



20th October 2009

**The Senate Foreign Affairs, Defence and Trade Committee
Canberra**

Dear Members of the Committee,

This submission will address the following Terms of Reference

d) the challenges facing the Torres region in relation to:

- i) the management of fisheries
- ii) the contribution of international trade and commerce to regional economic sustainability,
- iv) cooperation between federal, state and local levels of government
- v) air, sea and land transport linkages

Introduction

This submission is written on behalf of the members of the Queensland Rock Lobster Association. QRLA is the Industry Association which represents the Australian Tropical Rock Lobster (TRL) industry. Individual members may also provide their own individual submissions to the Senate inquiry. This submission is designed to provide the committee some understanding of the Torres Strait Lobster Fishery and its importance to the local economy. We will also advise on primary issues of concern to our members.

The Australian TRL Industry sources product from a complex of three interrelated fisheries.

1. Torres Strait Fishery (Australian jurisdiction – administered by PZJA)
2. Torres Strait Fishery (Papua New Guinea jurisdiction)
3. Queensland East Coast Fishery (Queensland Government jurisdiction)

The two Torres Strait TRL Fisheries have a combined GVP of AUD \$12 to 20m per annum (depending on fishing season, export price levels, AUD forex value and other variables) and this value could be substantially increased if both fisheries were able to modernise their fishing practices and management arrangements and focus on production of live lobster.

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Production from the two Torres Fisheries represents 60% to 70% of total TRL production in the Australia/PNG area.

These fisheries depend almost entirely on the international export trade.

98% of live production is exported to Hong Kong and China.

Over 90% of frozen tail production is exported to the USA.

Almost all of PNG Torres Strait lobster production is sold to Australian buyers through Torres Strait and subsequently exported to international markets from Cairns or Brisbane.

This pathway through Australia is the most profitable and cost effective method for PNG product to reach the market.

Given the above information, the importance of the TRL fishery to the real local economy of the Torres Strait region is clear.

Most commercial possibilities in the region are related in some way to the area's marine resources.

The Tropical Rock Lobster fishery is one of the region's greatest marine resource assets.

The Australian Torres TRL Fishing fleet includes 13 TVH (transferable vessel holder) primary licences utilising around 30 fishing tenders, and around 350-400 TIB (Traditional inhabitant boat) tender licences.

It is important to note that only a small number of these TIB operators (perhaps 10% at best) are genuine full time commercial fishers who depend on the fishery for their livelihood.

The catching sector supports and is supported by a number of companies which buy, process and export TRL, as well as various support industry businesses. In this way the TRL Industry provides considerable employment in the region and makes an important contribution to the local economy.

As long as the TRL industry is permitted to operate in a cost effective, productive and commercially healthy manner, and is not held to ransom for political ends, it will continue to provide a viable livelihood for many individuals and businesses in the Torres Strait and the larger Far North Queensland community.

Terms of Reference

1. Management of Fisheries

Note: Senate committee members please note that two members of the Senate, Senators Eric Abetz and Ian Macdonald, were both past Chairs of the PZJA, and are familiar with the issues set out below.

Torres Fisheries are managed by the Protected Zone Joint Authority.

The Chairperson of the PZJA is the Federal Minister of Fisheries. The other two members are the Queensland Fisheries Minister, and the Chairperson of the Torres Strait Regional Authority (TSRA). Responsibility for fisheries management and the provision of advice to the PZJA lies with four PZJA Agencies. They are DAFF, AFMA, QPIF and TSRA.

Unfortunately for the TRL industry, since 2007 progress on the Torres TRL Management plan and consultative process has been blocked and held to ransom by TSRA for political purposes.

The political agendas behind this are traditional inhabitant aspirations regarding regional autonomy, economic development, native title and in particular, resource ownership.

Since 2007 TSRA has refused to approve or progress any changes to TRL fisheries management arrangements that will benefit the TVH sector or the larger commercial industry in any way.

That is, it is intentionally using the PZJA fisheries management arrangements as weapons against non-islander industry to attempt to further its political goals. And this position seems to be tacitly underwritten and supported by the other PZJA Agencies, DAFF in particular.

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The commercial industry opposes this destructive approach, points out the damage it is doing to the viability of the entire industry, and also points out that a fisheries management forum is not an appropriate forum for larger social and political issues.

What is going on in Torres TRL at present contravenes the legal and constitutional rights of numerous Australian individuals and companies operating within the industry. All Australians are entitled to be treated fairly and equitably, and to be free to do business and pursue their livelihoods according to their legal entitlements under the rule of Australian law.

For the TVH sector, and the larger TRL industry, under the PZJA Fisheries Management system these rights have been compromised.

From 2003 to 2007 TVH Industry voluntarily agreed to the reintroduction of the interim management arrangements each season (these arrangements reduce TVH fishing capacity by 30% and possible fishing time by 25%). There were sound precautionary reasons to do so in order to protect fishery sustainability. After 2007, with fishery sustainability guaranteed following the compulsory removal of all latent TVH licences and the voluntary buyout of 50% of remaining TVH effort, there was no longer any need for them, and industry opposed their reintroduction. Yet for the last two seasons (2008 and 2009) TVH legal fishing entitlements have again been reduced and restricted in the name of Fisheries management, without any legitimate fisheries management reason to do so.

Please note that the TSRA position has not changed, and there is a real danger that the interim arrangements will be reintroduced again in 2010 despite industry opposition.

Furthermore, the ponderous PZJA bureaucracy itself is a problem. It is oversized, overcomplicated and absurdly expensive, and seems incapable of achieving any meaningful or useful outcomes.

Its chief achievement seems to be the frequent employment of consultants at great expense to produce reports which are often valuable and insightful, but are rarely acted on because their conclusions are politically unpalatable and/or expose the dysfunctional nature of the system itself.

For fishermen and industry operators in general, dealing with the PZJA bureaucracy is confusing and extremely frustrating. Especially if one is looking for straight answers and/or timely decision making. Duplication of functions, internal conflicts between agencies, inertia, evasion of responsibility, and inability to make decisions on key issues (sometimes over periods of many years) are the rule rather than the exception. The Torres fisheries management world has very little to do with fisheries management best practice – it is a quagmire of political agendas, conflicts of interest, inequity and discrimination.

Fisheries management across the rest of Australia has moved on and is at the forefront of world's best practice. The foundation of good fisheries management is long term sustainability. Once this foundation is established, modern fisheries management systems are able to move away from the old "command and control" style towards more cooperative co-management systems which generally depend on output controls and do away with the archaic input controls of the past.

This allows the fishing industry to operate in more flexible and cost effective ways, and to maximize economic yield.

But in Torres Strait TRL, while sustainability is no longer an issue, fisheries management arrangements have not been changed for years. The existing arrangements in the TRL fishery serve to inhibit production and cost-effective operation and also stall modernisation of an industry which no longer has sufficient fishing capacity to take anywhere near the allowable catch.

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This state of affairs is damaging to the entire industry and the local economy and must not be permitted to continue. A cooperative and constructive whole of industry approach is required to guarantee the future prosperity of the Torres TRL industry for all participants.

But while TSRA maintain their current attitude this is not possible.

2. Contribution of International trade to regional economic sustainability.

The TRL Fishery and its contribution to the regional economy depends entirely on international trade as set out above in the introduction.

3. Cooperation between various levels of government.

QRLA members are not able to comment on performance in other areas of governance in Torres Strait, but in the PZJA fisheries management area we have abundant experience. In this area, as explained at length under 1. Management of Fisheries above, the system is dysfunctional, and cooperation between the various levels of government is poor.

4. Transport Linkages

The Torres area is remote, and logistics are difficult. The transport options are limited to air and/or sea, competition is limited, and the services available are expensive. This inquiry will no doubt receive many submissions pointing out the inadequacy of current air transport infrastructure and services to and from and throughout the Torres region.

It is important that the committee members note this serious issue and consider possible long term solutions to the problem. Right now there is nationwide discussion about the need for intelligent, targeted infrastructure expenditure to underwrite and drive Australia's economic future.

Development of a new improved Horn Island airport would be a worthwhile project in this area.

The abovementioned transport problems have flow on financial effects (in the form of very high living and operating costs) for all individuals and businesses in Torres Strait.

Conclusion

QRLA members are thankful for the opportunity to contribute material to this Senate inquiry.

If there is any further information or assistance we can provide, please do not hesitate to contact this office.

Yours sincerely,

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