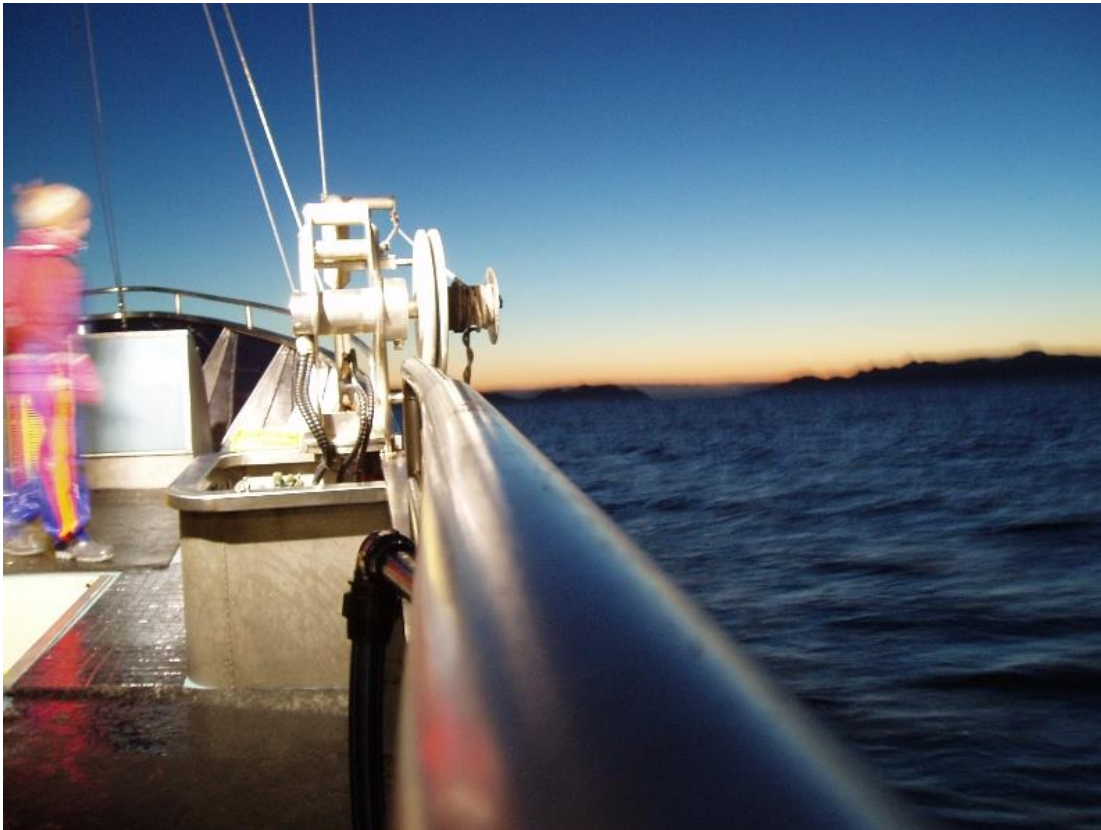




Future Directions – Tasmanian seafood industry

working towards



a common future





Tasmania's seafood industry

Tasmanian Seafood Industry

The Tasmanian seafood industry currently catches and produces 29,020 tonnes of product each year providing a gross revenue of \$468 million (DPIWE figures 2004-05), of which, approximately 49% of production by value is exported. The seafood industry provides employment for over 7,000 Tasmanians in the catch and post catch sectors.

Tasmanian Fishing Industry Council (TFIC)

TFIC represents 595 commercial fishermen, 97 processors and 111 marine farmers operating 217 marine farm leases.

As a key body committed to the growth and sustainability of our industry, TFIC has developed the following documentation as a first stage of industry and stakeholders building partnerships with the objective of thinking and acting strategically about the future of Tasmania's seafood industry.

Tasmanian Fishing Industry Council

Sector Groups

The Tasmanian seafood industry encompasses a diverse range of activities throughout the supply/value chain. A number of industry sector groups have well formed representative bodies, including but not limited to the following.

Tasmanian Aquaculture Council

Aquaculture

Tasmanian Marine Farmers Association
Tasmanian Salmonid Growers Association
Tasmanian Shellfish Executive Council
Tasmanian Abalone Growers Association
Bruny Island Shellfish Growers Association

Processors

Wild Fisheries

Tasmanian Abalone Council Ltd
Tasmanian Commercial Divers Group
Tasmanian Rock Lobster Fishermen's Association
Tasmanian Scalefish Fishermen's Association
Tasmanian Scallop Fishermen's Association
Tasmanian Shark Fishermen's Association
Tasmanian Sashimi Fishermen's Association





Evolving Position

Over the past decade the structure and operation of the seafood industry, through the entire production chain, has and is changing at an accelerating pace. Through mounting operational costs we have seen a rationalisation in investment while the globalisation of commodity products has seen a significant increase in foreign competition.

Past advantages such as the “clean green” image of our produce may no longer provide a market advantage in meeting import competition or offshore in capturing export opportunities and is now a minimum market entry requirement, as such we have increasingly become “price takers” not “price makers”.

Challenge

The Tasmanian seafood industry provides significant employment and economic benefit to the Tasmanian community particularly for our small coastal communities. It is essential that our industry continues to work together with all stakeholders towards an economically, socially and environmentally sustainable future.

As one of the largest stakeholders in the marine environment, the seafood industry has and continues to work productively towards the maintenance and protection of both the marine environment and its resources. As society and markets become more environmentally conscious it will be essential for industry to show accountability throughout the supply/value chain.





Understanding a Common Future

For the Tasmanian seafood industry to move forward a strategic process, whereby key actions and tasks are identified, is the first step towards building a more profitable and competitive industry.

As key drivers are identified it will be essential for the seafood industry to develop and implement a strategy that will ensure the direction taken enables the seafood industry to play a sustainable and profitable role in the global food industry into the future.

In order to address this recognised deficiency, the TFIC Board established a process to develop a common position.

On 6 December 2005 the **first stage** of this process was initiated through a Forum, “*Future Directions – Tasmanian seafood industry*”.

Focusing on the supply/value chain, the Forum was designed to analyse the current situation, identify key issues and opportunities for the Tasmanian seafood industry and to initiate a prioritisation of effort into the future.

A Strategic Direction for TFIC

At present TFIC lacks a common focus and direction and this is reflected in competing and conflicting demands being placed on its limited resource base.

There is a clear mismatch between the expectations of levy-paying members and the ability of the organisation to meet those expectations, which means that TFIC can *never* meet those expectations.

The process of “*prioritisation of efforts*” will help to define the key roles and responsibilities that TFIC plays in adding demonstrable value to Tasmania's seafood industry.



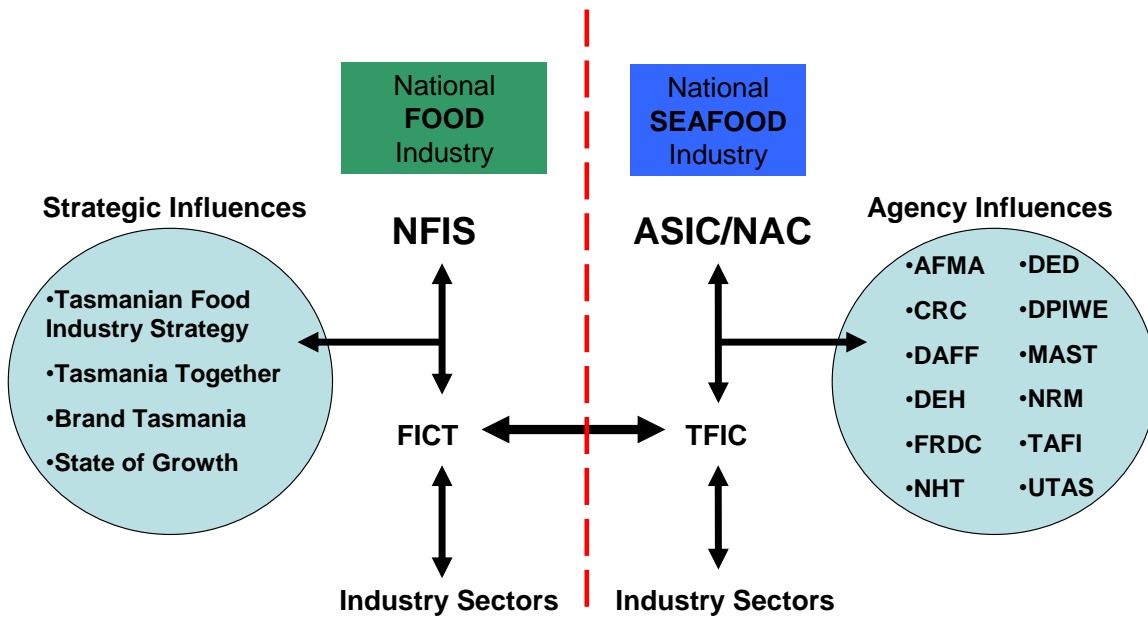


Strategic Development

Strategic Alignment

TFIC has recognised that to foster communication between sectors and to ensure that the Tasmanian seafood industry capitalises and remains informed of initiatives at a state and national level, it is important that any strategy developed for the Tasmanian seafood industry is aligned with other state and national strategies, such as the Tasmanian and National Food Industry Strategies.

Currently the seafood industry operates in a reactive environment, responding to external influences rather than through well developed strategic frameworks - as is seen in other sectors of the food industry.



The following list of *Agency Influences* is by no means comprehensive: Australian Fisheries Management Authority (AFMA), Australian Seafood Industry Council (ASIC), Commonwealth Research Council (CRC), Department of Agriculture Fisheries and Forestry (DAFF), Department of Economic Development (DED), Department of Environment and Heritage (DEH), Department of Primary Industries, Water and Environment (DPIWE), Food Industry Council of Tasmania (FICT), Marine and Safety Tasmania (NAST), National Aquaculture Council (NAC), National Food Industry Strategy (NFIS), National Heritage Trust (NHT), Natural Resource Management (NRM), Tasmanian Aquaculture and Fisheries Institute (TAFI), University of Tasmania (UTAS)

The aligning of strategic frameworks will foster a common language resulting in consistent approaches to development and minimise duplication of effort, thereby leading to more desirable outcomes.





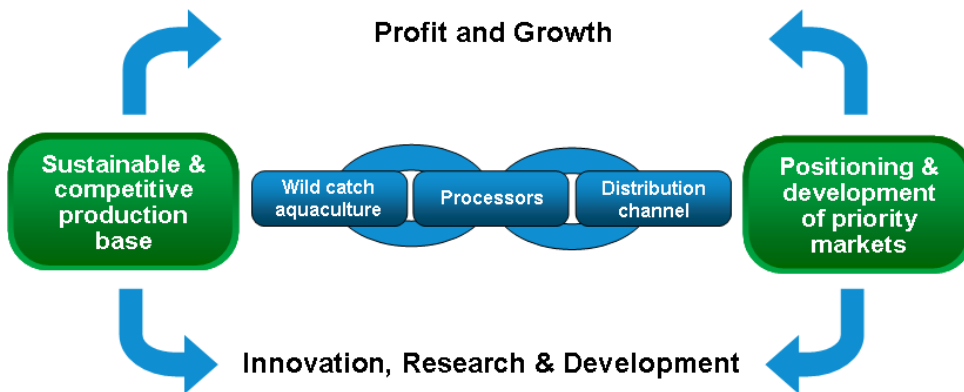
Planning Process

Stage 1

Dec 2005

Forum - *Future Directions – Tasmanian seafood industry*

At the Forum a broad range of issues were identified and canvassed with respect to the supply/value chain, indicated in the diagram below.



Key issues facing the Tasmanian seafood industry were identified against the four key aspects of the supply value chain “*Sustainable and Competitive Production Base, Profit and Growth, Research and Development and Development of Priority Markets*”

Where demonstrable value could be added, “Key Objectives” were assigned to TFIC.

It is envisaged that this process will ultimately lead to the development of a vision for the Tasmanian seafood industry, as well as enabling TFIC to discuss and develop its own strategic plan.

Another potential outcome of the process is for the individual sector groups to take whatever lessons are learnt back to their own specialist forums for ongoing development.

Such a process would facilitate the development of a common language, presentation of sector specific plans and provide transparency in TFIC’s role thus ensuring an ease of integration at both the state and national level.





Planning Process



Stage 2

Apr-May 2006

Stakeholder Consultation



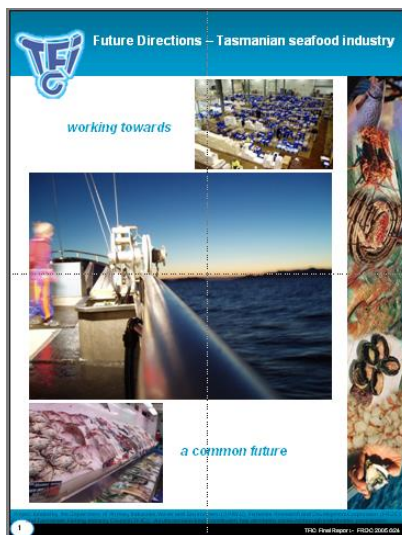
Stage 3

Jun-Jul 2006

Prepare final document

- Incorporate stakeholder views into final “*Future Directions – Tasmanian seafood industry*” document.
- Circulate the final document to stakeholders

Final Report





Planning Process

Funds to be sought for completion of Stages 4 – 6



Stage 4

..... 2006

Forum – Development of an Action Plan

- Focus on finding innovative solutions and ways to maximise resource use with respect to meeting the key issues and opportunities identified by “*Future Directions – Tasmanian seafood industry*”.

- Findings and recommendations will be developed into an Action Plan where key objectives, responsibilities, time lines, financial and human resources will be identified.



Stage 5

..... 2006

Stakeholder Consultation

Stage 6

..... 2007

Final Document – **A vision for Tasmania’s seafood industry**

- A final outcome of this process will be the development of a strategic direction that charts a way forward for the seafood industry.

- An ongoing commitment will be required to implement sector specific strategic plans to promote growth and development along the entire seafood supply chain.





Forum Outputs

The following section ‘**Forum Outputs**’ documents the information gathered through the Forum “*Future Directions – Tasmanian seafood industry*”.

Forum Participants

The following is a list of participants who agreed to have their participation recorded. A number of other stakeholders who were unable to attend the Forum but provided input are not shown.

Sustainable and Competitive Production Base

Facilitator:
Fisheries Business Consulting
Australasia Principal,
Sandra Gillanders

Christine Crawford
Bryan Denny
Hayden Dyke
Ray Hart
Patrick Hone
Will Howard
Tom Kennedy
Murray Knight
Fiona Krause
Karl Krause
Tom Lewis
Jim McCormack
Melinda Mullen
Lindsay Newman
Fleur O'Neill
Rob Rex
Stuart Smee
Peta Sugden

Profit and Growth

Facilitator:
SCA Marketing Pty
Ltd Principal,

Greg Hudson

Peter Atkins
Brian Bailey
Colin Buxton
Colin Dyke
Wes Ford
Todd Francis
James Garde
Robert Gott
Ray Hart
Tony Johnston
Peter Kay
Rob Knapek
Brian Leahy
Michael Nowakowski
Richard Pugh
Rod Shelley
Rodney Treloggen
Greg Woodham
Sharran Woods

Innovation, Research and Development

Facilitator:
Wise Lord and
Ferguson Principal
Consultant,
Tony Ibbott

John Bennett
Rodney Behrens
Jon Bryan
Rory Byrne
James Calvert
John Evans
David Forrest
Stewart Frusher
Ian Heathorn
Judi Marshall
Nicole Middleton
Grant Pullen
Barry Ryan
Peter Stegmann
Jessica Tyler

Positioning and Development of Priority Markets

Facilitator:
NFIS Managing
Director,

Dr Susan Nelle

Francis Bender
Tim Bygrave
Michael Cameron
Alan Campbell
Bob Cox
Steve Gasparinatos
John Hammond
Tony Harrison
Tim Hess
Craig Midgley
Rob Milner
Neville Perryman
John Sansom
Natasha Stapleton
Amanda Way
Dale Williams

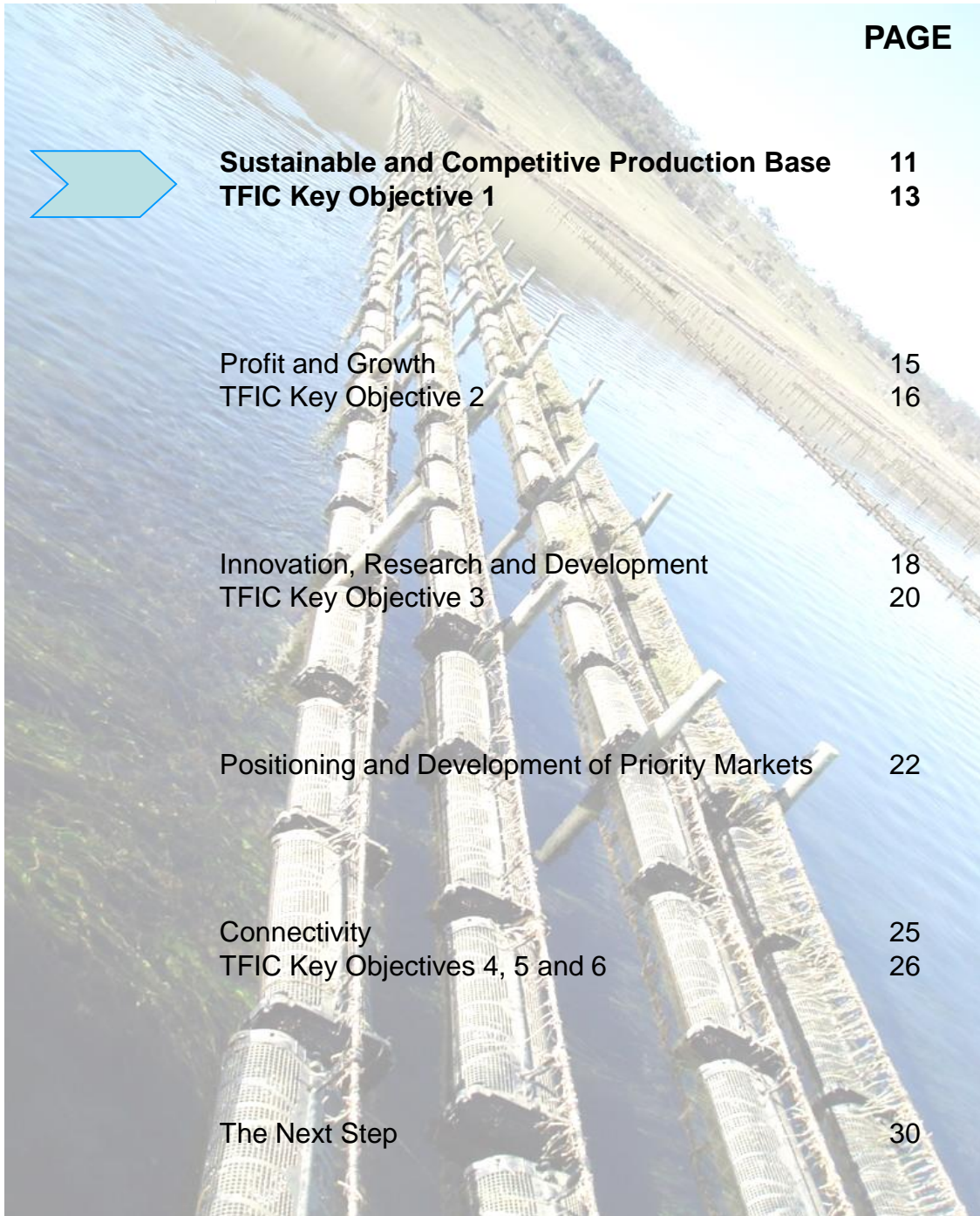
In addition to members of the TFIC Board participating in the Forum working groups, other TFIC personnel involved were:

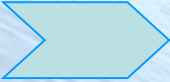
Helen Ayers, Andrew Febey, Julie Martin, Ed Smith and Neil Stump.





Forum Outputs



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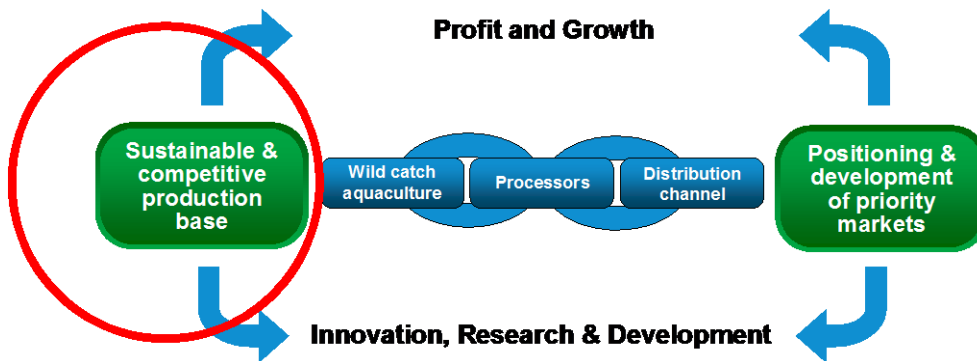


Sustainable and Competitive Production Base

Drivers

The long term viability and success of Tasmania's seafood industry will be based upon a balance between growth and environmental sustainability.

The adoption of environmentally sustainable practices and production technologies and the development of standards designed to support and deliver products will enable the seafood industry to capitalise on market specific competitive advantages.



Issues

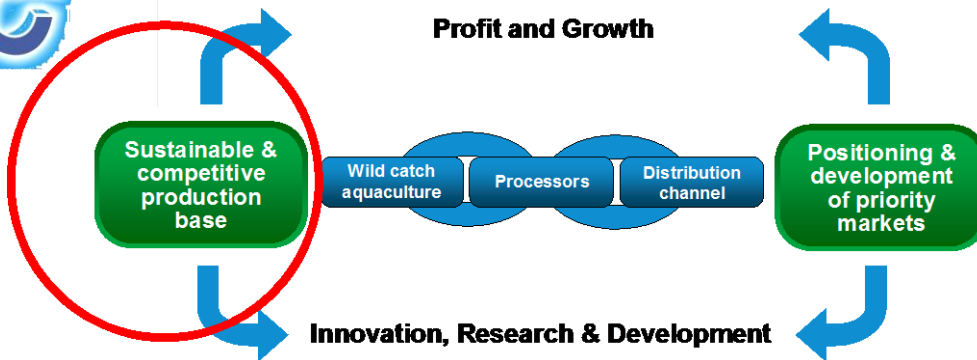
- Security of access to resources - as industry becomes more accountable and more active in looking after the resource and marine environment, there is a need for continuity from government that access to the resource will be maintained
- Conflicting government priorities, regulatory constraints
- Sustainable management of resources – ensure that management actions are based on sound scientific knowledge and must be integrated with industry and stakeholder consultation
- A Tasmanian seafood industry based on Ecologically Sustainable Development (ESD) practices

Cont...





Sustainable and Competitive Production Base



Issues – cont...

- Develop water quality priorities to ensure a healthy marine environment
- Strengthen industry's understanding of climate change and develop strategies to adapt
- Training that will improve industry's understanding of marine resources and promote business development
- Skills acquisition through addressing specific gaps and needs (improve understanding of economic and business environments)
- Human resources, access to employees, succession planning
- Costs are increasing while prices are variable - how to respond to inflation and market downturn?
- Develop standards to promote best practice and ensure product quality - may need to be regulated such as a demerit point system as food moves through check points (traceability)
- Develop a product image, define markets and build strategies that will enable industry to supply markets with a consistent, quality product
- Flexibility to adapt to a dynamic environment and develop product range
- Communication strategies to build positive community perceptions and to develop a more collaborative management approach between government and industry

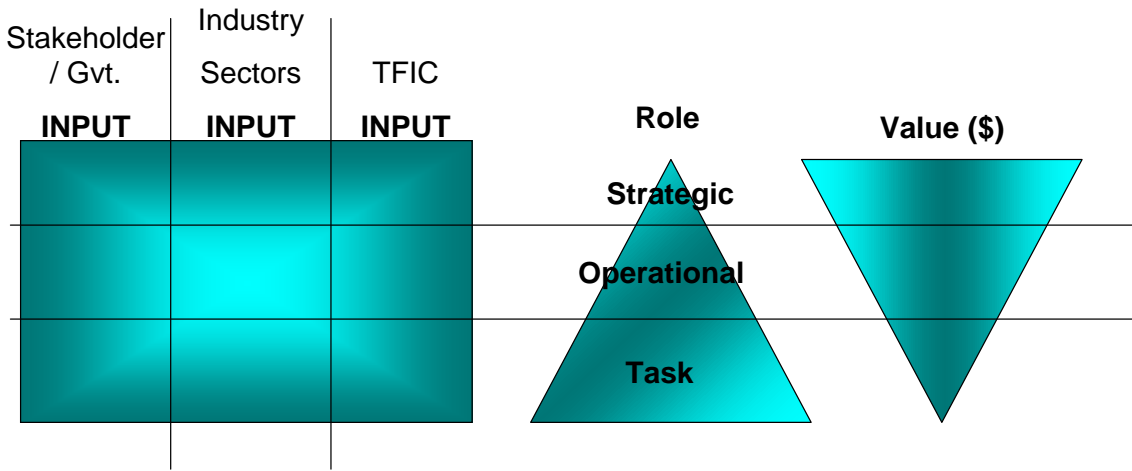




TFIC Key Objective 1



1) Develop strategies to promote best practice and standards to ensure high quality product



The above diagram illustrates how roles and responsibilities will be allocated to meet key objectives. Clearly TFIC will need to focus on Strategic roles to add demonstrable value.

Strategic Level:

- Encourage and promote best practice through the entire seafood supply/value chain. Accreditation/legislative compliance has the potential to be a powerful marketing tool for the industry (a world leader in best practice from fishing activities and environmental stewardship through to seafood handling and processing should result in access to premium markets).

Task Level:

- Develop quality assurance and ESD programs with industry to improve business efficiency and profitability.
- Develop frameworks and codes of practice with industry members to ensure product quality and promote the Tasmanian seafood brand through accreditation.





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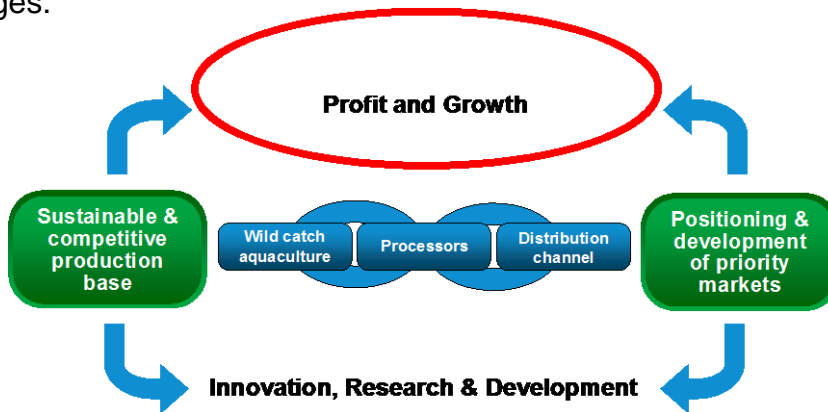


Profit and Growth

Drivers

Growth and profitability of the Tasmanian seafood industry is currently constrained due to a number of issues such as economies of scale, access to resources, cost of production, transport logistics, skilled labour, markets etc.

Through a strategic approach the industry must operate more intelligently and more efficiently and find ways to make the most of potential market advantages.



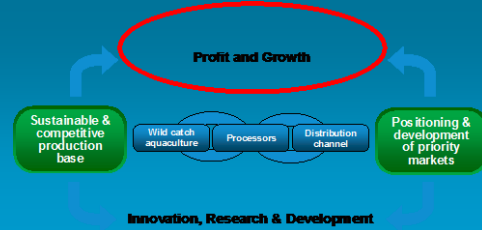
Issues

- Skills and training development
- Disconnection across the supply chain, lack of trust and consolidation of efforts
- Profitability at all levels of the supply chain is low – low profit margins
- Majority of commodities are traded on price – price chaser or price makers? – need market intelligence
- The Tasmanian seafood industry is based on a commodity market – at present most products are distributed not marketed
- Product issues of consistency/quality and timing
- Highly complex, high level of risk and cost associated with moving forward

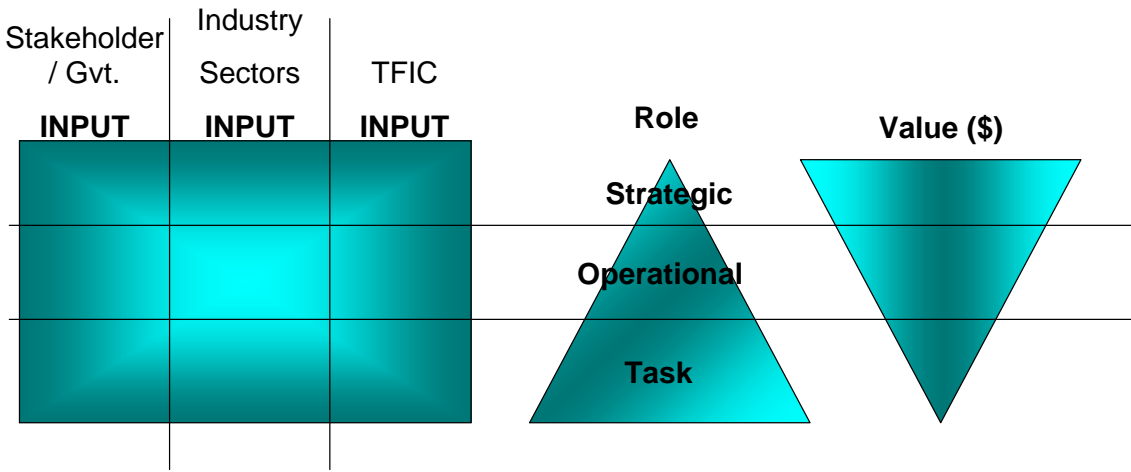




TFIC Key Objective 2



2) Reduce duplication and regulatory constraints that erode business viability



The above diagram illustrates how roles and responsibilities will be allocated to meet key objectives. Clearly TFIC will need to focus on Strategic roles to add demonstrable value.

Strategic Level:

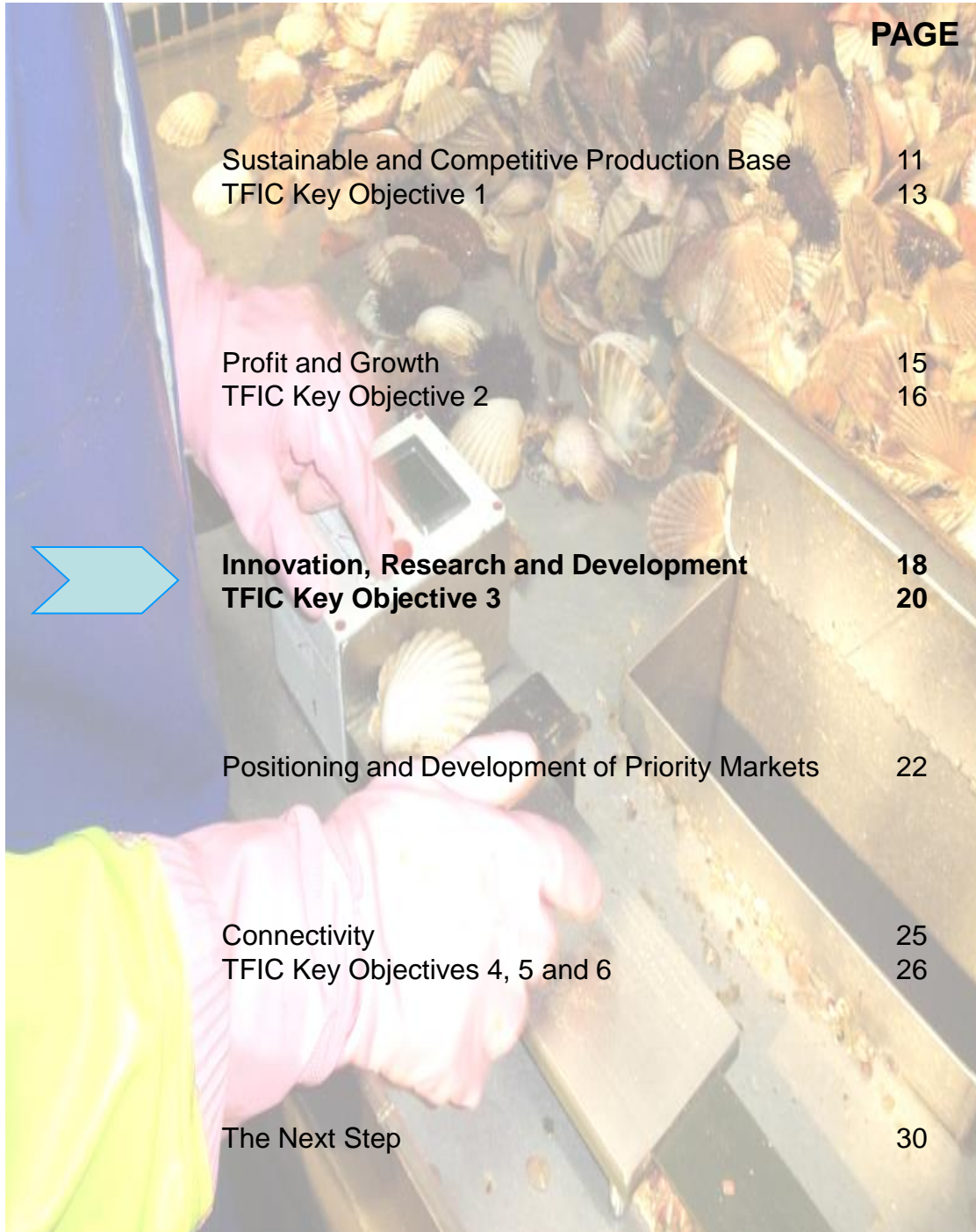
- The sharing of knowledge and resources will be needed to improve business viability. A strategic process of working together and maximising past/future efforts will be important to developing an efficient and profitable seafood industry into the future.


Task Level:

- Work with government and industry stakeholders to build flexible support mechanisms that enable industry to operate more efficiently.



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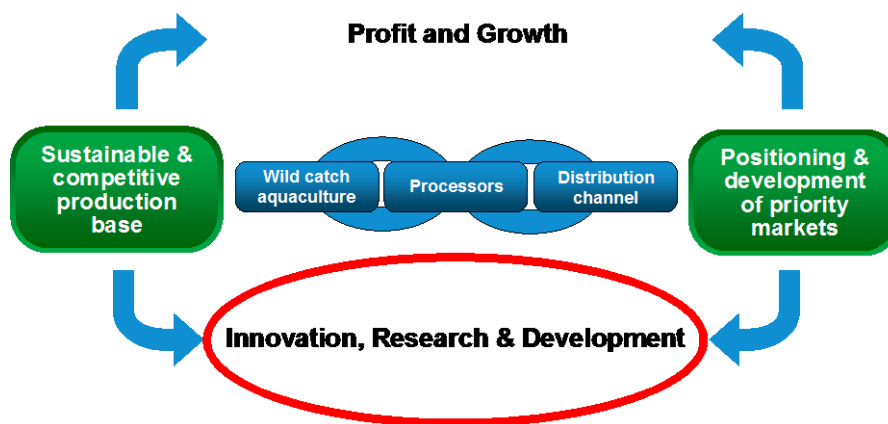


Innovation, Research & Development

Drivers

Growth of the Tasmanian seafood industry will rely heavily upon applied research and development and through innovation of processes throughout the supply chain.

The sustainable management of resources through research and the development of industry's cost and technical competitiveness will provide avenues for new and improved products to meet consumer preferences in target markets.



Issues

- Build and expand relationships within the supply chain that will promote competitiveness and minimise friction through non-price factors – strategic alliances
- Develop technical equipment/expertise and process applications that will minimise costs and improve efficiencies that are based on social and environmental frameworks (triple bottom line)

Cont...





Innovation, Research & Development



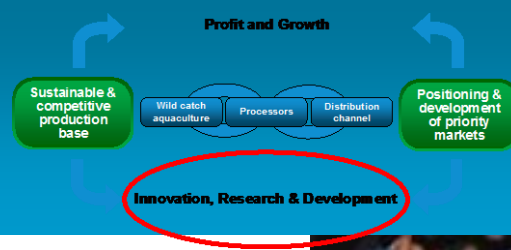
Issues – cont...

- Encourage research and technology development and merge/build alliances with other industries that may have intellectual property to offer
- Ensure R&D is connected/translatable to industry - many stakeholders feel disenfranchised with the process
- Develop an overarching vision for the seafood industry which will create linkages, partnerships, harnessing of resources, cohesion between sectors – this will lead to higher performance, best practice, measurable outcomes and funds being spent more effectively as lower order issues do not distract how funds are allocated
- Promote best practice and quality seafood
- Identify issues with transport logistics and find innovative solutions, eg processing
- Human capital development, more extension services to industry to promote R&D, education resources available

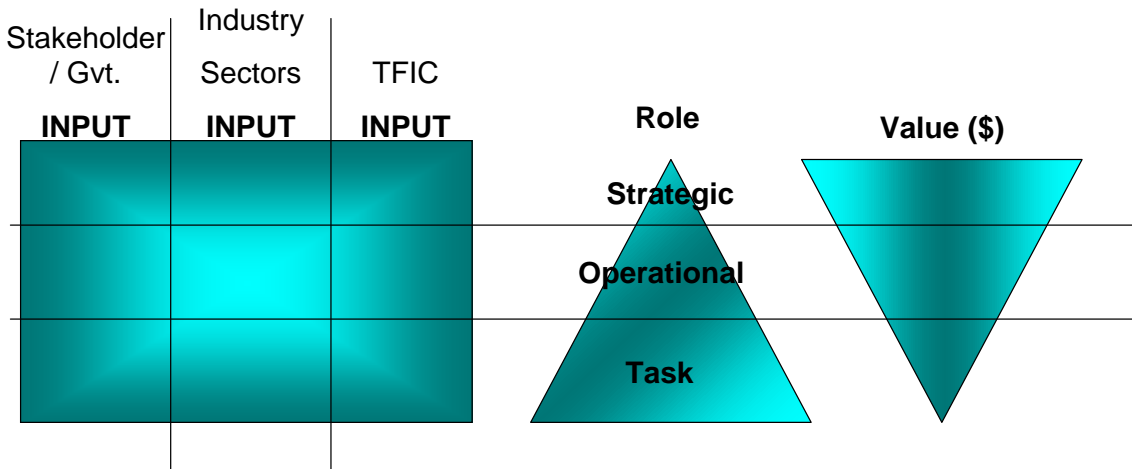




TFIC Key Objective 3



3) Promote industry R&D priorities



The above diagram illustrates how roles and responsibilities will be allocated to meet key objectives. Clearly TFIC will need to focus on Strategic roles to add demonstrable value.

Strategic Level:

•Research with commercial application is essential to advancing the seafood industry. Strategic areas that industry and research providers must develop further include:

- Technology that improves efficiencies or reduces operating costs
- Data that improves resource management and stock sustainability

Task Level:

•Work with government and providers to address industry based research priorities that have commercial application.





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Positioning & Development of Priority Markets

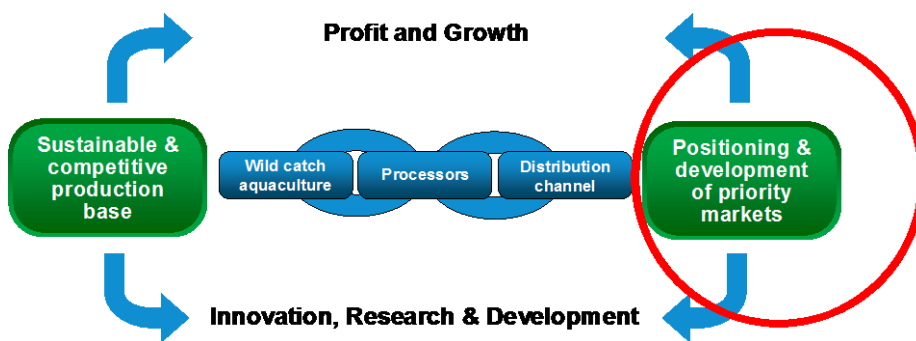
Drivers

Tasmania and its products have a reputation, both nationally and internationally as “clean, green and safe”. Clearly this brand needs to be protected and developed through appropriate practices and mechanisms.

Market access, including trade barriers and subsidised competition will continue to be major issues for domestic and export markets. Although Tasmania’s relative isolation as an island state does raise cost and transport logistic issues, it also represents a significant advantage for the food sector through prevention of introduced disease and marine pests.

Tasmania’s location also provides market advantages for the food sector in our ability to supply temperate products to overseas markets during production gaps in the Northern hemisphere.

Brand Tasmania and the Food Industry Council of Tasmania have developed strategies to promote place of origin branding for Tasmanian products and services. The Tasmanian seafood industry needs to make use of these strategies to access advances already made.



Issues

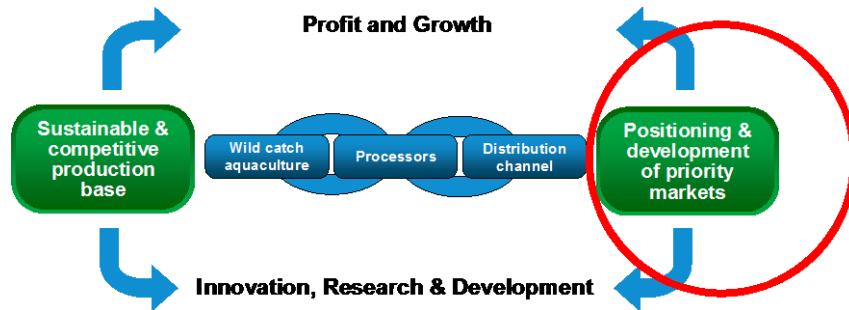
- Integration along the seafood supply chain varies widely, from the salmon industry which is vertically integrated and consolidated to individual players (quota holders, fishers, processors, exporters) that operate outside of any framework

Cont...





Positioning & Development of Priority Markets



Issues – cont...

- A need for education along the supply chain, industry needs to be more aware of opportunities
- Lack of information flow along the supply chain (ie; market signals, opportunities, constraints)
- Lack of trust and communication along the supply chain
- Too many bodies/associations across the seafood industry - if we resource one group correctly (TFIC) then it will be able to deal with regulatory/legal issues rather than a fragmented approach
- Lack of product development, understand consumer preferences (ie; ready to eat)
- Build on marketable attributes (quality, safety, sustainable) needs to be backed up by service, stimulate consumer demand
- National standards, Brand Tasmania label has commercial value
- Targeted overseas markets, collaborate investments in “on the ground” market expertise
- Nominate one champion or chain captain (a person that has vertical integration with commodity products) that pursues market development and can take/teach other members/sector groups
- One place to store (library at DED or TFIC) all market information and work that has been done in marketing for all sectors and industry members to access





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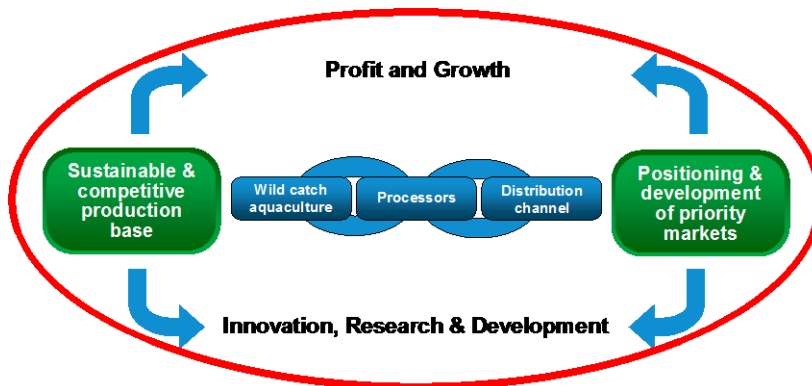


Connectivity

Drivers

The “*Future Directions – Tasmanian seafood industry*” Forum identified that there is a significant role for TFIC to play in being a conduit for information to flow through the supply/value chain. The following are the key points identified from “whole of Forum” discussion.

Participants of the workshop agreed that as an industry with a number of sector groups engaging in a variety of activities, it is important that there is one focal point for information to flow from and through – TFIC.



This role should encompass activities from internal correspondence (keeping members informed of issues/opportunities) to advocacy and representation.

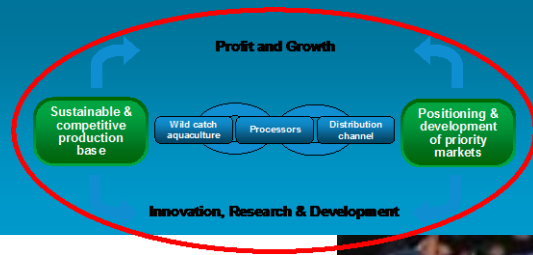
It was agreed that TFIC does not have the resources to represent individuals on a day to day basis but rather is a body committed to promoting and representing the interests and/or needs of entire sector groups and the seafood industry as a whole.

As TFIC develops a strategic plan it will be important that industry and key stakeholders are involved in the process and are aware of TFIC’s limitations and the need to utilise expertise within relevant sector groups in a strategic manner.

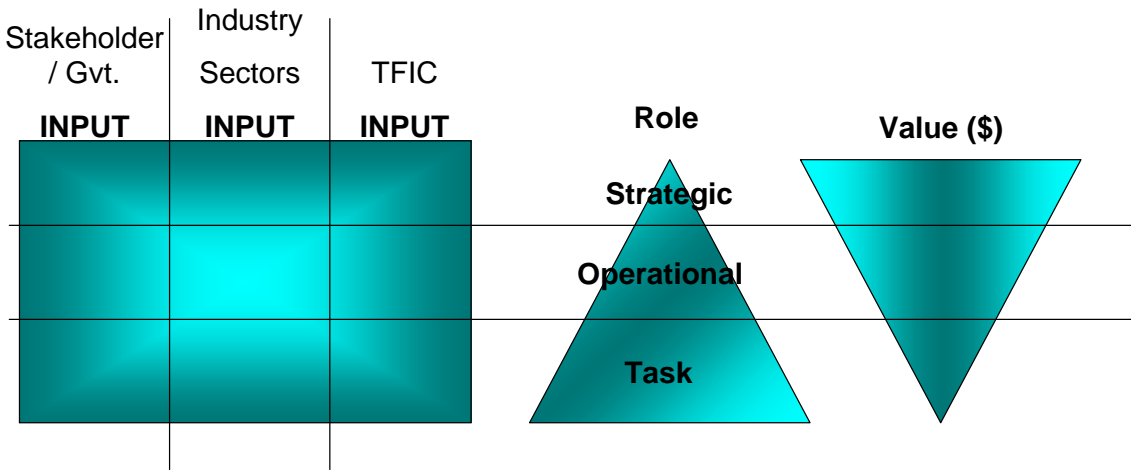




TFIC Key Objective 4



4) Industry champions - communicate between sector groups and all stakeholders to promote collaboration and build a positive community perception of the seafood industry



The above diagram illustrates how roles and responsibilities will be allocated to meet key objectives. Clearly TFIC will need to focus on Strategic roles to add demonstrable value.

Strategic Level:

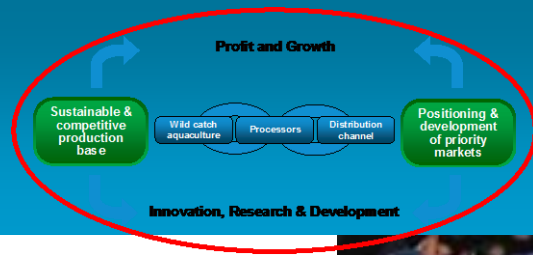
- Through effective representation, promotion and development of connectivity TFIC may add value to the seafood industry.

Task Level:

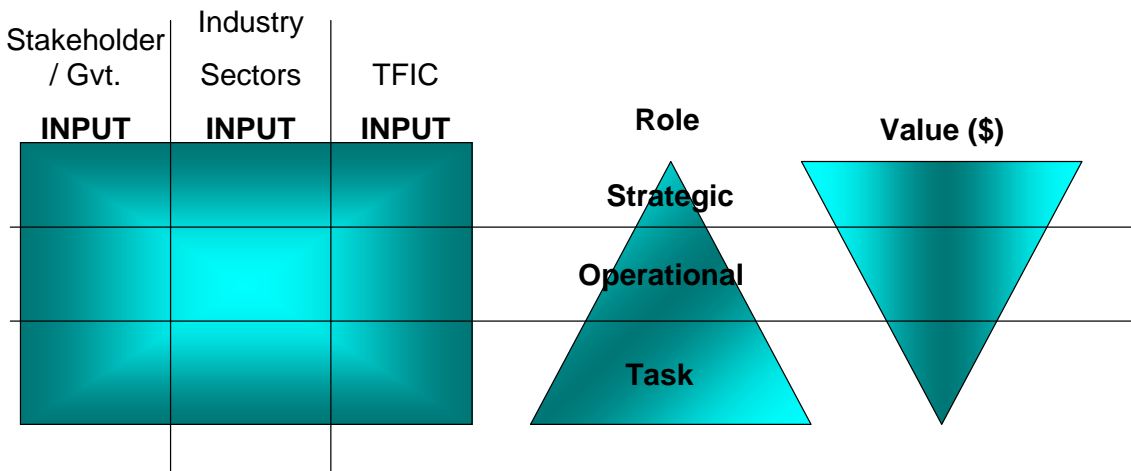
- A strategic approach developed by TFIC to improve the connectivity between all levels of the supply chain.
- Ensure all members remain informed with accurate and timely information on relevant issues.
- Member’s best interests are represented through a “common voice” liaising with State government, media, environmental groups and other marine stakeholders.
- Communicate and develop promotional material to educate community groups.



TFIC Key Objective 5



5) Facilitate cultural change; develop trust and partnerships through the supply chain



The above diagram illustrates how roles and responsibilities will be allocated to meet key objectives. Clearly TFIC will need to focus on Strategic roles to add demonstrable value.

Strategic Level:

- TFIC should provide effective governance for the Tasmanian seafood industry and effective representation/support of industry sectors.
- Clear lines of communication through an effective peak industry body should enable sector groups to better manage their area of interest.

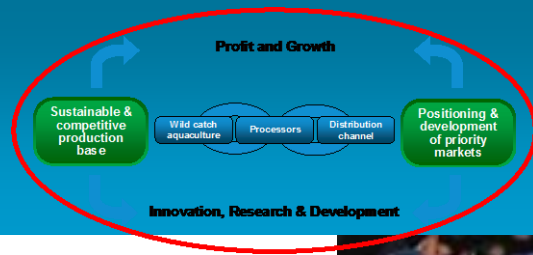
Task Level:

- Develop a clearly defined vision that promotes transparency in function and facilitates future aspirations.
- Develop frameworks in which performance can be measured - the need for change is more obvious when feedback can be quantified.
- Support sector groups to pursue their identified needs and future aspirations.

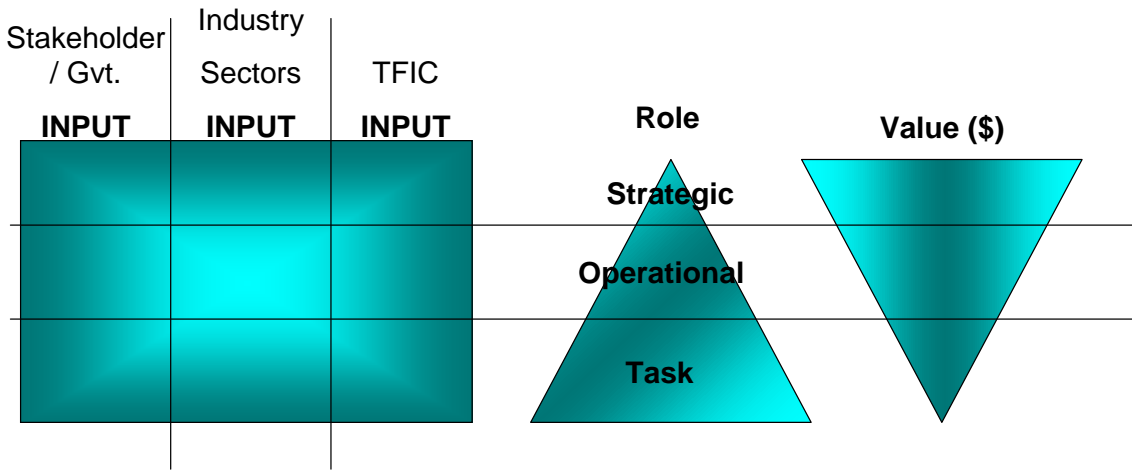




TFIC Key Objective 6



6) Identify skill gaps and ways to address these needs (human capital development)



The above diagram illustrates how roles and responsibilities will be allocated to meet key objectives. Clearly TFIC will need to focus on Strategic roles to add demonstrable value.

Strategic Level:

- Through effective consultation with sector groups TFIC may be able to identify skill requirements and source funding/extend services for industry members, eg business, marketing and succession planning.

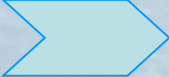
Task Level:

- At a task level TFIC is able to provide administrative support to sector groups.
- Liaise with training organisations and government to promote industry needs and identify ways and means for sector groups to access training services.
- Work with sector groups to identify areas of need.





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The Next Step

Participants of the “*Future Directions – Tasmanian seafood industry*” workshop identified a large number of issues facing Tasmania’s seafood industry – as detailed in this report.

Stakeholder Consultation

A process of stakeholder consultation was used to gain feedback on the Forum Outputs.

TFIC recognises that it is essential for industry members and key stakeholders to continue to be actively involved in this process if it is to be effective and gain ownership across the seafood industry. Unfortunately stakeholder consultation through industry port meetings was not achievable for a number of reasons, however participants of the Forum as well as all members of TFIC were forwarded a draft document to provide feedback on. The draft document was also circulated through the industry magazine “*Fishing Today*” and posted on the TFIC website (www.tfic.com.au). The consultation period was run over 8 weeks and minor amendments have been made to the “Final Report”. TFIC is confident that the next phase of this process is now able to commence.

The Next Step

With the process of identifying key issues complete, the seafood industry must now turn its attention to the development of a number of key objectives that the industry as a whole can use to chart a strategic direction forward.

An agreed set of high level strategic goals will lead to the development of a shared vision for the seafood industry and facilitate the development of a strategic plan for TFIC and sector specific groups.

TFIC will now work with its stakeholders to identify these key objectives and develop an action plan that details a pathway forward and outlines how these strategic goals will be met.

