

Wealth From The Sea

Wealth From The Sea. Commercial fishing is Australia's fifth largest primary industry. The Coalition will make the seafood industry stronger by improving its investment climate and sustainability, and by taking strong measures against illegal fish pirates.

Wealth From the Sea

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Executive summary

Part 1 Better Fisheries Management

The Coalition will:

- carry out a **\$2.6 million industry development program** in 1999 in the southern shark fishery to make the industry more prosperous while protecting the environment;
- establish a government-industry working group to look at options for an **industry development program in the south east non-trawl fishery**;
- carry out a comprehensive review of our fisheries laws and regulations by July 1999, to **minimise red tape and compliance costs** for small businesses;
- continue our existing cost recovery policy, and **not impose a resource rent tax** on the fishing industry; and
- **continue supporting fisheries research**, quality assurance, and value adding.

Part 2 Foreign Fishing

The Coalition will:

- spend an extra **\$15.8 million over four years to increase the number of patrols in our sub-Antarctic waters**, to deter illegal fish pirates; and
- amend the fisheries laws to **make fisheries surveillance and enforcement more effective.**

Part 3 A Fairer Tax System

The Coalition will:

- **reduce the fishing industry's costs by \$110 million a year** by abolishing 10 burdensome taxes; and
- **treat fishing operators on the same basis as other primary producers** when they buy work vehicles.

Part 4 Recreational and Charter Fishing

The Coalition will:

- **appoint a gamefishers' representative to the Eastern Tuna and Billfish Fishery Management Advisory Committee;** and
- **conduct a \$1.8 million National Recreational Fishing Survey.**

Labor's record

A South East Fishery

The south east fishery is the major supplier of fresh fish to the Melbourne and Sydney fish markets.

Since 1992, the fishery has been managed by a system of output controls called individual transferable quotas. Labor botched the introduction of quotas. The result was endless wrangling, litigation, and uncertainty. Some operators lost millions of dollars as a result of

the debacle.

B A Legacy of Environmental Indifference

Labor did not protect Australia's marine environment. During its 4,638 days in office, the Labor Party failed to:

- introduce a policy for managing our oceans.
- work with the fishing industry to reduce bycatch.
- provide commonwealth leadership in areas like marine pollution – an issue that the Coalition is addressing through the Natural Heritage Trust; and failed to
- protect adequately marine species like whales, dugongs, and albatross.

The Coalition has taken the lead in all these areas.

C An Unfair Tax System

Australia's tax system is complicated, unfair, and out of date. For example:

- the *Income Tax Act* is over 3,300 pages long, and has doubled in size over the last seven years.
- Labor's hidden taxes cost the fishing industry \$110 million a year. The taxes reduce the industry's ability to compete overseas, and are unfair. For example, fishers have to pay 22 per cent wholesale sales tax on their work vehicles. Other primary producers receive an exemption.

Highlights of the government's achievements

A The Best Managed Fisheries in the World

Australia is internationally recognised as a leader in world fisheries management. The Coalition manages our commonwealth fisheries as a partnership between the Australian Fisheries Management Authority (AFMA), the fishing industry, and the community. We realise that the only way to make our fisheries laws and regulations work is to develop them with the help of the people who know most about fishing.

In our first term, the Coalition has made the unpredictable business of fishing more certain through measures such as:

- amendments to the *Native Title Act*, which ensure that governments can continue to regulate and manage onshore and offshore water and aquatic resources, regardless of whether native title exists over an area;
- amendments to the fisheries laws to protect operators' valuable fishing rights when AFMA revokes a management plan;
- the successful \$6.9 million adjustment program for the south east fishery. As a result, AFMA was able to issue south east fishery operators with long term statutory fishing rights instead of the insecure permits they used to receive each year;
- our capital gains tax reforms, which mean that small fishing operators do not pay capital gains tax when they sell active assets – like quota – to buy others. Up to \$500,000 from the sale of a small fishing business to fund retirement is exempt from capital gains tax; and
- the reduction in the provisional tax uplift factor from 8 percent to 5 per cent.

B Standing up for Australia on Foreign Fishing

Australia has sovereign rights over 11 million square kilometres of ocean, one of the largest exclusive economic zones in the world. During its first term in office, the Coalition acted decisively to protect our fishery resources and Australian jobs. The Coalition will continue its strong stance during its second term.

(i) Southern Bluefin Tuna

The Australian southern bluefin tuna industry employs 1,000 people, mainly in Port Lincoln, and is valued at about \$100 million a year.

Southern bluefin tuna are seriously overfished, and Australia, Japan, and New Zealand have established an international commission to set quotas for the three countries. Japan broke the agreement by starting an experimental fishing program for SBT, and increasing its catches by 1,400 tonnes above its 6,065 tonne quota.

The Coalition acted decisively to protect Australian jobs and the environment by banning Japanese fishing vessels from our exclusive

economic zone. In addition, we banned Japanese fishing vessels from Australian ports, except in emergencies.

(ii) Protecting our Waters from Illegal Foreign Fishing

The Coalition takes its responsibility to police our waters very seriously. In our first term we have:

- arrested about 260 foreign fishing vessels operating illegally in Australian waters; and
- despatched naval vessels to the sub-Antarctic to apprehend three foreign fishing vessels that were allegedly fishing illegally in the waters around Heard Island and McDonald Islands.

C Protecting our Marine Environment

The long term future of our seafood industry depends on its sustainability. In its first term in office, the Coalition has:

- committed \$125 million to the *Coasts and Clean Seas* initiative under the Natural Heritage Trust, and \$10.2 million to the *Fisheries Action Program* to rehabilitate coastal and marine environments, and restore fisheries habitats;
- made regulations to require all longliners fishing in Australian waters south of Coffs Harbour to use devices called 'tori poles', which protect albatross by scaring them away from the stern of the vessel;
- worked to prepare commonwealth and national bycatch policies, and started preparing individual action plans for each commonwealth fishery; and
- introduced new environment legislation, which will ensure that AFMA is subject to the right level of environmental scrutiny without generating more red tape for fishing operators.

D Recreational and Charter Fishing

Recreational fishing is an important leisure activity for millions of Australians. The states and territories are largely responsible for managing recreational fishing, because most anglers fish in coastal, estuarine, inshore, or inland waters.

The federal government is responsible for offshore recreational and charter fishing, which is a significant industry in its own right. For example, the Coral Sea is one of the world's major game fishing areas. It is one of the few places where gamefishers can pursue the elusive 1,000 pound (453kg) black marlin. To promote the development of the industry the Coalition has:

- banned commercial fishing operators from taking black marlin and blue marlin. The maximum penalty for breaching the ban is a \$13,750 fine. We also brokered an agreement between the gamefishers and the commercial tuna longliners that operate in the Coral Sea. The agreement has allowed the two industries to share the area without conflict; and
- for the first time, appointed a recreational fisher as a director of the Fisheries Research and Development Corporation. This is a Commonwealth statutory corporation that plans funds and manages fisheries research projects. During our first term, we invested \$1.4 million on research projects into recreational and sport fishing.

Part 1 Domestic fisheries

A Basic Principles

The Coalition's fisheries policy is based on three principles:

- first, we fully support AFMA's partnership approach to fisheries management, which actively involves the fishing industry, environmentalists, scientists, and recreational fishers in management decisions;
- second, we recognise that the best way to manage our fisheries is to assign operators fishing rights that they can then buy, sell, or use as collateral for a business loan. Systems such as individual transferable quotas encourage operators to fish as productively as they can, while still allowing AFMA to control the total catch on biological grounds; and
- third, we believe in managing our fisheries prudently, in accordance with the principles of ecologically sustainable development.

B Making the Fishing Industry Stronger

(i) Southern Shark Fishery Industry Development Program

The Coalition will carry out a \$2.6 million industry development program in 1999 in the southern shark fishery. The southern shark fishery covers the waters off Victoria, Tasmania, and South Australia, and produces 4,500 tonnes of shark a year. Most of the catch is sold in Victorian fish and chip shops as 'flake'.

The fishery is managed through a complicated and unfair licensing system, which has financially ruined some operators and driven others to despair. Operators are not allowed to sell or transfer their permits, even if they cannot fish because they are sick.

AFMA will introduce an individual transferable quota system in the southern shark fishery early in 1999. Each operator will receive a share, or quota, of the fishery's total allowable catch and will be able to buy and sell quota freely. The new system will be accompanied by a 35 per cent reduction in school shark catches, because it is overfished.

The industry development program will smooth the introduction of individual transferable quotas and help operators deal with the reduction in shark catches. Some operators may take the opportunity to buy more quota. Others may choose to sell their quota and invest in another fishery.

The details of the program will be developed by a government-industry working group. The working group will include representatives of both "A" licence holders and "B" licence holders.

(ii) South East Non-trawl Fishery

The non-trawl sector of the south east fishery runs from Fraser Island, in Queensland, all the way to the border between South Australia and Western Australia. The 150 operators in the fishery mainly catch blue eye, blue warehou, and ling.

AFMA implemented individual transferable quotas in the fishery in January 1998. The authority also reduced blue eye catches by almost 25 per cent, to ensure they were sustainable.

The Coalition recognises that the reduction in quota caused difficulties to some fishing operators. Some operators, particularly in Tasmania, believe that they did not receive an equitable proportion of the quota given their long history in the fishery. Other operators, however, believe that the quota allocation was fair.

Accordingly, we will establish a second working group to consider whether the Coalition should carry out an industry development program in the fishery, and how it could be conducted. For example, the working group could recommend that AFMA waive management levies in the fishery for a few years to give operators time to adjust to the new catch levels. All of the operators in the fishery, no matter where they lived, would be treated on the same basis in such a program.

(iii) Quality Assurance and Export Development

Most of Australia's fisheries are fully exploited. The industry's continued growth depends on value adding and the use of quality assurance to increase the value of the existing catch.

The Coalition will continue to encourage the industry to adopt quality assurance and value adding strategies through the SeaQual program, which is currently being reviewed to make it stronger.

We also are supporting the National Seafood Centre and the Australian Seafood Extension and Advisory Service, which provide fishing operators with information and financial support.

In 1996 the Coalition established the Supermarket to Asia Council to provide leadership and direction to increase our food exports to Asia.

Supermarket to Asia and the Fisheries Research and Development Corporation are working together to promote our exports of underutilised fish species such as ocean perch and silver warehou. Supermarket to Asia's Delicatessen initiative has also assisted seafood producers to export high value, niche products to Asia, such as live Moreton Bay bugs and soft shell blue swimmer crabs.

C Better Fisheries Management

The alternative to sensible fisheries regulation is a wild cycle of over-investment followed by stock collapses, as fishers are forced to work harder to catch fewer fish.

The Coalition is committed to regulating our fisheries effectively, but we also are determined to minimise the paperwork and other costs that those regulations impose on the industry.

(i) Slashing Red Tape and Costs for Fishing Operators

The Coalition will conduct a review of the fisheries laws and regulations. The review will particularly examine how AFMA can

reduce the compliance costs and paperwork it imposes on small businesses. The review will be completed by July 1999.

(ii) Cost Recovery and Resource Rent Taxes

The Coalition will continue its existing cost recovery policy. We will not impose a resource rent tax on the fishing industry.

PART 2 FOREIGN FISHING

A Southern Bluefin Tuna

Australia has formally requested consultations with Japan over the conduct and legality of its experimental fishing program for SBT.

The Coalition will continue to ban Japanese fishing vessels from operating in Australian waters, as well as banning Japanese fishing vessels from Australian ports, except in emergencies.

B Strong Action Against Illegal Foreign Fishing

The Coalition will spend an extra \$15.8 million over four years to increase fisheries surveillance and enforcement in our remote Heard Island and McDonald Islands Territory.

These far off, storm tossed islands are 4,000 kilometres south west of Perth. Their maximum temperature is 3 degrees, it snows 256 days a year, and there are wind gusts of up to 210 kilometres an hour.

The Coalition has licensed two vessels to fish around the islands for Patagonian toothfish, under the tightest environmental controls ever imposed on Australian fishing boats. Patagonian toothfish is a tasty fish, sold as Australian sea bass in the United States and *mero* in Japan.

Illegal foreign vessels also fish around the islands, as they prowl for toothfish across the world's southern oceans. It is a big business. The global illegal catch of toothfish is worth about \$225 million a year.

Fish piracy in the Heard Island and McDonald Islands Territory threatens our fishery resources and Australian jobs. It threatens the environment. It is an affront to our sovereignty over the area.

The Coalition has taken strong action against illegal foreign fishing in the sub-Antarctic by despatching warships to arrest three foreign vessels that were allegedly fishing illegally.

The Coalition will spend an extra \$15.8 million over four years to increase the number of patrols, using civil vessels that can remain on station for many weeks at a time. The patrols will be a major deterrent against the pirates taking our fish.

The Coalition will employ more fisheries officers, to make sure the increased emphasis on the sub-Antarctic does not affect our ability to police illegal fishing off northern Australia. We will also amend the fisheries laws to make our surveillance and enforcement more effective.

Part 4 A Fairer Tax System

A Reduced Costs

The Coalition will make the fishing industry stronger by reducing its costs by \$110 million a year. We will abolish 10 burdensome taxes, including wholesale sales tax, state bank taxes, and stamp duties on business related transactions.

Fishing operators will be entitled to a full rebate of the excise and goods and services tax (GST) they pay on the diesel, bunker fuel, and light fuel oil they use in their fishing vessels.

Operators will be able to claim an input tax credit for the GST payable on fuel used for business purposes. This represents a saving of about 7 cents a litre on what they pay now.

The cost of transporting seafood products by road will fall too. The Coalition will introduce a comprehensive diesel fuel credit for registered businesses. The credit will reduce the effective excise payable on diesel fuel used in heavy transport (vehicles with a gross vehicle mass over 3.5 tonnes) from around 43 cents a litre to 18 cents a litre.

B Sales Tax on Work Vehicles

The Coalition will treat fishing operators on the same basis as other primary producers when they buy work vehicles. Fishing operators currently have to pay 22 per cent sales tax on their work vehicles. Farmers are exempt from the tax.

Under our tax plan, fishing operators will receive a 100 per cent GST credit on work vehicles. The GST credit will be phased in over a two-year period. Our tax plan will save fishing operators more than \$7,000 on a \$40,000 four wheel drive vehicle.

C Less Paperwork and No Provisional Tax

The Coalition will abolish provisional tax and replace five different business payment and reporting systems with a single Pay As You Go (PAYG) scheme. Operators will be able to spend more time fishing and less time filling in tax forms.

Part 5 Recreational and Charter Fishing

A Better Representation For Gamefishers

Commercial tuna fishers catch about 12,500 tonnes of tuna and billfish a year off the east coast of Australia. The east coast is also a major gamefishing area, particularly in the Coral Sea off Cairns.

AFMA manages the east coast tuna and billfish fishery with the help of a management advisory committee. The Coalition will restructure the committee to ensure that the views of game fishers are properly represented. The restructure will not affect the number of commercial industry representatives on the committee.

B National Recreational Fishing Survey

The Coalition will carry out a \$1.8 million national survey of recreational fishing in 1999-2000 with the states and territories.

The survey will give governments and fisheries managers an understanding of the number of Australians who participate in recreational fishing and the number of fish they catch. The information is important, because recreational fishing is a substantial part of the catch of some inshore fish species. It will help governments better to manage both commercial and recreational fishing.