FISHERIES RESEARCH & DEVELOPMENT CORPORATION

REPORT

ON THE AQUACULTURE SEARCH CONFERENCE

NOVEMBER 1994

AUSTRALIA

Department of INDUSTRY, SCIENCE & TECHNOLOGY

OUTCOMES OF A TWO DAY WORKSHOP

ON

MARINET

The Australian Marine Industries Network

NATIONAL AQUACULTURE REPRESENTATION

REPORT ON THE AQUACULTURE SEARCH CONFERENCE

NOVEMBER 1994

OUTCOMES OF A TWO DAY WORKSHOP ON NATIONAL AQUACULTURE REPRESENTATION

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CONTENTS

SPONSORSHIP

Fisheries Research and Development Corporation (FRDC), Department of Primary Industries and Energy (DPIE), Agribusiness Program and the Department of Industry, Science and Technology (DIST) through Marinet were willing sponsors of this first National meeting of Australian aquaculture industries.

The industry is grateful for their support and in particular, to the DPIE Agribusiness Program which has provided additional funds to PSM Consultants to facilitate the meetings of the recently appointed Working Group.

ACKNOWLEDGMENT

The Aquaculture industry, Government Agencies and participants are grateful for the assistance given by Liz Evans, who provided the minutes of the meeting and assisted in the presentation of this report.

David O'Sullivan and Brian Jeffriess assisted in the organisation of the conference which ensured it was successful.

INTRODUCTION

AQUACULTURE INDUSTRY - DEVELOPING COMPETITIVE STRATEGIES

In March 1994 the Minister for Primary Industry and Energy released the National Strategy on Aquaculture. Produced by the Standing Committee on Fishing and Aquaculture (SCFA) the national strategy identified a number of issues and recommended numerous strategies which were the responsibilities of the various stakeholders (Industry, Commonwealth/State/Local Governments, R&D providers). The National Strategy particularly focussed on quality issues and recommended that industry associations and DPIE develop long-term quality assurance programs and codes of practice.

A key goal in this Strategy was the professional organisation of the aquaculture industry and in particular the identification of a peak body to act as a contact point for Government Agencies and industry groups. The SCFA concluded that the industry must be able to assess and respond to market requirements whilst also ensuring R&D meets the needs of industry.

The necessity of implementation of this key goal was highlighted further by the raising of several issues by Government agencies concerning the aquaculture industry. Due to the absence of a peak aquaculture body these agencies had difficulty in finding a point of contact in order to follow the correct consultative procedures so that the industry may properly address the issues.

Several issues have recently been raised by Government agencies concerning the aquaculture industry, however, these agencies have had difficulty in finding a point of contact in order to follow the correct consultative procedures so that the industry may properly address the issues.

On 31st August David Cox from AQIS requested a meeting in Melbourne with aquaculture industries which could be affected by the National Residue Survey Programme as it related to exports to Europe. An outcome of this meeting was to look at a means for holding a National Aquaculture meeting in the near future, so that this and other issues raised by AQIS could be discussed with industry representatives.

At the same time, the National Fishing Industry Council (NFIC) had been approached by the DPIE to look at how the National Aquaculture Strategy would be implemented. NFIC subsequently formed an Aquaculture Steering Committee whose responsibility would be to formalise a National Aquaculture consultative process and representative body. The Australian aquaculture industry is fragmented and needs industry to establish a professionally structured body with clear objectives and effective representation.

The National Aquaculture Search Conference held in Canberra on 29th & 30th November 1994 was considered by industry participants to be extremely successful with most of the original objectives being achieved.

This report should be read in conjunction with the Proceedings from the Conference which were provided in a separate publication. Copies of the Proceedings are available from Jayne Gallagher at the DPIE Fish Policy Section in Canberra.

This report summarises the discussions and outcomes from the conference. There is an emphasis on the workshops which provided an opportunity to identify the major issues and the possible strategy programs best suited to ensure the successful implementation of the outcomes.

The report is expected to provide a working document for the Working Group which was appointed following the conference. The Working Group is an initiative of the participants at the conference.

1.0 EXECUTIVE SUMMARY

The Aquaculture Search Conference was successful in identifying a group to take on the responsibility of structuring a National Aquaculture body to represent industry. The objectives of industry and the terms of reference for the working group were clearly defined by the participants.

The vehicle responsible for formalising industry representation over the next twelve months is to be known as the National Aquaculture Industries Working Group (NAIWG).

A national body was considered necessary to represent all the aquaculture industries at a national level and support those who wish to have issues dealt with by NFIC and Government (Commonwealth). In essence, it will have a watchdog role.

It is believed the concept will not be difficult to "sell" to the National Aquaculture Associations nor the State Aquaculture Organisations.

This report is defined to assist in this regard and should be added to in time. The Conference has given NAIWG a clear mandate to structure an effective body to represent aquaculture industries on a National Basis.

The options for National representation have been clearly identified and NAIWG should now simply define the most appropriate process to achieve the objectives.

2.0 OUTCOMES OF SEARCH CONFERENCE

Recommendations:

REC. 1 — Definition of aquaculture - agreed on that suggested by D. O'Sullivan in his address which was that adopted by FAO. (See * below)

["Aquaculture is the farming of aquatic organisms, including fish, molluscs, crustaceans and aquatic plants. Farming implies some form of intervention in the rearing process to enhance production, such as regular stocking, feeding, protection from predators etc. Farming also implies individual or corporate ownership of the stock being cultivated."]

REC. 2A — Endorse and support the appointment of at least one full-time aquaculture specialist within the DPIE Fisheries Policy Branch.

REC.2B — The formation of a National Aquaculture Industry Working Group (NAIWG) to progress the outcomes of the Conference and initiate the formalisation of National representation.

REC. 3 — The need for someone to facilitate the acquisition of funds so that industry could progress to the formation of a Working Group which was given the mandate to network the various industries.

ACTION — *Mr S Bennison offered to be a contact point and indicated he and Mr D O'Sullivan would facilitate the networking programme with the Working Group.*

REC. 4 — The aquaculture and capture sectors must cooperatively find the most effective structure to ensure the economic and environmental sustainability of all industries.

REC. 5 — Adopt terms of reference for the Working Group which were identified so that it may formalise an incorporated Council (if required).

REC. 6 **States to reduce fragmentation of the aquaculture industries.**

ACTION *States which do not have a State or National Aquaculture organisation representing the interests of industry to endeavour to facilitate such a structure as soon as possible.*

State Aquaculture organisations would be strengthened by representation on a National Working Group and also with their respective capture sector peak body organisations, which must be seen and known to represent all sectors of the commercial aquatic industries.

REC. 7 **Following the formalisation of a national aquaculture industries body, this group should seek membership of the National Fishing Industry Council which is recognised as the peak body representing the seafood industries across Australia.**

REC.8 **It will be necessary to develop a funding strategy for the ongoing financing of Executive support for a National Group.**

ACTION *NAIWG to evaluate funding mechanisms for National representation.*

REC.9 **NAIWG approach the Taxation Office to appropriately define aquaculture and the subsequent qualification of aquaculturists as primary producers as defined in the Act.**

REC.10 **The National Aquaculture Group approaches the Australian Taxation Office to appropriately define aquaculture and the subsequent qualification of aquaculturists as primary producers as defined in the Act.**

It was identified that the majority of groups were represented through respective State Councils.

3.0 NATIONAL AQUACULTURE INDUSTRIES WORKING GROUP (NAIWG)

An outcome from the Search Conference was to form a working group comprising two members from each State.

S. Bennison and D. O'Sullivan were successful in obtaining financial support from the DPIE Agribusiness Program to ensure expenses could be met in formalising national representation. This includes the administration of the NAIWG over the ensuing twelve months .

The Draft Terms of Reference of NAIWG were presented to the Conference delegates and amended to read as follows:

(1) To operate where possible within expanding NFIC and current State Council structures to ensure the closest liaison between all parts of the seafood industry.

(2) To follow up the outcomes of the National Aquaculture Strategy and where supported by industry, ensure they are implemented in the most effective manner.

(3) To act as a pro-active coordination point between industries for exchange of information on legislation, policies, environmental issues and other issues.

(4) Optimise financial and technical resources available to the industry, including future internal funding.

(5) To liaise with research bodies, including the CRC on aquaculture and FRDC, to ensure that aquaculture is adequately funded and its important future role is recognised.

(6) To ensure that the aquaculture industry's views are represented in national issues such as ballast water, Native Title, health and quarantine regulations, trade negotiations, coastal development, economic and taxation issues, education/training structures, ESD policies, marketing issues, environmental issues national profile and interaction with recreational fishing.

(7) Coordination between industry, Federal and State Governments.

The members of NAIWG were nominated by each State. D O'Sullivan is chairing and providing the executive support to the group.

NAIWG FUNDING

The financial support provided by Agribusiness to the Working Group will be used to provide executive support to the Group and fund the cost of meetings. The outcomes of the Group will be documented in two stages:

(a) *Feasibility Report* -

This will identify the processes by which networkng the industries will be achieved and determine the mechanism and format of industry representation.

(b) *Business Plan* -

This Plan will identify the management plans for the various programmes which are to be adopted in the initial stages by the industry body.

This process will ensure an appropriate management structure will be able to implement the strategy programmes which were identified during the workshops. This will be a once off opportunity for industry and Government to develop and implement, on a cooperative basis, long-term strategies which will optimise benefits to the nation.

The programme for the Working Group over the next twelve months is outlined below.

OBJECTIVES

1. Progress through a feasibility stage to the development of a business plan which will deal with the mechanism for ranking aquaculture issues on a national basis, and the development of standards and codes of practice for various industries.

2. Integrate short and long term strategies into a business plan, detailing quality assurance programmes (QAPs) to improve the competitiveness of Australian aquaculture produce on the world markets.

3. Development of financial strategies which will result in industry contribution towards developing QAPs and Code of Practice (COPs, "World Best Practice"). In an effort to achieve ISO 9002 status or some other appropriate standard.

4. Formalise an industry management structure able to manage priority programmes which address the key issues affecting the long-term viability and profitability of the aquaculture industry.

5. Evaluate the requirements for standardisation of site/lease tenure.

6. Develop generic promotion programmes for aquaculture products on a national basis which will optimise returns to producers.

Feasibility Study Objectives

1. Identify processes by which the various aquaculture groups can be networked to resolve various issues.

2. Identify major issues confronting the various industry sectors and the most appropriate strategies by which they can be addressed.

3. Identify the best management structure for the aquaculture industry on a national basis.

4. Outline methodology to progress the national development of the industry in the most cost effective manner.

Business Plan Objectives

1. Identify the relationship between production and marketing strategies and how they may optimise returns to the aquaculture industry.

2. Prioritise issues/problems identified during the National Search Conference on Aquaculture and identify strategies for progressing them e.g. participation in the NRS.

3. Identify the time frame for achieving goals and resolution of issues prioritised during the feasibility study.

4. Develop a strategy for the promotion of the aquaculture industry highlighting its economic significance and environmental responsibilities.

5. Identify the best mechanism for a communication network throughout the aquaculture industries.
   This might be too big for the business plan - it might be the next stop.

6. Formalise processes by which industry will prioritise R&D projects for funding, with an emphasis on the reduction of duplication and research being directed towards meeting industry's needs.

The fourteen industry representatives will be contributing their time to the Working Group and consulting with the majority of aquaculturists in their State. This will involve meetings with the appropriate Associations. Response by these Associations to issues raised by the Search Conference and Working Group will be conveyed back to the Working Group by the delegates via phone (six) and face to face (two) meetings.

The Fifth Australian Aquaculture Conference and Trade Show is due to be held in Tasmania in mid-October 1995. This meeting attracts 600-650 aquaculturists from around Australia and provides an excellent opportunity for a draft discussion paper to be ratified by industry.

Following a final meeting in December, it is anticipated a discussion/options paper will be ready for general release in January or February. The Working Group will begin implementation of networking programmes and industry representation procedures towards the end of this period.

Over the twelve to fourteen months of the project, there will be these strategy programmes:

1. Feasibility
2. Formulation of a Business Plan
3. Implementation.

The time-lines and programmes for the project are summarised in Table 1.

Table 1
National Aquaculture Industries Group Strategy Programmes

Program	Date
Feasibility and networking:	
. Discuss options for industry management structure, including NFIC affiliation. D O'Sullivan submitted position paper to NFIC AGM on 1.2.95.	19.12.95.
. Discuss NFIC response; prioritise issues and submit to industry	March 1995
. Discuss industry response to issues	May 1995
Formulation of Business Plan	
. Set options for industry including structure/function/ communications/networking/funding. Submit to industry.	July 1995
. Discuss industry response to options paper and workshop at meeting in Melbourne	August 1995
. Prepare draft discussion paper for industry meeting in Hobart and circulate to industry	September 1995
. National Meeting. Draft discussion paper discussed and formalisation peak industry representation	October 1995
Implementation	
. Discuss outcomes of Hobart meeting. Prepare final options paper and implementation of strategies for future programmes.	December 1995
. Public release of document	January 1996

Funds of $23,000 have been granted by Agribusiness along with significant industry contributions to complete the above Programmes. This will provide for a part-time Executive Officer on a consultancy basis which has been awarded to D. O'Sullivan of P.S.M.

It is anticipated the resulting representative industry group will be responsible for the implementation of the programme strategies identified in the course of the project and the Business Plan.

It is expected that delegates to the Working Group from States without established peak body representation will endeavour to facilitate the creation of such bodies during the course of the project.

It is important to maintain the momentum established by the Search Conference and resolve as many issues in the next twelve months that will facilitate National industry representation. This also applies to specific based National industry group.

4.0 OBJECTIVES OF INDUSTRY

In an effort to prioritise the needs of industry for it to be successful and provide the Working Group with a broad understanding of future direction, workshop sessions provided the following summarised comments (details provided in Appendix II).

Four categories were identified in accommodating the needs and objectives of industry. They included:

(a) <u>Property</u>

- Terms and security of tenure are critical for the long term viability and sustainability of aquaculture. Perpetual leases were preferred.
- Government to be more pro-active and less regulative.
- Ensure industry is given right of access.

(b) <u>Environment</u>

- To standardise and rationalise environmental regulations on a national basis involving greater consultation with industry.
- To develop a philosophy "polluter pays" for the management of water quality and not the "user".

(c) <u>Promotion</u>

- To include the image of industry and its socio-economic benefits as well as generic product promotion.

(d) <u>Generally</u>

- Industry to develop a cooperative approach in addressing all issues with improved consultation between other industry groups (National Farmers Federation, Brandy and Wine Corporation etc) in an effort to improve its professionalism.
- To ensure Government increases its level of consultation across all facets of industry and Government.

5.0 ISSUES

A number of issues were identified during the workshops. It was resolved that these should be addressed by a National Aquaculture body representing industry.

- Generic promotion of aquaculture products.
- Translocation of aquaculture species, both freshwater and marine.
- Adoption of policy on genetic and transgenic policy/ethics in aquaculture.
- Advice to Government on the use and registration of chemicals in aquaculture.
- Identify and submit research programmes which are identified by aquaculture industries as of national importance. Particularly those which apply across a variety of industries e.g. freshwater crayfish, shellfish.
- Development and implementation of Codes of Practice for various industries.
- Assist in the development, adoption and accreditation of education and training programmes on a national basis. Most of this work can be done on a State by State basis with the National Group providing a consensus opinion to the appropriate National Agency.
- Taxation issues, such as the Reportable Payment System and others have concerned the aquaculture industry at large. Some industries believing that inadequate consultation occurs between Government and the Aquaculture industry. The status of aquaculturists as Primary Producers and subsequent benefits must be addressed (See Appendix II).
- Trading names (domestic and export) approved for cultured product.
- International and national acceptance of certification programmes such as those applicable to shellfish and quality assurance of other aquaculture species.
- Ownership of resources has resulted in an on-going debate between sectors of the aquaculture and capture industries. In most cases there appears to have been resolution of differences. This issue will maintain a high profile, particularly as regulated species in the managed wild fisheries are adapted to aquaculture practices.
- Access to sites will tend to be dominated by State issues.
- Facilitation and implementation of the National Aquaculture Strategy.
- Support the development of marketing strategies as requested by industry groups.
- Facilitate the development of Quality Assurance Programmes specific to species and countries.

Other issues which require a cooperative approach to resolution from both the aquaculture and capture sectors include:

- Networking of aquaculture on a National level.
- Coastal development and resolution of user conflicts
- Ballast water

- Native Title
- Cargo space
- Diving Standards
- Economic and Environmental Sustainable Policies
- Property rights and tenure
- Primary Production Status of Aquaculture.

This list is by no means complete and is continually undergoing change. It does highlight the need for an aquaculture group with which NFIC may consult in order to obtain a consensus on various issues and whom they may represent at a Federal level. Despite there being numerous issues shared between the capture and culture sectors, this does not obviate the need for a group to represent various aquaculture industries and their interests.

6.0 STATE AQUACULTURE STRATEGIES AND REPRESENTATION

In recent times most States have developed their own aquaculture initiatives and development programmes. This has usually been a cooperative approach between industry and Government.

It is clear from reading the resulting documentation from the various State initiatives, that there is commonality in planning and management of the aquaculture industries.

It is also clear that significant resources are being directed towards aquaculture on a State basis and there is a need to avoid duplication. There exists a need, not only for Government but also industry representatives to meet on an infrequent basis to share and learn from each others experiences in planning and management.

The National Aquaculture body would provide a forum for the common issues between States to be discussed. It will be constrained in the initial stages due to limited resources, however, it will provide a starting point to create synergy between widely separated organisations.

During the Search Conference the Pearl Producers of WA (PPA) representative indicated the PPA would continue to use WAFIC and NFIC as their avenue for addressing issues on a National basis. It is likely various State industries/associations would continue to use this process.

This does not preclude the need for a National Body to discuss issues or form policy on the issues previously mentioned.

STATE COUNCILS

One of the successful outcomes from the Search Conference is the establishment of State Aquaculture Councils in those states where they previously did not exist (e.g. Queensland). It is important that industry does not lose the momentum in achieving peak body representation in each state.

Some State aquaculture groups are members of their respective State Fishing Industry Councils and have indicated they will continue to use those avenues.

In most cases the State Aquaculture Groups have support from their respective Governments and capture sectors which has resulted in an effective representation for the industry.

It is apparent that State Government Agencies are content in assisting the State groups, but are reluctant to extend funding to directly support a National Body.For this reason it appears an obvious step to encourage State Governments to assist industry representatives in participating in a national forum.

CROSS BORDER INDUSTRIES

There are a number of industries such as the Australian Prawn Farmers Association, which are seeking representation through a National Aquaculture Body.

It is possible that such National groups could be represented directly as individual members of the NIA or preferably through a National Aquaculture body which in turn could join the NIA.

Due to the varying levels of maturity of the State and National industries, what may apply to one group may be inapplicable or inappropriate for another. As a consequence, in the initial stages of forming National representations, various avenues for membership may be adopted.

7.0 ROLE OF GOVERNMENT

The Government Agencies, both National and State, which were responsible for the documentation of the National Aquaculture Strategies have a responsibility to ensure that this report is successfully adopted and implemented by both industry and Government.

A national aquaculture group is an obvious and necessary forum to ensure this is achieved. More importantly, it is incumbent on Government agencies to support and take a pro-active position in assisting industry to implement the National Strategy.

A number of industry groups believe there has been insufficient action by Governments to clearly indicate how it intends to successfully implement the strategy, particularly in those areas where Federal Government Agencies have been identified as the lead agency.

The formation of a National Aquaculture Group has been a priority of the National Strategy and State Agencies should respond to calls for support from their respective State Industry groups, particularly in the attendance and representation at National Meetings.

Jayne Gallagher, Director of Aquaculture, DPIE, has outlined the role of the Commonwealth Government in her report (1994) and in particular her branch (Bennison 1995) which in essence indicates that, given the appropriate resourcing, they will assist industry wherever possible.

The Industry Working Group should explore all the options available to it with the assistance of DPIE.

It is now obvious the DPIE is taking a lead on behalf of the Commonwealth Government, in the facilitation of the development of aquaculture.

8.0 MEMBERSHIP OF THE NATIONAL FISHING INDUSTRY COUNCIL (NFIC)

NFIC is being supported by a number of aquaculture industries and Government Agencies as the most appropriate peak body to represent the industry. If NFIC is to take on the role of addressing aquaculture issues, it will need a forum such as NAIWG to act as a filter mechanism in prioritising issues.

The correct mechanism for membership to NFIC is not yet clear but there are a number of options. These include:

(i) Via the National Industries Council.
(ii) Via the State Fishing Industry Councils.
(iii) Within its own right as a national industry group.

The third option is unlikely in the short term due to the lack of finances within industry. The cost of being a member of NFIC will not be cheap. If either options (i) or (iii) is adopted the cost will be significant. State aquaculture peak bodies may consider that representation through their respective State Fishing Councils will serve them adequately in the short term. Given the various National as well as State Aquaculture Associations there is likely to be a combination of these avenues. Whatever the case, it is critical the mechanism for representation is functional and effective.

It is essential the aquaculture industry and NFIC get their respective houses in order on a national basis before anything else can be resolved. At the time of writing this document, there were to be constitutional and membership changes within NFIC. These may set the criteria for aquaculture's membership. To comply to this membership criteria the aquaculture industry may have to formalise its structure along particular guidelines.

This situation can be clarified over the next two years.

NFIC has yet to clearly define to the aquaculture sector where and how it will be accommodated in the NFIC structure.

Two major costs will be facing a National Aquaculture Organisation:

(I) Membership to NFIC/NIA;

(ii) Executive support.

There may be a possibility of requesting NFIC to waive or defer membership fees for an interim period.

NFIC is severely under-resourced and could not be expected to take on additional responsibilities and commitment without considerable additional funding. It is unlikely the necessary monies will be sourced from industry within the next two years to provide executive support to the aquaculture sector.

State Aquaculture Councils will most likely provide the support and input on a voluntary basis until the industry can fund a representative.

Responsibility for executive support could be distributed amongst each State Aquaculture peak representative body. This would be seen as an interim measure due to obvious inefficiencies.

9.0 NATIONAL INDUSTRIES ASSOCIATION

This Association was established to provide NFIC membership for a number of Commonwealth Fisheries such as:

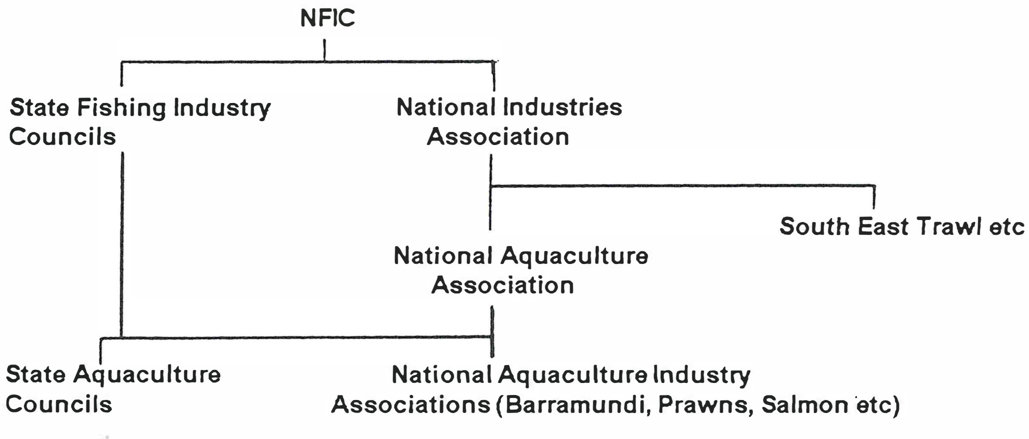
- Northern Prawn Fishery
- South East Trawl
- Northern Trawl
- East Coast Tuna
- Southern Blue Fin Tuna
- West Coast Shark

In all, there are approximately seven major Commonwealth Fisheries which come under the Australian Fish Management Authority. Unfortunately only two of these are currently members of the NIA, with a National Abalone Association comprising the third member.

It is possible aquaculture could obtain representation through the NIA. A number of Commonwealth Fisheries have declined to do so and are seeking representation in their own right. (B McCallum, pers comm)

If all the Commonwealth Fisheries support the NIA the membership to an aquaculture group would be more easily affordable. There is concern that only a small number of Commonwealth Fisheries will participate.

A suggested scenario for industry representation could be structured as follows:



Alternatively a National Aquaculture Association could have a direct link to NFIC. State Aquaculture Councils may have to decide the best cost-effective method of representation or also maintain membership to the State Fishing Industry Council as well as a National Body.

10.0 FUNDING

Meetings

A major reason for inviting presentations from representatives from industry Associations and Councils was to provide an understanding of how they were financed and explore the opportunities to fund National representation.

The funding mechanisms have been outlined in the minutes in Appendix II. They vary considerably and it will be up to the Working Group to evaluate the most appropriate mechanism once the scope of membership has been defined.

Action Plans

Working Group to Evaluate Funding Mechanisms for National Representation

Initially this may involve an Association of Industries or State Aquaculture Councils. There are a number of mechanisms for these groups to access funding, as described in the minutes of the meeting.

Meetings

Each State Government through the WGA/SCFA should assist industry in accessing funds to support a State representative on a national consultative group.

Executive Support to a National Aquaculture Representative Group

Funding for the position may come once the industries are organised and confirmed in which direction they wish to proceed. Dissemination of information could be achieved by State representatives, through their relevant peak body executive. To facilitate dissemination of information and organise meetings etc, State or Industry groups could pay a nominal fee to fund an individual to provide executive support.

Some State aquaculture industry Councils are having difficulty in funding their own groups and will not be in a position to provide funding to a national executive. For this reason, membership to a National group will have to be kept to a minimum so it can be afforded by the State peak bodies.

There are limited opportunities to obtain funding from Commonwealth Programmes to assist in acquiring executive support for a national aquaculture group. Success in obtaining support will depend on the ability of the Working Group establishing credible and effectively integrated strategy programmes.

Levies

It is unlikely that compulsory bodies on a national basis are a realistic option within the short term (2 to 3 years).

Funds for State Organisations can be raised through various means accommodated in State Government legislation or via industry groups.

11.0 NATIONAL STRATEGY PROGRAMMES

The strategy programmes were identified in discussions during the workshops.

It was the intention of these workshops to identify the needs of industry and the major issues which must be addressed in the short term.

It was from the workshops that the group was able to identify the Action plans which would underpin the agenda for the Working Group.

The workshops identified situations which industry wished to avoid, as well as the options for structuring industry representation.

Delegates from State Industry Councils and National Species groups addressed the meeting to describe the structure and function of their respective organisations which would provide a basis upon which other States or Groups could model their prospective peak bodies which ultimately could become members of a National Group.

ACTION *State representatives on the working group be delegated the task to facilitate the formation of peak aquaculture industry bodies where applicable.*

The major programmes have been identified below in order to assist the Working Group to develop a business plan based on the needs of industry and which allow for successful generic planning.

MARKETING

Develop generic marketing programmes on a State and National basis which compliment each other rather than unnecessarily competing, which may result in price cutting or over-supply.

Develop Quality Assurance Programmes with supporting Codes of Practice.

INDUSTRY PROMOTION

Improve the image of the industry by developing the appropriate information for the general public and Government agencies on a generic basis.

LICENSING

Where applicable, it would be useful to standardise performance and culture criteria attached to licences.

The provision to collect levies on licenses should also be addressed by State and Commonwealth Managers.

NETWORKING

- Establish partnerships with Government agencies, particularly those providing services, and initiate the development of the most cost-effective communication networks between these agencies and industry.
- Ensure the networking programme is divorced from all political influences which could jeopardise integrity.
- Sectoral networking strategies must be congruent with the national programmes.

ENVIRONMENT

Develop a "polluter pays" philosophy rather than "user pays" for management of water quality. Standardise and rationalise environmental regulations on a national basis. A greater understanding needed of the nature of outlet waters from land based aquaculture facilities.

12.0 REFERENCES

Bennison S. 1995 "Proceedings, Aquaculture Search Conference, November 1994"

Gallagher, J and Pickering R 1994 "Aquaculture: A Role for the Commonwealth Government"
Report published for the Director of the DPIE

Working Group on Aquaculture "National Strategy on Aquaculture in Australia" DPIE Fisheries Policy Branch

APPENDIX I

CONFERENCE PARTICIPANTS

Conference participants

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Purtill, Anne	National Fishing Industry Council	06-2810383	06-2810438
Rankin, Peter	Cheetham Salt Ltd./ Australian Federation Shellfish Farmers	052-821343	052-821028
Smithies, Tony	Tasmanian Salmonid Growers Assoc	002-242521	002-243006
Smyth, Kevin	Aquafeed Products Australia, Qld.	07-2033422	07-8831618
Tynan, Ray	Oyster Farmers Assoc. of NSW	064-956398	02-4871849
Woolford, Peter	S.A. Aquaculture Industry. Council	08-6261403	08-6261402
Wucherpfennig, Franz	PIJAC/Boolara Fish Farms	051-696330	051-696603
Zippel, Bruce	S.A. Oyster Growers Assc.	086-258028	086-258028

	INDUSTRY/GOVT. REPRESENTATIVES		
Dundas-Smith, Peter	Fisheries & Research Development Corporation	06-2854485	06-2854421
Hocking, Jan	Fishing Industry National Study	03-8222115	03-6964710
Mirabella, Dennis	Natl. Fishing Ind. Training Council	03-6451088	03-6451740
Montague, Peter	Aquaculture CRC Ltd.	02-3301385	02-3301491
Ogburn, Nepheronia	NSW OLMA Aquaculture, Fishing & Rel[illegible] Industry. Committee. Inc.	02-6607094	02-6607094
Prattley, Simon	Fisheries & Research Development Corporation	06-2854485	06-2854421
Stone, David	NSW OLMA Aquaculture, Fishing & Rela[illegible] Industry. Committee. Inc.	02-6607094	02-6607753
	GOVERNMENT REPRESENTATIVES		
Blackman, Norm	Bureau of Resource Science, DPIE	06-2724028	06-2724023
Carfrae, Michelle	Agribusiness Programs, DPIE	06-2724388	06-2723025
Fridley, Alan	TAFE Natl Fishing Ind Educ Netwrk	063-613844	063-628082
Gallagher, Jayne	DPIE	06-2725037	06-2724215
Grattan, David	DPIE	06-2725718	06-2723025
Holly, Rebekah	Office for Minister for Resources	06-2777440	06-2734134
Julius, Michelle	AusIndustry	06-2761957	06-2762234
MacIntyre, John	Centre for Marine Sciences, University of NSW	02-3852137	02-6627995
Mariath, Heloisa	Bureau of Resource Science, DPIE	06-2725982	06-2724023
Newton, Gina	Bureau of Resource Sciences, DPIE	06-2811006	06-2724014
Playford, Steven	DIST	06-2761235	06-2761306
Shelly, Colin	N.T. Aquaculture, DPI	089-894363	089-894163

APPENDIX II

MINUTES OF AQUACULTURE SEARCH CONFERENCE

Held at Fisheries Research & Development Corporation Conference Room,
Deakin House, 50 Geils Court, Deakin ACT

Tuesday 29th and Wednesday 30th November 1994.

Day One

Welcome and Introduction by Simon Bennison (SB) - Chairperson

Introduction of first speaker...

Brian Jeffriess (BJ) - National Fishing Industry Council Chairman (NFIC)

Three sponsors for this meeting that has brought together the major participants of the aquaculture industry in Australia

. Agri Business - DIST - FRDC

. Encourage the industry to take the opportunity given by these three sponsors.

. Structure is the problem of the seafood industry, need for peak body.

. Targets & Aims - need to focus on issues/ networking/ structure/ priorities of the aquaculture industry.

. Networking is the key, to get information out to all sections of the industry.

. NFIC - Has identified targets in the last few years.

.. Change in name to reflect their targets - National Seafood Industry Council (NSIC).

. 95% of all state fishing industry participants are members.

. Structure at present is 7 state/territory councils (FIC's) and one National Industries Association (NIA) which represents national cross-border groups eg Tuna Boats Owner Assc., South East Trawl Fishing Industry Assc.

. One suggestion is that NIA is where national aquaculture associations could fit in.

. Funding at present is obtained by membership fee for each council of $12,000.00 per year. NFIC has an office in Canberra run by a full time executive secretary, Anne Purtill.

. NFIC has sub-committees on Environment / Habitat, Taxation, Property Rights, Mabo, Cost Recovery - a subject on which aquaculture is about to be hit, as well as trade issues and specific aquaculture issues like diving standards for the pearl industry.

Outcome Of The Conference.

. Need to speak out how aquaculture industry participants feel.

. What issues are independent to aquaculture?

. Most issues are common to both capture fisheries & aquaculture.

. Important not to divide the seafood industry.

. With seasons on fishing grounds fisherman can be seen to be "farming" the sea.

. Need to come away from this conference with a feel for what aquaculturists need in the way of a national body.

Introduction of second speaker Colin Shelly, New Chairman of the Working Group on Aquaculture (WGA)

The vision of the WGA is for environmentally sustainable (ES) aquaculture development in Australia. This is to be achieved through the expansion of a framework for commercial aquaculture development targeted at the stakeholders.

Goals

1. Organisation of industry associations.

2. Co-operation between capture & aquaculture as a seafood industry.

3. Co-ordinated government framework to support industry development.

4. E.S. development - important in applications for new licences.

5. Land & water resources equitable allocation.

6. R&D anticipating and meeting the needs of industry.

7. Industry be attuned to market place requirements.

8. Education and training.

9. Extension services be available.

10. Controls on introduction and movement of aquatic organisms.

. State issues are being dealt with reasonably. National issues can be most easily addressed by a peak body.

. The WGA consists of state government aquaculture managers and it is their job to implement the goals of the WGA within the states.

. Government people running industry is fraught with danger.

. The WGA may cease to exist once the goals are reached.

(SB) *If a national body does exist could it be.on the WGA?* Yes.

(BJ) *Each state prioritizes aquaculture differently, need to target legislation to be similar in each state. Also can learn from Agriculture on the extension services front.*

Introduction of third speaker Jayne Gallagher from the Department of Primary Industries (DPIE)

Aquaculture - A role for the Commonwealth Government. A report prepared for the Executive Director, Resources and Energy Group, DPIE by Rick Pickering and Jayne Gallager. ***Copies handed out to all conference delegates.*** Produced within the newly formed "aquaculture section" which has funding until June 1995.

Jayne Gallagher cont..

Talk today on three points

1. Fisheries Policy Branch role.
2. Role of Fisheries Policy Branch in Aquaculture.
3. National issues.

1. Fisheries Policy Branch role:

. No one part of DPIE to look after aquaculture, the needs of the industry.

. Comment on Commonwealth changes that effect industry.

. Proposals need to be understood by the department as to the effects they will have on industry.

. Strategic view on industry issues.

. Policy advise to the minister.

. Access to "pots" of funding available to industry, a peak body is needed to raise the profile of the aquaculture industry within the department.

. APEC - Fisheries Development Group is aquaculture minded.

. Effect competitiveness of industry by legislation.

2. Role of Fisheries Policy Branch in Aquaculture:

. Very difficult now within government departments.

. No one group to go to in industry at present.

. Industry to government liaison difficult also now.

3. National Issues:

. Government perspective on national issues like;

. Statistics

. Regulations of both Commonwealth & State

. Codes of practice

. Different perspective from industry

. The new section on aquaculture is looking for runs on the board on national issues so continued funding can be sourced.

Bruce Zippel - *What does the new section expect to achieve in 6 months?* To check out the need for the section in long term.

David de Bahl - *Is it the role of the new section to liaise between the states?* Yes, where a national issue is concerned.

Tony Smithies (TS) - *Important role for the new aquaculture section, Jayne as Head, to focus on key issues of the industry.*

(SB) - *Important for the likes of Jayne that the outcomes of this conference underline this.*

Introduction of fourth speaker Michelle Julius - Assistant Manager, AusIndustry, Dept. Industry, Sci and Technology.

AusIndustry was formed after the Working Nation Statement was released earlier this year. The statement underlined the need to make Australian industries more competitive in the export market.

This can be achieved in the legislation/policy environment to increase the competitiveness of Australian firms.

It was recognised that there were too many programs that were difficult to access so AusIndustry now co-ordinates this range of programs from May this year using three fronts:

1. State - National Industry Extension Service (NIES) using state government infrastructure. There is a memorandum of understanding on operating framework to bring NIES down to a state level.

2. Private sector intermediators - banks, associations, accountants using 'Bis Link' software to access assistance programs.

3. Commonwealth - access information on any business program from any department.

AusIndustry is also linked to Austrade. National toll free phone number for AusIndustry 132846.

Peter Dundas-Smith (PDS) *Bis Link is not the sort of service individual can use easily. AUSEAS will deliver the information contained on Bis Link through the post harvest activities information service being produced by Steven Thrower at the National Seafood Centre.*

(SB) *There is a difficulty getting information on programs to producers, needs to be user friendly.*

(BJ*) Advertisement in national papers gives examples of case studies.*

David de Bahl- *Why are assistance programs directed at consultancy level?*

Until "good planning" is in place an industry is not going to have sustainable production for export. Use of external expertise is useful. Not all programs are consultancy based.

Colin Shelly. *Is there an overlap between DPIE and AusIndustry?*

None.

Introduction of fifth speaker Dos O'Sullivan - aquaculture member on the Fishing Industry Advisory Committee and long time champion of the national aquaculture association cause.

Thank you to sponsors MARINET part of the Department of Industry, Science and Technology (DIST)

. This conference gives industry the chance to overcome parochial issues once and for all. To set the scene for aquaculture in the future in Australia.

Estimated value in $'s million for 1992-93 aquaculture production.

Pearl Oysters	122	
Salmonoids	63-65	
Oysters	44-46	
Prawns	15-17	
Tuna	6	(in the 1994 calendar year $25 million)
Native Fish	4-5	
Barramundi	3-4	
Micro Algae	3-4	
Eels	2-3	
Aquarium Fish	2-3	(lots of unregistered producers)
Freshwater Crays	2-3	
Mussels	2-3	
Miscellaneous	3-5	
TOTAL	$270 million	8 -10% increase on the previous year

. Looks to be the same kind of increase in 1993/94 year.

. Compared to wild fisheries that are stable.

. Aquaculture is the future of all seafood.

. Aquaculture is becoming profitable because operators are obtaining the correct technology and making sure the four principle points site/ water/ stock/ size of operation are correct.

. Definition of aquaculture needs to be specified. Does it include the value adding of wild fish like tuna and holding of lobster?

. Need to adopt a good definition - FAO definition good.

. Need to have good statistics from one source to promote, give ammunition to the industry. eg Stats on production per hectare, lease numbers, employment numbers, infrastructure $'s, gross margins etc.

. Questions on structure - many possibilities

. NFIC

Dos O'Sullivan cont..

. National Farmers Federation

. Stand alone group

. Who has what voting rights?

. Levies on aquaculture?

. What priorities first ? - many to consider.

. If we form a peak body for a one stop shop for government agencies to use why not government doing the same for industry?

. State governments in the past have used aquaculture to 'kick sand in their face' We need to get state governments to recognise aquaculture as a growth area which needs developing not regulating away.

. Environmental agencies have had the same attitude in the past - point source easy to regulate.

(PDS) *It is naive to think that it is the governments responsibility to make it easy for industry. Can't restructure government to suit industry. Interdepartmental Committee (IDC's) help. A peak body could put together the 'mud map' of government departments that the aquaculture industry needs to have dealings with.*

(BJ) *In South Australia licence applications have been organized into a one stop shop situation. 20% of FRDC funding goes to aquaculture right now plus the CRC for aquaculture has set aside $2.2million of government money over the next 5 years solely for aquaculture research. It should be realised the good deal that aquaculture has at the present time on the research front.NFIC would like to see the peak body for aquaculture be part of NFIC as lots of similar issues effect the wild and cultured fishing industry. Some of these issues are better kept 'in house' and if a parallel organisation is formed this could be difficult. The industry should stick together to protect the good deal it is already getting.*

Bruce Zippel - *Do estimated values include cost of purchase of value adding to wild fisheries?*

No purely farm gate figures.

David Jackson - *Do you consider hatchery production value adding to wild stock as well?*

Not worth splitting hairs over at this point.

Introduction of sixth speaker Norm Blackman from Bureau of Resource Science (BRS) - DPIE, talking on National Residue Survey (NRS).

The NRS is a national program that monitors the levels of insecticides, antimicrobials, and environmental contaminants (cadmium,lead, mercury, etc.) in foods produced in Australia. NRS has been operating since the early 1960's administered by the BRS in the Dept. of Primary Industry and Energy (DPIE).

. The beef residue issue was handled efficiently by the organized industry.

. There are no statistics on residue surveys on aquaculture products.

. Aquaculture is in with meat / dairy program.

.The implementation has been put off for now (12 months) but BRS is still preparing a full brief for Standing Veterinary Committee in Brussels.

. Registration of chemicals used in aquaculture is important as this will have to be included in plan.

. Important for good industry infrastructure to deal with residue problems.

. Full cost recovery - use NRS or have a strong industry infrastructure to deal with it like the wine industry.

. Funding - levy or direct contribution.

. Industry needs a unified voice to give effective communication from Gov - Industry.

Dos O'Sullivan - *Has an NRS for wild caught seafood been devised?*

Not finalised as yet. Proposed program has been written. Aquaculture is seen as much more of a problem area.

David de Bahl - *Will standards apply domestically?*

Yes, already testing imports for residues.

R. Hamlyn-Harris - *Tasmanian oyster industry is not the source of pollution so why does the industry have to pay?*

Scandinavian countries take that line - not taken in Australia though levies on chemical sales has been looked at already. Very difficult to target any one source - Government decision has been taken so door is closed it seems.

Tony Smithies - *Salmon industry feels there has not been enough rigour to date. While no money is coming from the seafood industry then no residue survey can be undertaken - Chicken and the egg.*

Peter Wilkensen - *Government should be required to deliver the clean water in the first place.*

Robert Bailey - *Polluter pays is happening in UK and it is mostly government departments and councils. Nation should protect water.*

P.D.S. - *Peak body will be the answer to gaining funds to undertake the survey.*

Robin Pike - *Wine & Brandy industry has overcome the residue situation themselves over a long period of time. Aquaculture industry does not have the resources as yet. Need to be using an accredited lab. to test etc. Big job plus as seafood products are lumped in with meat / dairy it is almost impossible.*

B.J. *Compulsory levies are the only way to fund survey fairly. Trial on Yabbies cost $200,000. on a $300,000. industry. Government will get it back in the end one way or another.*

Norm Blackman - *Beef industry collect $3.60 per head per transaction .26cents to NRS. Sheep industry pays .03cents per head.*

Introduction of seventh speaker Jan Hocking from the Fishing Industry National Study (FINS)

. 1992 a working party on value adding & marketing was formed.

. 1993 it went commercial and employed a consultant.

Task was to confirm issues

Image - need to underline the value to local areas that the fishing industry brings. Take away the "rape & pillage" image of the industry.

Access to resource - long term need investment security.

Quality - from catch to plate.

Trade Issues - export, freight, markets, residues.

Product Development - to better meet consumer demands.

Consumer confidence - against other products like chicken/meat.

Industry Structure - fragmented.

Information/communication - where to go.

Perceived threats to Industry - Environmental-Mabo- Alternative resource use / tourism / rec fishing

Draft Strategy - Promote the industry and the product.

Dos O'Sullivan - *Any conflicting issues?*

Differences at supply end - feed/water resources.

S.B. *Wild caught prawns are being promoted separately overseas to aquaculture prawns.*

Important not to complicate the consumers choice with too many choices.

B.J. *More you talk up the industry the more resource rent you pay. This used to be an issue with the NFIC but now attitude is changing.*

Introduction of eighth speaker Peter Dundas-Smith from Fisheries Research and Development Corporation speaking on aquaculture and the FRDC.

. FRDC has set up advisory committee (FRAB'S) in each state.

. All applications to FRDC go past the appropriate FRAB.

. FRDC wants to invest in research that the industry really wants.

. Two million dollars per year goes to aquaculture research.

. Reports available at FRDC and selected libraries who have brought copies.

Dos O'Sullivan - *Problem of hands on producers understanding the academic research results.*

Not such a problem these days - strong applied focus on research.

Peter Rankin - *No aquaculturist on Victorian FRAB.*

Developing at present, no funding successful as yet. NSW FRAB developing right now also.

Col Price - *Aquaculturists are out numbered on Queensland FRAB (QFIRAC) Trying to get researchers to ask QFIRAC, before applications are made, for research priorities of different groups.*

Bruce Zippel - *Is the time coming for aquaculture to have to put in or get nothing?*

Some aquaculture is already paying - Tasmanian and Pearl industry Decision is made in March each year by FRDC board how much will be spent. There will be a new board in January 1995.

Workshop - Networking:

Opportunities versus Necessities.

The conference group broke up into 5 groups of nine people mixed industry/ government to consider the following questions. Answers presented on overheads to the whole conference group - as follows .

1) As a producer/industry group what do you really want?

Property

.Tenure in Crown Land & lease security for a firm basis for profitability.

. Lease in perpetuity - unified responses between states .

.Government to be facilitators & promoters of aquaculture not just regulators and enforcers.

. Single licensing authority preferably a primary industry group.

. *A government with a "helpful" attitude.*

. *Predominant use status.*

. *Right of use of land/water resources.*

Environment

. *Rationalise & reduce restrictions, especially environmental regulations.*

. *Standardized & equitable environmental standards.*

. *Increase industry input, negotiation, alteration to regulations.*

. *Improve communication - policy drafters - regulators - industry.*

. *Look at issue in national frame - co-ordinate states.*

. *Management of water quality both in delivery and outlet waters - united national approach.*

. *"Polluter pays" not " user pays" management of water quality.*

. *Codes of practise -use models from other states.*

. *Ballast water strategy.*

. *Protection from contaminants - overseas & local.*

. *Total catchment management.*

Promotion

. *Localized product promotion.*

. *Generic industry promotion.*

. *Credibility at government level.*

. *Promotion of industry and its economic significance rather than product promotion.*

. *Improved awareness / image of all aquaculture.*

. *Quality assurance.*

. *Awareness of market opportunities*

Other

. *United front & effective representation.*

. *Standardization of regulations nationally.*

. Better liaison industry - government and back, both State & Federal.

. Better knowledge of regulatory process at State & Federal levels.

. Increased industry input into regulations & research.

. Industry capacity to be 'goffer' to access government 'pockets'.

. Liaison with other producer groups (NFF)

. Learn from the Meat & Livestock, Brandy & Wine Corporations.

Don't want

. Over regulation - killing off new industries before they get started.

. Bonds/levies/charges especially on new industry groups.

. Government intervention - more stringent regulations.

. Low quality product - over supply/ inadequate supply.

. Close off options with wild catch fisheries.

. Conflict.

. Government representative on national group.

. Adverse publicity.

2. How do we form an effective communications network and who does it comprise?

. Under NFIC a conglomerate of all aquaculture industries.

. Affiliation with wild catch, but avoid control of aquaculture by the wild catch sector.

. Need strong unified voice which cuts across state boundaries.

. Framework to communicate between industry groups.

. If on a state basis there is potential for newly formed national aquaculture bodies to be weakened.

Possible structures

Peak Body

↓

(National Industries Association)

↓

State aquaculture FIC's

↓

State based commodity groups

Seafood (peak body)

↓ ↓

Aquaculture body | Wild catch sector

↓ | ↓ ↓

National species organisation | State FICS | NIA

Totally integrated structure:

Seafood (peak body)

↓ ↓ ↓

Aquaculture | State FIC's | National Industries Assc.

↓ ↓ ↓

state members | state members | national members

Stand alone structure:

National Aquaculture Council

↓ ↓ ↓ ↓ ↓

Prawns | Tuna | Barramundi | Pearls | Salmon | etc

(National groups)

3. Provide an opinion on current representation of seafood industry.

. Not satisfactory for aquaculture, under represented.

. Need whole industry approach - seafood (or another name)

. How can aquaculture influence a national body? - State groups or industry groups. Potential for adjustment.

. Concept of national body strongly supported, needs more discussion.

. Currently fragmented on sector by sector basis.

. Fragmented between wild & aquaculture in most states (gaps narrowing)

. National structure is emerging.

. Only a sub-committee of NFIC.

. Different views, some happy, some not.

. Lack of resources, manpower, money.

4. Are compulsory levies achievable from the aquaculture industries point of view?

. Need to define what levy is for before imposing or Government will not collect for the industry.

. Alternative is each sector/species organization pays a set contribution or membership fee.

. Goes hand in hand with representation.

. If non compulsory levy, must have strong state bodies to collect & support

. Evaluate on gross value of production ($ estimate ABARE)

. Industry has to pay but more work needed on mechanics.

. Disparity between states - size, amounts etc.

. Possible two ways - legislate -per capita ? area used ?

. A membership fee.

. Compulsory levy is O.K. if its' expenditure can be directed by industry

. Pproportion of say could be according to GVP of various bodies.

. Must be equitable representation.

. Must be accountable.

. Should processors be included? Undecided.

. Levy should be general not just for industry body.

. Could be on a production basis.

. Compulsory levies desirable but unlikely to be achieved.

. Voluntary levy - fat chance.

. Production levy - difficult.

. Most effective is a licence based levy.

Informal discussion about the four questions:

Dos O'Sullivan : Associations have tried to accommodate small growers and this holds them back. Could consider two levels - emerging & commercial.

Levy - opinions on:

. QCFO had a review of compulsory levies but have opted to keep still.

. Some aquaculturists have a problem with the idea of letting government in on the collection side.

. An association can have control of collection.

. QCFO send an account directly to the fishermen, backed up by legislation.

. New Act in W.A. based on GVP - still at Ministers discretion.

. Victoria has compulsory levy based on licence - given straight to the aquaculture / fishing council.

. 2 - 3,000 acquaculture licences in Australia.

. Example of Pet Industry Joint Advisory Council. Major players in this industry are divided into three levels depending on size of business -

. Bronze pay $1,000. per year.

. Silver pay $2,000. per year

. Gold pay $3,000. per year

. Directors from each sector on Council - livestock / fish / birds / petfood

Bruce Gwane - Aust. Barramundi Growers Association - *Newly formed , charging $450.00 per permit holder for membership. Out of 60 potential members only 9 have paid. Going to try and collect the levy with the licence fees.*

Day Two

Introduction of first speaker Brian Jeffriess NFIC

. Name change of NFIC to reflect new targets - National Seafood Industry Council.

. Voluntary membership now with 99.5% of all licensed fishermen belonging.

. Cannot afford not to belong.

. Each NFIC state FIC represents aquaculture except Qld. Commercial Fishing Organisation (QCFO).

Funding - Each state FIC pays $12,000. to be a member of FIC - collected through state levy system. 1995-96 Plans in place to double funding. End of deliberate low profile strategy.

Committee system :- Non executive chairperson

Full time salary Executive Officer & office facility.

Strong committee system with state heads.

State councils are elected body.

National issues currently being addressed:-

Habitat / Ballast Water

Mabo - Pearling lease / oyster lease etc

Property / access rights - NIFC are and have effected changes to

Commonwealth legislation. Compensation payments being made.

Cost recovery.

Diving.

Trade - want to play a role.

Residue -Govt. would have had full power to enforce levy for NRS but for the lobbying efforts of NFIC.

AQIS - Rebate on fees this year thanks to NFIC.

Issues:

Name change to incorporate all seafood. All farming/wild is the same - fishing is now seen as "real time farming" of the sea with the use of surveys and open seasons. Aquaculture has a wild stock dependency therefore wild/aquaculture overlap. Waste of resources if two separate organisations emerge.

What issues are not common?

Brian Jeffriess cont..

National Seafood Industry Council (NSIC) -

Would gain more funds

More focus on each issue.

Aquaculture - Promotion / awareness.

NRS - What does aquaculture want?

Exchange of information through fisheries magazines.

State trickle effect - good situations.

NSIC would employ an aquaculture specialist - funded by NFIC & aquaculture to work with current E.O. in Canberra office.

<u>**Other options : -**</u>

1. Compulsory levy
2. Totally separate operation.
3. Go on current system.
4. National groups like APFA join/contribute directly to NFIC.
5. Problems if big groups don't participate like tuna, pearls, oysters.
6. NFF affiliation.

Richard Hamlyn-Harris - *Does NFIC have the resources to take on aquaculture?*

Changing structure to accommodate.

Simon Bennison : *Possibility that there could be a filter body/group before NFIC.*

Ray Tynan: *How would issues get to NFIC? Where would membership lie - in National Industries Association which pays yearly $12,000. in total or through state councils?*

Up to the aquaculture group to decide. Pearling and oysters are through state councils at present.

Where is the extra funding going to come from?

Double funding - from some states increasing contribution plus Commonwealth extra money.

Dos O'Sullivan: *NFIC is a professional organisation - Lots of decisions get done 'out of school' therefore aquaculture could be "out in the cold" like in the NRS issue where wild caught fishing sector didn't want to include aquaculture in any application for extra funds through FIAC to get a residue survey going. Old school tie rules seem to apply.*

. Access to broodstock could be a big conflict.

. Need promises from NFIC that aquaculture won't be out voted.

. Best resolution is to be together on good terms.

Peter Dundas-Smith: *Need a decision today. Put to bed fragmentation.*

. Rather than asking for promises form conditions to give to NFIC.

. Go with NFIC/ parallel or other.

. Give shopping list to NFIC.

Martin Bowman QCFO Journalist: *Fisherman are voting to be more closely associated with aquaculturists.*

Second speaker Simon Bennison from Aquaculture Council of W.A. (ACWA)

. Formed an aquaculture strategy.

. Government took up the strategy.

. Industry needed the means to implement and got funding from Government for part time E.O. role which went full time funded from trust fund money.

. The full time E.O. facilitates funding for the industry.

. Trust fund -1·25% of all capture fisheries.

. Minister has veto.

. Strategy outcomes - full colour newsletter.

. significant involvement of state government.

. legislation changed over time.

Formed paper on ACWA to be incorporated in proceedings.

Also ATO new ruling on Primary production / Aquaculture to be included.

Introduction of Third Speaker Colin Dyke from Tasmanian Aquaculture Council (TAC)

October next year is the Aquaculture Bi Annual conference held in Tasmania - all welcome.

. Aquaculture has a value of $70 million across Salmon, Pacific Oysters, Mussels, Scallops, Seaweed.

. Land Based Permits / Long Line Permits / Leases of which there is 16,000 hectares (lots unusable)

. Responsibility of leases changed from Lands Dept - Fisheries in 1982/83.

. Management plans are emerging.

. Structure

Marine Resource Division, Dept. Primary Industries & Fisheries

↓

Tasmanian Fishing Industry Council(TFIC) - nine directors nominated and elected by industry for 2 year term
Funding from fees; on licences $210.00

processors $360.00

marine farms $ 150 .00 voluntary

but becoming $210.00 this year.

Aquaculture Co-operative Society was original group. Worked on the first award system for aquaculturists to allow long hours no penalty, salmon farmers left to do their own thing-then mussel farmers-then it became oysters only group so need for an Aquaculture Council became apparent - formed with membership fee per organisation of $250.00.

. Salmon growers, marine farmers, mussel growers, oyster growers, abalone growers-Have the use of the TFIC secretary one day per week based on the fact that all aquaculture operations pay levies to TFIC anyway so link to TFIC through this.

. Maturing as a new organisation - there were issues already being dealt with by industry associations that are now being taken up by TAC.

Introduction of fourth speaker Ray Tynan from NSW Oyster Growers Association.

NSW Oyster growers association is a mature organisation by age at least! It is incorporated and has an executive committee of 8 directors. This committee meets 4 - 6 times a year , some by phone hook up.

. There is an executive council that has 19 delegates from regions. Office manager is based in Sydney. Part time job 25 - 30 hours per week paid.

. Membership of 180 Fees $350.00 for producers of < 100 bags and producers over 100 bags pay 50 cents per bag extra up to maximum of $2,000.00 per year.

. Involved in Oyster Management Advisory Committee, Oyster Research Committee, NSW FIC, OLMA FIRAC, representative on AQIS committee and newly formed NSW biotoxin committee.

Ray Tynan cont..

. Produce seven newsletters per year - infonnation on council work.

. Awards - NSW Employers Federation deal with workers needs.

Major Issues: New Fisheries Management Act.- Q. A. - looking at compulsory levy for this but Gov. not happy to collect as total industry isn't behind it - Research levy now in on acreage.

Introduction to fifth speaker Liz Evans from Australian Prawn Farmers Association (APFA)

Incorporated group with four regional representatives and two others on committee. Meet 4 - 6 times a year, some by phone link up. Secretary is paid on committee decision, according to work load.

Original prawn fanners group was Australian Mariculture Association fonned in 1987 by a NSW prawn fanner. This group has become more of a research/ academic group under the wing of Dr Nigel Preston CSIRO Cleveland. The prawn fanners fonned their industry group in 1989 and became incorporated one year later. Fees are $200.00 per fann or associated company plus levy of $100.00 up to 50mt production/ $200.00 up to $100mt production/ etc. On a voluntary basis. Of the 40 odd licensed prawn farmers 36 are full financial members of the APFA.

Introduction of sixth speaker Col Price from North Qld. Aquaculture Consultative Committee (NQACC)

Represents the Prawn, Red Claw, Barramundi, Crocodile growers in north Qld. QDPI sponsored, meets as required.

Has a position on QFIRAC to vote on FRDC aquaculture related proposals. No peak Qld. Aquaculture group. Meant to be one fonned but nothing as yet.

Introduction of seventh speaker Bruce Zippel from the S.A. Oyster Growers Association (SAOGA)

Voluntary $200.00 membership fee.

No peak aquaculture council in S.A. but have an Integrated Management Committee (IMC) which includes Tuna, Abalone, Oysters, Lobsters. SAOGA has done a lot of the running.

Off spring, commercial ann of association is OYSA - company/ marketing body.Marketing manager was originally funded by a grant but now funded by industry.

Introduction of eighth speaker Robert Bailey of United Oyster Growers Council (UOGC)

Nine associations from regions - two delegates from each on council. This bring it down to estuary level.

Aims: National Standards - Ballast Water - Financial Viability

An example of an good national organisation is the Sea Fish Industry Authority Five years government sponsored. Not on levies.

Introduction of ninth speaker Peter Dundas-Smith FRDC.

. Wild fisheries see future in aquaculture.

. No need to go far afield to see well run peak industry bodies - New Zealand example. 20 people employed by the industry group in that country.

. Need to be clear on expectations of a peak body.

***Chairperson Simon Bennison takes the floor for general discussion*:**

National Aquaculture Council

How- then issue??

Could get seed funding from government under Business Plan or Networking proposal.

B.J. *Could have direct seats on NFIC.*

P.D.S. *FINS program has to be implemented next year. FRDC will fund this implementation process probably through NFIC.*

Idea -

Form a Working Group to start with to cover the HOW! question.

Membership could be made-up of existing or emerging national bodies including;

Shellfish - Barra - Crayfish - Prawns - Salmon

plus 7 state reps.

How long can the national bodies list be? Better to go on state basis, each national species should get on through a state representation, two members per state.Problem is some states don't have peak bodies - Qld. and NSW.

Maybe from Qld. - one from NQACC - one from Southern Qld.

NSW has to get 2 members organized one fresh / one salt maybe. David Stone and Ray Tynan to organise two members.

Victoria - Victorian Aquaculture Advisory Committee to nominate two people.

S.A. - Integrated Management Committee to nominate two.

W.A. - Aquaculture Council of W.A. to nominate two.

Tasmania - Tasmanian Aquaculture Council to nominate two.

Northern Territory - N.T. FIC plus Colin Shelly to nominate two.

The National Aquaculture Committee is to have charge over the implementation of an aquaculture peak body.

Working group first issues: -

1. Funding Levy (voluntary or compulsory)

2. Scope of representation requirements - future structure.

3. NFIC representation possibilities.

1. Funding *- opportunity to access funding from Federal government - DIST / Agribusiness.*

. Need a focal person to facilitate this funding - Simon Bennison nominated and accepted.

. The group then to employ/ appoint a consultant to head the committee.

. The consultant looks at on going funding - state levies through licences

. Commonwealth not feasible

. Other

2. Future Structure -NFI (NSIC)

NAC

State FIC

Aquaculture (where working)

Alan Fridley - TAFE Industry Education Network: *This NAC will be affiliated with NFIC.!*

David de Bahl - *Why not give it a strong name like National Aquaculture Corporation?*

P.D.S *The group of 14 is not a formal group - no need for a constitutional basis.*

S.B. *The group of 14 could look at the option of formalising it into an incorporated body.*

B.J. *If a formal separate structure is formed it would have to look at who would participate. Needs careful consideration.*

S.B. *For future strategic reasons maybe good to formalise the group, decide now at this meeting.*

B.J. *Tuna would have problem with formal structure underiding SAFIC which has strong members at present.*

P.D.S. *Use state industry councils for funding mechanism, no problem.*

S.B. *Onus will be on state groups to fund their two representatives.*

John McBow - *Freshwater fisheries would like to affiliate with NFF so that land based issue of aquaculture is put forward.Clarify situation on affiliation with NFF.*

B.J. - *AGM of NFIC is on 31st Jan. 1st Feb. 1995.*

NAC to report back to this then back to industry with outcomes on where it could fit in new NSIC structure.As an interim body NAC can act as conduit for national aquaculture issues like NRS. Get a consensus on certain national issues.

S.B. - *NAC could start working on issues?*

Richard Hamlyn-Harris - *Like residue survey being paid for by the polluter!*

B.J. *Sometimes it is better not to publicise these issues.*

S.B. - *NAC to be cautious not to speak publicly - come through state groups. State groups to be strong or NAC will fall over. Two reps. must have commitment.*

Colin Shelly - *Working Group on Aquaculture maybe able to facilitate funding for NAC.*

Media release was read out and O.K'd by meeting. (Appendix a)

Meeting went through the Draft Terms of Reference as sent out with agenda before meeting. (Appendix b) Amendments made as follows:

1) Add the word "current" before State Council.

2) Unchanged.

3) Delete the word "State" before industries.

4) Add the words "including future internal funding" after industry.

5) Unchanged.

6) Add the words "envoronmental issues, National profile".

7)Add "Co-ordinate between industry and Federal & State Governments."

Timing of Working Group.

Within two weeks to get state reps. organized.

Have first meeting of NAC by Dec. 19th.

Contact point is Simon Bennison act ACWA. Phone: 09 - 2442933 Meeting closed 3.15 pm with vote of thanks to Simon Bennison and Liz Evans.

APPENDIX III

TAXATION

PRIMARY PRODUCTION STATUS

There is serious concern by a number of groups in regard to the lack of recognition of various aspects of aquaculture within the Tax Act. This situation needs correction.

The issues raised include:

- inadequate definition of "aquaculture" within the Act.

- the ability for farmers to register as primary producers and obtain the benefits of other rural based enterprises, particularly in regard to sales tax (e.g. 4 W D feed vehicles and equipment) and diesel rebates.

Following are some comments made by Liz Evans, Secretary of the Australian Prawn Farmers Association (APFA) in regard to the status of aquaculture.

"As far as the taxation question goes it is all so open to interpretation depending on your point of view or as put by the ATO: ' a question of facts depending on the facts of each case'.

The main point is that the Income Tax Act fails to define Aquaculture (land based or cage culture) and therefore interpretations are relied upon which in future time may be challenged in a court. How can Australia expect to have a growth industry that is not defined in such a basic act as income tax?

Interpretations all hinge on the preamble that described Primary Production "to include the taking or catching of fish" etc which has a certain 'hunter gatherer' connotation to it, where as land based and cage culture aquaculture are very much production line based industries.

One problem with trying to have land based prawn or other crustacea aquaculture described as primary production in the 'farmers and pasture' sense of the name is that crustacea are not 'animals' as such and cannot be described as livestock.

Sales tax rulings are another matter. Because the taxation office has tried to fit aquaculture into the fishing industry pidgeon hole this has stopped land based aquaculturists from being able to claim sales tax exemption on land based equipment such as four wheel motor bikes and vehicles used around their land based farms. 'Aid to manufacture' is used when purchasing water testing equipment, aeration equipment and electric's as well as hand and power tools.

Again it is a lack of specific definition of aquaculture that causes this question as to what exemption can be quoted.

Lobbying on behalf of the aquaculture industry as a whole to be recognised by the Federal Government as new industry that requires tax legislation and given fair tax exemptions, depreciation rates and income tax rates. This is a major issue that the peak aquaculture council needs to tackle."

IT 2301 INCOME TAX: PRIMARY PRODUCTION: PRAWN FARMING
Date of Ruling: 20 May 1986

> *Primary production - Prawn farming - Depreciation - Whether equipment for the purpose of conserving or conveying water - Income Tax Assessment Act 1936-1986, sec. 6, 54, 55, 57AH, 57AL, 75B.*

CCH Digest: Prawn farming operations are accepted as primary production for income tax purposes where the operations constitute the carrying on of a business.

The hatchery and growing ponds, with their attachments and fittings, qualify as plant and may be depreciated at the rate of 5% per annum (Prime cost) or 7 1/2% per annum (diminishing value method). The ponds and associated equipment are also structural improvements and are therefore excluded from the special depreciation allowances available to primary producers under sec. 57AH and the accelerated rates under sec. 57AL. Further, expenditure on the ponds will not qualify for the deduction available under sec.75B for water conservation.

TEXT OF RULING

Preamble

1. Primary production is defined in sec. 6 of the *Income Tax Assessment Act* to include, among other things, fishing operations. Fishing operations are, in turn, defined to mean:

(a) operations relating directly to the taking or catching of fish, turtles, dugong, crustacea or oysters or other shellfish; or

(b) pearling operations,

and includes oyster farming but does not include whaling and also does not include operations conducted otherwise than for the purpose of a business.

2. The question has arisen whether prawn farming constitutes primary production for income tax purposes.

3. In the particular business of prawn farming the prawns are hatched in a hatchery consisting of a number of small ponds which are under cover and lined with fibreglass over concrete. At six weeks of age, when they are two or three centimetres in length, the prawns are transferred to growing ponds where they remain for a period of four months until they reach maturity and are ready for harvesting.

4. The growing ponds vary from two to five hectares in area and may be up to two metres in depth measured from the top to the surrounding banks which are constructed from the soil removed to make the ponds. The ponds are filled with diluted seawater pumped through channels from a nearby river.

5. While they are in the growing ponds the prawns are fed daily by means of a moving gantry-like machine floating on the water and supported by wheels resting on the banks. At harvest time the ponds are emptied and the water returned to the river. Mature prawns carried by the out flowing water are caught in nets and set for freezing and packing. The empty ponds are allowed to dry and are then covered by lime to clear them for the next intake of young prawns.

Ruling

6. Prawn farming operations are accepted as primary production for income tax purposes where the operations constitute the carrying on of a business.

7. The hatchery and growing ponds, together with their attachments and fittings, qualify as plant within the ordinary meaning of that term in sec. 54 of the Act. An effective life for the ponds has been estimated at 20 years. On this basis, a rate of depreciation of %5 per annum on the prime cost basis or 7 1/2% per annum on diminishing value method would be appropriate for the ponds and associated equipment. Notwithstanding that the ponds and associated equipment are accepted as plant within the ordinary meaning of that expression they are also structural improvements and for this reason they are excluded from the special depreciation allowances available to primary producers under sec. 57AH and the accelerated rates under sec 57AL.

8. The expenditure incurred on the ponds and associated equipment does not represent qualifying expenditure for the purposes of sec. 75B of the Act. It is not expenditure incurred on the construction, acquisition or installation of plant or structural improvements primarily and principally for the purpose of conserving or conveying water for use in carrying on a business of primary production. The ponds are primary used for the breeding and growing of prawns not for the purpose of conserving or conveying water.

(Taxation Office References)
H.O. Ref: 86/2460.7 F9
Source: 1986 CCH Australia Limited

APPENDIX IV

MEDIA RELEASE

STRONGER VOICE FOR SEAFOOD INDUSTRY

Stronger, more unified representation for the $1.6 billion Australian seafood industry is likely following a two day meeting in Canberra.

The meeting, called the National Aquaculture Search Conference, brought together representatives of major aquaculture producers and senior national representatives of commercial fishers.

The aquaculture representatives agreed to look at joining the existing commercial fishing body, the National Fishing Industry Council (NFIC).

NFIC Chairman, Mr Brian Jeffriess, indicated to the meeting that NFIC was amending its structure and operations to reflect broader interests than those of commercial fishers operating in wild capture fisheries.

This would facilitate representation for the aquaculture industry and other seafood related groups.

He also foreshadowed a name change to reflect the Council's broader representation of the seafood industry.

Delegates to the meeting, which ended today, agreed to establish a working group to more closely examine the issues involved in national representation for aquaculture producers.

Mr Simon Bennison, the conference chairman said that the working group would be examining a range of issues, such as:

- *industry representation from the various states*
- *funding options adoption of uniform legislation concerning aquaculture throughout Australia*
- *the development and implementation of codes of practice on a national basis*
- *implementation of quality assurance programs to the broad spectrum of aquaculture products.*

Mr Bennison expected the working group would report back to producers early in the New Year.

30/11/94

FISHERIES RESEARCH & DEVELOPMENT CORPORATION

Department of INDUSTRY, SCIENCE & TECHNOLOGY

MARINET

The Australian Marine Industries Network

PROCEEDINGS

AQUACULTURE SEARCH CONFERENCE

NOVEMBER 1994.

A TWO DAY WORKSHOP ON NATIONAL AQUACULTURE REPRESENTATION.

Held at Fisheries Research and Development Corporation, Deakin ACT

Tuesday 29th and Wednesday 30th November 1994

94/159.

Input spread on disk

AQUACULTURE SEARCH CONFERENCE

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A TWO DAY WORKSHOP ON NATIONAL AQUACULTURE REPRESENTATION

HELD AT FISHERIES RESEARCH AND DEVELOPMENT CORPORATION, DEAKIN ACT

Tuesday 29th and Wednesday 30th November 1994

Edited by Simon Bennison
Aquaculture Council of Western Australia
PO Box 55
MT HAWTHORN WA 6016

Copies of this document are available from Jayne Gallagher, Department of Primary Industries and Energy, Canberra
or
Simon Bennison, Aquaculture Council of Western Australia, PO Box 55, Mt Hawthorn Western Australia 6016.

SPONSORSHIP

The aquaculture industry and attendees at the conference are grateful to the financial assistance provided by the DPIE Agribusiness Program, Fisheries Research and Development Corporation (FRDC) and Department of Industry, Science and Technology. Without their support this conference would not have been possible.

ACKNOWLEDGEMENTS

The Aquaculture Industry, Government Agencies and participants are grateful for the assistance of the staff at the FRDC, DPIE and National Fishing Industry Council (NFIC). Brian Jeffriess, Liz Evans and David O'Sullivan have provided invaluable assistance and advice in ensuring this conference was successful.

FURTHER DOCUMENTATION

There is additional documentation to this publication which identifies the outcomes of the Search Conference and in particular the workshops, in the form of Strategy Programmes. These will range from action plans which will underpin the Working Group on Aquaculture National Strategy document through to the identification of options for the formalisation of the the industry's national representation.

CONTENTS

CONTENTS cont'd

ORIGIN OF SEARCH CONFERENCE
AQUACULTURE INDUSTRY - DEVELOPING COMPETITIVE STRATEGIES

The Australian aquaculture industry is producing high value products which are targeted towards upper income segments of overseas markets (particularly the Asian market). A quality image and assurances about compliance with internationally accepted quality standards in processing and production is essential.

Like many horticultural industries, the Australian Aquaculture industry is fragmented along geographical and/or species lines. While some national cohesion exists for some species (usually with an export focus) there is no peak industry body to represent aquaculture interests at a national level.

The National Strategy on Aquaculture in Australia identified a number of issues and recommended various strategies which were the responsibilities of the various stakeholders (Industry, Commonwealth/State/Local governments, R&D providers). The strategy particulary focuses on quality issues and recommends that industry associations and DPIE develop long-term quality assurance programs and codes of practice.

In March 1994 the Minister for Primary Industry and Energy released the National Strategy on Aquaculture in Australia, which was produced by the Standing Committee on Fishing and Aquaculture (SCFA).

A key goal in this Strategy was the professional organisation of the aquaculture industry and in particular the identification of a peak body to act as a contact point for Government Agencies and industry groups. The SCFA concluded that the industry must be able to assess and respond to market requirements whilst also ensuring R&D meets the needs of industry.

Several issues have recently been raised by Government agencies concerning the aquaculture industry, however, these agencies have had difficulty in finding a point of contact in order to follow the correct consultative procedures so that the industry may properly address the issues.

On 31st August David Cox from AQIS requested a meeting in Melbourne with aquaculture industries which could be affected by the National Residue Survey Programme as it related to exports to Europe. An outcome of this meeting was to look at a means for holding a National Aquaculture meeting in the near future, so that this and other issues raised by AQIS could be discussed with industry representatives.

At the same time, the National Fishing Industry Council (NFIC) had been approached by the DPIE to look at how the National Aquaculture Strategy would be implemented. NFIC subsequently formed an Aquaculture Steering Committee whose responsibility would be to formalise a National Aquaculture consultative process and representative body. The Australian aquaculture industry is fragmented and needs industry to establish a professionally structured body with clear objectives and effective representation.

The first day of the meeting will be to introduce the industry representatives to National issues which involve Federal Government Agencies or National industry organisations. These issues will be discussed in detail at the conference when industry programme strategies are formulated.

Aim of Search Conference

1. A major objective of the search conference is to develop an industry action plan to underpin the implementation of the National Strategy on Aquaculture in Australia released earlier this year.

2. Highlight to industry a number of the current issues concerning the industry which various Government agencies wish to be addressed in the near future.

3. To provide an opportunity for industry to formalise peak representation to act as a point of contact for Government and industry bodies.

4. Identify and prioritise national strategy programmes and, if possible, set a time-frame within which these programmes can be completed.

5. Discuss and resolve issues identified by several Government Agencies as requiring immediate attention.

6. Identify a mechanism for providing coordinated industry advice to the relevant Ministers and organisations.

7. Identify a mechanism for efficiently using the resources available to the industry on a National basis.

8. Identify National marketing issues which affect aquaculture in the short to medium term.

9. Identify a Government Framework to support industry development.

10. Identify the opportunities for networking the aquaculture industry(ies) across Australia.

It is an intention of the search conference to discuss the terms of reference and formalise national representation of the aquaculture industry.

AQUACULTURE SEARCH CONFERENCE
HELD AT
FISHERIES RESEARCH & DEVELOPMENT CORPORATION
CONFERENCE ROOM, DEAKIN HOUSE,
50 GEILS COURT, DEAKIN ACT
ON
TUESDAY 29TH NOVEMBER AND WEDNESDAY 30TH NOVEMBER 1994.

DAY ONE 29 NOVEMBER 1994

8.15 - 8.45	Registration
8.45 - 9.15	Welcome and Introduction by Brian Jeffriess - National Fishing Industry Council Chairman
9.15 - 9.45	National Aquaculture Strategy - Where to From Here? Colin Shelley: Director, Aquaculture Fisheries Division Northern Territory, Chairman - Working Group on Aquaculture
9.45 - 10.15	Industry Status and Representation on National Organisations - Dos O'Sullivan - AUSTASIA, PSM, Part-Time Lecturer, University of Tasmania
10.15 - 10.45	Department of Primary Industries and Energy, Policy and Resources in Assisting Aquaculture - Jayne Gallagher, DPIE, Fisheries Policy Branch
10.45 - 11.15	Morning Tea
11.15 - 11.45	AUSINDUSTRY, Michelle Julius: Commonwealth Department of Primary Industries and Energy, Canberra.
11.45 - 12.15	National Residue Survey - Norm Blackman: Bureau of Resource Sciences
12.15 - 12.45	FINS Update - Jan Hocking, Principal, PARWAN Management Consultant
12.45 - 1.15	Lunch
1.15 - 1.45	Agribusiness - Michelle Carfrae: Commonwealth Department Primary Industries and Energy.
2.15 - 2.45	The Relationship Between the FRDC and National Aquaculture Representation - Peter Dundas-Smith, Executive Director, FRDC.
	Afternoon Tea
4.00 - 5.00	Open Forum - Panel Discussion
	Drinks and General Gathering - Embassy Hotel

DAY TWO 30th November 1994

8.45 - 9.15	NFIC and the National Industries Council - Brian Jeffriess (Chairman)
9.15 - 9.30	Structure of the Aquaculture Industry in Western Australia - Simon Bennison, Executive Officer, Aquaculture Council of W.A.
9.30 - 9.45	Tasmanian Aquaculture Industry Structure and Funding: Col Dyke: Tasmanian Aquaculture Council Steering Committee
9.45 - 10.00	NSW and its Aquaculture Structure - Ray Tynan/Liz Evans: Australian Prawn Farmers Association
10.00 - 10.30	Structure and Funding of National Aquaculture Representation: Strategies - Peter Dundas-Smith, Executive Director, FRDC
10.30 - 10.45	Morning Tea
10.45 - 11.45	Workshop Session - Further discussion by industry representatives on existing and future State and National representation
11.45 - 12.30	Workshop Session - Identification of Specific Short/Long Term Strategies: Particular reference to network possibilities to achieve successful implementation programmes of strategies. Adoption and Implementation of Working Group Document.
12.30 - 1.00	Lunch
1.00 - 2.30	Open Forum. This was a workshop session to identify the aims and objectives of National Representation.
2.30 - 3.00	Determination of an action plan to formalise representation and implementation of strategies suggested in previous discussions.

CLOSE

AQUACULTURE SEARCH CONFERENCE - CANBERRA - NOVEMBER 1994

Opening Statement by Brian Jeffriess, Chairman
National Fishing Industry Council NFIC and
President of the Tuna Boat Owners Association of Australia

Background to Conference

1. NFIC has called this conference so that the aquaculture sector can:

   (i) Identify its priorities for the foreseeable future, whether State or Commonwealth issues.

   (ii) So aquaculture can identify what type of organisational structure, and representation it wants.

   (iii) So aquaculture can build on the National Aquaculture Strategy.

2. There have been many previous attempts by others to identify how to better underpin aquaculture's in Australia - they have failed because they lacked momentum. We now may be at the stage where there is enough organisation structure to create that momentum.

Sponsors

3. The fact that three important groups have been willing to sponsor this conference shows the emerging higher profile of aquaculture and the seafood industry in general. We want to show our appreciation of these sponsors - the Department of Industry, Science and Technology, the Agribusiness Division of DPIE and the Fisheries Research and Development Corporation (FRDC). Their investment in this conference will lever considerably more investment by individuals and groups.

Role of NFIC

4. I will outline NFIC's role and future plans later in this conference, but at this stage, I emphasise:

   (i) This conference is not about NFIC's strengths or deficiencies - it is about how aquaculture achieves its sectoral needs within a wider framework.

   (ii) Every peak State seafood group belongs voluntarily to NFIC and continues to pay the Membership fee. Commercial people such as yourselves will appreciate that the ultimate test of any organisation is whether the Members continue to pay.

(iii) Over 99 per cent of all Australian seafood licence and permit holders belong to NFIC.

(iv) Strength is in unity - division creates the perception and reality of weakness.

Aquaculture's Current Advantages

5. I approach these issues not just as current Chairman of NFIC, but as President of the Tuna Boat Owners Association of Australia (ATBOA). Almost all ATBOA Members depend on aquaculture (ie tuna farming) for the majority (increasing) of their income.Tuna farming has grown from zero activity in 1990 to $55million market income in 1994 and forecast $65million in 1995. We have a big investment in aquaculture succeeding.

6. We have looked long and hard at where aquaculture needs to go - and in doing that we have clearly identified the areas where aquaculture is very favourably treated by governments and others, and does not want to lose. Look at the facts:

(i) Aquaculture has its own CRC - to which it makes only in-kind contributions.

(ii) Aquaculture receives 20-25 per cent of all FRDC funding, despite making probably less than 3 per cent of the seafood industry's contributions.

(iii) Aquaculture is considered a virgin industry by most State Government with very little attempt at cost recovery in most cases. This contracts with the capture sector, which is moving towards or already at 100 per cent cost recovery.

(iv) At one time aquaculture was threatening to be a major "macadamia-nut type" failure - governments and investors have given it another chance.

(v) Governments are now looking seriously at very long term or perpetual leases. This is a rare privilege.

(vi) There is wide-spread sympathy for aquaculture's position at the national level. DPIE has set up a specialist task force on aquaculture. This contrasts with the lack of a concerted approach on abalone poaching - which is not just worth $450million per annum, but is damaging a valuable national resource.

7. It is not productive to emphasise these privileges - just important we always keep them in mind. I also note that it is pointless for us at this conference, or the follow-up, to arrive at solutions we are not prepared to largely fund ourselves. It is not only unrealistic - it reinforces the "dependence" image too often associated with aquaculture.

What is Aquaculture?

8. I think we all agree on the FAO definition that aquaculture includes any marine (including freshwater) product in which there is intervention. This includes grow-out operations of wild stock.

9. ABARE, with others including Dos O'Sullivan, have worked hard to get a better handle on Australian aquaculture data. Their latest data is:

	1991/92 $'000	**1992/93 $'000**	**1993/94 $'000**
Salmon	39,600	49,000	58,800
Trout	14,213	11,880	13,705
Tuna	1,843	10,165	24,225
Other Fish	4,755	4,839	6,324
Prawns	10,760	14,769	21,106
Yabbies	1,187	1,387	3,159
Marron	433	464	528
Other Crustaceans	928	942	971
Edible Oysters	44,846	47,205	48,646
Pearl Oysters	126,000	119,600	124,000
Other Molluscs	2,121	1,278	1,390
Total Aquaculture	**246,686**	**261,529**	**302,854**
Total Seafood	1,376,174	1,501,108	1,606,708

Source: *Australian Fisheries Statistics, 1994, ABARE*

Debate About Future Growth

9. The pessimistic view is that:

(i) Australia has no prospective bulk aquaculture fish (eg catfish).

(ii) Salmon is based on limited niche export marketing, and insulated in the Australian market by quarantine regulations.

(iii) The grow-out from wild stock (e.g. tuna, lobsters) is severely limited by feed, labour costs, and, above all, by declining wild resources.

(iv) Farm prawn growth is limited by environmental regulations, climate and land costs.

(v) Australia has too few available bays for large-scale mussel etc. expansion.

(vi) Pearling is restricted by both the industry strategy (justified in my opinion), and by the market itself.

(vii) Australian labour costs are just too high to allow a large-scale aquaculture sector.

10. I lean heavily towards the optimistic view which, while conceding the barriers, sees the expansion of seafood demand driving the growth of aquaculture. The greatest barrier is the lack of real analysis and planning to ensure internationally competitive species are encouraged. The FRDC and the CRC are approaching coordination and strategic planning is a welcome development.

Issues for Aquaculture

11. We must be careful at this conference, and the follow-up, that the issues drive the structure and not vice-versa. The history of commodities in Australia is littered by examples of expensive structures being established without a clear rationale and/or mandate.

12. The potential issues are outlined in detail in the papers for this conference so I will only summarise them here:

(i) What are the key <u>State</u> issues of national significance? For example, how could we use the "best" situation in one State to generate improvements in others? Some instances are:

(a) More secure lease-holds - aiming at perpetual leases or longer term ones.

(b) Not constantly duplicating nutrient load studies - which can hold up development for years.

(c) Broodstock access which will be a constant problem which needs common approaches.

(d) General environmental monitoring.

(e) Interaction with introduced species (eg aquarium species).

(f) Chemical use.

(ii) What are the clearly identifiable Commonwealth issues? These are issues of Commonwealth administration. In some cases the Commonwealth (or AFMA) is clearly involved:

(a) National Residue Survey (NRS) where overseas authorities are clearly more likely to accept a nationally sanctioned scheme, even where the actual work is not done by the Commonwealth.
(b) Jointly State/Commonwealth managed fisheries (eg pearling) or where they overlap (eg tuna).
(c) The large majority of issues common to both various capture and aquaculture sectors (eg taxation, diesel fuel rebates, native title etc., including NRS above).
(d) Commonwealth-type issues where action at the national level filters down to the States - see 12((i) above.
(e) Issues such as diving standards, handled by a NFIC Committee covering both aquaculture (eg pearls, tuna) and the capture sector (eg abalone).

13. The task of this conference and its follow up should be to categorise and prioritise the issues, and see which is the best structure to handle them. In tuna, we have faced this problem many times. For example, do we hire off the skipjack tuna activity from the other tunas, do we separate the farming and the capture operations. After examining all the upsides and down-sides, we have always concluded that total unity gets the most effective results. The experience of other people may be different.

Finally

14. Again, we thank the sponsors and assure them their investment will be well used. The important thing is that this conference identifies the issues and then develops a steering mechanism to make further decisions. As I mentioned, the key challenge is to make the right decisions, not necessarily the quickest ones. The momentum is now there to carry the follow-up, so we can avoid over-hasty decisions.

NATIONAL AQUACULTURE STRATEGY
Where to from here?

Presented by Colin Shelley, Chairman of the Working Group on Aquaculture

Introduction

The National Strategy on Aquaculture (NSA) in Australia was finally released in 1994, following public comment, submissions and revision. A national strategic document is rarely radical in nature. The NSA is no exception. Strategic documents reflect established directions, the needs of the various stakeholders and usually require a good dose of common sense to give them a good chance of successful implementation. Just how well the NSA got the mixture right and how it will assist the development of aquaculture in Australia, only time will tell. One thing I am absolutely convinced of is that without the involvement and support of industry it will flounder, even with the best efforts of government agencies.

Australia's first NSA reflects the growing importance of this primary industry sector to the country and a recognition that in many areas a coordinated, national approach to some problems facing the industry is the only way to resolving them. I believe the NSA will assist in providing both a framework and a focus for the continued development of a sustainable aquaculture industry in Australia.

Recently Jim Gillespie of the Queensland Department of Primary Industries, the former chairman of the Working Group on aquaculture, presented details of the NSA to an aquaculture conference in Taiwan. It was extremely well received and created a lot of interest. However the main conclusion was that if only Taiwan had planned for the development of Aquaculture, as we are doing in Australia, perhaps it would not now be experiencing major problems caused by pollution of ground and coastal waters, land subsidence, abuse of drugs and chemicals, unchecked spread of diseases and unplanned development of sites. Successful implementation of the NSA will assist Australia in avoiding these types of problems that are becoming all too common in aquaculture in south-east Asia.

Progress to date

Whilst relatively little time has elapsed since the official launch of the NSA, progress has already been made in a number of areas as detailed at a meeting of the Working Group on Aquaculture in Brisbane (18-19 October 1994). What is happening or has happened recently in relation to each of the ten goals of the NSA is summarised as follows:

1. Professional organisation of the aquaculture industry.

- This forum
- A meeting of industry representatives in Melbourne in relation to export requirements for seafood into Europe.
- Aquaculture councils or their equivalent being established in most states.
- Formation of organisations representing some of the newer industry sectors e.g. barramundi, freshwater crayfish.

2. Aquaculture and capture fisheries cooperate as a seafood industry.

- FRDC funded development of a seafood industry marketing strategy
- Tuna farming
- Live fish transport research
- Enhancement of commercial fisheries using aquaculture production e.g. scallops, barramundi and abalone.

3. Provide a coordinated government framework to support industry development.

- Tasmania and South Australia have made considerable progress with area planning for aquaculture.
- Department of Primary Industry and Energy (DPIE) has identified itself as the 'lead agency' in aquaculture in the Federal government.
- DPIE to disseminate the latest information on taxation, industry development programs, etc. available from Federal government.

4. Aquaculture be conducted in an ecologically sustainable manner.

- Cooperative Research Centre for Aquaculture has a major program on environmental management.
- Environmental sustainability is a major criteria being used in the assessment of aquaculture proposals.
- Tasmania and South Australia are using Geographic Information Systems to monitor development and performance of aquaculture.
- National Registration Authority is investigating the registration of chemicals for aquaculture.

5. Equitable allocation of land and water resources.

- All states and territories are working at improving local/regional planning for aquaculture development and allocation of resources specifically for the industry.

6. Research and development anticipating and meeting the needs of the industry and the market.

- Industry now more involved through FRDC state research advisory committees.
- The Cooperative Research Centre for Aquaculture is strongly oriented to the needs of industry. Industry contributes directly to planning and managing the programs of the CRC.
- Research funding agencies are increasingly pushing collaboration between governments, industry and academia as a key part of most aquaculture research projects.

7. Industry attuned to marketplace requirements.

- Governments have been actively assisting industry with market access studies in all states and territories.
- Industry associations playing a major role in collating and disseminating market information.
- National Seafood Centre/IFIQ (Queensland) is working on a range of product development projects including bluefin tuna, silver perch, barramundi, salmon and redclaw.
- FRDC funded live fish transport research.
- A review of AQIS has resulted in reduced charges for fish exporters.
- DPIE has grants available for the initiation of quality assurance programs.
- The National Industry Extension Service has grants for quality control and business development programmes. This Commonwealth government funded scheme is administered by state and territory governments.

8. Education and training to ensure personnel at all levels are appropriately skilled.

- There has been an increased offering of short courses from TAFE, Universities and Government Departments.
- Additional aquaculture post-graduate students being funded through the Cooperative Research Centre for Aquaculture.

9. Effective extension services be available to the aquaculture industry.

- Queensland, South Australia and Western Australia have increased their industry extension services.

10. Appropriate controls on the introduction and movement of aquatic organisms.

- The progressive replacement of imported feed ingredients is being supported through the FRDC funded fish-meal replacement sub-program.
- Translocation policies and protocols have been established for a variety of species, including pearl oysters and barramundi.
- AQIS has been undertaking assessment of imported salmon product.

Implementation of the strategy

Examination of the preceding section could lead you to ponder the question, "did that happen because of the strategy or would it have happened anyway?" Much would fall into the - it would have happened anyway, but the fact that what happened was in line with the NSA, means that at the least it (the NSA) is in synchrony with where stakeholders see the industry going.

The NSA is and will continue to help influence and gently coerce some government agencies to get their performance in line with industry expectations.

The body currently with overall responsibility for the implementation of the NSA is the Ministerial Council of Forestry, Fisheries and Aquaculture. However this group has no direct jurisdiction over many of the other agencies responsible for implementation of parts of the strategy. Members of the Working Group on Aquaculture, the state and territory government representatives will be encouraging, persuading and promoting the strategy on a local and national level.

Where to from here?

The aquaculture industry is at a different stage of development in each state and territory. As a result different parts of the NSA have differing relevance or importance to them. The same would hold for each industry sector. Many issues identified in the NSA can be and are best resolved at the state or territory level.

Whilst the NSA has attempted to identify and address key national issues facing the industry, obviously new problems arise, old ones are solved or cease to be important and the priority of particular issues may change. Government agencies and industry are only going to be able to react appropriately if communication between them is clear. For issues of importance across the nation this must be one of the main arguments for having a peak national body.

The aquaculture industry is I believe the key stakeholder and the major beneficiary of the implementation of the NSA. In order that those outcomes of the NSA supported by the industry be achieved, it is essential that the various industry sectors, regional, state and territory industry organisations and the national representative body play a major role in its implementation.

THE MULTI-MILLION DOLLAR QUESTIONS

NATIONAL AQUACULTURE SEARCH MEETING
NOVEMBER 1994
David "DOS" O'Sullivan

Welcome to this very important meeting and thanks for coming. I would first like to thank Marinet for providing funds for me to attend this meeting.

It has been a long and rocky road to get everyone here for these two days and I hope we can make the best use of our time. Many meeting like this can stagnate or fall into the trap of being too broad-based in our recommendations. Let's avoid mother-hood statements and the like and get down to tin tacks to develop something useful. Let's be proud to say "I was at the National Aquaculture Search meeting and gee weren't we the movers and shakers".

It is very exciting but also a bit mind blowing. The decisions that we make today and tomorrow will have huge repercussions on our industry. Many million dollar questions will be asked and I challenge everyone here to overcome state or species parochialism and look ahead to the ultimate goal => to set the scene for aquaculture development and expansion over the next decade.

WHAT IS AQUACULTURE??

The dividing line between aquaculture and wild fishery activities MUST be drawn. People like the tuna farmers in S.A. can't sit on the fence, at one time being aquaculture, the next a wild fish value-adding fishery operation. What about the holding of animals such as rock lobsters, fish and abalone for a period of time before live sales? - is it aquaculture or simply value-adding wild fish? Where does crocodile and microalgae production fit in? How about the value adding of imported aquarium fish?- should this be included in the value of production in Australia? How about ranching of abalone or reseeding snapper stocks? What about harvesting of organisms in salt fields, sewage works and other pondages? Should commercial hatchery production be included in the estimations of production and value?

We should adopt FAO's definition to answer many of these questions :

> "Aquaculture is the farming of aquatic organisms, including fish, molluscs, crustaceans and aquatic plants. Farming implies some form of intervention in the

rearing process to enhance production, such as regular stocking, feeding, protection from predators, etc. Farming also implies individual or corporate ownership of the stock being cultivated".

WHERE ARE WE AT??

During October and November I had a nine week trip around Australia (Sydney, Brisbane, Cairns, Darwin, Broome, Perth and their surrounding regions). I visited more than 50 farms and hatcheries (marine fish, native fish, oyster, pearl oyster, prawn, crocodile, aquarium fish, red claw, marron, yabby and barramundi), research stations, public aquariums, restaurants, fisherman's co-ops and processors. I had talks with a large number of people, including farmers, scientists, chefs, restaurant owners, technicians, bureaucrats, managers and investors. The bottom line from the majority of these discussions was one of intense enthusiasm and confidence for the future of aquaculture in Australia. The exciting thing was that so many operations, even those still on steep learning curves, were making MONEY. At last the profits are starting to roll in!

It was very interesting to note that the profits were not seen to be a result of any "secret technology" or "hocus-pocus", rather the farmers were concentrating on getting the basics right. The reasons for the success can be summarised in five words : site, water, stock, size and technology. The aquaculture farms now being established are doing it properly! The older operations are cutting out the fat and their educing costs!

ABARE's initial estimates of the value of aquaculture production suggest an increase from $254 million in 1991/92 to more than $300 million in 1992/93. The species or group breakdowns are in the order of :

	million
Pearl oysters	124
Salmonids	72
Oysters	49
Prawns	21
Tuna	24
Freshwater crays	4
Misc.*	9

* includes native fish, barramundi, eels, crabs, brine shrimp, mussels etc.

The ABARE estimates exclude hatchery production, aquarium fish, crocodiles and microalgae which may be worth around $20-30 million p.a. Thus the actual value will be around $320-330 million for 1993/94.

Since 1988-89, when detailed figures were first taken, production has risen steadily at a rate around 10 % p.a. This growth is expected to continue. In addition market prices are steady, or even rising as product quality increases. My prediction of an industry valued at more than $500 million in the 1995-96 financial year is looking a little shaky but it will be a close call.

Compare this growth to the corresponding figures for the traditional fishing industry and is it easy to see that aquaculture is THE area where the majority of the increases in seafood production will occur. The "value-adding" of live fish, rock lobsters and abalone are areas where the value of the product in the fisheries industry is increasing significantly.

Let's not forget our growth characteristics in our dealings with government - we have a huge potential to offer a number of benefits to the Australian economy, such as income and job generation, infrastructure development, sustainability, environmental consciousness, increased seafood production and so on. Let's promote that fact!

WHAT INDICES SHOULD WE USE TO MEASURE GROWTH??

The importance of good quality statistics for our industry can not be overlooked. When looking for government support or funds, or justifying lease concessions, we need the right data to use as ammunition as we are competing against many other, often much better organised, sectors.

In the past the two main sets of figures that have been used to measure the growth in the industry have been tonnes produced (and hatchery production) and farm gate value. Is farm gate vale the most accurate, or else should we use realisable market price? Should productivity (t/ha/crop or yr) be used? How about others such as % of lease area in production?, number of people employed?, vale of exports?, total investment or infrastructure spending?, total annual running or operating expenditure, return on investment?, gross margins? Can you think of any others??

Who will collect these on a national basis? How should the industry organisations help? Why aren't the data collection methods similar for the states? Should the data be for the calender or the financial year?

IS THERE A NEED FOR A PEAK INDUSTRY BODY?? WHO SHOULD IT BE ASSOCIATED WITH?? HOW WILL IT BE RUN??

This meeting wouldn't be happening if we weren't all committed to the idea of some type of peak body for aquaculture. I always remember the old cowboy and Indian movies with the big chief first showing how easy it is to break a single arrow and then holding a handful of arrows to show that the tribes banding together are much stronger than being apart. "Together we rule (or conquer), divided we fall!" The same applies to us.

How should the peak body be formed? Should it be part of the fishing industry peak body (NFIC), or the land farmer's group (NFF)? or should we go for a stand alone body? What about membership and voting rights? Should there be state peak bodies or do we stay with the many small species or region based groups? What about levies for funding of FRDC projects (how much longer will this gravy train last)?

How will the peak group be funded? I have been told that the industry will have to fund itself. Wasn't NFIC given heaps of support when it was first being set up? Weren't there a lot of helping hands along the way? Shouldn't aquaculture (being the "new kid on the block") being given assistance as well? After all it isn't in the government's own interests to have a peak body?

What issues should be addressed first? - we certainly will need to prioritise as there are a multitude of issues out there. They include a follow through on the National Aquaculture Strategy, taxation, R&D, fish health, trade and quarantine, chemical registration, food standards and safety, education, environmental management, coastal planning and need for more sites, fish movement between states and genetical ramifications of these movements, effects of the Mabo decision and native title, resource security rents, etc. I could go on and on!!

IS THERE A NEED FOR A PEAK FEDERAL BODY?? HOW ABOUT THE STATES AND TERRITORIES??

There have been many calls at both a state and federal level for industry to form a peak body. Good idea, hopefully this meeting will get something concrete up and away very soon.

But what about the plethora of government departments wanting their piece of the action? It seems there are a never ending stream of bureaucrats (lets leave all the academics out of this argument for the time being) wanting to be involved, wanting to "help" us.

A good example of the problem at federal level can be taken from the recent rush for the National Residue Survey to sure up exports to Europe. Industry needed to consult with the Australian Quarantine Inspection Service, the Bureau of Resource Sciences and the National Food Authority.

Outside of the Department of Primary Industries and Energy agencies (i.e. ABARE, Fisheries Policy Branch, AQIS and BRS) we also have to deal include the National Registration Authority for Agricultural and Veterinary Chemicals, Fisheries Research and Development Corporation, Australian Animal Health Laboratory, Australian Nature Conservation Authority, Australian Fisheries Management Authority, Aquaculture Co-operative Research Centre, Department of Employment, Education and Training, Australian Bureau of Agricultural and Resource Economics, National Food Authority, Department of Industry, Science and Technology, Australian Trade Commission, CSIRO, Great Barrier Reef Marine Park Authority, and Australian Institute of Marine Sciences. Have I left any out?

Should something be set up by the Federal Government to provide information on how to access these agencies? What about the various Commonwealth/state/territory consultative committees? Are there too many? Who should sit on them?

Each industry body representative here today will have tales of how many different agencies they have to deal with. Are the interdepartmental committees working properly? Can you have a one stop aquaculture permit shop? What can be done to improve the situation? Are the government agencies being proactive or reactive?, help or hindrance?

We have to make the government agencies accountable for their actions, for their expenditure of taxpayers' money. But just sitting around and whingeing about it does not help. We have to provide the feedback mechanism for them to assess their effectiveness.

The comment has often been made (and after over 10 years in the industry I am now too cynical to believe that it is not true), that state government legislators and regulators see aquaculture as a new source of faces in which to kick sand, to flex their muscles, to stamp their territory, to justify their existence, to get more personal and resources. Is a similar thing happening with the federal agencies??

I reckon its high time that we throw the ball back in their court and THEM to get their act together. Oh what a dream, a single government agency for us to deal with - is it the impossible dream? Will the state/Federal governments agree to recognise aquaculture as a growth industry and work to promote it, not just regulate (read "stop") it?

It seems that environmental laws are hitting our operations very hard, especially those with point source discharges. What about level playing fields? I am sure that agricultural runoff is hundreds worse than aquaculture effluent. But can we clean our act up further? What about access to sites in or neighbouring land and marine parks? Who will fight this "battle royale"?

CALL TO ACTION

When I first started this talk I challenged us all to work hard, to get something happening here. I think its too good and opportunity to waste. The time is right for positive action. Lets do it!!

COMMONWEALTH FUNCTIONS AND ADMINISTRATIVE ARRANGEMENTS WITH REGARD TO AQUACULTURE INDUSTRY DEVELOPMENT

Presented by Jayne Gallagher, A/g Director Aquaculture
Fisheries Policy Branch
Commonwealth Department of Primary Industries & Energy

Commonwealth Functions

The report *Aquaculture: A Role for the Commonwealth Government* sets out the role for the Commonwealth Government in facilitating development of a sustainable, internationally competitive, aquaculture industry in Australia. The specific functions which the Commonwealth has responsibility for are set out in Table 1 below.

Table 1: Commonwealth Functions to Support Aquaculture

Description	Responsible Commonwealth Agency
Policy development and coordination at a national level	DPIE/Fisheries Policy Branch (FPB)
Export inspection requirements	DPIE/AQIS
Negotiation of market access and trade negotiations	DPIE/AQIS (technical issues)/FPB (ad hoc); DFAT
Strategic industry development policy	coordinated by DPIE/FPB
Development of food safety contingency plans	DPIE/Office of Food Safety with assistance from FPB
Labour force training and regional employment initiatives	DEET
Quality assurance	DPIE/ AQIS/ Rural Division/ FPB; DIST
Information base	DPIE/ ABARE/
Registration of aquaculture chemicals	National Registration Authority for Agricultural and Veterinary Chemicals
Residue testing program	DPIE/National Residue Survey
Setting and reviewing standards for imported and locally produced foods	National Food Authority (food standards); DPIE/AQIS (inspection of imported foods)
Export marketing assistance	DPIE/Rural Division; DIST; AUSTRADE
Ballast water guidelines	DPIE/AQIS

Table 1 cont: Commonwealth Functions to Support Aquaculture

Description	Responsible Commonwealth Agency
National industry code of practice covering environmental management and chemical use	Could be facilitated by DPIE/FPB
Development of contingency plans for exotic fish diseases	Could be undertaken by DPIE/BRS/Livestock & Pastoral Division with assistance from FPB
Disease identification and research	AAHL
Facilitation of aquaculture industry participation in priority setting for and funding of Commonwealth R&D	FRDC; DPIE/FPB

DPIE is directly responsible for 12 of the 16 functions identified, and may well be able to make a useful contribution to some of the other functions through a co-ordination role, or through DPIE's representation on Ministerial committees. However, other Commonwealth agencies will continue to be involved with the aquaculture industry, either directly or indirectly. This involves developing policies and administering programs which assist industry development (DEET, DIST) or defining the regulatory environment in which the industry operates (National Food Authority, ATO, Customs). Attachment A summarises the major interests of non-DPIE agencies.

Administrative Arrangements in DPIE

DPIE is managed by the Secretary and the Executive Directors of each of seven operating Groups, who together form the Executive Board. Diagram 1 shows the seven Groups which comprise:

- three policy Groups;
- three Bureaux concerned with scientific and economic research; and
- the Australian Quarantine and Inspection Service.

DPIE's Executive Board is the primary focus within the Department for decision making on corporate issues. It sets policy and management directions for the Department and monitors performance. Each of the Groups is responsible for its own management, however there is a significant degree of coordination between the Groups as many issues are not confined to one operating area. This is the case with aquaculture issues.

Diagram 2 identifies those parts of DPIE which undertake particular functions relevant to the aquaculture industry. The aquaculture related functions of the different parts of DPIE (numbered in the diagram) are:

1. The Food Safety Management Committee (FSMC) is a high level DPIE Committee which reports to the Executive Board on food safety issues across the spectrum of the food commodities covered by DPIE, and in particular on the trade implications of those issues. For aquaculture products the issues are related to public health and residues, and the associated trade implications.

DEPARTMENT OF PRIMARY INDUSTRIES AND ENERGY – organisation chart (to Branch level)

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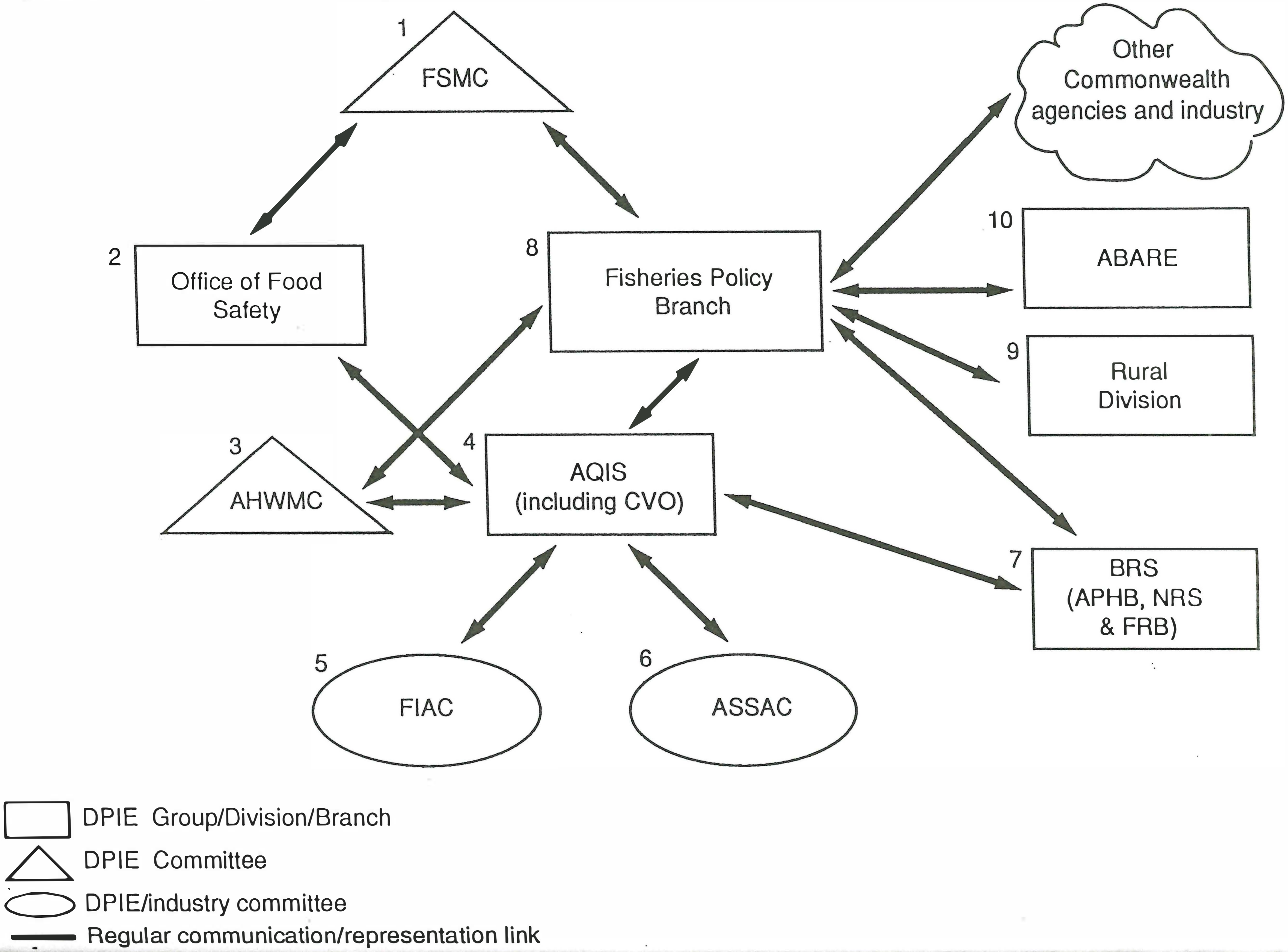
Diagram 1

Diagram 2: DPIE involvement in aquaculture



2. The Office of Food Safety services the FSMC and is charged with oversighting the development of risk assessments for exported food commodities in which DPIE has an interest, and also for oversighting the development of contingency plans to enable a quick reaction to be made should a food safety incident occur.

3. The Animal Health and Welfare Management Committee (AHWMC) coordinates animal health and welfare issues across the Department and reports to the Executive Board.

4. The Australian Quarantine and Inspection Service (AQIS) is responsible for ensuring that imported foods and other associated products meet quarantine standards, and that exported food is fit for human consumption, is accurately described, and complies with the technical standards of the importing country. The Office of the Chief Veterinary Officer develops and coordinates the technical and policy components of the Department's animal health and welfare activities, and is the designated international contact point on animal health and welfare matters.

5. The Fishing Industry Advisory Council (FIAC) which facilitates communication between AQIS and the fishing industry on technical trade issues such as AQIS' inspection requirements.

6. The Australian Shellfish Sanitation Advisory Committee (ASSAC) has also been established by AQIS and also has a strong trade focus. It deals with food safety and technical inspection issues associated with shellfish production and export.

7. The Bureau of Resource Sciences (BRS) has three Branches involved with technical aspects of the aquaculture industry. The National Residue Survey is the agency responsible for residue testing of exported food products. The Animal Plant and Health Branch provides technical advice on fish diseases, and the Fisheries Resources Branch provides management related advice on fisheries, the marine environment and pollution matters.

8. Fisheries Policy Branch which to date has focused mainly on the Commonwealth Government responsibilities associated with management of wild stocks. However, the Branch has recently taken on a strategic policy and leadership role on national issues affecting aquaculture industry.

9. Rural Division operates the Agribusiness and Clean Food programs.

10. The Australian Bureau of Agricultural and Resource Economics (ABARE) is able to provide economic advice on the financial viability of aquaculture industries, their marketing prospects, and issues such as the effect of environmental and pollution standards on aquaculture profitability. ABARE also collects trade and production statistics for the aquaculture industry.

The technical and scientific issues associated with the production and processing of aquaculture products are being appropriately handled by those areas in DPIE with the relevant expertise.

AQIS undertakes a clearly defined role in the certification of fisheries products (including aquaculture), and has established industry liaison committees to help in that task. The National Residue Survey (part of the Bureau of Resource Sciences) is also actively undertaking a clear role (residue testing of exported product) for commodities such as meat; and depending on the fishing and aquaculture industries' views about cost recovery, this role could readily be extended to encompass fisheries products. The other Branches of the Bureau of Resource Sciences are also actively undertaking their role of providing scientific assessments to support the work of the policy and operational areas of DPIE.

The Fisheries Policy Branch is currently responsible for developing policy options and providing policy advice on issues concerning the wild capture fishing industry, it is therefore logical that the synergy and overlap of such issues with aquaculture should be exploited and that the Branch have the role of strategic policy development and leadership on issues affecting the aquaculture industry (It should be noted that there is no intention to add another layer of bureaucracy to industry but that with a strategic focus, a higher profile can be given to aquaculture development).

Fisheries Policy Branch

Given appropriate resourcing the Fisheries Policy Branch will:

- provide strategic leadership on national issues affecting the aquaculture industry, and a clear focal point for the discussion of aquaculture issues, including trade issues, and aquaculture aspects of agribusiness issues in DPIE;

- coordinate DPIE's activities with the programs of other Commonwealth agencies (eg DEET, DIST) and influence other levels of government to ensure cohesive and complementary policies and programs are developed;

- facilitate the development of industry liaison mechanisms and where appropriate from a policy context, assist the industry to address issues such as adoption of residue testing, prioritisation of chemicals used in aquaculture, development of a national code of practice covering environmental management and chemical usage, adoption of internationally recognised quality assurance standards, etc;

- provide a policy perspective into the development of food safety contingency plans for aquaculture products (as part of a wider seafood safety contingency plan);

- work with FRDC to facilitate increased aquaculture industry participation in the setting of research priorities and clarify (and where appropriate seek an increase in) the aquaculture industry's contribution to funding;

- maintain a network of interstate and international industry, government and research contacts to facilitate the exchange of information and ideas to assist the development of policy options; and

- handle the significant number of national and international requests for information about the Australian aquaculture industry.

There may also be some opportunities for well focussed aquaculture programs to be administered by Fisheries Policy Branch which are consistent with the above functions. Appropriate avenues for funding such programs need to be pursued.

To undertake these functions a broad understanding of technical issues provides very useful background information. For this reason the Fisheries Policy Branch is in the process of developing a network of contacts and, where they do not already exist, will establish formal links with those technical areas of DPIE which deal with aquaculture issues. In practice the interaction between Fisheries Policy Branch and other parts of DPIE dealing with technical aspects of aquaculture will emphasise the complementary contributions which different technical and policy areas can bring to a problem. Obviously both sides should only contribute where they can add value and should not impede each other's activities.

ATTACHMENT A

OTHER COMMONWEALTH AGENCIES INVOLVED IN AQUACULTURE

The table below summarises the major interests of non-DPIE agencies.

Commonwealth Agency	Responsibility/Interest
National Registration Authority for Agricultural and Veterinary Chemicals (NRA)	The NRA evaluates and approves agricultural and veterinary chemical products for sale and use in Australia provided they satisfy criteria protecting human health and safety and environmental integrity. A Working Group has been established and is seeking industry assistance to prioritise the chemicals for registration for use in aquaculture.
Fisheries Research and Development Corporation (FRDC)	Aquaculture is identified as one of four key priority areas. The goal of the Aquaculture program is to enable aquaculture in Australia to reach its potential. It focuses on; Growth and Survival, Biology and Genetics, Management and the Environment.
Aquaculture Co-operative Research Centre (CRC)	The CRC model involves jointly funded partnership agreements between the Commonwealth and CRC members (comprising R&D providers, State Government agencies and industry). The Aquaculture CRC activities cover a wide range of scientific disciplines and commercial aquaculture targets and has currently got 27 projects underway in 6 program areas.
Department of Employment Education and Training (DEET)	Office of Labour Market Adjustment develops and implements regionally or industry based strategies to sustain or create employment opportunities (most aquaculture projects centred in NSW). DEET is also responsible for implementation of the National Training Reform Agenda which includes development of key competencies and vocational competencies relevant to the aquaculture industry.

ATTACHMENT A cont.

Commonwealth Agency	Responsibility/Interest
Department of Industry, Science and Technology (DIST)	The National Industry Extension Service (NIES) is aimed at improving the international competitiveness of firms in the manufacturing and service sectors. This is applicable to the downstream segment of the aquaculture supply chain. The Food Quality Program encourages the adoption of quality assurance strategies to assist enterprises in adopting quality as a marketing tool and as a means to improve efficiency. (QA programs are a priority for the aquaculture industry).
National Food Authority (NFA)	The NFA is the national food regulatory body in Australia with responsibility to develop and maintain national food standards. To do this it undertakes national surveys of levels of contaminants in food and operates the Imported Foods Inspection Program in conjunction with AQIS to assess the safety of food imported into Australia.
Australian Trade Commission (AUSTRADE)	AUSTRADE has offices in all States and Territories and 65 offices overseas. On a fee for service basis AUSTRADE helps Australian companies wanting to export. AUSTRADE also administers jointly with other Departments a number of programs to provide export market development finance to assist Australian exporters to develop and maintain overseas markets. Those programs most applicable to the aquaculture industry include the Innovative Agricultural Marketing Program (with DPIE) and the National Industry Extension Service (with DIST).

ATTACHMENT A cont

Commonwealth Agency	Responsibility/Interest
Australian Institute of Marine Science (AIMS)	AIMS has a number of mariculture projects underway within their Environmental Studies and Biotechnology Program.
Commonwealth Scientific and Industrial Research Organisation (CSIRO)	CSIRO Division of Fisheries carries out research into individual fisheries and the marine environment and has a mariculture R&D program. CSIRO is a member of the Aquaculture CRC
Australian Animal Health Laboratory (AAHL)	The Australian Fish Diseases Laboratory is part of AAHL. It provides the specialist facilities, skills and expertise, generally not available in conventional animal disease diagnostic laboratories, for the diagnosis of infectious disease of fish and shellfish.
Australian Fisheries Management Authority (AFMA)	AFMA is a Commonwealth statutory authority responsible for the management of fisheries under Commonwealth jurisdiction. Their involvement in aquaculture issues is mainly associated with access to wild fisheries resources as stock for aquaculture operations.

ABBREVIATIONS AND ACRONYMS

ABARE	Australian Bureau of Agricultural and Resource Economics
AHWMC	Animal Health and Welfare Management Committee
APHB	Animal and Plant Health Branch of the Bureau of Resource Sciences
AQIS	Australian Quarantine Inspection Service
ASSAC	Australian Shellfish Sanitary Advisory Committee
BRS	Bureau of Resource Sciences
CPD	Corporate Policy Division of the Department of Primary Industries and Energy
CVO	Chief Veterinary Officer
DPIE	Department of Primary Industries and Energy
FIAC	Fishing Industry Advisory Committee
FPB	Fisheries Policy Branch of the Department of Primary Industries and Energy
FRB	Fisheries Resources Branch of the Bureau of Resource Sciences
FSMC	Food Safety Management Committee
NRS	National Residue Survey

AGRIBUSINESS PROGRAMS

Submitted for presentation by Michelle Carfrae
Marketing and Business Service
Commonwealth Department of Primary Industries and Energy (DPIE)

DEPARTMENT OF PRIMARY INDUSTRIES AND ENERGY AGRIBUSINESS PROGRAMS

GUIDELINES FOR ASSISTANCE

INTRODUCTION

The aim of the Agribusiness Programs is to enhance the international competitiveness of Australia's agricultural and related industries by providing practical assistance to agribusiness enterprises or industry/grower groups. Assistance is principally through the provision of grants to enable access to professional services, to foster the adoption or development of modern business and marketing skills.

The Programs are overseen by the Agribusiness Programs Board, *which* is comprised of members predominantly from private industry. Applications are considered on merit and preference is given to those with greatest prospects for commercial success.

The Marketing and Business Service of the Commonwealth Department of Primary Industries and Energy manages the programs and staff are available to provide advice on the preparation and development of applications for assistance.

ELIGIBILITY

The Programs are targeted at enterprises or groups involved in the production, processing, marketing and/or distribution of Australia's agricultural, timber and fishing industries. Related industries such as machinery, transport and packing that directly contribute to the improvement of the international competitiveness of agriculture are also eligible to apply for assistance.

Government and semi-government agencies or projects are not normally funded. Exceptions may include educational institutions providing marketing skills training and projects addressing community-based agribusiness development.

Priority for assistance will be given to projects that have a clear commercial focus, an ability to improve Australia's international competitiveness and which benefits a significant number of rural producers. Projects should also have an emphasis on:

- export and/or important replacement through competitive value adding and innovation,

- improvements in strategic business development, general commercial practice and quality management systems,

- improvements of the international marketing skills of agribusiness managers,

- adoption of world best practice,

- the establishment of networks and better linkages through the agribusiness chain, and

- the establishment or expansion of viable community-based enterprises and industries.

THE ASSISTANCE PACKAGE

Assistance is flexible and can be tailored to meet the needs of the applicant. Staff of DPIE's Marketing and Business Service can advise applicants of the likely assistance available. Examples are outlined below.

(a) Strategic Business Development Projects and Quality Management Systems

- Grants are provided to assist with the cost of employing professional services for project definition, development and implementation.

- Project definition assistance can be provided for businesses via a brief consultancy to assist the applicant formulate a full project proposal and to offer practical business and marketing advice. Grants for groups are aimed at conducting industry search conferences (workshops at which issues are considered and strategies developed) or for assistance in engaging professional services to formulate full project proposals. Funding for groups is limited to $30,000. Funding for businesses and groups is typically provided on a 50/50 basis with the applicant, but a higher proportion can be considered under certain circumstances.

- Assistance with project development and implementation (which may involve the development of strategic business and/or marketing plans), can cover a consultant's or project manager's remuneration and related costs, training directly associated with the project, limited market research and evaluation, and production of quality management manuals. Funding support is limited to 50 per cent of the cost of engaging professional and management services on the project and some related costs, although up to 75 percent will be considered with a project has a broad industry focus and may provide very significant benefits to the industry and the nation. Funding would not normally exceed $200,000.

(b) Targeted Export Marketing Skills Projects

- Assistance can be provided for the development of marketing skills for those wishing to export. Typically this can include analysis of export opportunities followed by the development of modern export marketing and business expertise and the implementation strategies. The skills development takes a practical 'action learning' approach and may involve some participants committing themselves to travel to target markets, at their expense, to implement the skills developed in undertaking market analyses and to develop business relationships.

- Individuals or groups interested in improving their export marketing skills may contact DPIE's Marketing and Business Service. Skill development, tailored to overseas markets of participants, is delivered through a university or consultant with expert knowledge in modern export marketing techniques.

- Funding is usually provided to the contracted skill developer who is required to work with groups of approximately 12 to 18 individuals. Grants cover costs involved in the provision of skill development, including workshops and seminars, and the travel costs of the facilitator or other skill providers.

(c) Design and Implementation of World Best Practice Projects

- Assistance is provided to producers and other business, individually or in industry groups, for the design and implementation of projects leading to the adoption of world best practice Enterprises and industries with a strategic approach to the achievement of world best practice, a strong commitment from management and the workforce to the process, the involvement of suppliers and customers in the project, and a willingness to share the information on the benefits gained through the adoption of best practice will be preferred to receive assistance. To ensure that the best practice project contains these elements, assistance is available under the Agribusiness Programs for project definition.

- Funding for best practice projects is available to analyse the enterprise or industry performance, to establish performance benchmarks and to develop and implement strategies leading to significant improvements in international competitiveness.

- Grants are provided on a 50/50 basis with the applicant, to a maximum of $500,000 over three years. Assistance can cover workshops/conferences, training, consultancy costs, direct costs of a project manager, administration costs (directly related to the project), publications and information dissemination costs. In special circumstances, a proportion of international travel costs may be met for producers.

(d) Formation and Development of Networks

- Assistance is available to enhance the creation and development of linkages between agribusiness operators to achieve common objectives, such as improving the international competitiveness of individual enterprises or accessing markets that are beyond their individual capacity.

- To assist in the formation and development of networks (including activities related to the development and implementation of product and marketing strategies for specific markets), grants to a maximum of $100,000 are available. Funding is typically provided on a 50/50 basis with the applicants, but a higher proportion can be considered under certain circumstances.

- Grants can meet a proportion of the costs of holding a search conference, costs involved in obtaining advice on an appropriate network structure, the expenses related to engaging a specialist network facilitator and/or network manager and other directly related costs.

(e) Identification of Opportunities for Community-Based Agribusiness Development

- Assistance is provided to rural-based community/development groups, business organisations and businesses to identify local obstacles that are inhibiting the establishment or expansion of viable enterprises and industries; identify specific, sustainable new business opportunities; develop plans to attract new investment; and develop business and investment strategy models which may be used by local businesses and communities.

- For activities involving the identification of community or business development opportunities or impediments, grants can be provided to meet the costs of holding a search conference and/or engaging professional consultancy services. Generally, funding would be no more than $30,000.

- For larger projects, involving the development and implementation of community-based business strategies, grants to a maximum of $250,000 can be provided to cover a proportion of the costs of employing a project manager, fees and travel for specialist consultants and other directly related costs.

The Agribusiness Programs Do Not Fund

- land, working capital, plan, machinery and stock
- remuneration and related costs of existing personnel

- formal education courses
- scientific research and development
- retrospective activities
- travel costs other than those incurred by consultants (although for best practice projects part of the overseas travel costs of producers may be funded).

Engagement of Professional Services

A large part of the assistance provided under the Agribusiness Programs involves the engagement of professional services (eg consultants) to provide expertise in a number of business and marketing practices. Applicants may seek advice from a Marketing and Business Service about an appropriate consultant or nominate a consultant of their choice, subject to the provision of full details for consideration. Authority for the engagement of any professional services rests with the Marketing and Business Service.

Applicant's Contribution

In general, the applicant's commitment must include an in-cash contribution to the total project cost (this contribution may include domestic and international travel costs). Applicants must demonstrate their commitment to the proposed project, including contributing their time on an unfunded basis for project activities. This includes the involvement of an individual or management team who will "drive" the project and ensure continuation of its aims after the grant money expires.

ACCOUNTABILITY

All successful applicants are required to enter into a contract with the Commonwealth involving a commitment to a work plan, definition of project milestones and the provision of progress reports. Achievement of milestones is important in determining the payment of draw downs on the grant. Audited accounts must be submitted for all grants in excess of $10,000.

The amount of funding provided and the purposes for which it is provided will be public information and will be announced by the Minister for Primary Industries and Energy, after taking into account normal commercial and confidentiality considerations. In any promotion by applicants of the project, assistance provided under the Agribusiness Programs must be clearly acknowledged.

All projects are monitored and evaluated. Case studies of projects may be used to promote the Agribusiness Programs and successful business and marketing approaches.

HOW TO APPLY

Staff of the DPIE's Marketing and Business Service are available to provide advice on the preparation of an application. A brief written statement providing an overview of the circumstances, aims and expected outcomes of the project may be submitted in support of the application.

From the details provided on the application form, Marketing and Business Service staff will determine whether or not the application is broadly within the eligibility criteria and whether further details are required.

Applications are considered on merit against specified Agribusiness Programs criteria and relative to other applications. Decisions on applications, whether favourable or otherwise, will be advised in writing and are final.

EUROPEAN UNION REQUIREMENTS FOR AQUACULTURE PRODUCTS

Presented by Norm Blackman and Dr Heloisa Mariath,
Bureau of Resource Sciences, Canberra

THE OVERSEAS ENVIRONMENT

Concern about chemical residues in seafood is an increasingly important issue world-wide. Real or perceived public health issues can rapidly alter consumption patterns and disrupt domestic and international markets. They are also a reason for unassailable non-tariff trade barriers. The residue survey of aquaculture products would have an important role in developing and maintaining market access. Currently importers such as the United States, the European Community and Japan require product-specific monitoring programs for meat and other food products such as dairy and eggs, managed by the government of the exporting country, as a condition for import of products such as meat. That is, countries without such programs are not permitted entry to their markets. In fisheries, international concerns with seafood contaminants are reflected in the development of the United States Food and Drugs Administration program examining 13 species of imported fish and crustaceans for mercury, lead and cadmium from February 1993. Canada has a MOU with AQIS, allowing our fish products to enter Canada without testing for chemical contaminants based on the wild-caught fish survey carried by the NRS since 1990. Japan is already regularly monitoring aquaculture prawns for antimicrobials. Many countries, especially within the European Community, and South-East Asia, are currently expanding their capabilities for monitoring chemical residues.

The EU are now in the process of expanding their present requirements for meat and poultry to a wider range of animal/fisheries products, requesting the development of a program for aquaculture products, which requires sampling programs for 1995. Aquaculture products will not be able to be sold in the EU (from a date yet to be determined) unless there is a program of monitoring in place in the exporting country. For aquaculture products actual sample numbers are not yet specified and these will be subject to negotiations between the EU, AQIS and the NRS.

HOW CAN TRADE DIFFICULTIES BE OVERCOME?

Many difficulties arise from the need to comply with the confusing array of food standards existing in the countries with which we trade. Most of these difficulties would disappear if there were a single set of internationally recognised standards for fisheries products.

The Codex Alimentarius Commission is a joint body of the World Health Organisation (WHO) and the Food and Agricultural Organisation (FAO) established to develop international standards for food. Codex aims to protect the health of consumers while ensuring fair practices in food trade. Two of its committees develop chemical residue standards in food, and one deals with food standards for fisheries products. Australia is an active participant in all Codex activities, and has had strong delegations at all meetings in recent years.

Codex membership includes all major food producing and importing countries, and total membership now exceeds 130 countries. Codex provides a forum in which each country can state its needs and learn the needs of other countries. Australia believes that the Codex objectives are attainable and that it is the best way to rationalise trading conditions applicable to chemical residues.

WHAT IS THE NRS?

The National Residue Survey (NRS) is a national program that monitors the level of insecticides, antimicrobials, and environmental contaminants (cadmium, lead, mercury, etc) in foods produced in Australia and has been operating since the early 1960s administered by the Bureau of Resource Sciences (BRS) in the Department of Primary Industries and Energy. Its primary objective is to provide an overall picture of the chemical residues of importance in Australian agricultural produce. The NRS safeguards both Australia's export markets as well as domestic consumers. At present the NRS analytical program routinely tests more than 40000 samples of meat, grains, fruit, vegetables, milk, eggs and honey each year.

NRS FUNDING SOURCES

The great proportion of funds for the operations of the NRS are provided by three sources:

- Levies paid by participating industries (the main source)
- Direct contributions (for example, for the payment of fees charged for the supply of information or for survey work undertaken for non-levy paying industries)
- Funding appropriated by the Government for the NRS "Government Business" activities, under Community Services Obligations which includes providing technical advice to the Minister and Department on residue issues, contributions to Standing Committee on agriculture and Resources, and international Codex Alimentarius Committee meetings of the UN/FAO etc.

Administration of these funds is through the *National Residue Survey Administration Act 1992.* This Act established a trust account under Section 62 A of the Audit Act in which money collected from NRS levies or penalties, Parliamentary appropriations, gifts or contributions and income from investments are held. The trust account gives flexibility to deal with under- or over-recovery of cots of the NRS for a particular commodity, by allowing the balance to be carried over into the following year. On occasion industries will be in debt at the end of the year and this debt is carried forward for recovery in future years.

This Act also prescribes the purposes for which payments from this account can be made, requires an expenditure program to be approved by the Minister, and an annual report to Parliament on the trust account operations.

In addition there are 17 levy imposition Acts which impose a levy on producers of various animal or plant food commodities. The levy rates can be set by regulations under the NRS Act and some (like fish products and aquaculture) are set at nil where other funding arrangements are more appropriate.

Industry funds are managed on an accrual accounting basis and any funds not required for immediate commitments are invested for the benefit of the contributing industries. Funds appropriated for the Government business activities of the NRS are not invested. All investments are undertaken in accordance with the requirements of the Audit Act 1901 and Treasury Directions.

Work such as laboratory services and data entry and procured from outside the organisation in preference to internal resourcing. This enables competitive commercial rates and efficiencies to prevail within the Public Sector framework.

ISSUES FOR THE INDUSTRY TO CONSIDER:

In the event of an industry wishing to be included in the NRS, it should consider the various methods of payment. There are advantages and disadvantages to each of them and one may be more desirable than another.

Levy

A Levy on exports enabled by *National Residue Survey Aquatic Animals Export Levy Act 1992*. The advantage of a levy is that it is equitable in being applied to all exporters based on cents per kg exported. A levy is technically a Commonwealth tax, even though the money is destined through the trust account for a specific purpose for a specific industry. A levy is hard for non-payers to avoid but cannot, of course, take account of the export destinations or their individual market requirements, and also cannot take account of the domestic market (unless another imposition Act is passed).

The disadvantages of levies are the time, money and groundwork needed to set one in place. The Commonwealth is not likely to introduce such a levy unless it has the full consent of the <u>national</u> industry, represented by a relevant body. A levy could then be imposed by amending regulations within about 4-6 months and an administrative cost of about $20 000 by the time the Governor-General signed them and the Levies Management Unit has set up the collection mechanisms and notified payers. The ongoing cost of collecting a levy depends on the number of collection points and the degree of compliance but it may be as high as 10% for a small industry.

Direct Contribution

Direct contribution has the advantage of letting industry cover the setup and administrative costs of equitable collection. This may be far cheaper for a small mutually cooperative industry. It also has the advantage of being quick to respond. If the contingency is already approved in the NRS trust account's expenditure program, the survey work can commence as soon as funds are contributed.

The disadvantages of direct contribution is the inevitable inequity of non-payers deriving benefit. This situation also exists with levies but it becomes a government problem and not industry's. With direct contribution there is no Government retribution for non-payers other than through an arrangement with AQIS and its powers under the *Export Control Act 1982.* Also the NRS is a monitoring body and is in no position to expend resources chasing up late or non-payments. NRS has no option under direct payment other than to cease operations if payment dwindles.

Appropriation from consolidated revenue

This has the advantage of not directly costing the industry anything other than the enmity of other industries seeking the taxpayer's funding of their market development.

The main disadvantages are associated with the political difficulties of persuading the Commonwealth Government to fund it. The current government would either need to reverse its policy decision of 1992 or make a special case for Aquaculture. Neither, particularly the latter, are impossible but would require considerable political influence and lobbying resources. Other producer industries particularly those of horticulture and meat commodities have vigorously pursued this option since 1992 but with no success as yet.

WHY DO WE NEED THE NRS - AQUACULTURE PROGRAM?

Australian and overseas consumers are becoming increasingly concerned about the possibility of Australian aquaculture products being contaminated by toxic chemicals such as insecticides, heavy metals and therapeutic drugs. Residue monitoring is an important part of any strategy to minimise unwanted chemicals in food. In particular it will help to identify potential residue problems and indicate where follow-up action is required. Monitoring programs also help to ensure consumer confidence in product quality and safety. Surveys and species-specific studies have been carried out on a limited number of commercial species of fish. However, there has been no national survey of contaminants in Australian aquaculture products.

Access to the EU market will be contingent on approval of the plan and acceptance of results for the previous year. A detailed sampling program for aquaculture products was designed by the NRS, the primary focus being on chemicals used in aquaculture and environmental contaminants.

(1) Aquaculture Exports to the EU:

- Submission of the Australian residue monitoring plan to meet the EU requirements is undertaken by the National Residue Survey in the Bureau of Resource Sciences

  - and given that the Submission for each country is considered in its totality, it is most unlikely that EU officials, and the relevant committee (the Standing Veterinary Committee), would accept separate submission from different Australian organisations or industry bodies.

- Preparation of the submission for a 1995 freshwater crayfish program was undertaken by the NRS in August/September of 1994

  - and is presently ready to be submitted to the EU

- Unofficial advice received from the Australian Veterinary Counsellor in Brussels dated 11 October regarding EU requirements for residue monitoring in 1995 indicate that Australia will have 12 months to implement an agreed level of residue testing. To date, the EU has not yet officially provided levels of residue testing required and implementation timetables.

- This situation is similar to the 1989 EU meat survey requirements, where the EU did not formally advise Australia that they would delay implementation for one year until November of the previous year. It is worth noting that there had been major initiatives undertaken in preparing the meat industry for the implementation of the program in January 1989. This occurred throughout 1987 and 1988. The work, however, was not wasted as it assisted a smoother and faster implementation in the following year.

  - with commitment by industry to meeting the full costs of the consultation process and of administering the proposed residue monitoring for 1995 as the NRS is on full cost recovery.

- Although details of sampling requirements are not known at this stage, our experience is that the requirements for third countries exporting to the EU will be minimal in the first instance but increasing in magnitude as they become bedded down internally within the EU.

(2) Other uses for a residue survey data:

Information from a residue survey for aquaculture products can be used to confirm the acceptability of Australian aquaculture products for export and domestic markets. By providing an independent and authoritative assessment of the residue status of Australian aquaculture products, the survey will put residue issues in perspective and dispel or avert speculation about product safety. The Australian Quarantine and

Inspection Service (AQIS) can use the results of the survey to certify the presence, absence of level of residues. At the moment such certification when needed requires expensive case-by-case testing. The results could also be used to

- be used as basis for trade negotiations with other markets
- help establish or review food standards at both the national and international levels;
- provide early warning and background information to industry and relevant Government agencies on potential contaminants, and to
- help develop residue management strategies.
- Has potential use as audit for the clean food program.

Species and tests are selected in consultation with the industry. Samples would be collected at coldstores and processing plants. This strategy allows the monitoring to be close to the consumer, but still allows identification of the general area where the seafood is caught.

STEPS IN THE DEVELOPMENT OF AN AQUACULTURE PROGRAM

Arrangements for the aquaculture survey parallels other commodity programs and involve:

- Detailed consultation with industry during July/August with commitment by industry to meeting the costs of the consultation process and administration of the proposed residue monitoring for the following year.

- Preparation of the program submission by the NRS for each year could be undertaken in August/September of the previous year (eg in August 1994 for the 1995 program). At this stage industry has to commit itself to cover the costs of the program, at a level compatible with the industry's interests and the international market realities. The industry may choose at this stage to establish a maximum negotiable sample size above which it is not of the interest of the industry to access the market. Monies deposited in NRS trust account. Analytical testing and sample numbers are based on

    - specific requirements of the overseas country - in this case, the European Union

    - International and domestic perceptions of possible health hazards

    - market requirements

    - toxicology of the contaminant.

    - the likelihood of the contaminant occurring in the product, which depends on the presence and persistence in the environment, and/or rates of accumulations and persistence in the species in case. For example, antibiotics are less likely to occur in extensive farming of yabbies than in intensively farmed salmon.

- the results and extent of previous monitoring for each chemical and fish species. Results of previous testing can be used as a scientific basis to decrease sampling size in the following year.

- Plan ready for submission to the EU by October each year (together with the other programs such as meat and dairy and any necessary amendment made through negotiations between AQIS and the EU, keeping the analytical tests to the lowest possible number. This includes negotiating with the EU to rationalise their requirements. The final figures will be a result of the EU requirements (not yet established) and negotiations. The cost of the survey would be determined by the number and type of residue tests, plus an administration component.

- Analytical testing on a competitive basis to provide the best value for money at the required accuracy.

- Program ready for implementation by the NRS as soon as requested by the EU, generally from January of each year. New programs were allowed one year for implementation.

- Results to be managed by the NRS for presentation to the EU on request during 1995.

PROGRAM DEVELOPMENT UPDATE:

The meeting of 31 August in Melbourne of DPIE and industry representatives was supportive of the aquaculture industry's involvement in the NRS for meeting EU requirements and also recognised the likelihood that other countries are likely to follow the EU in requiring residue monitoring.

After the meeting, the Yabby Growers requested that a monitoring program be developed for their industry. In response, the NRS designed a program for monitoring chemical contaminants in yabbies by 20 September for submission to the EU to commence negotiations. This involved the chemical targeting and analytical methods specifications as well as database and other operations arrangements. To that end, the freshwater crayfish industry agreed to pay the NRS $5,000. As discussed in the meeting, once the Eu advises us of the number of samples required and the Australian plan incorporating such requirements has been accepted by the industry, the costs of the analytical testing and operational expenses will be established and a second payment required before the implementation of the program.

The successful conclusion of GATT means that chemical residues are likely to be used as non-tariff trade barrier. For other markets that the EU, the NRS has a strategy of monitoring small numbers of export commodities to accrue data to enable government and industries to effectively argue against such barriers. Scientific information derived from Government monitoring programs is the only avenue available to solve market access disputes in this area.

FRDC - AQUACULTURE

Presented by Peter Dundas-Smith,
Executive Director
Fisheries Research & Development Corporation

PURPOSE

This procedure describes the method of preparing and submitting R&D applications for FRDC funding.

SCOPE

This procedure shall apply to new applications, and applications for variation to approved projects.

REFERENCE

Applicants should read this procedure in conjunction with the FRDC R&D Plan and the General Conditions contained within the FRDC Project Agreement.

The FRDC R&D Plan:

- defines the Corporation's objectives and strategies for achieving them;
- outlines the Corporation's R&D programs; and
- provides broad details on investment criteria, accountability, types of funding and the Project Agreement.

DEFINITIONS

FRAB: Fisheries Research Advisory Body

FRAB is a generic title for a Commonwealth, State or Northern Territory based representative board, committee or council, one responsibility of which is to advise the FRDC on R&D priorities. The Australian Fisheries Management Authority, operating through its Management Advisory Committees, is the FRAB for Commonwealth fisheries.

ACTIONS

Timetable

The FRDC funds R&D in the following ways:

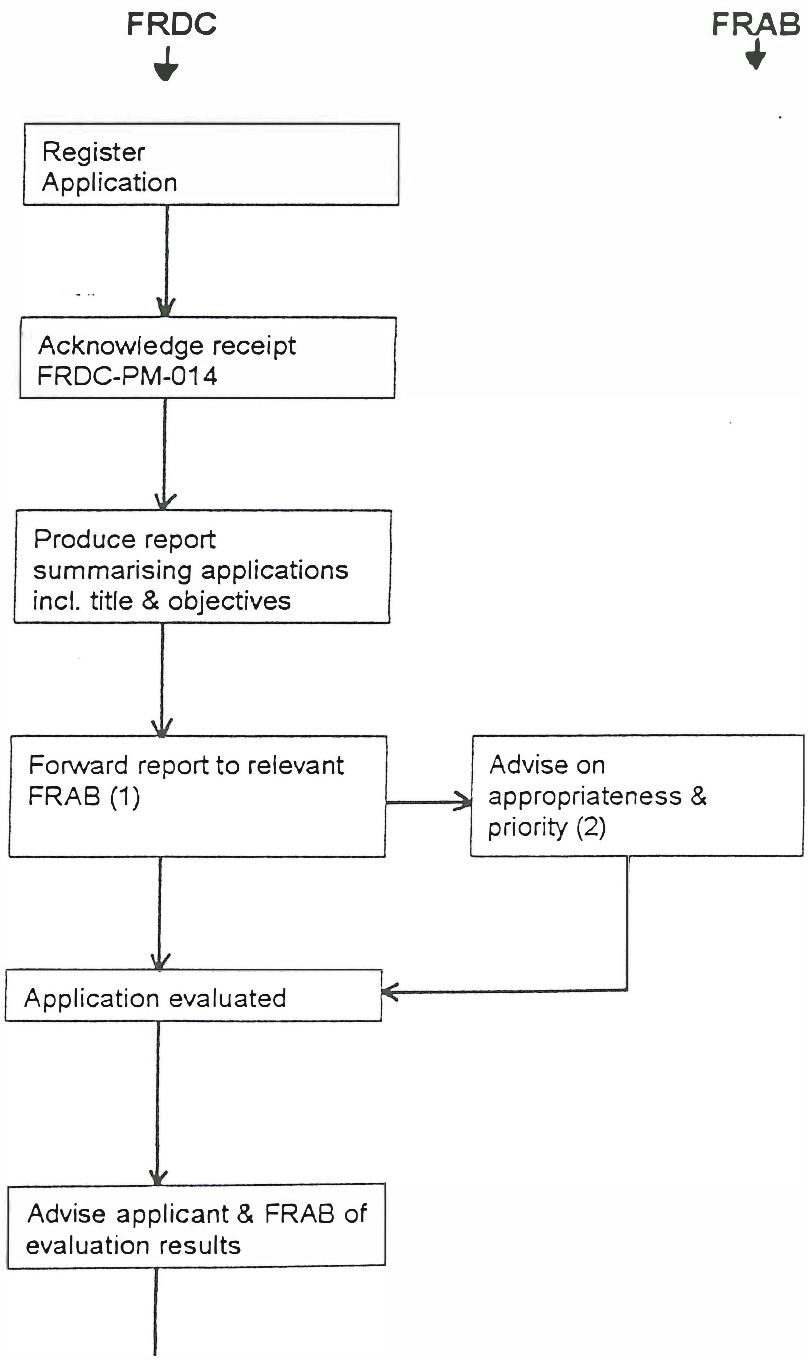
- an annual public invitation for R&D applications;

- State and Territory Trust Funds,
- the National Seafood Centre, and
- initiating specific R&D projects.

Details of these types of funding are contained in the FRDC R&D plan. The majority of applications result from the annual invitation for R&D applications; and these are normally processed in accordance with the overview at Figure 1 and the Activity Calendar included in the FRDC R&D Plan.

FORMS

FRDC - PM - O11 - PART A - ADMINISTRATIVE SUMMARY
FRDC - PM - 012 - PART B - PROJECT DESCRIPTION
FRDC - PM - 013 - PART C - PROJECT BUDGET
FRDC - PM - 014 - ACKNOWLEDGMENT OF RECEIPT OF APPLICATION(S)



Note 1
As determined by the flow of benefits advised in the applicant

Note 2
This advise should be based on application objectives & flow of benefits

PART B - PROJECT DESCRIPTION

The Project Description should provide all the information necessary to enable the project to be fully evaluated.

B1 FRDC PROGRAM

State the primary FRDC Program and sub-program(s) that this application addresses (refer FRDC R&D Plan).

B2 BACKGROUND

Provide a brief background to this application.

B3 NEED

Define succinctly the need for the research.

B4 OBJECTIVES

State succinctly the specific objective(s) of the research. Objectives should address "what" is to be achieved rather than 'how and why'. Objective shall be the basis on which the relevant Fisheries Research Advisory Bodies (FRAB) advise the FRDC on the appropriateness and priority of the application.

B5 INDUSTRY & MANAGEMENT CONSULTATION

Specify the relevant consultation with Industry and fisheries management undertaken before submission of this application, and the level of support for this application. Enclose any documented support for this application from the relevant FRAB, Industry sector, fisheries management agency or any other beneficiary as identified at B7.

B6 DIRECT BENEFITS & BENEFICIARIES

Identify the sector(s) of the industry and/or community in general that will benefit directly from the research. Quantify the difference in terms of prices (eg quality, market penetration, user satisfaction), costs (eg productivity), non market benefits and/or catch that the adoption of the research results will make to fisheries management and Industry profitability.

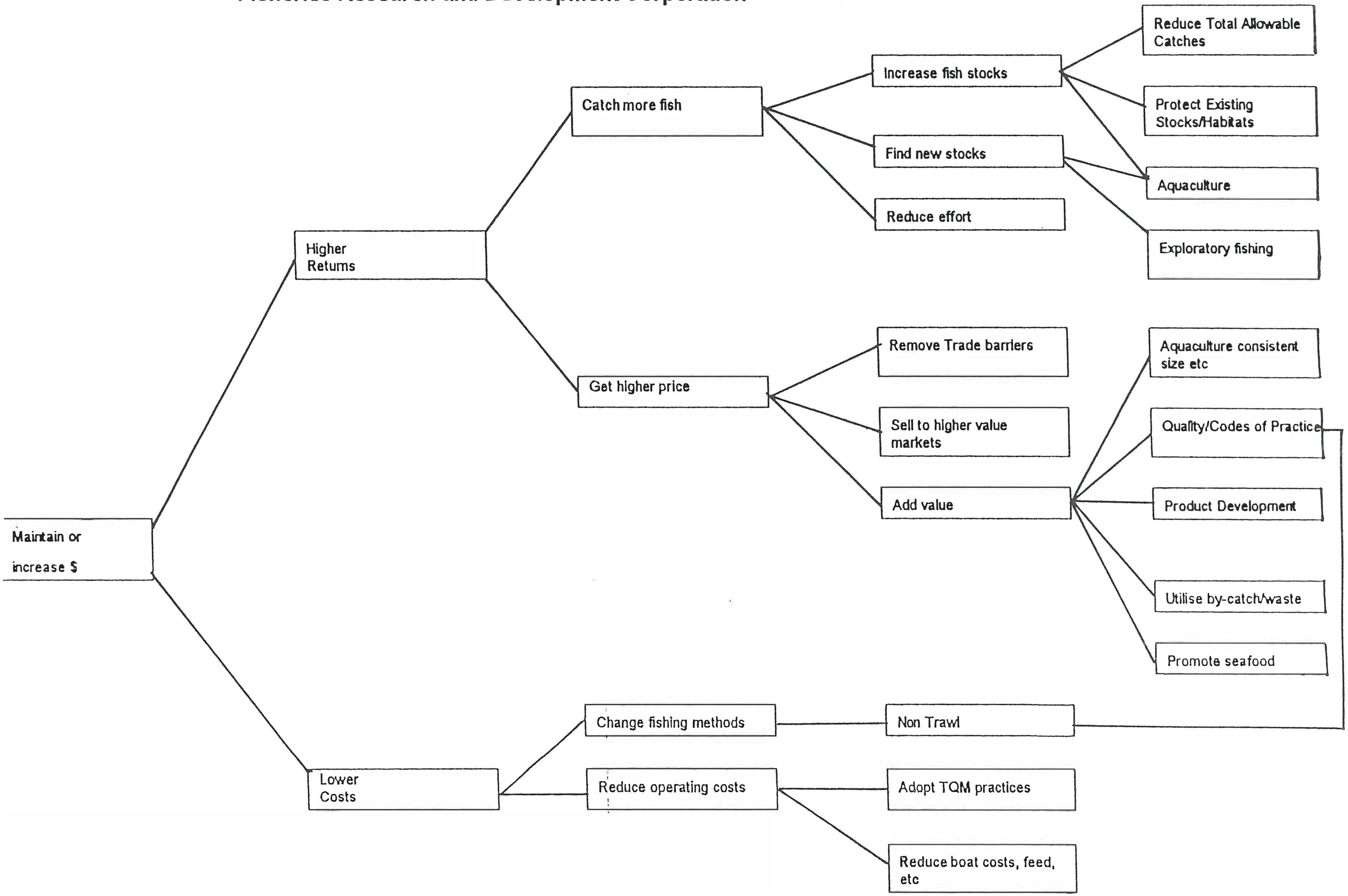
B7 FLOW OF BENEFITS

Estimate, as percentages of total benefit, the flow of benefits to fisheries, regions, States, Territory and/or other beneficiaries. Careful consideration must be given to the flow of benefits as the FRDC shall seek advice from the nominated beneficiaries (through the relevant FRAB(s)) on the appropriateness and priority of the application.

Fishery Managed by:	%	**Specify fishery(ies) if appropriate or known. Name other beneficiaries**	%
New South Wales Queensland Northern Territory Western Australia South Australia Victoria Tasmania Australian Fisheries Management Authority			
Other Beneficiaries (eg grains producers etc.)			
TOTAL	**100%**	**TOTAL**	**100%**

THE LINK BETWEEN WILD FISHERIES AND AQUACULTURE

By Peter Dundas-Smith, Executive Director
Fisheries Research and Development Corporation



AQUACULTURE SEARCH CONFERENCE - CANBERRA - NOVEMBER 1994
Statement by Brian Jeffriess, Chairman
National Fishing Industry Council NFIC

ROLE OF NFIC

History of NFIC

1. The seafood industry went through various phases of national organisation until the National Council concept evolved to the most balanced in the later 1980's, since then, NFIC has been the sole peak body, covering virtually all the Australian seafood industry.

Membership of NFIC

2. All State Councils, WAFIC, SAFIC, VFIF, TFIC, NSWFIC, NTFIC and the QCFO - belong to NFIC voluntarily. The eighth Member is a grouping called the National Industries Association (NIA) which covers cross-border national fisheries such as the South East Fishery (Member is the industry association - SETFIA) and the tuna industry (Member is ATBOA).

Responsibilities of Each Member

3. All eight Members:

   (i) Pay a common fee, currently $12,000 per annum per Member (the NIA pays one fee).

   (ii) Provide their staff to work on NFIC Committees which write most specialist submissions.

   (iii) Attend 3-4 meetings in Canberra or a selected State each year.

   (iv) Constantly liaise with the NFIC Executive Director in Canberra.

NFIC Executive Structure

4. NFIC has:

   (i) A full-time Executive Director, Anne Purtill, based in Canberra.

   (ii) A professional Treasurer, currently Karen Clifton from VFIF.

   (iii) An annually elected Chair, currently Brian Jeffriess, and a Deputy-Chair, currently Ted Loveday from QCFO.

(iv) All members nominate one representative to be on the Council.

5. NFIC has its own long-term office in Deakin in Canberra, close to all the political and bureaucratic areas.

6. The Council almost always resolves issues by consensus and rarely is a vote required.

7. Note that NFIC operates as a limited company, imposing clear corporate responsibilities. These include:

(i) Full annual accounts (current situation presented to each quarterly meeting).

(ii) AGM (normally end-January or early February)

- The 1995 AGM is Tuesday 31 January to Thursday 2 February.

- Coinciding with the special NFITC and AFMA meetings that week, and the ABARE Outlook Conference the following week.

General NFIC Philosophy and MANDATE

8. NFIC's Constitution gives it a flexible mandate. Therefore the mandate is what its Members want. This has evolved to:

(i) Addressing the national issues such as taxation, environment, research, native title, cost recovery, property rights, diesel fuel rebate, international issues, and inter-Member of or inter-fishery difficulties.

(ii) Being the focal point for exchange of information between Members.

9. The gap between what are national issues and what are State issues is increasingly narrowing. This reflects not only the growth of Commonwealth powers, but also the increasing trend to use the same legislation and policies between various States and Commonwealth fisheries. Good examples are property rights and cost recovery (see below).

10. To deal with these issues, NFIC has a number of specialist Committees, including ones on environment, native title, taxation, and now a Steering Committee on Aquaculture. These committees have often been funded internally by NFIC - with substantial in-kind contributions by the States specialising in those areas.

11. Up until now there has been no specialist groups on Aquaculture, largely because:

(i) Most of the issues such as permits, local environmental conflicts, broodstock sourcing, clean water programs, etc. have been very much localised or State issues at their broadest.

(ii) Virtually all the national issues affecting aquaculture also affect the capture fisheries.

(iii) Aquaculture groups have been very satisfied with their established channels through State Councils in resolving issues.

Perceptions of NFIC - General

12. I note again that Members continuing to pay (i.e. buy the service) is the ultimate test of an organisation. There is also a widely-held perception that NFIC does a very good job considering its very limited resources. Finally, on this issue, NFIC has generally adopted a low profile to avoid governments penalising (eg taxation) success in what is seen as a community resource:

(1) The industry is in the public arena whether we like it or not. That results from a mixture of the positive (eg export success) and the negative (eg capture methods, some aquaculture residues in bays). To ensure a balanced approach to all issues, we must have:

(a) A <u>continuing</u> positive public image.
(b) The capacity to contest specific issues.

(2) It is clear that marine issues are the next bug target (after forestry) for the powerful international environment groups. They have had major successors overseas which they will try to duplicate in Australia. While these groups have brought many positive things, their internal competition to donor funds means they tend to the extremes.

(3) Some States (eg Queensland, WA) have shown the benefits of adopting a higher profile. Their approach has been to emphasise the benefits of the industry - and make it something the community, Government and industry should be proud of.

(4) The inevitable long-term conflicts in some areas with recreational groups. In some States, the commercial fishers have shown how there can be an effective combined recreational/commercial approach to issues. However, elsewhere there is always the possibility of the situations arising such as in the US (eg Florida) where recreational power has overcome the commercial sector.

14. In response, NFIC is:

(i) Seeking much greater resources from its Members, and elsewhere. We expect NFIC to have a significantly larger budget in 1995/96, to address a wider mandate.

(ii) Considering a change of name to the National (or Australian) Seafood Industry Council, to properly reflect the breadth of its Membership. No name can, of course, cover everyone.

(iii) Looking at aligning itself on specific issues with other interested groups.

Perceptions of NFIC by Aquaculture interests

15. Earlier in this presentation, I outlined NFIC's approach to sectoral interest and issues. There is no doubt a perception in some groups in aquaculture that NFIC has somehow failed them on one or a range of problems. Whatever the outcome of this conference, it is important that NFIC and its Members confront these complaints head on. We have learned lessons from the past of allowing sectoral complaints to fester.

16. The problem some of us have is identifying exactly the specific of the dissatisfaction from key areas. I say that as someone who comes from a sector (i.e. tuna) which depends more on farming/aquaculture, than on the traditional wild fishery.

17. The complaints appear to be:

(i) NFIC has somehow let down the aquaculture sector on the National Residue Survey (NRS). Any examination of the facts show this to be nonsense. These facts are:

- The NRS concept was developed by BRS some years ago. What NFIC has done is properly scrutinised the correct phasing in of the NRS.

- There seems to be some concern that NFIC will not sanction cross-subsidisation by one sector of NRS work in another sector. This is not correct - in fact we never had to address the issue. No proposed program has been put to us. If and when it is, then it will be scrutinised for its quality and the precedent it creates.

(ii) There is a complaint that NFIC does not often enough discuss pure aquaculture issues, or give enough emphasis to aquaculture within general issues. Critics need to be more specific about these points. For example, NFIC has been very successful in establishing precedents on cost recovery and property rights at the national level. Perhaps there are specific aquaculture slants within these issues which NFIC needs to be more aware of - that is why this conference is important.

18. Speaking as an aquaculture representative, we need to be very careful not to complain too much. Frankly, we are extremely well treated by both Commonwealth and State Governments, the capture sector, research arms, etc. Look at the facts:

(i) Aquaculture has its own CRC - to which it makes only in-kind contributions.

(ii) Aquaculture receives 20-25 percent of all FRDC funds despite making probably less than 3 percent of the seafood industry's contributions.

(iii) Aquaculture is considered a virgin industry by most State Governments, with very little attempt at cost recovery in most places. For example, in SA., the capture sector has 100 percent cost recovery, and aquaculture has no charges except a nominal licence fee and sometimes a research charge.

(iv) At one time, aquaculture was threatening to be a total failure - going the same way as macadamia nuts. Yet governments and investors have given it another chance.

(v) Governments are now seriously considering in perpetuity leases.

(vi) DPIE Fisheries Policy Branch has set up a specialist task force on aquaculture. This is quite an event when you consider that the poaching of $50million of abalone per year, and resulting damage to an important national resource, did not justify such a DPIE task force. This was despite Commonwealth coordination being the only effective way to address the issue.

These are rare privileges and everyone should keep them in mind when looking at future strategies.

NFIC'S Work

19. NFIC's program is driven not only by its recognition by industry as the only peak body - it is already recognised int he Commonwealth legislation as the only peak body. Therefore the Commonwealth Government and AFMA are compelled legislatively to consult with NFIC.

20. The main NFIC focus is on:

(i) Taxation: This work includes:

(a) Getting the seafood industry full Primary Industry status under the Income and Sales Tax Acts. Major progress has been made in this area - a detailed NFIC booklet on exemptions and other issues will be published early in 1995.

(b) Ensuring seafood producers are fairly treated under capital gains tax administration. We do not have special problems forced on us by fisheries management decisions (eg imposition of ITQ's) which require different treatment.

(c) Negotiating with ATO and issues such as the new reportable payments system. This has been negotiated over the last year, and as a result many transactions (e.g. exporters, retail) have been excluded.

(d) Most people in fishing have operated under share of catch, rather than PAYE. Continuation of this system has special benefits which have been protected by NFIC over the years.

(e) The position of aquaculture leases granted long-term or in perpetuity will, like "property-like" licences, raise special taxation issues. NFIC is examining these carefully.

(ii) Diesel Fuel Rebate: The rebate achieved by NFIC originally, is worth $140million pr annum to seafood producers. It underpins the viability of a number of fisheries. The rebate is constantly under threat - currently as part of a greenhouse tax reform package.

- Note: Some aquaculture producers have told me today they do not claim the rebate. This is something NFIC can address - but which has never been brought to NFIC.

(iii) Environment: NFIC's Environment Committee covers a large range of issues, all covered in a NFIC Environment Policy:

(a) Coastal/Habitat Issues - The Committee has contributed to all the groups considering the implications, including the RAC and Senate committees. It also covers the basic issue of marine parks.

(b) Endangered Species - including the legislation in the States, Commonwealth and the International CITES regulations.

(c) Ballast Water - This issue is vital to both capture and aquaculture sectors and has been addressed together within the NFIC contribution to the Strategy. This now must be followed up and only a national body can provide the muscle required.

Just these small range of environment issues show intertwined are the interest of the capture and aquaculture sectors. It would be very counter-productive to have different seafood sectors publicly arguing over marine parks and ballast water - just as arguing publicly over broodstock access at the State level is not productive.

(iv) Access (Property) Rights: NFIC and NPF have now achieved much more secure access rights in 1995 amendments to the Commonwealth Fisheries Management Act. These should, over time flow on to the States.

(v) Cost Recovery: In early 1994, NFIC achieved changes (and new stability) in Commonwealth cost recovery principles. Again over time this will flow on to the States.

(vi) Research: NFIC liases closely with FRDC and key researchers such as CSIRO. The challenge is to improve the level and use of research funds - and 1994 initiatives will come to fruition.

(Vii) Native Land Title: NFIC succeeded in influencing the clauses in the Act to protect existing licence/permit holders. We participate regularly in briefings on the Acts' administration, and will be seeking amendments when the Government is ready (eg on intertidal areas).

(Viii) Liaison with Commonwealth Groups: NFIC has a formal liaison group with AFMA, DPIE and others which meets regularly to discuss a range of issues which also affect the States (eg Offshore Constitutional Settlement).

(ix) National Promotion: As mentioned, NFIC has initiate with FRDC the Fishery Industrial National Strategy (FINS) which is developing a plan for the seafood industry to lift its profile.

(x) Participation in Committees: NFIC participates heavily in a wide range of groups such as the FRDC, FIAC and AFMA Board Selection Committees, the National Training Council, CSIRO Advisory Committee and a number of Maritime Committees.

21. This is only a sample of NFIC's day to day work. Within the resource limitations, there have been many concrete achievements. This is largely due to the coordinated approach at the national level - a divided approach will mean everyone fails.

Finally

22. NFIC needs this conference to identify the national issues which the aquaculture sector feels must be emphasised. It is no problem for NFIC to take up these issues - and our record on the range of activities above shows considerable success on key challenges.

23. NFIC recognises that it must do a lot better for all sectors, and has the program in place to do that. However, this can only succeed if sectors clearly identify their needs, and provide the specialist people resources which exist in the States. Aquaculture needs to do this, for itself and NFIC, and again that is why this conference is so important.

STRUCTURE OF AQUACULTURE IN SOUTH AUSTRALIA
SYNOPSIS OF ADDRESS

Given by Bruce Zippel, President
South Australian Oyster Growers Association Inc.

The South Australian Oyster Growers Association was formed in the mid to late eighties with the emergence of the new and expanding Pacific Oyster Industry in South Australia.

The early days of the Association were quite different for those involved, because not only was the Association, as a new aquaculture group, unfamiliar with how to deal and liaise with the Statement Government, the State Government of the day was extremely unfamiliar on how to approach aquaculture.

Aquaculture, which at that time was mainly the emerging Oyster Industry, was mostly administered through the old Department of Lands (currently Department of Environment and Natural Resources). Other Government Departments were also involved in aquaculture development, monitoring, research and extension, particularly the old Department of Fisheries.

It was during the early nineties that Aquaculture Management Plans were developed for different Coastal Council Areas, to plan and regulate Marine Aquaculture developments.

These Management Plans have a public submission period which incorporates a public meeting in the areas specified.

After this period, the Aquaculture Planner involved puts together the Final Management Plan, which is meant to be reviewed every 5 years.

It was during this period during the late eighties and early nineties that the Government, particularly the old Department of Lands, started to look upon Aquaculture as a potential revenue raiser.

During this period, exorbitant resource rent levels through proposed lease fees were put to S.A.O.G.A. which, if implemented, would have crippled the industry in its infancy.

S.A.O.G.A. stood firm, refused to even consider any such proposals and negotiated its own fee structure with Government.

In approximately 1990, the concept of Tuna Farming was first trialled in Boston Bay. Port Lincoln, which involved basically the feedlotting of wild caught tuna in fish pens to later be sold on the lucrative Japanese Sashimi Markets. As well as this, Tuna Farmers were attempting to spawn caged tuna to attempt full grow out.

The pilot project apparently was a fantastic success and has since led to the Tuna Farming Industry as it is well known today. This has provided an excellent example of how the wild fishery can benefit from an aquaculture intervention process, and other fishery sectors in South Australia are looking to follow the tuna example.

Also, during recent years, Barramundi Farming using temperature controlled recirculating systems, land based Abalone Hatcheries/Farms and Yabby/Marron Farms have become established.

As well as this, some Rock Lobster Growers are attempting to follow the tuna example in intervention feedlotting, but as yet I believe they haven't been allocated suitable sites.

All of the above mentioned industries, as well as the Oyster Industry, are represented on the South Australian Aquaculture Integrated Management Committee.

All South Australian Fishing Industries are represented by different I.M.C.'s. They basically comprise Industry and Government representation, but are usually industry dominated. They have been set up as basically Industry Management Committee's which are meant to be able to directly advise the Minister for Primary Industries on industry management and policy issues, as well as negotiate with P.I.S.A. on cost recovery for the industry.

The workload of the Aquaculture I.M.C. is heavy and now becoming heavier, as P.I.S.A.is finding the I.M.C.'s convenient for allocating much of their own workload.

The I.M.C.'s have mainly taken over from the South Australian Fishing Industry Council much of the role of Fisheries Management. However, S.A.F.I.C. is still important in this aspect, as it provided a facilitory body for important issues which affect a range, if not all of the individual I.M.C.'s.

Aquaculture has a seat on the S.A.F.I.C. Board of Management, and like all other industries involved with S.A.F.I.C. are concerned at the Minister for Primary Industries indication that P.I.S.A. will not be collecting the S.A.F.I.C. component of the Fisheries Licence Fee's for 95/96.

Hopefully this issue will be resolved before the next financial year, as S.A.F.I.C.'s role is critical for the future of the South Australian Fishing Industry.

S.A.O.G.A. currently has many issues on the boil, particularly Lease Tenure, which is still being currently dealt with, but I would like to highlight some significant achievements of the South Australian Oyster Industry.

OYSA

This is an Oyster Network Marketing Company, which is now separate from S.A.O.G.A., but its existence was directly facilitated by S.A.O.G.A. OYSA employs a Marketing Director and Secretary and has the majority of South Australian Oyster Growers as shareholders, and would sell the vast majority of South Australian Oysters, domestically and interstate and are examining export opportunities.

Coming towards the end of its first 12 months of existence, OYSA has so far been a fantastic success.

SOUTH AUSTRALIAN SHELLFISH QUALITY ASSURANCE

After a prolonged period of lobbying by S.A.O.G.A., the previous South Australian Government agreed to initially fund this critical program, after which it is meant to be industry funded. Without this Shellfish Sanitation Program in place, I have no doubt the South Australian Oyster Industry's future would have been seriously clouded.

SOUTH AUSTRALIAN AQUACULTURE UNIT - "ONE-STOP-SHOP"

This is an achievement won by the South Australian Aquaculture Industry, although I understand the initial concept was put to the South Australian Government by S.A.O.G.A. some years ago. This was finally achieved in 1994, after an enormous and prolonged effort by the Aquaculture Industry and members of the Aquaculture Unit within P.I.S.A.

As I commented in Canberra, it is important we seize this chance to form a National Peak Body for Aquaculture, as the industry is making an extensive effort on this occasion, and if it doesn't eventuate, the formation of a Peak Body could be delayed for some years to come.

STRUCTURE OF THE AQUACULTURE INDUSTRY IN TASMANIA
SYNOPSIS OF ADDRESS
Given by Col Dyke
at the National Aquaculture Search Conference
held in Canberra, November 1994

Aquaculture in Tasmania
Farm gate value of around $70m.

Species farmed - primarily
- Atlantic Salmon
- Pacific Oysters

Other
- Mussels
- Scallops
- Native Flat Oysters
- Ocean Trout
- Seaweed
- Abalone

Under current legislation marine farming takes place in three basic forms.

- Land based - hatcheries, raceways, ponds, tanks etc.
- Permits (deep water) - long line culture, fish pens or cages
- Leases - (principally intertidal) - bottom culture, intertidal racks.

There are around 150 leases/permits occupying almost 1600 hectares, not all of which is useable water (Figure 1).
Leases or permits are granted for periods of up to 20 years, and marine farmers are required to have a licence, renewed annually.

Figure 1

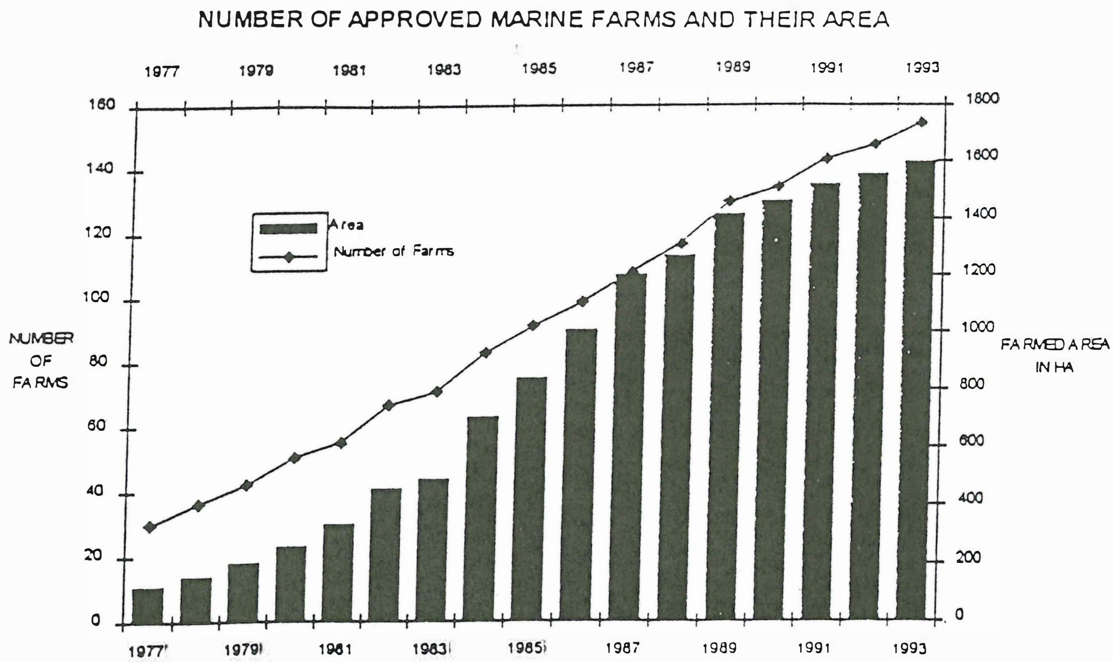


Figure 1. Growth in the number of marine farms and the area they occupy

Under the present legislation, the applicant has chosen the site for a marine farm (lease or permit); however under Tasmania's new resource management and planning system, which includes a living Marine Resources Act, it is proposed to have marine farming management plans and zones within which marine farming can take place.

The new proposals allow for periodical review with public input during plan development and the review process.

TFIC is the peak fishing industry body.

Nine Directors nominated and elected (Figure 2) by industry, term of office 2 years.

Election conducted by State Electoral Office.

Directors receive reimbursement only for travelling and accommodation.

Member of NFIC - $12000 p.a.

TFIC produces the magazine "Fishing Today" - circulation 2,000 - Cost $80,000 (partly subsidised).

TFIC funded by levies on licence holders (1100) Fisherman's levy - $210 p.a. collected compulsorily by regulation.

Processors - $360 p.a. collected compulsorily by regulation.

Marine Farmers - $150 p.a. voluntarily. As from 1st January 1995, $210 p.a. compulsory by regulation.

In the past twelve months the Aquaculture industry has developed the Tasmanian Aquaculture Council as the industry's peak representative body (Figure 3). Constituent groups being:

Salmonid Growers Association
Mussel Growers Association
Marine Farmers Association
Abalone Growers Association.

Membership of TAC $250 p.a. at present.

TAC uses TFIC Executive Officer and Secretary for approximately one day per week (under review). This service is provided at no extra cost, costs being covered by levies on licences (paid to TFIC).

TAC usually deals directly with Marine Farming Branch of Marine Resources Division of Department of Primary Industry and Fisheries and the Minister, however may combine with TFIC Board on some issues.

Figure 2

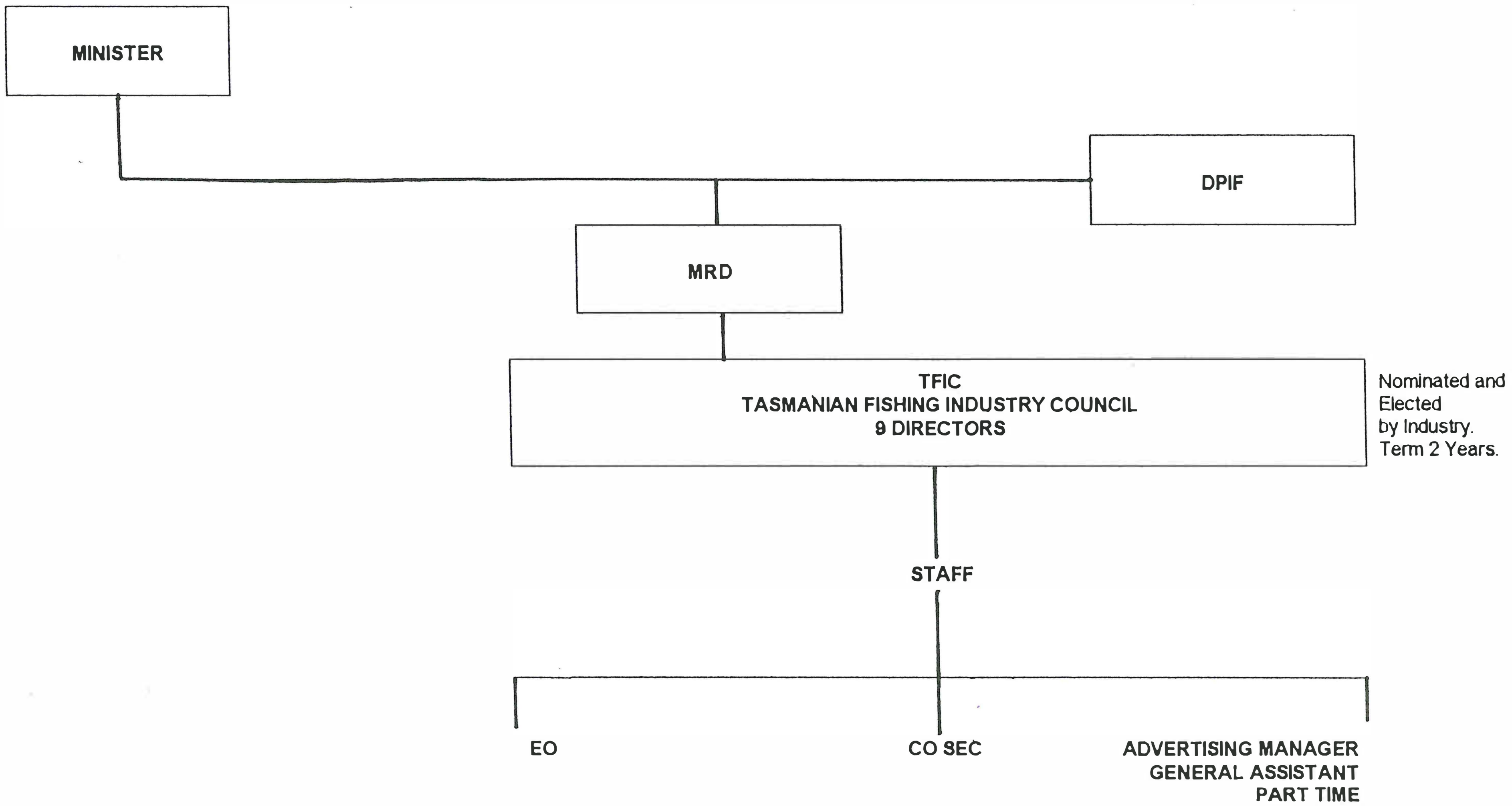
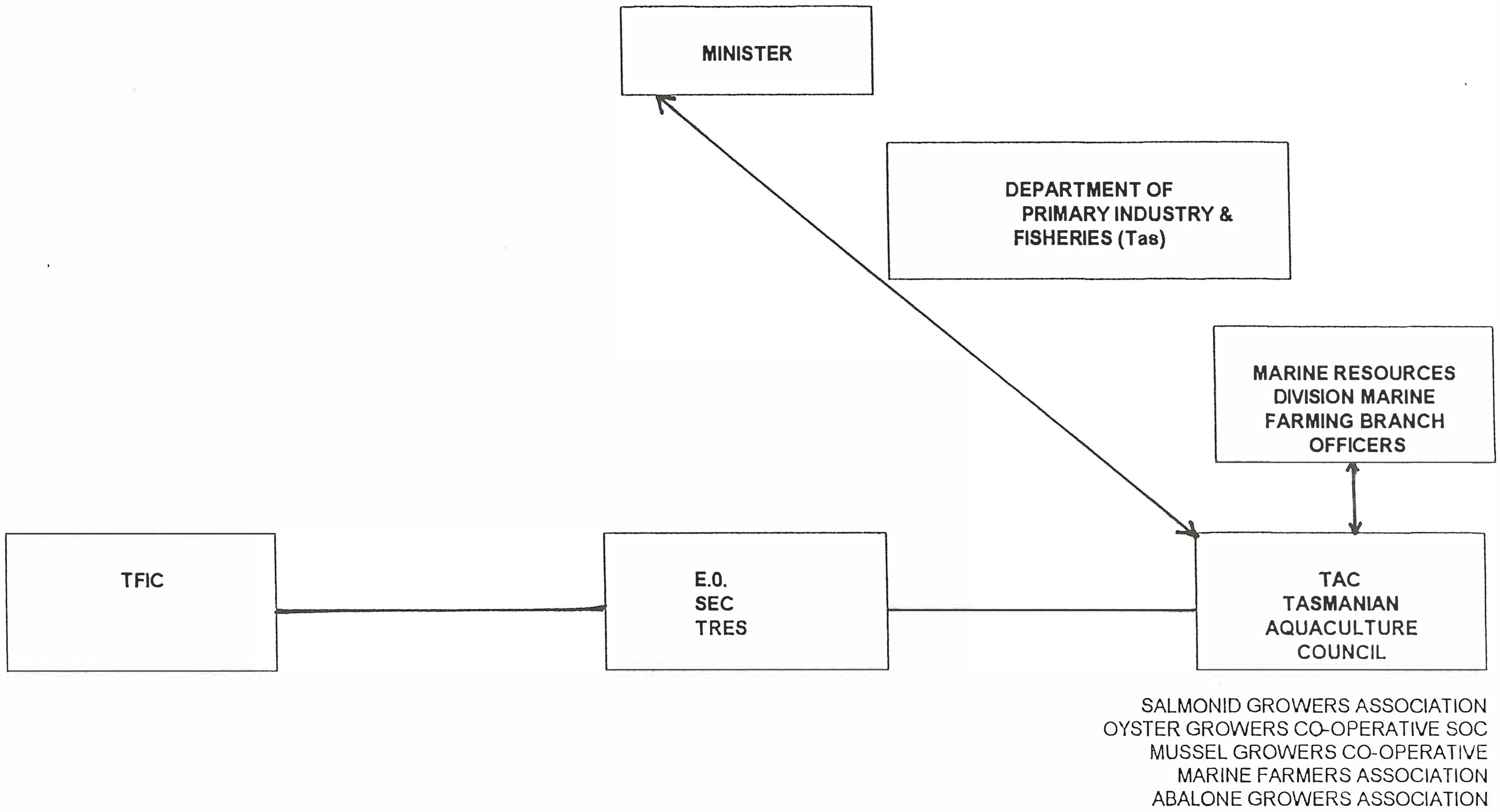

MINISTER
DPIF
MRD
TFIC
TASMANIAN FISHING INDUSTRY COUNCIL
9 DIRECTORS
Nominated and
Elected
by Industry.
Term 2 Years.
STAFF
EO
CO SEC
ADVERTISING MANAGER
GENERAL ASSISTANT
PART TIME

Figure 3


MINISTER
DEPARTMENT OF PRIMARY INDUSTRY & FISHERIES (Tas)
MARINE RESOURCES DIVISION MARINE FARMING BRANCH OFFICERS
TFIC
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TAC
TASMANIAN
AQUACULTURE
COUNCIL
SALMONID GROWERS ASSOCIATION
OYSTER GROWERS CO-OPERATIVE SOC
MUSSEL GROWERS CO-OPERATIVE
MARINE FARMERS ASSOCIATION
ABALONE GROWERS ASSOCIATION

A POSSIBLE OPTION FOR INDUSTRY ORGANISATION

By Robert Bailey from
United Oyster Growers Council of NSW

The United Oyster Growers Council of NSW (UOGC) consists of nine estuary associations, when combined it represents 150 members. Each of these associations nominate two delegates to attend the UOGC meetings. The council does not interfere with estuary management unless requested. The UOGC Council attends to any legislation or regulation that affects the oyster industry of NSW.

The UOGC's aim is to work towards national standards for handling of shellfish. Such as:

- Code of practice
- Quality Assurance
- Research

and any other problem that affect the shellfish industry, an example would be ballast water in ships.

The UOGC is strongly recommending that a national approach be made to finance this standardisation.

Recently the first International Molluscan Shellfish Safety Conference was held in Sydney. Representations from government and shellfish industry attended from many nations as well as from most states of Australia. The world problem of toxic algae outbreaks was spoken about in depth. In the United kingdom they are pushing the ***Polluter Pays idea not the user pays*** way that we have in Australia.

Mark Boulter of Seafish in the UK presented a paper which also explained briefly how Seafish operated. I must point out the creating of Seafish was financed by the UK government for five years then industry was levied to cover costs. The Seafish Division is now financed wholly by industry.

Following is literature how Seafish UK functions.

What does Seafish do? How is it Organised?

Seafish is well known as the body which administers the Government Grants Scheme to assist fishermen to build new vessels and improve existing vessels. However, it does much more than that for it is a wide-ranging organisation which has a significant impact on the fortunes of the industry.

Although it has no regulatory powers, nor trades in fish or fish products, it improves the economic opportunities of the industry through national advertising campaigns and helping to improve the quality of its products, by undertaking research and development, by funding nearly all training, and by providing financial assistance to maintain a modern and efficient fishing fleet.

The Authority has a Board of 12 Members, appointed by Ministers. Four Members, including the Chairman and Deputy Chairman, are independents. Eight are representative of different sectors of the industry.

There is a permanent staff of 200 spread through 10 locations. Headquarters are in Edinburgh, there is a small office in London, the Industrial Development Unit (IDU) it is in Hull, and the Marine Farming Unit (MFU) is at Ardtoc.

Marine Survey staff operate from Lossiemouth, Aberdeen, Grimsby, Lowestoll, Plymouth and Bangor (Northern Ireland).

Seafish is organised into the three divisions of Marketing, Technical, and Administration, with the Fishery Economics Research Unit providing a central service.

Main areas of responsibility for *Marketing Division* are promotion, sales development, market development, quality assurance, consumer education and public relations.

Technical Division is concerned with R&D, covering vessels and gear, regional development including ports and infrastructure, marine farming, and training for all sectors.

Administration Division covers the administration and finance functions as well as providing a legal service and running the Grants Scheme.

Fishery Economic Research Unit undertakes research for Seafish and the industry, publishes bulletins on the performance of the industry, and carries out assessments on projects submitted for financial assistance under the Grant Scheme.

How Does Seafish Spend its Money?

Expenditure by Seafish is in two areas.

The Industry Development Program

The Grant Assistance Program

Despite a levy increase in 1982, Seafish was sufficiently funded to undertake a worthwhile marketing program until 1984.

In that year Government provided £11.9m on a 'pump priming' basis in support of a five-year program running to March 1989. Seafish has committed £17m of levy funds and £5m of other funds, and Government have also provided another £4m in support of R&D, giving a total expenditure of £38m on the Industry Development Program in the five-year period April 1984 to March 1989.

In the same period it is anticipated that grants and loans funded by Government and totalling about £65m will have been paid by Seafish. This service will have cost about £5m to operate, funded from technical charges, contributing £3.7m, and a Government grant of £1.3m.

How is Seafish Funded?

Levy

Levy is charged on the weight of whole fish equivalent of all sea fish landed in the United Kingdom, including imports but not migratory or freshwater species such as salmon and trout and some species of shellfish.

The rate of levy is set by Parliament and payment is a legal obligation on the first-hand buyer of fish. While this means that the levy is usually collected from port wholesalers and processors, all sectors of the industry share the bill. Levy, a tax on the product, is a broad based industry cost and not a burden on any specific sector, regardless of who signs the cheques.

The current levy rate, weight-based and equivalent to £3.50 per tonne of whole fish, was established in March 1982 and its worth has been eroded by about 40% through inflation. The Authority's current annual levy income is about £3.6 million.

Other Income

Seafish also has income from other bodies for specific purposes. Ministry of Agriculture, Fisheries and Food (MAFF), Crown Estates and the Highland and Island Development Board (HIDB) commission R&D projects. The European Social Fund and the Manpower Services Commission (MSC) support training. Industry places contracts with Seafish for work on a confidential basis, and technical charges are made to cover the cost of the marine survey service. Total annual external income currently amounts to about £3 million.

Extract from Peter Chaplin, Chief Executive

The Authority continued to provide services for the UK fish industry and be particularly active in the fields of Technology, Marketing, Training, Aquaculture and Policy and Economics.

The financial performance has been considerably better than anticipated and I am pleased to report that we have achieved a surplus before taxation of £845,000 on a total income of £8,527,000. This has come about for a variety of reasons. We have increased our income from external sources - particularly the European Union; levy collection has been better than anticipated, due partly in improved collection procedures and we have been able to make internal savings from things like the move to new offices.

This healthy financial situation has allowed the Authority to respond to calls from the industry for an advertising campaign for fish and we have committed funds for television advertising during the next financial year.

Conservation continues to be a high priority for the fish industry and therefore for the Authority. Work in improving the selectivity of fishing gear achieved success by showing that haddock and whiting can be divided from cod and flatfish using a separator panel in the net. Different conservation techniques can then be applied to each part of the net and work on evaluating the system under different conditions continues. Facilities at our Marine Farming Unit at Ardtoc have been improved during the year and this, together with a new regime for holding halibut broodstocks, suggest that the Unit is close to solving the delicate problem of producing a regular supply of juvenile cultivated halibut.

The Authority also recognises the importance of making better use of fish resources by improving handling all through the distribution chain. Our Training Division continues to organise training for catchers and all shore-based sectors delivered through a national network of Group Training Associations. We are extremely grateful to the industry experts who guide this work - particularly for their patience as national education and training policy evolves and the fish industry's training approach evolves with it.

Our Quality Award schemes are also important in making the best use of resources and during this year a new award for wholesalers was launched. This joins the family of retailer and processor award schemes and has been well received by wholesaling companies and their customers.

Highlights

MARKETING

Household consumption of fresh fish increased by 5.3% in volume

Catering volume increased by 5.4%

One million lifestyle magazines and 100,000 new fish cookery books distributed

Fish promotion with "What's On TV" and "TV Times"

Sixth annual Fish and Chip Shop of the Year Competition

Wholesaler Quality Award Scheme launched

Suzanne Dando Media Tour

Fish for Life aerobics roadshows

"A Guide to Exporting" and "Financial Assistance" published

TECHNOLOGY

Trials with separate trawls

Catching performance of set nets developed

International Workshop on deep water species

Development of new retail display cabinet

Kingfisher to work with major manufacturer of electronic chart plotters

European seabed information system to be developed

Trials of life jackets for working fishermen

MARINE FARMING

Significant improvement in halibut egg quality and increased production of halibut larvae

Scallop seabed cultivation program augmented

New buoyancy system development for submerged long lines

TRAINING

4,500 attended training courses

New National/Scottish Vocational Qualifications developed for industry

New "Open Learning" pack created for fish friers

Two new Group Training Associations launched

POLICY AND ECONOMICS

Major survey of boatbuilders published

Grampian Fisheries Study updated

Quarterly CBI survey of the processing industry continued

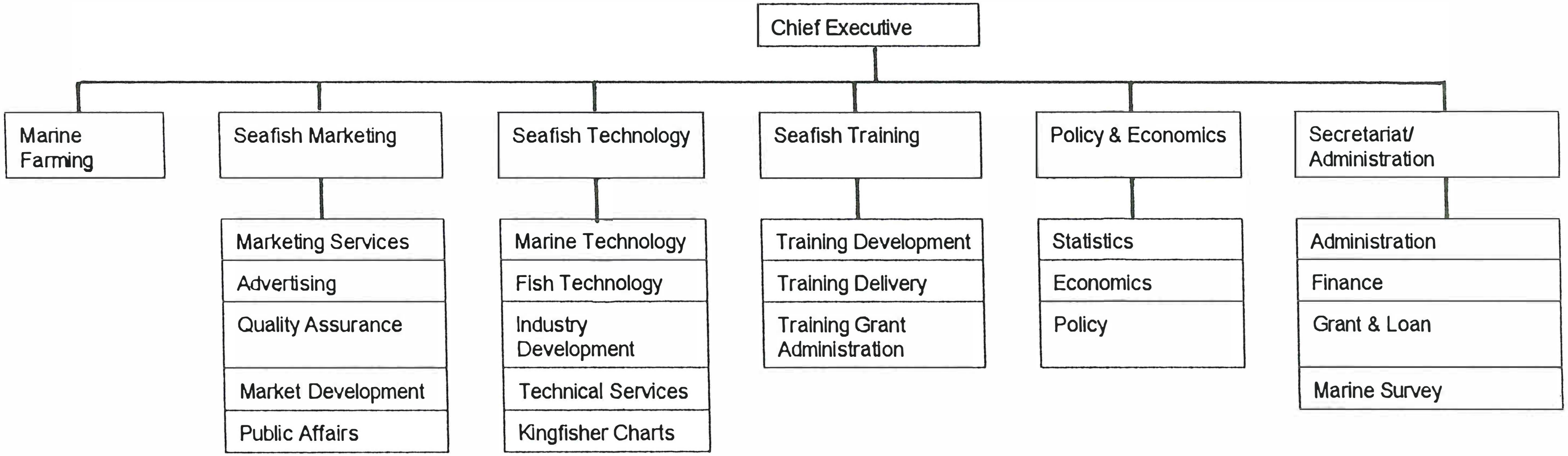
Studies for the EC undertaken on fisheries management topics

GRANTS

1993 Safety Grant Scheme for fishing vessels introduced

634 grant applications and grant assistance of £1,713,778 paid out.

Sea Fish Industry Authority - Management Units



The following is a summary of an update on the
FISHING INDUSTRY NATIONAL STRATEGY (FINS)
Prepared by Jan Hocking, Principal,
PARWAN Management Consultants

This summary is followed by a reprint of an article which appeared in Marinet News, No. 5 November 1994, which provides more details on the Strategy.

The topic is FINS update and I will cover what is FINS, the background to it, the issues which arose in the study and the relevance to this Aquaculture Conference.

Firstly how the FINS began.

Its genesis was a working party, agreed to by the Australian Fisheries Council in 1992, to develop a National Strategy on Value Adding and Marketing.

In February 1993 the NFIC agreed that a strategy be developed by external consultants rather than a working party and submissions were called for in June 1993.

We commenced work a year ago and have conducted extensive industry consultation around Australia.

- **FROM A MARKETING POINT OF VIEW THIS IS AN INDUSTRY STRATEGY**
- **UNITY/FRAGMENTATION**
- **SEAFOOD IS THE PRODUCT IRRESPECTIVE OF SOURCE - WILD/AQUACULTURE**
- **GREATER LEVERAGE**
- **ISSUES FACE WILD AND AQUACULTURE**

ISSUES: **INDUSTRY IMAGE**

Need to underline the value to local areas that the fishing industry brings.
Take away rape and pillage image of the industry.

RESOURCE ACCESS
Long term need investment security.

QUALITY
From catch to plate.

TRADE ISSUES
Export, freight, markets, residues.

PRODUCT DEVELOPMENT
To better meet consumer demand.

CONSUMER CONFIDENCE
Against other products like chicken/meat.

STRUCTURE OF THE INDUSTRY
This is fragmented.

INFORMATION & COMMUNICATION
Where to go?

THREATS: **ENVIRONMENTAL**

MABO

ALTERNATIVE RESOURCE USES

Extract from Marinet News
No. 5 November 1994

Peak Body

The foundation of the strategy is the restructuring of the near-penniless National Fishing Industry Council (NFIC) into a well-funded, full-staffed and truly representative national peak body.

The consultants said the reborn peak body must represent all parts of the seafood industry and win their support; no small order in this loose coalition, shaped on state lines, where individuals compete head-to-head with their mates for a share of a finite resource.

The NFIC must also seek alliances with other successful primary industry sectors through membership of the principal rural lobby group, the National Farmers' Federation. And it must be capable of putting industry-government relations on a footing, which properly reflects the $1.4b annual value of seafood production, gaining access to all levels of government as desired.

Industry profile

The consultants recommend a well-funded and multi-targeted public relations campaign to improve industry self-image and to gain greater recognition from governments, the community, domestic and overseas customers that the industry is a provider of quality foods, a responsible resource user and a significant economic contributor.

Resource access

To attract the investment needed for sustained development across the board, from catching to marketing, the consultants say governments must give the catching sector more secure property rights and resource access. Defining the criteria for bankable property rights and obtaining clear definitions of resource entitlements from state and federal authorities would become an important responsibility of the restructured peak body.

Quality

Mojo-SCP recommends uniform. Australia-wide quality standards for seafood and says industry must be given the ability and the incentive to meet them. It recommends a national quality assurance code to operate "from hook to cook", including accreditation, an authorised quality logo, enforceable, uniform market names for fish and "use by" or "packed on" date stamps.

Market Focus

The industry, currently supply-driven, must develop a market focus and a better marketing ability, to be able to identify and exploit opportunities for new and existing products, says the consultants. This would mean investment in market research and product development, the creation of export skills programs and a coordinated approach to freight negotiations and other trade-related matters.

Finding the money

To implement the FINS strategy, the industry would have to contribute an initial $3m a year, the consultants say, an extremely modest estimate compared to the tens of millions raised annually by other Australian food sectors to protect and promote their products.

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THE AQUACULTURE COUNCIL OF WESTERN AUSTRALIA (ACWA)

By Simon Bennison, Executive Officer, ACWA
PO Box 55, MT HAWTHORN WA 6016

One of the major reasons for the origin of ACWA, related for the need to identify a means of support from the state government for the developing aquaculture industry. In May of 1987, a group of aquaculturists and interested people met to form to discuss the formation of ACWA. It was obvious to industry that to obtain support, a coordinated approach would be essential. Since this time ACWA has worked exceptionally hard at ensuring it maintains the professional standards expected of a peak industry body.

In 1989 it became evident to ACWA that the best approach to obtain support from government was to develop an industry strategy detailing the needs for successful development. The governments reaction to this document was to form an Aquaculture Development Advisory Council comprising representatives from industry and government agencies. This Council ir urn, produced a strategy document which involved participation from the public large and addressing a wider cross-section of issues. It must be remembered that the pearling industry in W.A. is legislated for under a separate Act and has been excluded from the strategy programmes which have been developed for the "emerging" industries. Representatives from the pearling sector are involved with ACWA and provide invaluable support to the group as do the capture industries at large.

Professional industry bodies are crucial to the successful development and management of aquaculture. This is recognised by government agencies and consequently they are keen to support such strategies because ultimately it makes their job far easer. Government Agencies get sick of dealing with individuals on a one-to-one basis and prefer to liaise with a peak representative body.

The Council has worked tirelessly at coordinating the various industries into their respective representative associations and is pleased to see many of these groups collaborating to achieve their goals. One of the major constraints to the development and growth of aquaculture industries is their relatively small size. Most funding available to support these industries requires a one-for-one contribution. As many of these projects are more effective and successful with significant funding, ACWA facilitates a collaborative approach to funding by coordinating industry projects. An example of this has been the funding of specific industry development plans, marketing strategies and product promotional activities.

Often these can only be achieved if those industries with common goals pool their resources. This in effect is part of what ACWA is about.

OBJECTIVES

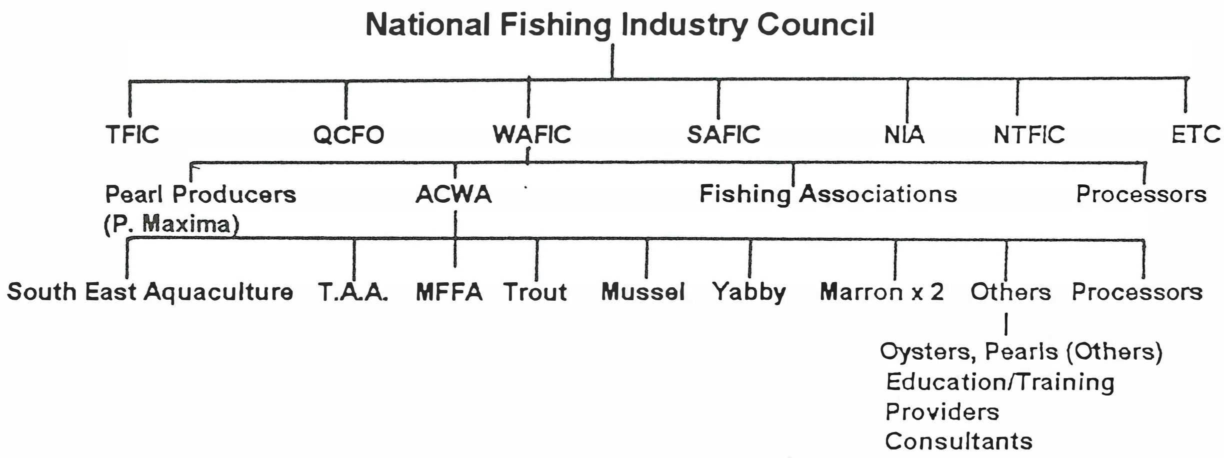
The major of objectives of ACWA include:

1. To develop aquaculture in an ecological and economical sustainable manner.
2. Unite all sectors of the aquaculture industry for their common benefit.
3. To present the views of a cohesive industry at a State and National level.
4. To optimise research and development for the industry.
5. To assist where possible, with the education and training of those with an interest in aquaculture.

ACWA is the initial point of contact in regard to aquaculture industry issues for State Government Agencies and the commercial sector at large. ACWA provides comment on many issues to the Western Australian Fishing Industry Council (WAFIC) so that it can provide an informed collective opinion representing the industry at large (capture and aquaculture).

ACWA in effect acts as the first point of call, along with the Fisheries Department for many prospective aquaculturists.

INDUSTRY ORGANISATIONS



NATIONAL COMMUNICATION

ACWA places itself as the initial point of contact with all Federal Government Agencies on issues which may affect the aquaculture industries in Western Australia. On a number of occasions there are cross-border issues which will affect both the capture sector as well as aquaculture. These are often directed initially to the WAFIC with in turn passes on or discusses the issue with ACWA. ACWA is a member of WAFIC and currently pays a $250 annual subscription.

FISHING INDUSTRY ADVISORY COMMITTEE (FIAC)

This committee is one of the few instances where ACWA has a nominated representative (currently David O'Sullivan). ACWA is at present paying a nominal fee to Mr O'Sullivan to represent its interest on FIAC. ACWA is also fortunate in having Mr P Walsh, who is currently representing WAFIC, indirectly provide information through the avenue of WAFIC.

NATIONAL AQUACULTURE ORGANISATIONS

In general ACWA supports the formation of industry groups on a national basis, particularly those representing species (Freshwater Crayfish, Shellfish, Prawns, Barramundi, etc) which are attempting to standardise regulation, legislation, translocation etc. These groups offer an excellent opportunity for their members to discuss common problems and identify and improve their competitiveness both domestically and internationally. They also provide a forum for Government Agencies to develop policy, such as the National Sanitation Programme for the shellfish industry, and for NFIC to solicit industry position on issues of commonality such as, water and land use planning, taxation, residue testing etc.

It is yet to be seen how these groups will coordinate themselves on a National basis. In WA's case it is probable that members will use ACWA as an avenue to pursue their objectives and obtain assistance indirectly to the various National groups. It will then be up to the various State aquaculture peak bodies to address and resolve the issues where possible.

RESEARCH

It is generally recognised by applicants to funding bodies that to be successful they must obtain support from the relevant Associations. Consequently most industry Associations will indicate their level of support to applicants and in the case of FRDC proposals may prioritise the applications.

In W.A. there exists a committee which is responsible for the ranking of FRDC applications. ACWA is fortunate in having representation on this committee. Applications for FRDC funding in regard to aquacultre are directed to ACWA for support and ranking before final assessment by the State Committee.

FRDC

|

STATE FRDC

|

INDUSTRY ORGANISATIONS
(ACWA)

|

INDUSTRY ASSOCIATIONS
(MUSSELS, TROUT, REGIONAL, YABBY ETC)

|

APPLICANT

EDUCATION AND TRAINING

ACWA facilitates the development education and training in aquaculture for people in regional and metropolitan areas. There is an emphasis on external distance education. ACWA and WAFIC are looking at the provision of an industry education and training council with the accommodation of a training officer in the offices of WAFIC.

LICENCE APPLICATIONS

In 1986 there commenced an increase in marine farming applications which had difficulty in being processed by the various Government Agencies (for various reasons). As a consequence, an Inter-Departmental Committee for Aquaculture (IDC) was formed in an effort to facilitate and fast-track licence applicatoins.

In most cases, only those applications occupying Crown Land or water must go through the IDC. This is not a policy group.

AQUACULTURE DEVELOPMENT UNIT

The establishment of an aquaculture unit within the Fisheries Department. Mr Charlie Thorn is the new Director, Aquaculture, and four development officers will be appointed in regional centres.

AQUACULTURE DEVELOPMENT COUNCIL

The formation of an Aquaculture Development Council (ADC) in accordance with the provisions of the Draft Fisheries Management Bill.

The Council will provide policy advice to the Minister, develop and implement strategies for the development of the aquaculture industry in Western Australia.

AQUACULTURE DEVELOPMENT INFRASTRUCTURE

The lack of regional infrastructure for aquaculture research and development will be addressed by:

- The possibility of the TAFE Fishing and Aquaculture Centre at Fremantle being the centre for temperate marine aquaculture research and training.

- The expansion of the trout hatchery at Pemberton to become the temperate Freshwater aquaculture centre.

- The development of a tropical marine/freshwater research and development facility.

- The facility's role is to provide infrastructure support for private hatchery developments, quarantine sites, centre for aquaculture training, supply of juvenile fish for commercial grow-out and production and research and development for the culture of tropical species with potential.

- Selected sites in the agricultural region will be determined to extend applied freshwater aquaculture research into the wheatbelt.

Analysis of the aquaculture infrastructure needs of regional areas.

The Aquaculture Development Unit in conjunction with the ADC and industry, will be examining the above options with a view to providing facilities for multidisciplinary research and training across Government agencies and tertiary institutions, and for use by the private sector as appropriate.

AQUACULTURE TASK FORCES

It is envisaged that two task forces (freshwater and marine) will be established to:

- integrate freshwater aquaculture into farming systems in the agricultural areas

- prepare an Aquaculture Development Plan for Western Australia incorporating the identification of suitable sites for aquaculture, taking into account land use, planning, conservation, heritage, native title, water supply and land suitability.

AQUACULTURE PROMOTION AND MARKETING

A total of $20,000 for 1994/95 has been allocated for including aquaculture products in marketing material being prepared by the Dept. Of Commerce and Trade.

AQUACULTURE ENTERPRISE ANALYSIS

The Aquaculture Council of Western Australia (ACWA), Department of Commerce and Trade, and Fisheries Department to prepare an investment analysis of aquaculture enterprises showing potential, focussing at a generic rather than a company specific level.

AQUACULTURE INFORMATION RESOURCE CENTRE

Establish a central facility to provide access to national and international literature.

Provide a search facility on a fee for service basis.

AQUACULTURE RESEARCH REGISTER

Establish a register of Western Australian aquaculture research in progress ($10,000).

AQUA TECHNOLOGY PARK STUDY

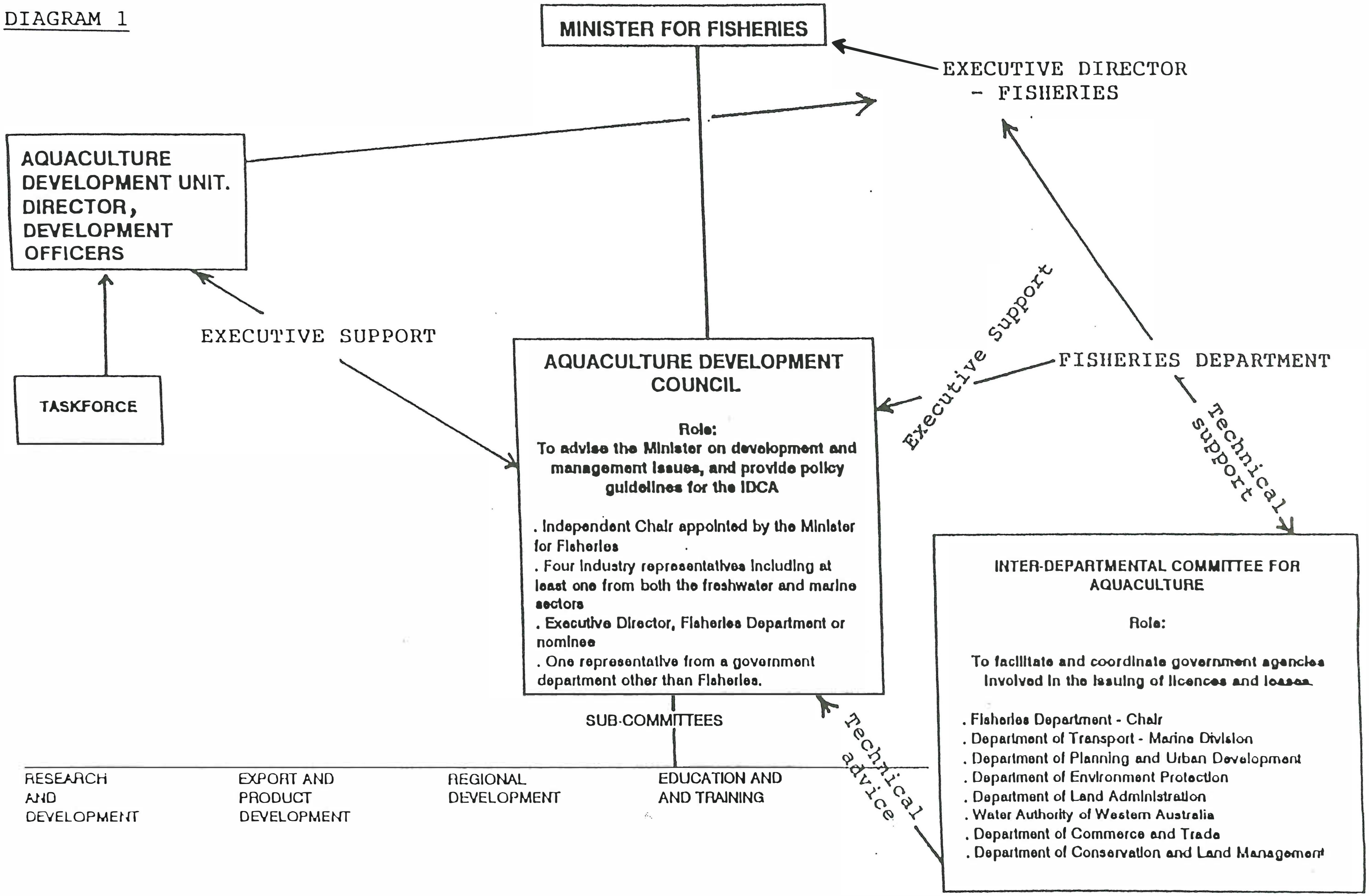
Examine the feasibility key areas for development of aquaculture in the form of "aqua technology" parks in reach of the State's climatic zones.

MARKETING STUDY

Conduct a study of the marketing requirements of the aquaculture industry.

The study will be conducted by ACWA, Dept of Commerce and Trade and WAFIC.

DIAGRAM 1


MINISTER FOR FISHERIES
EXECUTIVE DIRECTOR - FISHERIES
AQUACULTURE DEVELOPMENT UNIT. DIRECTOR, DEVELOPMENT OFFICERS
TASKFORCE
EXECUTIVE SUPPORT
AQUACULTURE DEVELOPMENT COUNCIL
Role:
To advise the Minister on development and management issues, and provide policy guidelines for the IDCA
. Independent Chair appointed by the Minister for Fisheries
. Four industry representatives including at least one from both the freshwater and marine sectors
. Executive Director, Fisheries Department or nominee
. One representative from a government department other than Fisheries.
Executive Support
FISHERIES DEPARTMENT
Technical support
INTER-DEPARTMENTAL COMMITTEE FOR AQUACULTURE
Role:
To facilitate and coordinate government agencies involved in the issuing of licences and leases.
. Fisheries Department - Chair
. Department of Transport - Marine Division
. Department of Planning and Urban Development
. Department of Environment Protection
. Department of Land Administration
. Water Authority of Western Australia
. Department of Commerce and Trade
. Department of Conservation and Land Management
Technical advice
SUB-COMMITTEES
RESEARCH AND DEVELOPMENT
EXPORT AND PRODUCT DEVELOPMENT
REGIONAL DEVELOPMENT
EDUCATION AND TRAINING

Australian Prawn Farmers Association Inc.
A brief history by Liz Evans - Secretary APFA

The APFA was formed in early 1991 after a farmers workshop held at Bribie Island Agriculture Research Centre (BIARC) focused the need for an industry group that would encompass both NSW and Queensland prawn farmers and hatchery operators. As the active farmers that the group was wanting to represent were spread from Cooktown, F.N. Qld to Yamba, Northern NSW it was decided that four separate areas should be formed with a representative from each being on the management committee. Two other members from any class of membership make the management committee membership to six.

The representatives areas were formed as follows:

North/Western Australia (N.T. and F.N. Qld.)
Central Queensland
Southern Queensland
Northern NSW

Three classes of membership were defined as:

1) Ordinary Members - Holders of a current prawn farming or hatchery operators permit.
2) Associate Members - Organisations supporting the industry but not actively farming.

3) Affiliated Members - Individuals or parties with an interest in the industry.

Voting rights available to ordinary members only with one vote per permit holder.

Membership fees were set at $200.00 per member.

An additional production levy for ordinary members was set at:

$100 < 50mt, $200.00 < 100mt, $300.00 < 150mt, $400.00 < 200mt.

The objects of the APFA are:

1) To promote and support all aspects of the Australian prawn farming industry.

2) To provide a unified voice for the prawn farming industry in representations to government and other bodies.

3) To promote and undertake, as necessary, research and development in the Australian prawn farming industry.

4) To promote the development of prawn farming as an environmentally sustainable industry.

5) To foster and promote goodwill amongst members of the association in furtherance of its objects.

Current membership stands at 25 ordinary members and 4 associate members. There are at present 34 active permitted prawn farmers/hatchery operators in Australia. Of those active farmers not currently financial members only 3 have never been financial.

Meetings of the management committee take place every three to four months using teleconferences on some occasions and physical meetings, usually in Brisbane, when the committee meeting requires the attendance of outside or government people. Annual workshops and AGM's are held in different locations each year addressed by guest speakers from overseas and as well as local experts and researchers informing the industry on their results. A quarterly newsletter to all members with minutes of the committee meetings, local and overseas prawn farming news, equipment reviews and general items of interest is published using the resources of BIARC.

Much debate over the past couple of years, as the prawn farming industry has "come of age", has taken place over the need for an executive officer to run the day to day business of the association. The industry in Australia is worth over $20million, increasing annually as the established farms increase their per hectare production and new ponds are built. The position at present is that the committee can pay the secretary for duties performed outside of the voluntary tasks of newsletter production and minutes of committee meetings but it is becoming increasingly apparent that a paid, part time position at least, will need to be approved by the membership to enable the industry to continue to have a united voice as it further expands.

Issues that the APFA committee has addressed over the past five years include: Qld, prawn farming permits issued by the QDPI rather than the QFMA, Standard processing for farm prawns, Harvest/Marketing forecasts, Generic advertising, Spawner availability, Artemia imports, Research priorities, QDPI client input, Sales tax, Water testing quotes, Qld. New Environmental Protection Bill, NSW new Fisheries Bill, Qld, new Fisheries Bill, Handling instructions for customers buying farm prawns, National Aquaculture Strategy, Imported green farm prawns - vectors for exotic diseases, Environmental guidelines, National Residue Survey, Export of Monodon spawners, Quality Assurance Program using DIST funding.

The APFA is undertaking to write a "Guideline of Best Environmental Practise for Prawn Farming and Hatchery Operating" whcih will be an evolving document as new techniques and technology come into practice around the world. This document will be useful to both farmers and legislators to allow the prawn farming ndustry in Australia to grow in a sustainable way.

Probably the biggest achievement of the APFA over the five years it has been functioning is that it has united a very diverse group of "maverick" farms and given them a forum to exchange ideas, problems and achievements in this relatively new industry in Australia.

APPENDIX 1.

PRIMARY PRODUCTION

STATUS OF AQUACULTURE

Purpose:

To determine whether "aquaculture" falls within the definition of primary production as contained in the Income Tax Assessment Act 1936 (the Act).

Legislative Background:

Primary production is defined in subsection 6(1) of the Act as meaning:

> "...production resulting directly from...fishing operations"...

The term "fishing operations" is in turn also defined in subsection 6(1) and means,

> "...operations relating directly to the taking or catching of fish, turtles, dugong, crustacea or oysters or other shellfish; or
>
> pearling operations,
>
> and includes oyster farming, but does not include whaling and also does not include operations conducted otherwise than for the purposes of a business."

The Department of Primary Industries and Energy have provided two definitions for the term "aquaculture". The first definition appears to be more accurate a description of the term and has therefore been used for the purpose of this submission.

The term "aquaculture" is defined to mean,

> "...the culture of aquatic organisms including fish, molluscs, crustaceans and aquatic plants. Culture implies some form of intervention in the rearing process to enhance production, such as regular stocking, feeding, protection from predators, etc. Culture also implies individual or corporate ownership of the stock being cultivated."

As can be seen, the definition of the term "primary production" is a much broader term than the term aquaculture and on this basis it would seem that generally aquaculture would fall into the definition of primary production (this view is also supported on file at folio 11). However, note that whether this is so or not will really be a question of fact depending on the facts of each case. For example, CITCM paragraph 17 notes,

"It would not be accepted, for example, that a cannery proprietor who purchased live fish and stored them temporarily in an artificial pond was engaged in fishing operations simply because he subsequently recaptures them. On the other hand, where a taxpayer carries on a business of stocking large open dams with fish that he eventually catches for sale (i.e. a "fish farm") it may be conceded that such fish are living in their natural state until caught and that the taking of the fish in these circumstances (any operations relating directly thereto) constitute primary production."

Thus, in the first example although the storing of fish temporarily in an artificial pond may fall in to the definition of "aquaculture" it will not necessarily constitute fishing operations for the purpose of the Act and accordingly will not constitute primary production.

The main factors in deciding whether aquacultural activities will constitute fishing operations and therefore primary production are:

- The nature of the products. For example, operations involving fish would qualify as part of fishing operations whereas operations involving aquatic plants or whales would not. (See definitions of both aquaculture and forest operation).
- Whether a business is being carried on and;
- Whether there is intervention in the natural production of the produce (for example by way of feeding, protection, breeding etc).

Sirla Jafri from the ATO provided the above notes and can be contacted on (06) 216 2098.

Further clarification on the status of aquaculture with the ATO would be appreciated. Please contact the Editor with any information.

Conference participants

NAME	ORGANISATION	TEL. NO.	FAX NO.
	INDUSTRY REPRESENTATI VES		
Bailey, Robert	United Oyster Farmers Assoc	049-824832	049-824436
Bamford, Barrie	Jervis Bay Mariculture Assoc.	042-723691	
Bamford, Michael	Eden Shellfish, Eden, Twofold Bay	064-961116	064-951051
Bennison, Simon	Aquaculture Council of W.A.	09-2442933	09-2442934
Clift, Debra	NSW Silver Perch Growers' Assoc.	067-445816	067-445816
Clifton, Karen	Victorian Fishing Industry Federation	03-8208500	03-8208500
de Bhal, David	Freshwater Aquaculture Association	018-152860	07-3993635
Dyke, Col	Tasmanian Aquaculture Council / Tasmanian Marine Farmers Assoc.	002-577566	002-577566
Evans, Elizabeth	Australian Prawn Farmers Assoc.	066-554463	066-554463
Gawne, Bruce	Austr. Barramundi Farmers Assoc	069-562233	069-562244
Hamlyn-Harris, Richard	Tasmanian Oyster Growers Coop Society	004-286522	004-286522
Jackson, David	Pearl Producers Assoc., Broome	091-937290	091-937291
Jeffriess, Brian	National Fishing Industry Council	08-3732507	08-3732508
McBen, John	Central Qld Crayfish Farmers Assoc	07-9264270	
Neander, Bob	Mental Meat Pty. Ltd.	02-4499892	02-4408950
O'Sullivan, Dos	DOSAQUA, Tasmania	018-130595	003-347007
Ostle, Stuart	Aquaculture Council of W.A.	09-5251195	09-5251195
Patrick, Ross	Bay Tropical Fish Farm	07-8881375	07-8884205
Pike, Robin	W.A. Fishing Industry Council	018-936026	09-2442934
Price, Colin	North Queensland Consultative Com	070-985840	070-985879
Purtill, Anne	National Fishing Industry Council	06-2810383	06-2810438
Rankin, Peter	Cheetham Salt Ltd./ Australian Federation Shellfish Farmers	052-821343	052-821028
Smithies, Tony	Tasmanian Salmonid Growers Assoc	002-242521	002-243006
Smyth, Kevin	Aquafeed Products Australia, Qld.	07-2033422	07-8831618
Tynan, Ray	Oyster Farmers Assoc. of NSW	064-956398	02-4871849
Woolford, Peter	S.A. Aquaculture Industry. Council	08-6261403	08-6261402
Wucherpfennig, Franz	PIJAC/Boolara Fish Farms	051-696330	051-696603
Zippel, Bruce	S.A. Oyster Growers Assc.	086-258028	086-258028

	INDUSTRY/GOVT. REPRESENTATIVES		
Dundas-Smith, Peter	Fisheries & Research Development Corporation	06-2854485	06-2854421
Hocking, Jan	Fishing Industry National Study	03-8222115	03-6964710
Mirabella, Dennis	Natl. Fishing Ind. Training Council	03-6451088	03-6451740
Montague, Peter	Aquaculture CRC Ltd.	02-3301385	02-3301491
Ogburn, Nepheronia	NSW OLMA Aquaculture, Fishing & Relaeted. Industry. Committee. Inc.	02-6607094	02-6607094
Prattley, Simon	Fisheries & Research Development Corporation	06-2854485	06-2854421
Stone, David	NSW OLMA Aquaculture, Fishing & Relaeted. Industry. Committee. Inc.	02-6607094	02-6607753
	GOVERNMENT REPRESENTATIVES		
Blackman, Norm	Bureau of Resource Science, DPIE	06-2724028	06-2724023
Carfrae, Michelle	Agribusiness Programs, DPIE	06-2724388	06-2723025
Fridley, Alan	TAFE Natl Fishing Ind Educ Netwrk	063-613844	063-628082
Gallagher, Jayne	DPIE	06-2725037	06-2724215
Grattan, David	DPIE	06-2725718	06-2723025
Holly, Rebekah	Office for Minister for Resources	06-2777440	06-2734134
Julius, Michelle	AusIndustry	06-2761957	06-2762234
MacIntyre, John	Centre for Marine Sciences, University of NSW	02-3852137	02-6627995
Mariath, Heloisa	Bureau of Resource Science, DPIE	06-2725982	06-2724023
Newton, Gina	Bureau of Resource Sciences, DPIE	06-2811006	06-2724014
Playford, Steven	DIST	06-2761235	06-2761306
Shelly, Colin	N.T. Aquaculture, DPI	089-894363	089-894163

APPENDIX 3

TITLE: AQUACULTURE SEARCH CONFERENCE
ORGANISER: NATIONAL FISHING INDUSTRY COUNCIL

Attendees	42		Sector		
Respondents	28		Private	82%	
% Response	67%		Government	11%	
Total Cost	$7,750		Education	4%	
$ DIST	$6,500		Research	4%	100%
% DIST	84%				
Publications	1				

	QUESTION	SA	A	U	D	SD	Check
2	Well organised	21%	64%	14%	0%	0%	100%
3	science and industry liaison	7%	57%	14%	21%	0%	100%
4	Made networking contacts	29%	61%	11%	0%	0%	100%
5	Export awareness/opportunities	4%	36%	29%	29%	4%	100%
6	Useful information	25%	75%	0%	0%	0%	100%
7	knowledgable presenters	29%	68%	4%	0%	0%	100%
8	Realistic commercial outcome	21%	46%	25%	7%	0%	100%
9	Prior knowledge of MARINET	7%	25%	14%	46%	7%	100%

Response Code: strongly agree = SA, agree = A, undecided = U, disagree = D, strongly disagree = SD.

Raw Data	Private:	23
	Government:	3
	Education:	1
	Research:	1

	QUESTION	SA	A	U	D	SD	Check
2	Well organised	6	18	4	0	0	28
3	science and industry liaison	2	16	4	6	0	28
4	Made networking contacts	8	17	3	0	0	28
5	Export awareness/opportunities	1	10	8	8	1	28
6	Useful information	7	21	0	0	0	28
7	knowledgable presenters	8	19	1	0	0	28
8	Realistic commercial outcome	6	13	7	2	0	28
9	Prior knowledge of MARINET	2	7	4	13	2	28

Response Code: strongly agree = SA, agree = A, undecided = U, disagree = D, strongly disagree = SD

APPENDIX 4

OYSTER FARMERS' ASSOCIATION OF NSW LTD

President	Mr Richard Roberts
Deputy President	Mr Roger Clarke
Office Manager	Mrs Jacqui Griffiths
Tel No:	(02) 487 3566
Address:	PO Box 254 TURRAMURRA NSW 2076
Membership:	Application forms available on request from the Association's office.
Membership Fee:	$350 per annum, plus $0.50 per bag of production for growers producing 100 bags and over, payable at the start of each financial year.

The Association is the peak body of the NSW oyster farming industry, representing farmers who produce about 70% of the Sydney rock oyster production in NSW. The Association is the key professional organisation representing oyster farmers in NSW. It is continually involved with Government Agencies in determining policy on a wide range of matters.

OFA STRUCTURE

EXECUTIVE COMMITTEE

President
Deputy President
6 Executive Directors

EXTERNAL COMMITTEES

Oyster Management Advisory Committee

NSW Oyster Research Committee

NSW Fishing Industry Council Inc

NSW Fishing Industry Training Council Ltd

NSW OLMA Committee

NSW Fishing Industry Research Advisory Committee

AQIS Fishing Industry Advisory Committee

AQIS Australian Shellfish Sanitation Advisory Committee

NSW Biotoxin Committee

EXECUTIVE COUNCIL

19 delegates from 13 Regional Branches and the Processors Branch plus the President and the immediate Past President

ADMINISTRATION

Secretariat located in Sydney

BRANCH NETWORK

Far North Coast (1 delegate)
Camden Haven/Hastings (1 delegate)
Manning River (1 delegate)
Wallis Lake (2 delegates)
Port Stephens (2 delegates)
Hunter River (1 delegate)
Gosford (1 delegate)
Hawkesbury River (1 delegate)
Georges River (2 delegates)
Crookhaven (1 delegate)
Clyde River (1 delegate)
Narooma (1 delegate)
Merimbula (1 delegate)
Processors Branch (1 delegate)

OFA EXTERNAL COMMITTEE MEMBERS
as at 30 June 1994

Oyster Management Advisory Committee

Graham Barclay
Roger Clarke
Peter Clift
Brian Diemar
Reginald King
Gordon Phillips
Richard Roberts

NSW Oyster Research Committee

Andrew Derwent
Laurie Lardener
Michael Taylor

NSW Fishing Industry Research Advisory Council

Andrew Derwent

NSW Fishing Industry Council

Richard Roberts

NSW Fishing Industry Training Council

Joe Verdich

NSW OLMA Committee (Office of Labour Market Adjustment)

Andrew Phillips

AQIS Fishing Industry Advisory Committee

Richard Roberts

AQIS Australian Shellfish Sanitation Advisory Committee

David Maidment

NSW Oyster Quality Assurance Program Advisory Committee

Roger Clarke
Peter Clift
David Maidment

NSW Biotoxin Committee
David Maidment

PRINCIPAL CORPORATE OBJECTIVES

- To protect and preserve the interest of oyster farmers actively engaged in the oyster industry in New South Wales.
- To promote, preserve, unite and protect the welfare of all members of the Company.
- To operate the affairs of the Company in a businesslike manner, and as an important part of this objective, to maintain an employed secretariat to enhance the image of the Company and its members.
- To promote and market the wholesale and retail sale in Australia and overseas of oyster products and by-products.
- To foster, encourage, promote and control the growing, marketing and promotion of oysters and oyster products in Australia and overseas.
- To aid, support and assist financially and otherwise the activities of oyster farmers throughout New South Wales.
- To establish, support and maintain or aid in the establishment of funds for providing money, property and benefits to develop and improve the growing, marketing, sale and consumption of oysters and oyster products.
- To establish, support and maintain or aid in the establishment, support and maintenance of such other funds, whose purpose or purposes are consistent with or incidental to the principal object for which the Company has been established.
- To enter into any arrangements with Government or authority, supreme, municipal, local or otherwise, that may seem conducive to the Company's objects or any of them; and to obtain privileges and concessions which the Company may think it desirable to obtain and to carry out, exercise and comply with such arrangements, rights, privileges and concessions.
- To foster, encourage and promote recreation and social activities of any kind for members of the Company.
- To print and publish any newspaper, periodicals, books or leaflets that the Councillors may think desirable for the promotion of the Company's objectives.
- To affiliate with or become members of other bodies which will enhance the interests and welfare of the members of the Company.
- To do all such other things as are incidental or conducive to the attainment of the objects and the exercise of the powers of the Company.