

Submission to Fisheries Statutory Management Authority Inquiry

Thank you for the opportunity to provide input into the inquiry examining the desirability and feasibility of establishing a Statutory Management Authority (SMA) to administer WA's fisheries.

Summary

Recfishwest has objectively examined the case for a statutory authority and has concluded that the suggested benefits can all be achieved through a department. We have further concluded that the identified shortcomings of the Department of Fisheries are not shortcomings inherent in a department and can be addressed given sufficient will and direction.

Recfishwest supports recommendation 8 of the June 8 2001 report of the Western Australian Machinery of Government Taskforce that a statutory authority should be established only if its proposed functions cannot be performed by a department or it would be inappropriate for them to be performed by a department.

Recfishwest concludes that there has been absolutely no case demonstrated to warrant a transition to a statutory authority model.

Introduction

Recfishwest has a number of significant concerns in relation to the implementation, management and administration of an SMA as it would apply to recreational fisheries management. We believe that unless there are significant and measurable advantages to having an SMA for fisheries in Western Australia then restructuring or improvements to the existing structure are favoured.

Recfishwest believes it is unfortunate that this inquiry is being carried out against a backdrop of the WA Government's stated objective to achieve cost savings by reducing the number of Government agencies principally through departmental amalgamations.

The spectre of an amalgamation of the Department of Fisheries and the Department of Agriculture is seemingly ever present. This provides a strong basis for concern that rational assessment and decision making in respect to the consideration of a statutory authority may ultimately be affected.

It is on record that Recfishwest, along with every other key fishery stakeholder group strongly believes that there are enormous advantages for Western Australia in Fisheries remaining as a stand-alone agency. Recfishwest, in conjunction with the commercial fishing and aquaculture industries made a strong joint submission to the Machinery of Government Taskforce to this effect.

However we are concerned that the proposal to replace the Department of Fisheries with a statutory authority is being viewed as the only way avoid departmental amalgamation. Recfishwest is strongly opposed to departmental amalgamation. However, we also believe

that a Department of Fisheries provides a more appropriate and preferable fisheries management structure than that provided by a statutory authority.

While Recfishwest firmly believes that there are a number of significant improvements that would enable the Fisheries Department to better serve the diversity of its clients, a statutory management authority is unlikely to provide significant improvements and represents a real risk to the recreational fishing community. Recfishwest has supplied the committee with a number of examples which clearly indicate that there are already significant and worrying levels of client capture within the Fisheries Department.

Recfishwest has seen, through the two existing SFM models which have been presented, that the already strong cultural alliance to commercial fishers is likely to be further exacerbated at a time when objective and rational management is proposed through the Toohey process.

Recfishwest could not accept any proposal to functionally split the Fisheries Department of Western Australia. Recfishwest has pointed out through its submissions to the Toohey process and other consultative forums that the cost recovery system currently in place is inappropriate for a community resource. The cost recovery principles do not apply to activities such as wetfishing by these very profitable fisheries. It is therefore inconceivable, that these fisheries which make an economic super-profit should be subsidised by the community to make additional profit without meeting the cost for what is a resource owned by the community.

To split the administrative structure of fisheries into fisheries that can pay and which feel that they should have even greater control over their activities and minor fisheries that must be subsidised is ludicrous. It would result in a privatisation of the public good in major fisheries and a bunker mentality against minor commercial fisheries, recreational fishing, aquaculture and community interests. There would be significantly worse conflict where interaction or community interests were involved.

Of significant concern to Recfishwest is ensuring that the already substantially under-resourced Department of Fisheries does not suffer further unacceptable cuts through a rationalisation of the public sector and its services.

Justice Toohey in his recently completed report recommends an additional \$5-7 million per annum for integrated management of our wetfish resources. Recfishwest believes that this may be an under-estimate to adequately service the greatly increased needs of integrated management. We feel that there will be a need for considerable additional expenditure to quantify the recreational catch, its potential impact on the resource and the relative social and economic benefits of recreational fishing. The issue of the considerable community subsidy of minor commercial fisheries when major fisheries only meet their barest management costs must also be resolved.

Recfishwest is concerned that in its discussions with the commercial fishing industry, it has concentrated on changes to the structure of Fisheries Department to reduce costs to commercial fishers. Recfishwest has focussed its concerns about funding entirely on there being adequate resources to ensure the sustainability of the resource. This is a very significant difference.

It is imperative that the management of the common property aquatic resources of Western

Australia is not compromised by either further reduction of resources, or the imposition of an inferior management structure.

General Comment

Recfishwest and the recreational sector hold considerable concerns that the replacement of the Department of Fisheries with a statutory authority could negatively impact upon the quality of recreational fisheries management. This concern is based upon our understanding of experiences in other Australian jurisdictions.

The Australian Fisheries Management Authority (AFMA) is, in the opinion of Recfishwest, client captured by the commercial fishing industry by virtue of its legislation. There has been little or no recognition of the needs of recreational fishers and the pursuit of economic efficiency objectives has severely disadvantaged recreational fishing interests which are being increasingly driven by economic inefficiency imperatives.

The Queensland Fish Management Authority (QFMA) was ultimately disbanded, due in no small part to the client capture by commercial fishing interests and lack of recognition of community stewardship responsibility. The QFMA was administered by a Board which reflected the historical emphasis on commercial fisheries management.

Therefore, the objects and powers, composition, administration and processes of any statutory authority all must be clearly defined and reflect the fact that the fish resources are a common property community resource. Any statutory authority established to strengthen commercial property rights and frustrate community debate would be most vigorously opposed by Recfishwest.

The Case for a Statutory Authority

WAFIC, in its 1997, submission to Government detailed what it saw as shortcomings of the Department of Fisheries and what it believed would be the major benefits and likely benefits of a statutory authority. The perceived shortcomings included:

- that the opportunities for openness, more inclusive management and greater accountability had not been realised
- the role of MAC's was not properly recognised.
- that there was a need to separate policy formulation from operations/delivery.
- that there was an inability to manage staff flexibility to meet the needs of its clients.
- that the internal culture of the Department had not shifted sufficiently to embrace greater participation by industry in decision making .
- that there was insufficient commercial expertise within the Department to adopt business-like practices.
- that the implementation of cost recovery had created strains in the relationship between industry and the Department.

- that the financial information and Department budgeting was inadequate
- it was not possible to assess the efficiency and effectiveness of the Department

Several of the apparent shortcomings identified by WAFIC clearly display the frustrations of the commercial fishing sector in the transition to cost recovery and a desire for a degree of control over the decision making process. Recfishwest believes that a number of the shortcomings raised by WAFIC are the direct consequence of an antagonistic attitude displayed by the commercial fishing sector in the past and its underlying reluctance to accept that fish resources are a common property community resource involving more than one stakeholder group.

The dot point "that the internal culture of the Department had not shifted sufficiently to embrace greater participation by industry in decision making ." is important. Recfishwest feels that the needs of recreational fishers, conservation and community interests have been significantly undervalued. Many of the MAC's now reflect commercial fishing industry wishes and do not attempt to address the optimum community return from the available resource as detailed in the objects of the Fish Resources Management Act 1994.

An obvious example of this is the Australian Salmon and Herring Industry Advisory Committee (AHIAC) where a single recreational fisher represents interests other than commercial fishing. For Australian herring, the commercial fishery is worth approximately \$400,000 per annum (with a marginal return of approximately 4-5 cents per fish), but the recreational fishery could generate in the vicinity of \$50 - \$100 million dollars. This structure is solely based upon historical predominance of commercial fishing interests and there has been extremely disappointing progress in moving to a more logical and representative approach.

Recfishwest firmly believes that the cost recovery model is inappropriate for a community resource management agency. It discriminates against the community and in particular discriminates against minor commercial fisheries which provide a legitimate service but which cannot meet the total cost of their management. Having said this, we firmly believe that a significant change to a more rational funding base, utilising commercial resource rents and general recreational licensing is required to ensure sustainability of the resource for the next 20-50 years.

We feel that it is possible within a departmental framework to overcome each of the Department of Fisheries shortcomings identified by WAFIC. Similarly Recfishwest believes that the suggested benefits of a statutory authority can be achieved through a departmental model.

Statutory Authority - Specific Issues

Appointments to Board

Statutory authority board members must be independent of sector or stakeholder groups to ensure that the decision making is not affected by any bias or vested interest.

Recfishwest is confident that initially at least, sufficient vision, fairness and expertise exists

to appoint a Board which is capable of meeting the challenges which would have to be resolved.

However, we recognise that problems can arise, including securing high quality independent members that also have an expertise and understanding of fisheries management on an ongoing basis. We therefore have a real fear that independent appointments may rapidly become representative. We further believe that recreational fishing interests may be disadvantaged if sectoral interests come into play due to the largely voluntary nature and under-resourcing of recreational lobbying and the enormous financial considerations that would lead commercial interests to ensure that they were adequately represented.

Objects of Fish Resources Management Act 1994

The 8 objects of the Fish Resources Management Act 1994 are collectively aimed at conserving, developing and sharing the fish resources of WA for the benefit of present and future generations.

Separately, the objects create multiple agendas. We agree with WAFIC that the Department of Fisheries has exhibited difficulties in coping with multiple agendas.

However we disagree in so far as where there are competing interests we believe that the culture of the Fisheries Department is to unambiguously favour historical commercial fishing interests. What we believe WAFIC is really saying is that they want to return to a point in history where there was no recognition whatsoever of other user groups which made commercial fisheries management much easier.

Recfishwest believes that each and all of the objects are important. They must continue to be dealt with by a single agency to achieve a balance that meets the combined aim of the objects.

Recfishwest has seen no evidence in other jurisdictions that a statutory authority would more easily cope with the FRMA objectives. To the contrary, we believe that the AFMA and QFMA have demonstrated that statutory authorities are best suited to the pursuit of single agendas and have failed to show that they could maintain a balance across diverse objectives and stakeholder groups.

Improvements to Existing Departmental Structure and Functions

Amalgamation of the commercial and recreational programs

Recfishwest has consistently strongly advocated the amalgamation of the commercial and recreational fishing management programs.

Currently the management of recreational and commercial fishing is separated within the Department of Fisheries through the operations of two distinct programs. Recfishwest believes that this structure is counterproductive to achieving optimal management outcomes, does not foster cooperative working relationships between the sectors, is often divisive, and leads to duplication of processes.

Recfishwest believes that the application of integrated management will necessitate a significant restructure of Fisheries WA. The demarcations associated with the organisational

segregation of commercial and recreational fisheries are not conducive to the facilitative application of integrated management.

Recfishwest would like to see a single manager responsible for the commercial and recreational (and community) issues associated with the fisheries resource and its management. The management advisory committee processes should reflect the benefit which is accrued by the relevant sectors. In other words, a single recreational representative on the Rock Lobster Industry Advisory Committee (RLIAC) may indeed be appropriate where recreational take runs at around 5% (although financial contributions are significantly proportionally higher). However, for a fishery such as herring where the community returns are so obviously with the recreational sector a strong case exists (under equity and natural justice principles) for a committee with a single commercial representative.

A possible solution administratively may be to have State managed fisheries (where the benefit is largely derived through export and value adding of the fisheries, generally through commercial fishing) and Community managed fisheries (where the majority benefit is derived by the community, generally through recreational fishing).

Recfishwest is however concerned that the Fisheries Department may well apply the logic espoused above to major commercial fisheries but shy away from current management structures which so strongly favour minor commercial fisheries. We look to this committee to recognise that these issues are a significant and major concern of the recreational fishing community.

Stakeholder Committee

A statutory authority provides the opportunity through its Board to interrogate the Executive Director. This is, and has been, more difficult under a Departmental structure. For example, recreational fishers are not considered to be affected parties when objections are laid through provisions in the Act. It is presumed that the community interests will have been considered by the Executive Director in making his initial decision and his subsequent presentation to the appeals tribunal.

There have been a large number of cases where recreational interests have been deliberately or accidentally ignored, to the detriment of rational resource management. Indeed, the Executive Director recently informed Recfishwest that in the absence of an overall coordinated marine plan, he was unable to consider any factors (including loss of access and amenity by the community) in considering pearling lease applications. A recent assessment of aquaculture legislation not only ignored recreational issues such as broodstock collection and affected persons provisions, it proposed to greatly strengthen the servicing of aquaculture interests even when there may be counter community views or they involved common property access.

To assist in overcoming this difficulty it is recommended that a high level stakeholder committee be established that has the necessary authority.

The purpose of the committee should be to provide advice on the accountability, quality controls, processes and their transparency, the involvement of all stakeholders and the performance measures for the department. However, a similar exercise has been attempted in the past. This committee had no terms of reference, no standing agenda and turned into an

advertisement by the Department of the things they were doing for the stakeholders.

Recfishwest recommends that the committee be resourced and tasked with assessing the coordination of management across user groups. We believe that this committee should have an independent chair with no political affiliation and be serviced by the strategic planning section of fisheries.

Indeed, Recfishwest believes that the audit and assessment function of the strategic planning section within the department should be greatly enhanced. It is this group that can and should assess whether there is bias or process failing in coordinated management. This will be a significant problem while there is strong cultural resistance to a more equitable management framework.

Management Advisory Committees

In its 1997 submission WAFIC identified that the role of MAC's was not properly recognised by the Department of Fisheries. Recfishwest agrees with this assessment and believes that MAC's need to take into account all of the objectives of FRMA (1994) during their deliberations and not just the interests of the dominant sectoral group.

Recfishwest recommends that all MAC's should report to a broader/joint group that has the capacity to assess MAC recommendations for consistency with the objectives of the FRMA (1994)

Department of Fisheries Environmental Function

The Department of Fisheries and CALM are the two principal agencies carrying responsibility for marine conservation in WA. It is very apparent that their activities appear not to be coordinated or carried out cooperatively. Their roles with respect to each other are not clearly defined and this can provide fertile ground for defensive attitudes and personality problems leading to resource wastage.

In the absence of major changes in legislation and Departmental responsibilities, Recfishwest believes that the most useful approach would be that there should be a Cabinet Marine Committee. This would achieve its objectives by establishing and overseeing a Marine Interdepartmental Committee that should ensure a coordinated approach to Marine Conservation in WA and to maximise resource use.

Resourcing of Department of Fisheries

The Department of Fisheries is poorly resourced relative to other departments given the scope of its statutory functions and responsibilities.

In particular, the recreational fishing sector has been ignored for too long by government and has received a very low level of servicing. The continual diminution of consolidated funding to the Department of Fisheries has been felt most keenly and directly in the recreational fisheries management area. This is due partly to the increasing demands of the cost recovered fisheries and the community nature of recreational fisheries management.

It is certain that there will be a significant and ongoing increase in community expectation of

management to ensure the sustainability into the future of aquatic resources on which the quality of recreational fishing depends.

It is extremely important to point out that we acknowledge that recreational fishing activity has increased in recent years. However, it is just as important to point out that recreational fisheries management, particularly for wetfish, has increased much more significantly than for commercial fisheries.

Much of the commercial fisheries management reforms in minor commercial fisheries have involved the use of community money. The previous Cabinet, for example allocated \$8 to facilitate a shift in resource from commercial to recreational fishers. In reality, these funds resulted in a community funded commercial industry restructure where, with the exception of Leschenault estuary, the commercial catch reduction was minimal or negligible.

While the recreational fishing participation, management and economic return may have increased, the contribution by government has decreased dramatically. The government has repeatedly rejected calls for increased recreational cost recovery and then paradoxically refused to make up the funding shortfall that it has created through lack of political will.

This situation has been exacerbated due to the incessant demands of the cost recovery fisheries for excessive justification of minutiae relating to activities charged to them. The result has been an increased allocation of expense to consolidated funded projects such as recreational fishing management where there is not the constant haranguing for detailed justification of expenditure.

The result of all this has been a revolution in recreational fishers' attitudes toward the resource. With this has come a significant increase in expectation that the resource (particularly wetfish) will be managed on behalf of the community. The reality has been decreasing resourcing to meet this expectation, use of funds to meet departmental and not community expectations (eg buy-out of Windy Harbour commercial fishing entitlements) and increasingly entrenched support for commercial fishing interests by some sections of the department.

Recfishwest believes that the core functions of fisheries management, compliance and research cannot be further compromised through cost savings. We would however support logical administrative streamlining if clear savings could be demonstrated and these savings could be applied to further servicing of fisheries management.

We recognise that some across government savings can be realised, but we are most concerned to ensure that the core function of the administration and management of the common property aquatic resources of Western Australia are not compromised

Recfishwest is most concerned that although current fisheries management programs within the Department of fisheries are already under funded, significant additional funding will also be required to enable integrated fisheries management to be properly implemented.

We believe that a way of obtaining the necessary additional funding which meets the "user-pays" principle and would provide a consistent level of funding would be additional recreational fishing license fees and the application of resource rents for access to commercial fisheries

Recreational fishing licence

At present licenses apply to recreational fishing for rock lobster, abalone, marron, net fishing and south-west freshwater angling.

Recfishwest contends that license fees for finfish would be acceptable if and only if there is no reduction in the existing general revenue contribution to recreational fishing and the license fees are specifically made available for recreational fisheries purposes through a dedicated trust fund.

If all recreational fishing were licensed, allowing for exemptions and concessions, the fees from only half the present estimated number of recreational fishers could amount to an additional \$5 million per annum. This would approximately double the funding available for recreational fishing research and management in the Fisheries WA budget.

Resource Rents

Recfishwest supports the equitable allocation of the resource and consequently the equitable recovery of costs for the management of the fishery. Recreational fishing licence outcomes must be matched by the application of resource rents for commercial fisheries.

Major commercial fisheries meet only the direct costs of the management of those fisheries. However, for example, rock lobster fishers do not contribute any funds for the management of their wetfish catch, so in reality, the total costs of managing the fishery are not recovered. An ongoing debate about commercial fishing only meeting compliance costs for their industry and all other compliance costs being borne by the community or recreational sector leads to a significant shortfall against the true costs.

This failure to meet full costs and only recovering the barest minimum costs substantially undervalues the return to the community for the access to the resources. In a number of cases true economic profits are being realised by a small part of the community who harvest the resource.

The minor commercial fisheries contribute little or almost nothing towards the management of the resource and in return expect to have their historically inappropriate over-allocations protected by Fisheries WA. The activities of minor commercial fisheries are being heavily subsidised by the community and in some cases recreational fishers, who are also being disadvantaged by current management arrangements.

Recfishwest believes that resource rents represent an equitable means for the community to recapture part of the premium for access to a profitable resource by a small number of commercial fishers with entitlements to access the community resource.

A resource rent in the order of 7-9 % is often used throughout the world and represents a reasonable return to the community. In conjunction with a general recreational fishing licence, a resource rent would allow better research, compliance, education and management of our soon to be integrated fisheries.

Aquaculture proponents should also pay a resource rent to government for access to the

community property resource. Some of this money should be made available to pay compensation for traditional user groups for loss of access and amenity as a result of the aquaculture venture.

Reward and Recognition of Staff

Recfishwest recognises that fisheries management is an extremely challenging field in which to work. Not only are there significant competing interests and political behaviour, even for the best studied fisheries such as rock lobster the scientific information and assessment of risk can be interpreted in a variety of ways.

One of the few advantages of an SMA is that it can provide flexibility in the reward and recognition of excellent staff. Notwithstanding the criticisms contained in this submission, most fisheries staff are dedicated, enthusiastic and hard working. A wide range of quality in performance can be found throughout the agency however, and Recfishwest supports a system that recognises and rewards those staff that perform consistently in a highly stressful environment.

However, while an SMA can, in theory deliver these benefits, in reality they behave in human resource management terms as if they were a government department. This therefore negates the one obvious benefit of an SMA for fisheries.

We believe that the stakeholder committee should be able to develop systems which retain and recognise quality staff. A resource rent/recreational licence system would have sufficient funds to allow some flexibility. If we remain under the current cost recovery program, industry will resent the use of 'their' money to pay staff whom they consider to be their direct employees.

Amalgamation of Department of Fisheries with the Department of Agriculture

Recfishwest unequivocally believes that it is in the better interests of the Western Australian community that Fisheries remain as a stand-alone department.

There are vast differences between the specific technical management expertise and methodologies necessary to manage marine resources to that utilised in terrestrial resource management. Minimal synergies exist between the two Departments sufficient to provide the advantages being sought through amalgamation.

It is the view of Recfishwest that there will be no operational efficiencies gained by such an amalgamation. Apparent economy of scale savings due to an amalgamation of corporate services will almost certainly prove illusory, as has been the case with the recent joining of the Department of Culture and the Arts. Conversely, we believe that the resources used and disruptions caused through the process of amalgamation will be significant additional costs.

To reiterate, Recfishwest concludes that there has been absolutely no case demonstrated to warrant a transition to a statutory authority model.