollusc production includes cultured pearls. The value of Australian fisheries production at producer prices in 1992-93 and 1993-94 is summarised in Table 1.

Table 1. Australian fisheries by volume and value 1992-93

Sector	Species	1992-93		1993-94	
		Quantity (t)	Value ($m)	Quantity (t)	Value ($m)
Fish	Tuna	10261	118	131071	116
	Other	132962	325	123863	325
subtotal fish		143223	444	131071	441
Crustaceans	Prawns	24440	282	20251	278
	Rock lobster	18390	348	16979	422
	Other	5531	26	6908	33
subtotal crustacea		48361	656	44138	732
Molluscs	Abalone	4659	122	4723	177
	Scallops	33363	96	21820	68
	Oysters	9710	47	2879	50
	Other	4888	135	4631	139
subtotal molluscs		52620	401	34053	433
Total		244204	1501	209263	1607

Source: Australian Fisheries Statistics 1994. ABARE

Until the establishment of the AFZ in 1976, State governments had the sole responsibility for the management of the various Australian fisheries. Since the creation of the AFZ, the Commonwealth has been negotiating the Offshore Constitutional Settlement (OCS) with the State governments by which the States agreed to transfer to the Commonwealth government, the responsibility for all fishing activity beyond the three mile limit. The effect of this is that all the deep water and off-shore fisheries and now managed under Commonwealth jurisdiction, while the inshore, estuarine and aquaculture fisheries are managed under state laws. The Commonwealth fisheries management responsibility is held by the Australian Fisheries Management Authority (AFMA) while the state responsibilities are managed under various departmental arrangements in different states.

There are now 42 separate recognised fisheries in Australian waters. These are generally specified by species or location, or both. Each designated fishery has specific regulations licensing commercial users. These regulations are generally designed to control fishing effort and to ensure that the fishery is conducted in a sustainable manner. Details of the individual fisheries by fisheries manager, the major fishing methods and the number of licensed operators and/or licensed boats are given in Table 2.

Table 2. Individual fisheries, no of licensed boats or fishers and principal fishing methods 1993-94

Location	Fishery	Principal species	No of licences/boats	Principal fishing methods
NSW	Abalone	Blacklip abalone	40	diving
	Rock lobster	Eastern rock lobster	200	pots
	Prawn	Eastern king, school, royal red prawns	800	trawl, haul, seine, running net
	Crab	Mud, blue and spanner	300	pots, nets
	Other fish species	mixed fish species	1300	seine, hauling
Vic	Abalone	Greenlip, blacklip	71	diving
	Scallops	Scallops	112	dredging
	Bay and inlet	mixed fish species/abalone	296	various
	Rock lobster	Southern rock lobster	174	pots (8141 pots)
Qld	East Coast trawl	Prawns, scallops, lobster, whiting	896	trawling
	East Coast/Gulf Barra	Barramundi	383	gillnet
	Beam trawl	Prawns	223	trawling
	Net	Threadfin, mackerel, shark, mullets	1102	gillnet, seine
	Reef	Mixed fish species	1800	handline, trolling
	Crab	Mud, sand and spanner	1061	pots, dillies
WA	West Coast Rock Lobster	Western rock lobster	640	pots (56826 pots)
	Abalone	Greenlip, brownlip and Roe's abalone	26	diving
	Shark Bay prawn	King, tiger, endeavour prawns, scallops	27	trawling
	Exmouth prawn	King, tiger, endeavour prawns	16	trawling
	Nickol Bay prawn	King, tiger, endeavour prawns	14	trawling
	Shark Bay scallops	Scallops	14	trawling
SA	Sthn Zone Rock Lobster	Southern rock lobster	188	pots
	Nthn Zone Rock Lobster	Southern rock lobster	79	pots
	Abalone	Greenlip, blacklip abalone	35	diving
	West Coast Prawn	Western king prawn	3	trawling
	Spencer Gulf Prawn	Western king prawn	39	trawling
	Gulf St Vincent Prawn	Western king prawn	10	trawling
	Marine scalefish	Mixed fish species	10	trawling, handline
Tas	Abalone	Blacklip abalone	125	diving
	Rock Lobster	Southern rock lobster	338	pots (10531 pots)
	Aquaculture	Atlantic salmon, Pacific oysters	140	cage culture farming
C'wealth	Northern Prawn	Banana, tiger, endeavour, king prawns	125	trawling
	Torres Strait	Prawns/lobster/mackerel	100	trawling, diving, trolling
	SE Trawl	Mixed scale fish	118	trawling, Danish seine
	Great Aust Bight	Mixed scale fish	10	trawling
	Sth bluefin tuna	Southern bluefin tuna	145	longline, purse seine, pole/line
	East Coast tuna	Yellowfin, bigeye	423	longline, purse seine, pole/line
	East Coast purse seine	Skipjack tuna	19	purse seine
	Southern shark	Gummy, school & other	152	gillnets, hooks
	Bass Strait scallops	Scallops	144	dredging
	Jack mackerel	Jack mackerel	31	purse seine, trawling

Source: Australian Fisheries Statistics 1994, ABARE

It should be noted that in Table 2, not all the numbers in the column 'No of licences/boats' are mutually exclusive. In some cases, notably Queensland and Victoria, boats may hold a basic licence which is then endorsed to work in several separate fisheries. Similarly, in some fisheries the numbers given are for licenses issues to individual fishers, while in other cases it is the boat which is licensed.

1.2 FISH

Despite Australia having the third largest fishing zone in the world, its commercial domestic fish catch is relatively small by comparison with the world's major fishing nations. Australia does not produce sufficient fish to meet its own requirements and relies heavily on imports. Nearly 60 per cent of fish consumed in Australia is imported, with the total value for 1993-94 being $318.3 million. Of this, fresh, chilled or frozen fish imports were 43,682 tonnes valued at $147.7 million, while canned, dried, salted and smoked fish imports were 34,478 tonnes valued at $170.5 million.

1.2.1 Fin or Scale Fish

Analysing the fin or scale fish sectors of the Australian fishing industry is difficult because it is made up of many small and scattered components. Australia does not have any large single species fisheries as are found in other places and most fin or scale fish are caught as part of multi-species fisheries. By way of example the Sydney Fish Market sales records identified 100 species of fish in 1992-93 while the Melbourne Fish Market identified 72 separate species. The bulk of the fin or scale fish catch is from trawling, though many higher value species such as snapper, tropical reef fish and Spanish mackerel are caught by handlining, trapping and trolling. The industry is scattered at many points along the coast with 34 established fishing ports in New South Wales and 43 landing points in Victoria.

A further difficulty in analysis is due to the historical division of responsibility for the management of various fisheries which has led to variations in licensing systems and data collection. A summary of available information is given in Table 3.

Table 3. Scale fish fisheries, no of licensed boats or fishers and principal fishing methods 1993-94

Location	Fishery	Principal species	No of licences/boats	Principal fishing methods
NSW	Other fish species	mixed fish species	1300	seine, hauling
Vic	Bay and inlet	mixed fish species/abalone	296	various
Qld	East Coast/Gulf Barramundi	Barramundi	383	gillnet
	Net	Threadfin, mackerel, shark, mullets	1102	gillnet, seine
	Reef	Mixed fish species	1800	handline, trolling
SA	Marine scalefish	Mixed fish species	10	trawling, handline
C'wealth	SE Trawl	Mixed scale fish	118	trawling, Danish seine
	Great Aust Bight	Mixed scale fish	10	trawling

Source: Australian Fisheries Statistics 1994. ABARE

The various fin or scale fish fisheries differ widely in size and value as can be seen from the data in Table 4. The highest value fishery is the South-East Fishery (SEF), which together with the Great Australian Bight fishery (GABF) is under Commonwealth control. These combine to a gross value of the order of $70 million from around 30,000 tonnes landed catch with an average unit value of around $2.30/kg. The next largest tonnage is from Tasmania, however the value is very low at $0.30/kg and is mostly Jack mackerel for fish meal. By contrast, the Queensland fish catch has the highest unit value of the order of $5.80/kg due to the inclusion of a umber of highly prized reef species. Details are summarised in Table 4.

Table 4. Landed Fish Catch by Fishery, 1992-93 and 1993-94 (excluding tuna and shark)

	1992-93			1993-94		
	Quantity tonnes	Value $'000	Unit Val $/kg	Quantity tonnes	Value $'000	Unit Val $/kg
Victoria	10100	22313	2.21	7309	14973	2.05
Queensland	8662	50464	5.83	8640	50853	5.89
Western Australia	18759	28694	1.53	17560	26940	1.53
South Australia	4653	12551	2.70	4679	12541	2.68
Tasmania	25750	7700	0.30	25750	7700	0.30
Northern Territory	1755	5524	3.15	1755	7338	4.18
Commonwealth	32654	74323	2.28	28929	68283	2.36
Total	118971	231881		109149	219442	

Source: Australian Fisheries Statistics 1993-94 ABARE

The South-Eastern Fishery (SEF) covers an offshore triangle from southern NSW to below Tasmania and across to west of the SA/Victorian border. Major landing ports for the southern trawl fish are

Ulladulla, Eden, Lakes Entrance, Geelong, Portland, and several Tasmanian ports. Boats in the fishery are home based at one of the many ports along the coastline, generally in the ports with facilities for big boats. The largest single species caught in the SEF, orange roughy, (10,125 tonnes worth $32 million in 1993-94) is entirely processed into frozen fillets for the export and domestic markets.

Some difficulties for the trawl fishery are the wide diversity of value among the many species landed and that a significant proportion of the catch is at the lower end of the price range. Much of the smaller quantity of the higher value species comes from the line and trap fishery which is commonly a low investment life style industry. The trawl fishers, who are often the most vocal in complaining about marketing, have the problem that too much of what they catch is low value and there are the occasional disastrous price slumps in periods of oversupply. Many complain about the perceived gap between retail prices and the net wharfside price received. Fishers tend to use the large central markets in Sydney and Melbourne as residual markets, that is they put on the auction market what they cannot sell locally or through trade buyers. In New South Wales marketing has been more tightly regulated and fishers who wanted to sell in the Sydney area were forced to use the Sydney Fish Market Average returns for low value species such as redfish or blackfish are even lower during periods of oversupply.

The turnover on the Sydney and Melbourne markets for the 1992-93 year was analysed with species grouped according to arbitrary price ranges, $0-1.50/kg, $1.50-2.50/kg, $2.50-4.50/kg, $4.50-7.00/kg and greater than $7.00/kg. The data available from the ABARE Australian Fisheries Statistics for 1992-93 was then reallocated according to the percentages of the respective categories with the results set out in Table 5.

Table 5. Australian Fish Catch by Fishery, Price Category and Quantity

State or Cwlth	Wholesale Price Categories $/kg						Total	Distrib
Fishery	0-1.50	1.50-2.50	2.50-4.50	4.50-7.00	>7.00	Other	tonnes	%
New South Wales	5933	2326	1685	1288	218		11450	9.2
Victoria	777	3636	334	1839	210		6796	5.4
Queensland	2222	659	1288	825	493	2349	7836	6.3
Western Australia	2483	9464		840	220	2819	15826	12.7
South Australia	729	363	1522	437	750	546	4347	3.5
Tasmania		1800				25750	27550	22.1
Northern Territory	221	529		862	451	226	2289	1.8
South-easter Trawl	1940	4944	17574	94		6653	31205	25.0
Great Australian Bight	65	513	747			173	1498	1.2
Southern Shark			2586			664	3250	2.6
East Coast Tuna	212	174	60	26	626	149	1247	1.0
East Coast Purse Seine	6630	1					6631	5.3
Southern Bluefin Tuna	0	0	0	4191	0	650	4841	3.9
Total/category	21212	24409	25796	10402	2968	39979	124766	100.0
Distribution %	17.0	19.6	20.7	8.3	2.0	32.0	100.0	

Source: Sydney and Melbourne Fish Market records and Australian Fisheries Statistics 1993. ABARE

The results must be taken as highly arbitrary. However, they serve to highlight the problem for the fin fishers, that around one third of their catch has a wholesale market value of less the $2.50/kg, while only 10 per cent has a value of more than $4.50/kg. The problem of the low value catch is accentuated by periodic gluts on wholesale markets.

2.2 Shark and Tuna

Some shark species are marketed as part of the multi-species catch in the trawl fisheries. There is, however, a separate southern shark fishery in Bass Strait waters off the southern coast of the mainland. It is relatively small with 126 gillnet boats and 26 hook boats registered in 1993-94 landing some 5,434 tonnes. There are four separate pelagic fisheries, Southern Bluefin (SBF), East Coast tuna (ECT), East Coast purse seine for skipjack (ECPS) and jack mackerel (JM). Details are given in Table 6.

Table 6. State and local fisheries, no of licensed boats or fishers, av annual catch and fishing methods

Location	Fishery	Principal species	No of licences/boats	Principal fishing methods
C'wealth	Sth bluefin tuna	Southern bluefin tuna	145	longline, purse seine, pole/line
	East Coast tuna	Yellowfin, bigeye	423	longline, purse seine, pole/line
	East Coast purse seine	Skipjack tuna	19	purse seine
	Jack mackerel	Jack mackerel	31	purse seine, trawling
	Southern shark	Gummy, school & other	152	gillnets, hooks

Source: Australian Fisheries Statistics 1994. ABARE

In a marketing sense there is a wide disparity between these fisheries. The SBT and ECT fisheries catch southern bluefin, yellowfin and bigeye tunas, which they sell on the lucrative export sashimi market. This fish requires great care in handling from the point of catch onwards, but the prices received for the best grade fish make the effort financially rewarding. The marketing potential here is to raise the quantity of fish which make the better grades. The shift from canning grade tuna worth $0.50/kg to sashimi grade worth $10-$40/kg presents a useful case study in the payoff to improving quality by careful on-board handling. To date the bulk of sashimi tuna is sold in Japan, however there may also be scope for increasing the consumption of sashimi fish in Australia and other foreign markets.

Bluefin tuna production has undergone a major change in the past ten years. In the early to mid 1980s the sea catch declined sharply. As a result of world-wide pressure on the stocks the landings off New South Wales effectively disappeared, leaving only the South Australian catch at reduced levels. This prompted the shift away from canning as the principal destination for production and the switch to the much more valuable shashimi market as the outlet for the reduced landings. Responding to the demand pressure, the industry in South Australia has successfully implemented cage culture in the last three or four years, with the growing out of young wild-caught stock. Production has increased from 97 tonnes worth $2.3 million in 1991-92, to 1275 tonnes worth $30.6 million in 1993-94.

At the other end of the scale jack mackerel is used for low grade canned product and fish meal. Survival for fishers in this fishery depends on being able to land large catches per boat at relatively low landed value. There is always potential competition from cheaper imports such as the fishmeal from the Chilean anchovy fishery. Jack mackerel catches in Australian waters can be erratic from year to year.

3. CRUSTACEA

3.1 General

Crustacean fisheries are scattered around the Australian coastline. Prawning is centred on five regions: northern New South Wales, Queensland east coast and Torres Strait, northern Australia from Cape York to the Western Australian border, Western and North-western Australia and the South Australian gulf waters.

The crustacea fisheries are predominantly export oriented. A high proportion (more than 80 per cent) of the rock lobster and prawn catches are exported because Australian production exceeds local consumption capacity and demand and prices on world markets are higher than in Australia. Total crustacean exports in 1993/94 were worth $665 million, or 60 per cent of all exports of edible fisheries products. The high prices paid on export markets for Australia prawns (particularly tiger and king and endeavour prawns) means that the domestic demand is usually met from the less expensive smaller Australian caught species such as school and greasyback, and Australian and South-east Asian cultured prawns. Domestic consumers must pay world price for Australian caught tiger, king, endeavour and banana prawns.

Australian rock lobsters are a luxury item on domestic markets, prices received being on a par with those received for export product. Most rock lobster sold domestically is cooked whole. Some live rock lobsters are sold to restaurants. More than 90 per cent of the total catch is exported live, as tails or whole cooked mainly to Japan and the United States.

Australia is the world's largest producer and exporter of rock lobster. Western Australia is the major producer followed by South Australia, Victoria, and Tasmania. Small catches of spiny tropical rock lobster are made in Torres Strait and slipper lobster (bugs) are a by-catch of prawning in New South Wales, Queensland and northern Australia. Crabs are a minor catch in New South Wales, Victoria, Western Australia, Northern Territory and Queensland.

Details of the value of production of crustaceans by State are summarised in Table 7.

Table 7. Total Crustacea Production by Value ($'000) 1993-94

Location	Prawns		Rock Lobster		Other		Total Crustacea	
	Value $'000	Distrib percent	Value $'000	Distrib percent	Value $'000	Distrib percent	Value $'000	Distrib percent
New South Wales	11326	4.4	4179	1.0	3654	13.6	19159	2.7
Victoria	11	0.0	11635	2.8	2130	7.9	13776	2.0
Queensland	70134	27.6	5458	1.3	15610	58.3	91202	13.0
Western Australia	40255	15.8	287122	68.1	1679	6.3	329056	46.8
South Australia	24132	9.5	66583	15.8	1640	6.1	92355	13.1
Tasmania			41287	9.8			41287	5.9
Northern Territory					2080	7.8	2080	0.3
Commonwealth	108672	42.7	5264	1.2	0	0.)	113936	16.2
Total	254530	100.0	421528	100.0	26793	100.0	702851	100.0
Dist %	36.2		60.0		3.8		100.0	

Source: Australian Fisheries Statistics 1994. ABARE

3.2 Prawns

The largest prawn producing areas are the waters off northern and north western Australia. The northern prawn fishery accounts for 43 per cent of all catches and the largest proportion of tiger prawns which are the most valuable on export markets. The South Australian gulfs produced just under 10 per cent of total value of Australian prawn production in 1993/94, Queensland nearly 30 per cent and New South Wales just under 5 per cent, which was a lower proportion than recent prior years.

The New South Wales fishery is long established and has traditionally been locally based with smaller trawlers working from river mouth ports. Catches are mainly eastern king, school and greasyback prawns. With the exception of the king prawns, some of which are exported, most of the catch is sold on domestic markets either cooked or green through co-operatives and traders or by auction on the Sydney and Melbourne fish markets. Total value of the New South Wales catch in 1992/93 was $18.9 million of which $7.6 million was sold on the Sydney fish market. Sales in Sydney through private traders were estimated to amount to another $4 million.

By contrast, the northern prawn fishery has been established for only 25 years. Large (20 metres or more in length) refrigerated export registered trawlers fish distant waters for extended periods grading, and freezing catches head on in a variety of packs (13 kg 3,1.5 and 1 kg) to suit specific overseas market requirements. Some product is supplied to southern export factories where it is re-packed and frozen as head on and head off blocks. In 1993/94 out of a total of 9,130 tonnes of prawns exported in various forms 6,757 tonnes was frozen whole and 2,286 tonnes were frozen headless. The prawn industry in northern Australia is worth some $150 million/year. Given its location adjacent to

Aboriginal areas and it value, it is possible that there will be some form of challenge to existing resource rights by Aboriginal groups under the Mabo legislation.

South Australian trawlers working St Vincent and Spencer Gulfs and those operating in Shark Bay and Exmouth Gulf in Western Australia fish in enclosed waters or close to land bases. Some pack and freeze on board, others land their catches at shore processing plants. Many of the trawlers that operate in the Kimberley fishery in north-western Australia are existing or former northern trawlers and freeze on board.

Distribution of the 1993/94 catch by species and location of capture by State or Commonwealth waters and by value are given in Table 8. Data for Queensland, Western Australia and South Australia are not available by species.

Table 8. Crustacea Production by Species and State by Value 1992-93 ($'000)

Species	NSW	Vic	Qld	WA	SA	Tas	NT	Cwlth	Total	Dist %
Prawns										
- Tiger								70060	70060	27.5
- Banana								25032	25032	9.8
- Endeavour								13038	13038	5.1
- King	9444							522	9966	3.9
- School	1397								1397	0.5
- Unspecified	485	11	70134	40255	24132			21	135038	53.1
subtotal Prawns	11326	11	70134	40255	24132	0	0	108673	254531	36.2
Distribution %	4.4	0.0	27.6	15.8	9.5	0.0	0.0	42.7	100.0	
Lobster										
- Rock	4179	11635		287122	66583	41287			410806	97.5
- Tropical Rock								5264	5264	1.2
- Other (mainly Bugs)	0	0	5458	0	0	0	0	0	5458	1.3
subtotal Lobster	4179	11635	5458	287122	66583	41287	0	5264	421528	60.0
Distribution %	1.0	2.8	1.3	68.1	15.8	9.8	0.0	1.2	100.0	
Crabs	2699	1975	15610	1574			1939		23797	3.4
Distribution %	11.3	8.3	65.6	6.6			8.1		100.0	
Other Crustaceans	955	155	0	105	1640	0	141	0	2996	0.4
Total all species	19159	13776	91202	329056	92355	41287	2080	113937	702852	100.0
Distribution %	2.7	2.0	13.0	46.8	13.1	5.9	0.4	16.2	100.0	

Source: Australian Fisheries Statistics 1994. ABARE

On world markets farmed prawns are providing increasing competition for wild caught product. In Australia aquaculture production is small, but increasing. Aquaculture prawn production has increased from 820 tonnes in 1990-91 to 1,653 tonnes in 1993-94. Much of this is marketed domestically, however, export potential is increasing. The 1,653 tonnes of aquaculture product in 1993/94 can be compared to the total Australian wild caught prawn production of 18,338 tonnes in the same year. Also increasing are farmed yabbies and marron, much of which is exported. Details of the volume and value of aquaculture crustacea production in the past four years are given in Table 9.

Table 9. Aquaculture production of prawns and yabbies by volume (tonnes) and value ($'000) by State

	1990-91		1991-92		1992-93		1993-94	
	tonnes	$'000	tonnes	$'000	tonnes	$'000	tonnes	$'000
New South Wales (incl yabbies)	196	2086	198	2119	282	3316	235	2939
Victoria (yabbies)	20	200	5	60	5	50	5	51
Queensland	624	6799	725	8985	851	11530	1183	18371
Western Australia (yabbies)			81	810	127	1148	290	2610
South Australia (yabbies/marron)	19	292	14	177	12	147	29	378

Source: Australian Fisheries Statistics 1994. ABARE

3.3 Rock lobster

The total value of the Australian rock lobster catch in 1993/94 was $421.5 million making it the nation's most valuable fishery. Western Australia was the top producer the value of the catch being $287.1 million (68 per cent of the Australian total) followed by South Australia ($66.6 million), Tasmania $41.3 million and Victoria $11.6 million and New South Wales $4.2 million. The value of the Queensland catch was $4.6 million made up of slipper lobsters (bugs) and tropical spiny lobsters.

Australia is the world's major producer and exporter of rock lobster. Exports in 1993/94 totalled 13,481 tonnes of which 6,346 tonnes were live, 5,944 frozen whole, 934 tonnes were tails and 258 tonnes cooked or other presentations. The highest average price received was for live rock lobster at $34.26 per kilogram. Total value of lobster exports was $467.5 million. In all States, rock lobster must be landed live to prevent the capture of undersized (small) rock lobster to maximise the value of the catch and preserve the stock. Details of the distribution of number of licensed boats and pots and catch for 1992-93 are given in Table 10.

Table 10. Rock Lobster - No of License holders and annual catch (tonnes 1992-93

State	Licence holders		Catch 93-94
	No boats	No pots	tonnes
NSW	200		143
Vic	174	8141	524
Qld	na		
WA	640	56826	11045
SA Southern zone	188		
Northern	79		
subtotal SA	267		2629
Tasmania	338	10531	1907

Source: Australian Fisheries Statistics 1994. ABARE

3.4 Markets

Total catch of rock lobsters in all States in 1993/94 was 13,842 tonnes, however the gross value of the catch is a more meaningful way of assessing the importance of the fishery. The total value of the crustacean catch in 1993/94 was $703 million, while the value of exports was $665 million.

Export prices are influenced by foreign exchange rates and fluctuations in supply and demand. One problem for Australian prawn exporters is câtch fluctuations from season to season. The northern fishery suffers in this respect as instanced by the drop in catch from 11,554 tonnes in 1991 to 6,267 tonnes in the following season. Such fluctuations impact on annual returns and make it difficult for Australian traders to negotiate and service long-term export contracts.

Export sales of Australian crustacean seafood products are confined to a relatively small number of countries. Japan is the major customer taking 50 per cent of all exports, including 80 per cent of prawn sales by value. Most export contracts are written in United States dollars and fluctuations in the value of the Australian dollar against this currency can have considerable repercussions, for catchers, processors and traders.

Four countries, Japan, Taiwan, the United States and Hong Kong, account for 97 per cent of export sales of Australian rock lobster. Importers of Australian seafoods have specific product preferences. The United States prefers rock lobster tails, Japan favours live and frozen whole and some cooked rock lobster. Taiwan's preference is for live and whole frozen product while Hong Kong prefers live rock lobster. The general preference with prawn exports to our main customers Japan and Spain, in

1992/93, was for whole frozen prawns. They amounted to more than 5 000 tonnes. Slightly more than 2 000 tonnes of headless prawns were exported in that year.

Competition among exporting nations for a share of the large Japanese prawn market is fierce. Australia's main competitors are China, Thailand, Indonesia, India, Taiwan and Vietnam. China, Thailand, Indonesia and Taiwan have major land-based aquaculture industries producing black tiger prawns. World aquaculture production of black tiger prawns increased from 20 000 tonnes in 1977 to 150 000 tonnes in 1986. This had a tremendous impact on Australian prawns exports, particularly bananas, prices dropping by 30 per cent at one stage. Since 1986 technical problems arising from overstocking and disease have limited expansion in the production of farmed black tiger and other species of prawn in South-east Asia and prices for Australian prawns in Japan have risen.

However, cultured prawns will continue to pose a threat to Australian exports. Efforts are being made to overcome the problem by promoting Australian prawns on world markets stressing quality, size, taste and the fact that they are caught in pollution free ocean waters. Large fishing, processing and exporting companies do their own marketing and their sales representatives regularly visit overseas markets. Smaller companies and individual catchers rely on agents and traders to market their catches. To date little attempt has been made to co-ordinate marketing, adopt an Australian brand name similar to campaigns mounted by the meat and horticultural exporters. (refer notes on Northern Prawn Conference).

Prawn trawlers and shore processing factories packing for export must be registered by the Australian Quarantine and Inspection Service (AQIS) and export product is subject to inspection to ensure it is fit for human consumption and packs are true to label. However, there has been little movement by prawn producers, processors and exporters to introduce approved quality assurance programs similar to those in the meat and fruit industries. With feed lot produced beef quality standards apply to domestic and export product.

Australian rock lobster exports are not subject to the same intense competition as that encountered by prawns. To date attempts to culture rock lobster have proved uneconomic and in most other rock lobster producing countries stocks are fully exploited and restrictive management measures have been introduced to protect resources.

In Western Australia 40 per cent of catchers sell to two major fishermen's cooperatives. The other 60 per cent supply the 12 licensed processing establishments. All establishments processing rock lobster for export must be AQIS registered and inspection procedures are in force. However, there have been no moves to adopt a national Australian brand for rock lobsters.

4. MOLLUSCS

4.1 Overview

Molluscs comprise a diverse collection of seafood products which in a marketing sense are not always recognisable as being in a similar group. The best known of the molluscs are the shellfish; abalone, scallops, oysters and mussels. The group also includes squid (calamari) and octopus. Statistically the mollusc group also includes cultured pearl production, which is the largest value component after abalone.

Australia is a major world producer and exporter of abalone which is keenly sought by Asian consumers. Abalone are harvested in southern New South Wales, Victoria, Tasmania, South Australia and in southern Western Australia. Total value of production in 1993/94 was $125.2 million

Scallops are harvested in Tasmania, Victoria, Western Australia and Queensland, the total value in 1992/93 being $57 million. New South Wales is the major producer of Sydney rock oysters, with production valued at $45 million in 1992/93. Tasmania farms Pacific oysters, with production in 1992/93 being $12 million. Victoria produces small quantities of mussels, while fishermen in Victoria, New South Wales, Western Australia, Northern Australia and Queensland catch small quantities of squid as a by-catch to prawning. Several attempts have been made by local and foreign boats to establish a squid fishery in southern waters off Victoria, South Australia and in the Great Australian Bight, however none have yet been successful on a long-term basis. Molluscs production by value, species and State in 1993/94 is detailed in Table 11.

Table 11. Total Mollusc Production by Value ($'000) by State

1992-93	Abalone		Scallops		Oysters		Other		Total	
	Value	%	Value	%	Value	%	Value	%	Value	%
NSW	11806	6.7	194	0.3	34744	70.2	3225	28.5	49969	16.4
Vic	60144	34.1	15882	23.6	18	0.0	1513	13.4	77557	25.5
Qld		0.0	19682	29.2	854	1.7	384	3.4	20920	6.9
WA	12805	7.3	31613	46.9		0.0	2638	23.3	47056	15.4
SA	18690	10.6		0.6	2800	5.7	3191	28.2	24681	8.1
Tas	73060	41.4		0.0	11084	22.4		0.0	84144	27.6
NT		0.0	13	0.0		0.0	264	2.3	277	0.1
Cwlth	0	0.0	0	0.0	0	0.0	100	0.9	100	0.0
Total	176505	100.0	67384	100.0	49500	100.0	11315	100.0	304704	100.0

Source: Australian Fisheries Statistics 1994. ABARE

4.2 Abalone

There is virtually no domestic market for abalone in Australia. Almost all abalone produced in Australia is exported live, frozen and canned with Japan, Hong Kong, Taiwan and Singapore being the major buyers. Value of exports in 1992/93 was $168 million, making abalone Australia's second most valuable seafood export.

The greater part of the abalone production comes from the colder waters off south-eastern Victoria and Tasmania. As 297 divers share a product with a value of $176 million, the industry is tightly licensed and closely controlled. Because of its value and accessibility it is possible that the abalone industry will be an area for a test case for native title to natural resources.

4.3 Scallops

Scallop production fluctuates from year to year in the main producing States. In 1992/93 production was valued at $57.6 million and 1993-94 production at $67.4 million. Product is sold on both the domestic and export markets. In 1992/93 exports of fresh, chilled and frozen product were worth $79 million. Japan, Hong Kong and Taiwan were the principal buyers. The big marketing problem for the industry is the erratic nature of catches which may be very high for several years and then drop to low levels for several years before returning to higher levels again.

4.4 Oysters

Traditionally in Australia oyster production was synonymous with Sydney rock oysters. However, in recent years two problems have emerged with particular significance for marketing. The first problem is the Pacific oyster. This first arrived as a wild invader. It is larger and more aggressive than the Sydney rock oyster and was treated as a pest by existing growers. However, after it was realised that it could not be eradicated it has been taken up as a cultured species. It is now grown in Tasmania and South Australia in areas which were previously too cold for Sydney rock oyster production. The Pacific oyster is a larger, fatter oyster, but is said to lack the flavour of the Sydney rock oyster. However, its size and presentation on the plate make it competitive with the Sydney oysters.

The second problem is pollution. Oysters feed by drawing water through their gills and filtering out the solids. In polluted water they take in the pollutants which may kill the oyster or make the person who eats the oyster very sick. Many of the traditional production area waterways around Sydney have become increasingly polluted, especially after periods of heavy rain have caused sewage overflows. Producers of the Sydney rock oyster, who have been the backbone of the traditional industry now find themselves under market threat from two quarters; lack of trust in the product from pollution dangers and an alternative product which looks more attractive but is less flavoursome.

Most of the annual oyster production (80 per cent Sydney rock, 20 per cent Pacific oyster) is sold on domestic markets. Small quantities of bottled oysters are exported.

4.5 Marketing

Details of molluscs exports, by volume, value and State for 1990-91 to 1992-93 are listed in Table 12.

Table 12. Exports of Molluscs by Volume (tonnes) and Value ($'000)

	1990-91		1991-92		1992-93	
	Qty	Value	Qty	Value	Qty	Value
	tonnes	$'000	tonnes	$'000	tonnes	$'000
All molluscs						
Abalone	2888	114923	3172	129599	3032	168092
Scallops	1407	30074	3064	44943	5275	79134
Oysters	22	227	13	220	33	330
Other	2021	27944	2360	29250	3296	38667
Total Molluscs	6338	173168	29250	204012	11636	286223
Abalone						
Fresh, chilled or frozen	877	32667	1034	38349	1285	60934
Canned	2012	82256	2138	91249	1747	107158
Total Abalone	2889	114923	3172	129598	3032	168092
Scallops						
Fresh, chilled or frozen	1379	29632	2956	43574	5177	77734
Crumbed	15	159				1401
Other	13	282	107	1369	98	79134
Total Scallops	1407	30073	3064	44943	5275	158269
Total Molluscs	4296	144996	6236	174541	8307	326361

Source: Australian Fisheries Statistics 1993. ABARE

5. EXPORT PATHWAYS

Australian seafood exports are sold on just a few markets. In 1992-93 the four largest markets took nearly 90 per cent by value of all edible seafood exports. Japan took 43 per cent by value, with 17 per cent sent to Taiwan and just under 15 per cent each to United States and Hong Kong. Other destinations were France, Spain and Thailand. Details of exports by volume and value to the major destinations are given in Table 13.

Table 13. Australian Fisheries Exports by Major Destinations

	1990-91			1991-92			1992-93		
Export Market	tonnes	$'000	% val	tonnes	$'000	% val	tonnes	$'000	% val
Japan	20185	355684	49.6	18031	347024	41.9	18595	405588	42.9
United States	9581	128965	18.0	7925	160702	19.4	7114	139050	14.7
Taiwan	3734	72566	10.1	5515	139974	16.9	7730	158594	16.8
Hong Kong	2938	69753	9.7	3757	89077	10.8	6335	139173	14.7
Singapore	771	17543	2.4	1434	20705	2.5	1264	26887	2.8
Other	9226	73202	10.2	9405	70283	8.5	8546	76385	8.1
Total	46435	717713	100.0	46067	827765	100.0	49584	945677	100.0

Source: Australian Fisheries Statistics 1994. ABARE

Trends are hard to pick from the publicly available data. Changes in catch size, particularly in prawns, have an effect on export volumes, while prices are sensitive to exchange rates. The principal markets are sensitive to the $A/Yen and $A/$US relationships. In recent years with the $A at low levels, exports have been price competitive. However with Australian prawns being only a small fraction of Japanese imports, the market is very price sensitive. Lobsters are also price sensitive, however with Australia as the world's largest producer it has somewhat more market power than in the prawn trade. Details of 1992-93 exports by product to the five largest markets are given in Table 14.

Table 14. Principal Australian seafood exports by volume (tonnes), value ($A) and destination 1992-93

Export destination	Japan		USA		Taiwan		Hong Kong		Singapore	
Product	tonnes	$'000	tonnes	$'000	tonnes	$'000	tonnes	$'000	tonnes	$'000
Dried, salted or smoked	1	13					46	3143	22	755
Rock lobster	5321	149162	1780	72064	4337	100598	1881	54677	119	3490
Prawns	6200	123088	38	776	36	451	465	5773	74	847
Abalone	1712	84812	46	2742	512	31328	460	32525	198	12318
Scallops	7	93	1174	15458	161	2556	1693	28557	379	6066
Tuna(whole)	666	4880								5
Fillets	694	4147	3568	41919					41	199
Canned fish									37	221
Other fish	3217	26890	430	4509	1433	13586	1189	6089	303	1535
Other	777	12503	78	1582	1251	10075	601	8409	91	1451
Total	18595	405588	7114	139050	7730	158594	6335	139173	1264	26887

Source: Australian Fisheries Statistics 1994. ABARE

2. ACCESS RIGHTS

Management and allocation of fisheries resources are of supreme importance in Australia and internationally and have been a topic for debate at a number of forums, seminars and workshops around the world.

Thousands of words have been written and spoken on the subject by fisheries scientists, economists academic and lawyers. Two of the most frequent terms used have been "common property rights" and "fisheries access rights". During consultations between the consultants developing a strategy for the fishing industry and industry representatives the lack of property or access rights was frequently referred to. It was blamed for the lack of enthusiasm by many fisheries for regulations aimed at preserving fisheries resources and investment in new fishing enterprises or processing plants.

The presumption by the Commonwealth Government that fisheries resources in the Australian 200-mile fishing zone are "common property" is invalid because the expression "common property" is a nullity, and because the resources of the zone are the property of the Crown (Kesteven G L *Rights in Fisheries* March 1989)

The principle that the public at common law have a historic right to take fish for personal use still stands though it is generally restricted in some ways. Fishing for commercial species is subject to extensive statutory regulation for conservation and other reasons and only a few who hold licences may fish in this way, Dr Kesteven says.

Statutory regulation of sea fisheries has grown tremendously in the 1900s in response to technological developments in the catching, handling, processing and marketing of fish. To preserve the peace and advisably in the interests of conservation international arrangements have been made with respect to fishery regulations that are essentially to accommodation and concordance of national policies and procedures.

Notable elements of these international arrangements are the definition of Territorial Waters, the creation of the Exclusive Economic Zone and the granting of the coastal state sovereignty over these waters. The powers exercised by the coastal state are domestic to these elements.

According to Dr Kesteven commercial fishers have property rights in boats and gear and other material objects. The right they acquire by their licences is to engage in activities authorised by the licence. In cases where a licence can be transferred, fishers have a right of non-material property

Arguments can be advanced for treating the exploitation of fishery resources analogously to mineral and forestry resources and collecting royalties on extracted resources. Collection of royalties at landing places and processing plants would be complex and expensive, according to Dr Kesteven. Fishers generally are opposed to the collection of any form of resource rent under the present access rights regime.

In Australia the debate on "common property rights" in fisheries was highlighted by the then Commonwealth Minister for Primary Industries and Energy John Kerin at a National Fisheries Forum in Brisbane in June 1988.

The Minister declared that it was not fishers who owned the fish but the community. Although fishers are were being asked to contribute an increasing amount to cover the costs of management, they must not assume the Government would eventually hand them the total responsibility for the fishery, he said.

Subsequently the Minister circulated all holders of Commonwealth fishing licences a paper on the allocation of fishing rights by auction, tender and ballot. This was followed by a paper prepared by the

Australian Fisheries Service for the Northern Prawn Fishery Management Advisory Committee on property rights in fisheries.

Faced with the prospect of what they considered could be radical changes in the management and allocation of fisheries resources members of four industry organisations representing individual unit holders and companies operating in the northern prawn fishery sought professional opinion to assist them in understanding the complexities of fishing rights and the issues raised by the Minister and his advisers. They commissioned Dr G L Kesteven, a distinguished scientists with more than 50 years experience in Australia and overseas, to prepare a report on rights in fisheries and to appraise papers on property rights in fisheries and the allocation of fishing rights through auction, tender and ballot.

In his report Dr Kesteven was critical of the Australian Fisheries Service paper on the so-called allocation of fishing rights which dealt with additional procedures the Commonwealth Government proposed to institute with regard to the issuing of licences. He said they did not specifically speak of one right that fishers had by virtue of possession of a licence and said nothing about any other rights that might be granted to them. He described the document as explanatory and persuasive propaganda. The authors made no assumptions, developed no arguments and no conclusions or recommendations. Dr Kesteven said the second AFS paper on "property rights in fisheries" was defective and erroneous and threw no light on the question of property rights in fisheries.

The passing of the Fisheries Management Act 1991 and the establishment of the Australian Fisheries Management Authority to administer the management of Commonwealth fisheries saw a shift in attitude towards fisheries access rights.

Some sections of industry considered the new act diminished their rights under a 1985 amendment to the 1952 Act that introduced the concept of management plans for Commonwealth fisheries. According to Minister Kerin management plans provided a basis on which fishers would be able to plan their business arrangements with greater assurances of continuity over a period of years. It was the intention to issue licences for longer periods than one year but this did not eventuate.

Under the 1991 Act fishing licensees were replaced by statutory fishing rights that were valid for the time a management plan was in operation. Sections of the fishing industry, particularly those in the northern prawn fishery, were not convinced. They saw the provisions of the new act as a diminution of their access rights and the cause for concern to the catching, processing and marketing sectors and uncertainty among financial institutions. It was claimed that it was preventing industry in some cases from planning new enterprises with potential to increase Australia's export earnings, something that the Government regards as being of prime importance.

Industry contended that if the rights of unit and quota holders in Commonwealth fisheries were satisfactorily protected by the "just terms" provision relating to the acquisition for Commonwealth purposes contained in Section 51 (xxxi) of the Constitution, there would be little or no problem.

There has been litigation l on the constitutional aspects of fisheries property rights but this has done little to remove the concerns of the fishing industry. The refusal by the High Court in 1994 to grant special leave to appeal the decision of the Full Court of the Federal Court in the Minister for Primary Industries and Energy v Fitti and Davey case did little to clarify the position. it established that the compulsory reduction of units by the 1992 amendment to the Northern Prawn Fishery Management Plan did not involve an acquisition of property contrary to Section 51 (xxxi) of the Constitution.

The fishing industry supported the recommendation of the Senate Standing Committee that the Minister for Resources should appoint a committee of experts to review fisheries property rights. Representations to the Minister to have the committee appointed were unsuccessful A joint working group from industry (NFIC)the Department of Primary Industries and Energy, the Attorney General's Department and

AFMA was established to examine concerns expressed by industry members of the Northern Prawn Fishery Management Advisory Committee to AFMA that the transition to the 1991 Act could cause a diminution of existing rights and that the "without compensation" provisions were causing concerns to financiers and the industry.

The working group considered whether there was a need for the "revocation" provisions particularly in view of the suggestion that changes to a management plan, including transition from one management system to another (input to output controls) reductions and or increases in total allowable catches or permanent closures of fisheries for biological reasons, could be achieved by amending existing management plans. It was recognised that while AFMA might need to revoke a plan this could occur through overriding legislation such as the Endangered Species Act.

It was generally agreed that amendments to the "revocation" and "no compensation" provisions would encourage increase investment in and development of Commonwealth fisheries, and would result in more effective management as industry would adopt a more responsible attitude to conserving a resource to which it had guaranteed on-going access rights.

A committee was appointed to consider options that would grant Commonwealth fishers on-going access rights either through the "revocation" provisions of the 1991 Act to ensure rights held under a management plan would be "rolled over" to a new plan if a plan was revoked or through other options/amendments if this could not be achieved by amending the "revocation" provisions. The committee was also asked to look at the question of removing the "without compensation" provisions.

As a result of the committee's deliberations certain amendments to the 1991 Act are being drafted for presentation to Parliament in mid-1995.

The chairman of the Australian Fisheries Management Authority Jim McColl reporting to a public meeting in Canberra in February 1995 said : "On the general issue of fishing rights, discussions have been held with industry regarding the ongoing security of rights under the 1991 legislation

"It has been agreed to progress suitable amendments to, in particular, make it clear that on-going rights will be protected in the unlikely event of a revocation of a management plan and its replacement by a new plan

"In practice, of course, management plans will be amended as may be necessary rather than revoked"

Under the High Seas and Submerged Lands judgement by the High Court of Australia the Commonwealth has jurisdiction over fisheries resources from high water mark out to 200 nautical miles. However, the Offshore Constitutional Settlement between the Commonwealth and States gave jurisdiction over certain fisheries to the States and Northern Territory. They include rock lobster, the Exmouth Gulf, Shark Bay and South Australian Gulf prawn fisheries and the east cost trawl fisheries north of Sydney.

While the Commonwealth is moving towards the granting of statutory fishing rights (SFRs) under its 1991 Act most States continue to licence fishers on a year to year basis. However, some are reviewing their fisheries acts to issue fishing licences beyond the annual renewal system. New South Wales has passed legislation granting fishing rights for 10 years.

3. QUALITY ASSURANCE

Maintaining product quality at all stages in the post-harvest chain is the single most important factor in securing the highest return from our fisheries resources.

Getting producers and processors to handle the catch properly was perhaps the biggest challenge for the seafood industry, according to a report[1] by the Australian Science and Technological Council to the Prime Minister and the Australian Science and Technological Council (ASTEC) in 1988

There was no information on how much waste occurred or how much profit was lost through failure to observe basic quality assurance procedures. Evidence from fisheries inspectors, industry representatives, processing managers, wholesale marketers and retailers suggested it was significance, the report said.

Quality assurance is a promise to buyers that a product has been produced according to approved standards, guarantee procedures. and agreed specifications.

Every buyer wants to be assured that the product they are buying consistently satisfies their needs and those of their customers. If it does then they will come back again and again.

The quality of seafood when it reaches the consumer is determined by the end to end procedures covering method of capture, its condition when caught, post-harvest handling, processing and presentation.

There are increasing demands by foreign seafood importing countries for more specific information on such matters as the source of product, and the quality assurance system used as a pre-requisite for purchase of Australian seafood. This highlights the importance of having a national Government approved export seafood quality assurance scheme.

European Community countries, particularly France and Greece, and some Asian importing nation such as Korea and to a lesser extent Japan, now require more specific information on such matters as the source of product, the quality assurance system used and the level of residues as a pre-requisite for the purchase of Australian seafood.

3.1 Exports

Seafood exports are subject to strict quality assurance controls administered by the Australian Quarantine and Inspection Service (AQIS) under the Export Control Act.

Fishing boats catching and processing product at sea for export and shore establishments processing for export must be registered annually by AQIS to meet approved requirements. In 1994 there were 678 export registered fishing vessels and 526 land based

Australia has a long history, dating back to the 1930's of involvement in seafood export quality controls and product inspection. Initially the cost of the fish export inspection was met by the Commonwealth Government but this was changed to a "user pays" system under which registered establishments paid a proportion of the costs.

A 1982 amendment to the Export Control Act reduced the intensity of inspecting of seafood exports and introduced two alternative inspection regimes. The first included product monitoring as well as ensuring processors had premises that met designated standards. Exporters were classified in one of

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1 **Casting the Net-Post- Harvest Technologies and Opportunities in the Fishing Industry* establishments (AQIS).

three levels of inspection intensity, depending on how well they met the performance criteria in the past. AQIS sampled product consignments and assessed the product characteristics for size (count) the product was true to label, health and quality criteria. The quality criteria included diseases and the level of certain chemical residues, biotoxins etc.

Under the second regime- Approved Quality Control (AQA)- the processor implemented and fully documented quality assurance scheme. The emphasis was not on inspection of the final product. The program is audited three times a year. This system entails a shift in emphasis from the end product to the quality built in to the processing method.

The speed of change in the seafood export quality control accelerated in 1994 with the introduction of full cost recovery for inspection services and pressure from exporters for costs to be reduced. With product inspection reduction in costs was difficult because charges related directly to the amount of product sampled.

Previously export product from registered establishments that did not have Approved Quality Assurance (AQA) arrangements with AQIS was inspected by AQIS under the Product Monitoring System (PMS) before it left Australia to ensure it was fit for human consumption and was true to label. Under new quality assurance arrangements applying from April 1994 product is certified for export in-house under AQA arrangements or the Food Processing Accreditation (FPA) system based on Hazard Analysis Critical Control Point (HACCP) conditions. (More than 95 per cent of registered fish export establishments have moved to AQA or FPA arrangements.)

Which system is used is agreed between the exporter and AQIS and depends on the type of product , volume, risk of contamination and other factors.

An AQA arrangement is one between AQIS and a company that has demonstrated effective in-house quality control, whereby the company under agreed conditions takes over the inspection functions previously exercised by AQIS. The involvement of AQIS is limited to monitoring the effectiveness of the company's quality system through continuing audit programs.

Although not essential under AQA arrangements, AQIS encourages implementation of a Total Quality Management (TQM) approach under which every member of an organisation or company, from the chief executive down, is involved in identifying, analysing, and improving its quality performance.
Under the old PMS end product sampling it was assumed that a certain amount of defective product would always be produced and detected. The aim of an AQA arrangement is to 'get it right first time' by refining the quality system to the extent that defective product is minimised or eliminated.

The FPA system is less complicated than AQA arrangements and is designed for product that has a low level of contamination risk and for establishments that handle small volumes of product.

With AQA and FPA the company or exporter must ensure that in-house quality control arrangements meet the relevant product orders in the Export Control Act, and any official importing country certification or assurance requirements.

There is scope for a group of individual companies or operators, co-operatives or industry organisations to jointly enter into AQA or FPA arrangements with AQIS which will audit the controls and procedures applied by the controlling agency. Foreign countries generally prefer quality assurance programs that are approved by a government agency and certified accordingly.

All the above arrangements require registered export establishments to establish and maintain, for AQIS audit, operating manuals containing details of risk elements and sampling plans.

The major role for AQIS now is to ensure that product is fit for human consumption, is accurately described, and meets the importing country's requirements. There is more emphasis on control of processes, such as freezing and cooking, rather than inspection of end product, including reduction in the proportion of the export product that is sampled

There was some debate among processors and exporters about the quality control changes Major operators with AQA or FPA arrangements already in place or were moving towards introducing them were in favour but smaller establishments that relied on AQIS inspectors for quality control had reservations. However, following considerable cost savings in the first year of operation there is more general acceptance of the new procedures.

3.2 Domestic Standards

There are no national quality standards, similar to those for exports, for product supplied to domestic markets. As a consequence domestic product in many cases is considered lower in terms of appearance and general presentation than export product. State health regulations apply to non-export registered processing premises, markets, factories, wholesale and retail outlets. Melbourne City Council health inspectors are employed at the Melbourne fish market. The New South Wales Fish Marketing Authority previously had fish inspectors at the Sydney auction market but these have been withdrawn. Monitoring of fish quality is now the responsibility of the State health authority.

Establishing a national approved quality and accreditation system for suppliers to domestic markets similar to that for exports is a high priority. However, implementation would prove difficult because of the fragmented nature of the marketing chain and the need to obtain agreements from the various States and Territories. Considerable quantities of fresh fish, crustaceans and molluscs are delivered direct from boats to wholesalers, processors and retailers. Major auction markets in Sydney and Melbourne receive product direct from ports and from inter-state suppliers. The point at which a quality assurance system could be positioned in the marketing chain would need to be determined as would who would pay for the service.

3.3 Imports

Seafood imports must meet approved quarantine directives under the Quarantine Act and are subject to inspection by AQIS. As well imported products are subject to State health regulations.

3.4 Conclusion

Major changes to Australian seafood export quality controls have occurred in the past 10 years. Today the main emphasis is not to classify seafood as "high" or "low" quality but to establish whether it meets health or safety requirements of consumers in importing countries. Responsibility for product quality now lies with producers, processors and exporters. This concept is embraced by the majority of processors and exporters, especially larger establishments, that have moved to in house quality assurance programs

However, in future there could be circumstances when a higher standard of product quality control than that presently in force is justified to increase the net value of exports. The manufacture of products for premium markets may require higher standards of quality than are needed to meet present AQIS standards. There is provision in the present arrangements for this to be achieved.

There are still some differences in attitude to the new quality assurance program particularly among smaller processors that provide product for export and domestic consumption. This leaves the export industry vulnerable to the lowest common denominator operator To overcome this possibility a comprehensive information campaign by AQIS outlining the advantages of the new regime to producers, processors and exporters is recommended.

Producers and processors supplying seafood to Australian consumers are not subject to the same compulsory quality assurance regime that applies to the export sector. To introduce such a system would be difficult because each State and Territory is responsible for its own health food standards and it would take considerable persuasion for them to agree to a separate national quality controls for seafood. There would inevitably be resistance from producers to increased costs involved. The recommended strategy to address this issue would be the introduction of a voluntary national quality regime for seafood supplied to domestic markets. Industry would need to be the initiator.

Lack of a national co-ordinated quality assurance program for domestically marketed seafood undermines consumer confidence and the ability of seafoods to match the standards of other food products. It also could be costing producers loss of profit by lowering rejection rates an wastage along the market chain.

The ABARE report on *Efficiency of Australian Seafood Marketing* (Smith P and Reid C 1993) stressed that there was uncertainty among customers in relation to the handling standards used at all levels of the marketing chain and the impact of internal factors, such as marine pollution, on the wholesomeness of seafood.

4. COMMONWEALTH ROLES IN FISHERIES

4.1 Introduction

A complex and uncoordinated network of Commonwealth, State and territory departments and agencies are involved in fisheries management, policy, research and development and seafood export marketing. Lack of coordination creates problems for industry when planning new national development and marketing initiatives.

The Commonwealth Government has jurisdiction over fisheries resources within the 200 nautical mile Australian fishing zone (AFZ). Six state governments and the Northern Territory have residual powers over waters out to three miles of low water mark. In some cases, with agreement of the states and the Northern Territory, the Commonwealth has jurisdiction to the low water mark.. Conversely, under agreement with the Commonwealth, States have jurisdiction over some fisheries in the AFZ.

4.2 Commonwealth Departments, Agencies and Authorities

4.2.1 Australian Fisheries Management Authority

The Australian Fisheries Management Authority (AFMA), a Commonwealth statutory authority, has major responsibility for the management of fisheries under Commonwealth jurisdiction. It does not have direct involvement in research and development, marketing and export trade, but does have an interest under Government policy of maximising economic efficiency in the exploitation of fisheries resources.

AFMA has three goals:

1. Fisheries management

To develop and implement

- fisheries management programs that will result in the conservation and sustainable use of all fisheries within its control, including the recovery of depleted fisheries

- fisheries management programs that will encourage the efficient exploitation of fisheries resources.

2. Communication

- To increase the level of awareness of fisheries resource issues within the broader community, with particular emphasis on the fishing industry and other users of marine resources.

3. Policy development and efficient administration

- To improve the efficiency, effectiveness, focus and balance of fisheries management and actively participate in the development of fishery policy.

The two main acts that govern the operations of AFMA are the Fisheries Administration Act 1991 and the Fisheries Management ACT 1991. In addition AFMA administers legislation under 10 other acts. At 30 June 1993 20 fisheries were managed by AFMA involving 1,321 licensed operators.

Fisheries under AFMA management and the number of participants in each fishery were:

South east	124	Southern shark	36 gillnet & 96 hook
Great Australian Bight trawl	10	Bass Strait scallop	5
King crab	NA	Squid	68
Northern prawn	125	Southern bluefin tuna	94
East Coast tuna	218	Jack mackerel	31
Torres Strait protected zone	485	North west slope trawl	12
Western deepwater trawl	8	North-east demersal line	14
East coast demersal	83	East coast trawl	8
Broome prawn trawl	5	Northern shark	20
Northern fish trawl	1	Western Australian trap and pot	1
Christmas Island	5	Cocos Island (Keeling) line	5

The northern prawn, southern bluefin and south east fisheries are the most important. In 1992/93 the NPF prawn catch was 8,500 tonnes worth $120 million. Production in the south east fishery was 31,300 tonnes worth $61 million. The SBT catch was 5,265 worth $53 million.

4.2.2 Department of Primary Industry and Energy

Fisheries Policy Branch

Fisheries Policy Branch provides policy advice to the Government on fisheries management and development issues. It does not have a direct role in marketing, but when advising the Minister for Resources, relevant marketing and trade issues are considered with other agencies and industry on trade agendas. The branch leads in international government fisheries negotiations and Commonwealth/State discussions, particularly those involving policy. It reviews the adequacy of fisheries legislation.

New directions for Commonwealth fisheries policy beyond 2000 are being drafted by the branch for consideration by the industry and the approval of the Government.

Bilateral Policy Branch

The branch deals with bilateral commodity trade relationships. It studies national trade and policy, sets priorities and deals with generic issues. It is involved with the APEC fisheries group and non tariff barrier studies. It gathers trade information on specific countries, including food standards and quantitative restrictions.

Corporate Policy (GATT} Section

The section deals with multi-lateral arrangements, in particular those associated with GATT and feeds back information into the various DPIE commodity areas. After the Uruguay round of negotiations is completed it will monitor the implementation of decisions. It is proposed that the Cairns Group will widen its role to include fisheries.

Agribusiness Programs Section

Under the Government's agribusiness program approximately $8 million is provided annually to assist business marketing in the agriculture, fisheries and timber industries. Programs funded include marketing skills and innovative agricultural marketing.

Australian Bureau of Agricultural and Resources Economics (ABARE)

ABARE provides the Government with economic advice relevant to the primary and energy industries to assist it to make policy and production decisions.

The fisheries section of ABARE does economic cost and earnings surveys of fisheries under Commonwealth jurisdiction to assist industry/Government advisory committees and AFMA to make management decisions.

The fisheries branch has published a number of reports on the results of analysis of domestic and export seafood marketing, including the important Japanese and Asian markets.

It also maintains a statistical data base on domestic production and exports of seafood. This data has been expanded to provide information required for a range of other activities including research and development funding, production and trade statistics for FAO and the OECD.

Australian Quarantine and Inspection Service (AQIS)

AQIS is responsible for setting and enforcing export standards for seafood under the Export Control Act. Under the Quarantine Act, imports are subject to inspection by AQIS. (See the Section 3 in this appendix on quality assurance).

Bureau of Resources Sciences (BRS)

BRS is a professionally independent bureau established in 1992 in the Department of Primary Industries and Energy. Its role is to enhance the sustainable development of Australia's agricultural, mineral, petroleum and fisheries resources and their industries by providing high quality scientific and technical advice to government, industry and the community.

In the fisheries field BRS has produced status reports for Commonwealth managed fisheries and reviews of major fisheries, the most recent being one on the south east fishery. It also assists AFMA in the setting of total allowable catches for fisheries where individual transferable quotas apply, particularly the SEF.

Department of Industry Science and Technology (DIST)

This department's Environment Protection Authority is playing an increasingly important role in providing the Commonwealth Government with advice on environmental matters some of which are in relation to coastal degradation, fish by-catch and marine parks.

Department of Foreign Affairs and Trade (DFAT)

The department advises the Commonwealth Government on international aspects of marine fisheries and negotiates access and jurisdictional agreements with foreign governments. AUSTRADE, which comes under the jurisdiction of the Department of Foreign Affairs and Trade advises the Government and industry on opportunities for the marketing and promotion of Australian seafoods on foreign markets. It also assists industry with presentations at trade fairs

CSIRO Division of Fisheries Research

The main role of the CSIRO is to plan and execute a comprehensive program of scientific research on behalf of the Commonwealth (CSIRO annual report 1978-79).

CSIRO's Division of Fisheries Research conducts basic and strategic fisheries research on behalf of the Commonwealth. It also provides advice: on population dynamics, ecology and biology of commercial and potentially commercial fish resources in the Australian Fishing Zone. It conducts research aimed at improving the utilisation of fish resources while the Division of Oceanography researches ocean currents that provide the basis for other biologically oriented research.

Fisheries Research and Development Corporation (FRDC)

Established in 1992 by the Commonwealth Government to replace the Fishing Industry Research and Development Council (FIRDC), the Fishing Industry Research and Development Corporation is a statutory authority. It receives its funds from three Commonwealth Government and an industry levies on Commonwealth fisheries of 0.5 per cent of gross production value. This amounts to approximately $6 million a year.

The corporation has an expertise based board of directors which establishes priorities, selects projects for funding and actively solicits research to fill gaps in research effort.

Great: Barrier Reef Marine Park Authority (GRMPA) and the Australian Institute of Marine Sciences (AIMS)

GRMPA and AIMS conduct research that at times is fisheries related.

5. FISHING INDUSTRY ORGANISATION

A proliferation of councils, associations and Committees (more than 100) have been established in Australia to represent various fishing industry interests. Some are purely local in outlook, others represent State and a few, national interests. Little attempt has been made to co-ordinate the work of the various organisations.

The catching sector of the industry has the strongest voice, while processing s marketing, and promotion are poorly represented.

The peak national body is the National Fishing Industry Council (NFIC). Its members represent six state and one territory fishing industry councils and one member representing two national industry associations (tuna boat owners and south east trawl fishers). Its headquarters are in Canberra and it has one full time staff member (an executive director). Funding comes from annual fees from member organisations (presently about $12,000 each).

In the past numerous efforts have been made to strengthen the national structure for ongoing consultation between the fishing industry and the Commonwealth Government but with little success.

At an Australian fisheries conference in 1985, attended by more than 130 representatives from 30 fishing industry organisations, the Commonwealth Minister for Primary Industries in his opening speech said: "My main hope for this conference is that we achieve a national structure for ongoing consultation between the Commonwealth and industry".

That issue dominated the conference. A strong preference for an independent national fishing industry council was expressed. However there were differing points of view on the precise structure and other facets of such an organisation.

The conference chairman Doug McKay considered funding lay at the heart of many of the difficulties He felt that a task force appointed by the conference could reach some workable, stable and equitable funding arrangements. But this was never achieved.

During and following the conference, some attempts were made to strengthen the National Fishing Industry Council and a National Seafood Promotion Organisation was formed. The latter lasted for only a short time.

At the various conference sessions most of the issues dealt with in the development of the fishing industry national strategy were raised. A series of resolutions and recommendations were agreed to, but few were subsequently acted on.