

# **SEAFOOD INDUSTRY ADVISORY COUNCIL**

**Meeting 6 – 26 September 2006**

**Mercure Sydney International Airport Hotel  
Levey Street, Wolli Creek**

## **Confirmed Outcomes**

### **ATTENDANCE**

Hans Heilpern (Chair), Graeme Byrnes (Deputy Chair), Richard Bagnato, Ian Charles, Jim Drinkwater, Ron Firkin, Don Johnson, Megan Kessler, Bill Pearce, Ron Prindable, Stephan Schnierer

Barry Buffier, Director-General, NSW Department of Primary Industries

Grant Johnson, Executive Officer

**Apologies:** Gary Braithwaite, George Davey, Nicholas Georgouras, Tony Troup, Grahame Turk, Jonathan Yee

### **Observers:**

Anthony Hurst, Director, Wild Harvest Fisheries, DPI; Bill Talbot, Director, Fisheries Conservation and Aquaculture, DPI; Dianna Watkins, Manager, Commercial Fisheries, DPI; Mika Malkki, Manager, Agriculture, Fisheries and Aboriginal Policy, DPI.

## **COUNCIL AGENDA ITEMS**

### **Chairman's Welcome and Introductory Comments**

The meeting began at 2:50pm with the Chairman welcoming members to the 6<sup>th</sup> meeting of Council. The Chairman asked the Executive Officer to note the apologies.

### **General Business**

#### **a) Confirmation of Outcomes from SIAC Meeting 5**

Members confirmed the Draft Outcomes for the 5<sup>th</sup> meeting of Council held 17 March 2006

**Action:** Executive Officer to post confirmed Outcomes for the 5th meeting of Council on the Seafood Industry Advisory Council webpage of the DPI Website.

#### **b) Structural Adjustment Working Group Update**

Graeme Byrnes noted that he and the Chairman of Council had written to the Minister for Primary Industries advising that Council at its 5<sup>th</sup> meeting (see a. above) had recommended that a levy, based on a doubling of the

EIS Levy, be imposed on commercial fishers to assist in the establishment of a structural adjustment program for the commercial fishing industry.

The Director-General DPI raised concerns at the appropriateness of the timing of the implementation of the recommendation in the light of the industry's capacity to pay, the combined impact of the move to share management, the marine parks buyout process, and the Government's buyout of dual endorsed Commonwealth / State fishers in the NSW Ocean Trawl and the Ocean Trap and Line fisheries.

Ron Firkin said, on behalf of LobMAC, that the Structural Adjustment Working Group (SAWG) proposal to double the EIS levy would not be affordable by lobster fishers given that they pay full cost recovery and have six years to pay for the Lobster EIS.

Council agreed that following the implementation of share management SAWG and DPI should develop a proposal for the targeted structural adjustment of the Ocean Trawl Fishery, an Estuary General region, and the Spanner Crab Fishery, which would be referred to Council for its consideration.

**Action:** Following the implementation of share management SAWG and DPI to develop a proposal for the targeted structural adjustment of the Ocean Trawl Fishery, an Estuary General region, and the Spanner Crab Fishery, which would be referred to Council for its consideration. Executive Officer to refer to DPI and SAWG.

**c) Pricing and Charging Working Group Update**

The Chairman advised he had organised and chaired three meetings of the main agencies charging fees to commercial fishers – the NSW Food Authority, NSW DPI, Department of Lands and NSW Maritime Authority. The details of progress are contained in the P&CWG Update Report at Attachment 1.

The Chairman noted that the reduction in the NSW Food Authority licence fee from \$310 to \$240 per year (referred to in the above report) required an amendment of *Food Regulation 2004* and that this process is currently underway.

DPI advised that the Minister had approved an arrangement to spread the final year's payment of the EIS levy over two years to assist industry cash flow. This should be of particular benefit to lobster fishers many of whom are also in the Ocean Trap and Line Fishery.

The meeting discussed the viability of liquid petroleum gas (LPG), compressed natural gas (CNG) and liquid natural gas (LNG). It was suggested by some members that while LPG offered cost advantages over diesel, there were issues associated with the safe storage of the gas, the cost of conversion and the fact that, while it is cheaper, the fuel economy of LPG was approximately half that of diesel. While CNG/LNG offered significant advantages in cost and lower emissions, the technology to

support such a move was not readily available at this stage. Council noted the need for Government assistance to facilitate the uptake of these technologies.

**Action:** Executive Officer to refer the issue of alternative energy sources and government assistance to the P&CWG.

**d) Industry Development Working Group Update**

The Chairman reported that the first meeting of the Industry Development Working Group (IDWG) was held on 25 August 2006. This meeting was also attended by media and marketing people from NSW DPI, the NSW Food Authority and the Sydney Fish Market. The meeting focussed on the concerns expressed by Grahame Turk that the demand for NSW seafood was in recession and that this was due to a deteriorating image of NSW seafood.

Council considered a draft survey questionnaire developed by a Co-ordination Group of the IDWG, comprising mainly media/marketing representatives of the above organisations, to obtain information about consumer perceptions of seafood and to test the accuracy of Grahame's concerns. DPI has agreed to assist with the development of a small general survey of a targeted sample of NSW seafood retail, co-op and wholesalers of some 6-8 questions. The other organisations have agreed to make staff available.

Council noted advice that Nick Ruello had already conducted a survey of seafood in Melbourne and that, if available, the results of this survey could usefully inform the work of the IDWG. Council noted were a survey to be conducted to gain information on the price and demand for seafood, then it should be assessed for statistical accuracy and reliability by DPI and possibly trialled before being undertaken. DPI agreed to examine the draft survey and make recommendations.

Council noted advice that the FRDC would consider application for proposals regarding the promotion and advertising of seafood, and that the FRDC should be approached regarding this.

Council noted the high levels of compliance with labelling and country of origin requirements, and requested that the NSWFA report to the next meeting of Council on progress in this area and the scope for a positive media release regarding this.

The Director-General DPI advised that the forthcoming meeting of Chairs of Ministerial Advisory Councils would be considering a strategy to promote the importance and image of primary industries. Public perceptions and food safety would be important components of this strategy.

**Action:**

1. Executive Officer to approach Nick Ruello to determine the nature of the Ruello survey and the availability of results, and report such

information to the IDWG. The IDWG would then meet and report its recommendations on such a survey to Council.

2. Executive Officer to approach the FRDC for advice on the availability of financial assistance to promote NSW seafood.
3. NSW Food Authority be requested to report to the next meeting of Council on seafood retailer compliance with labelling and country of origin requirements, in the hope that there is scope for a positive media release about this.
4. Chairman of Council to attend the forthcoming meeting of Chairs of Ministerial Advisory Councils.

## **Other Business**

### **a) Communications Strategy**

Members were provided with an update on the Communications Strategy. The Executive Officer noted that a draft of the strategy was first considered at the 28 September 2005 meeting of SIAC. This draft was then revised in light of the Seafood Strategy Workshop on Friday 2 December 2006 (refer Attachment 3). The revised draft was subsequently not considered as the major focus at the following Council meeting was the recommendations of the Structural Adjustment Working Group and the closure of the Port Jackson Fishery.

Council noted the importance of the quarterly Regional Industry Convenor Newsletter, which was highly regarded by commercial fishers.

DPI noted that the DPI website now hosted a Seafood Industry Advisory Council webpage, which provides access to the confirmed outcomes of Council meetings.

#### **Action:**

1. Executive Officer to post confirmed Council Outcomes on the Seafood Industry Advisory Council webpage of the DPI Website.
2. Members to comment on the revised draft Communications Strategy prior to 31 October 2006 (refer Attachment 3).

### **b) The Steven's Report and Structural Adjustment Funding**

Members asked about progress in implementing the recommendations of the Steven's Report and the gaining of government funding for structural adjustment.

The Director-General DPI noted progress in implementing the report recommendations, including: restructuring of the Fisheries Management Branch into the Wild Harvest Fisheries Branch, the Fisheries Conservation and Aquaculture Branch, and creation of the position of Fisheries Co-ordinator; the implementation of share management; and, the structural adjustment of fisheries via the Marine Parks buyout, the buyout of dual endorsed fishers, and the planned development of pilot program for the broader restructuring of fisheries.

The Director-General advised of the ongoing discussions with NSW Treasury regarding options for the funding of structural adjustment.

**Action:** This item to be listed on the Agenda for next meeting of the Industry Development Working Group.

**c) Harvesting of Mullet in prawn farms**

Council agreed that DPI should advise on reports that Clarence River prawn farms were harvesting illegally sized mullet for growing out in prawn farms.

**Action:** Bill Talbot, NSW DPI, to investigate this matter and provide a report to Council.

**d) Minister's discussion with Council**

Council agreed that, in order to ensure the ongoing ability to freely and openly explore topics with the Minister, the results of this discussion would normally not be recorded, unless specifically agreed. Importantly, the Minister's Office could issue Media Releases, as appropriate, to keep industry informed of matters important to it.

**e) Other Matters**

DPI advised that:

- 121 people had attended the Port Stephens Oyster Field Day being held that day, with another Oyster Field Day being held in Batemans Bay in October.
- The Staff Achievement Awards were held the previous night, Monday 25 September, with a Gold Award being presented to the Qx Recovery Team for their work assisting the industry clean-up on the Hawkesbury River.

**Next Meeting**

To be advised.

Meeting closed at 5:35pm

Grant Johnson  
Executive Officer  
Seafood Industry Advisory Council  
30 September 2006

**Pricing and Charging Working Group  
Government Agency Member Meetings  
Update**

Since taking on the role of Chairperson of the Seafood Industry Advisory Council (SIAC) and the Pricing and Charging Working Group (P&CWG), I have called a total of three meetings of government agency members of the P&CWG.

The initial meeting on 11 August 2006 was an invitation for government agency members to provide updates on what has been happening at agency level and discuss potential options for streamlining services to reduce costs associated with the seafood industry.

At the 11 August meeting an outline of Industry's issues was given by Graham Byrnes along with an urge for the Government to reduce duplication and charges wherever possible. Agencies followed with their reports explaining their interaction with the seafood industry, with all expressing a willingness to continue a cooperative approach to explore the Industry's issues.

The next meeting held on 12 September saw questions related to fuel costs for commercial fishers, potential impacts on administration related to commercial fisher and other seafood industry through government agencies being captured in the whole of government licensing system project, and discussion over synergies/duplication of licensing related responsibilities between agencies. Outcomes from the meeting were to; source information on these issues and refine a worksheet to allow comparison of licensing responsibilities between agencies.

Most recently, 19 September, the agency members met to go over progression of the previous meeting outcomes. The Australian Taxation Office Fuel Tax Credit Guide for Business, the scheme which came into force from 1 July 2006, was tabled for discussion at the meeting. The new fuel tax credit scheme covers off commercial fishing and other fishing related fuel tax credit availability, and as such, the meeting determined that it should be tabled at the next full meeting of the P&CWG for input from commercial fishers on the application of the scheme on businesses in the seafood industry.

The Government Licensing System Project was reported as still capturing the agencies with work potentially commencing on incorporating the agencies as early as the first quarter of 2007. The potential for efficiencies for the delivery of licensing services is to be further explored in recognition of agencies being captured within the system.

Finally, the meeting agreed to a worksheet that will be presented to the full P&CWG at the earliest opportunity for further discussion to explore deeper items that may be able to be pursued to take advantage of synergies between agencies.

In addition, attached are reports prepared by NSW DPI and NSW Food Authority detailing measures taken to date to reduce the impact of fees and charges on the seafood industry.

Hans Heilpern  
Chairperson P&CWG  
Chairperson SIAC



## NSW DEPARTMENT OF PRIMARY INDUSTRIES

### Measures Taken to Reduce Impact of Fees and Charges on the Commercial Fishing Sector

In recognition of financial pressures currently being faced by the commercial fishing sector from rising fuel costs, competition from imports, the impact of the drought on some fish stocks, and long standing industry structural issues, measures to reduce the impact on the industry implemented, include:

- The total level of costs charged to the new share management fisheries was capped as an interim measure. (Cost recovery was scheduled to be phased in from 2005.)
- The scale and cost of the new monitoring program required under the approved fishery management strategies was reduced substantially in light of recommendations arising from the independent review of the program undertaken by Price Waterhouse Coopers. An initial program targeting priorities across multiple fisheries and valued at around \$400K pa (rather than \$3M pa) was adopted.
- In 2004/05 the fishery monitoring charge was waived, saving industry around \$400,000.
- The community contribution payable by abalone and lobster shareholders was changed resulting in significant savings to industry. The Lobster shareholders were invoiced a Community Contribution of \$112 for 2005/2006 (currently regulated per shareholder at \$100 CPI adjusted) and the Community Contribution for Abalone shareholders in 2005/2006 was \$0 (based on numerous factors including beach price).
- Compliance, scientific and management service costs attributable to the abalone and lobster industry were revised resulting in reduced contribution for industry, including:
  - the DPI overhead rate was reduced from 61 to 48% for both fisheries,
  - the DPI 'recreational benefit' subsidy for the abalone fishery was increased from 4 to 15 %,
  - the DPI 'recreational benefit' subsidy for the lobster fishery was increased from 4 to 15 %,
  - the number of compliance officers attributed to the commercial abalone sector has been reduced from 5 to 4,
  - the annual survey of abalone stocks has been outsourced at Industry's request.
- DPI has contributed about half the cost for preparing the environmental impact statements for the EG, EPT, OH, OT and OTL commercial fisheries,

and spread the industry payments over several years to ease cash flow pressures for fishers.

- The costs for the lobster EIS have been benched against the outsourced cost for the abalone EIS, thereby saving lobster shareholders several hundred thousand dollars.
- For the 2005/06 fees assistance was provided through additional time to make invoice payments, without incurring penalties or interest.
- Financial counselling through the NSW rural financial counselling service has also been identified to industry to assist them.
- DPI has continued the facility for inactive fishers to defer certain costs by putting their boat in abeyance.
- Aquaculture Administration offer "payment plans" in instances where permit holders are suffering financial hardship. This allows for an accumulated debt to be paid over an extended period.
- Permit holders may also apply for fee waivers but must demonstrate hardship provisions in-line with the Departmental "Aquaculture Debt and Fee Waiver Policy".
- Examples of recent fee waivers include the Hawkesbury River QX closures and pollution impacts in Tilligerry Creek. Total waiver for the Hawkesbury River in 2006/07 was \$29,512 and for Tilligerry Creek \$6,458.
- Under the NSW Oyster Industry Sustainable Aquaculture Strategy (OISAS) it is proposed that there be a lease surrender fee moratorium for five years to facilitate the consolidation of leases and removal of those leases not listed as Priority Oyster Aquaculture Areas and assigned for phase out.
- Under OISAS, re-issuing of leases within Priority Oyster Aquaculture Areas is proposed to be Development Without Consent which will simplify the approvals process avoiding the need for a Development Application and associated fees.
- Under OISAS the NSW Maritime Authority lease inspection charge of \$187 is also avoided for Priority Oyster Aquaculture Areas.
- Lease surrender fees can also be waived by the Minister upon application and consideration of hardship provisions.



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## **REDUCTION IN COMMERCIAL FISHERS LICENCE FEES FOR 2006/07**

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### **ISSUE**

For 2006/07 the NSW Food Authority (the Authority) will be reducing the licence fee payable by commercial fishers from \$310 per year to \$240 per year. As the fee is prescribed in Schedule 14 of the *Food Regulation 2004*, amendment of the Regulation will be required.

### **BACKGROUND**

Since the introduction of the Food Safety Scheme for Seafood in 2001, commercial fishers in NSW have been required to be licensed with the Authority. The annual licence fee of \$310 was negotiated with industry and, at their request, included a \$70 audit fee that allowed the Authority to conduct a half hour audit for each licensee.

However, with the development and implementation of the Standard 4.2.1: Primary Production and Processing Standard for Seafood of the Food Standards Code, risk management options for the commercial fishing sector have been amended and a food safety program and audit is no longer required to manage the food safety risks in this sector. As such, the audit component of the licence fee is to be removed and the licence fee for 2006/07 will be \$240.

As fishers will no longer require a Food Safety Program, this will reduce their regulatory burden further in that they will not have to keep records relating to the Food Safety Program.

There are currently 671 licensed commercial fishers in NSW. In 2005/06, the Authority collected \$208,010 from licence fees from the commercial fishing sector. With the reduction in fees for 2006/07 to \$240 the total licence fees from this sector will amount to \$161,040 resulting in a \$49,790 saving for the industry.

The changes in regulatory requirements do not apply to commercial fishers that harvest wild shellfish and their requirements will continue to be met under the NSW Shellfish program.

### **PRESENT POSITION**

The Authority will need to amend the Food Regulation 2004 to put these changes in place and this process is currently underway. It is envisaged these changes will be completed by the end of the year.

To maintain consumer confidence, the Authority will continue to operate a compliance inspection program for commercial fishers to ensure that the high standards of hygiene and construction are maintained for vessels catching and landing fish in NSW. The \$240 licence fee includes the cost of this inspection program.

## DRAFT

### Seafood Industry Advisory Council COMMUNICATIONS STRATEGY

#### 1. PURPOSE

To assist the Seafood Industry Advisory Council (SIAC) achieve its objectives through communication, interact constructively with its stakeholders and increase its reputation and profile.

#### 2. BACKGROUND

SIAC's primary goals are to:

- To engage and assist the seafood industry, its enterprises and their workforces
- To report to the Minister, the seafood industry's present position, direction, goals, and plan for the future
- To set direction for a sustainable, profitable and socially aware industry.

#### 3. OBJECTIVES

The objectives of the communications strategy are to:

- a) Communicate SIAC's role and expertise to its stakeholders, so that it is recognized and respected as the peak seafood industry council by the Minister and industry.
- b) Encourage stakeholder contribution to the development of SIAC's knowledge on industry issues and involvement in the development of initiatives
- c) Engage with industry and other stakeholders to address industry needs and deliver SIAC initiatives
- d) Develop and maintain close and productive relationships with government, industry and other stakeholders.

The Strategy is a crucial contributor to industry understanding, awareness and participation in key SIAC initiatives.

#### 4. TARGET AUDIENCES

SIAC has a wide range of target audiences. The exact target audience will depend on the specific initiative, but in many cases is likely to include:

- Seafood industry and enterprises (whole-of-chain)
- Employees and employers of seafood businesses
- Industry peak and regional bodies
- Minister and the Minister's Office
- Management Advisory Committees and other relevant Committees
- NSW Department of Primary Industries
- Other government agencies (local, state, federal)
- News media (via Minister's office)

#### 5. ACTION PLAN

*[Note: Each element in the action plan will need to be expanded to include cost, timeframe, and person/agency responsible. Particular care must be taken to ensure each action is feasible and adequately resourced with staff time and money.]*

i) Branding for SIAC and its material

A SIAC brand could be established to enhance recognition for SIAC activities. The brand could include a logo, colours, images, by-lines, styles for publications and other aspects and be used on all communications materials, including stationery and media releases.

Helps achieve objective a).

**Cost:** can be high.

**Timing:** If agreed, should be done as soon as possible.

*[Note: Branding can be very powerful but is also costly. It is really only worthwhile for a wide suite of communication elements. Any new brand should match / not conflict with other seafood marketing brands that appear to be emerging.]*

ii) Web presence for SIAC

SIAC information could be made available on the NSW DPI website, incorporating the following elements:

- Explanations of SIAC Charter, Terms of Reference and development work
- Listings of important events, ie, next meeting,
- Key Plans such as the Strategic Plan, Share Management Plan
- News, media, bulletins, newsletters and other publications
- On line surveys
- On line feedback forms
- Electronic suggestion box

Helps achieve objectives a), b) and c).

**Cost:** Minimal

**Timing:** By mid February.

[Note: Providing information on the web is very inexpensive, especially if within existing web frameworks. If on the DPI website, it should be consistent in style and content with information provided about other councils and committees (which is currently quite limited). Also, someone on SIAC would have to be given the responsibility of updating the information and responding to any feedback received, as the NSW DPI web team cannot do this.]

iii) Industry newsletter/journal

Initially, a simple monthly 1-2 page newsletter could be produced to raise awareness of SIAC's role, expertise and the issues currently under consideration. Methods for feedback and interaction with SIAC could be identified.

The newsletter could be distributed by at low cost by email, fax and some post out for use by CO-OP network. Additionally, could be included in SFM newsletter and MFMA bulletins.

The newsletter could be reviewed after 12 months and, if successful, could be expanded (using some sponsorship to make cost neutral), for industry and Government information.

Helps achieve objective a).

**Cost:** Low to medium depending on numbers of posted copies.

**Timing:** By mid February.

#### iv) Short bulletins (as needed)

When information needs to be disseminated quickly on a specific issue, a 1 page "SIAC Bulletin" could be produced (possibly in conjunction with the NSW Food Authority's Seafood Conference Advisory Council). This could help establish SIAC expertise and service to the industry. The same distribution lists could be used as for the newsletters.

Helps achieve objective a).

**Cost:** Low to medium.

**Timing:** As needed.

#### v) Media releases and features

On important issues, SIAC could issue a media release (via Minister's office) to support major initiatives.

Helps achieve objective a).

**Cost:** Minimal.

**Timing:** As needed.

#### vi) SIAC presence at relevant state and national forums

A core part of SIAC activities, participating on relevant forums will help achieve objectives a) and d) in particular.

**Cost:** Variable due to travel expenses and time.

**Timing:** As needed.

#### vii) Interactive meetings, forums and events

To meet objectives b), c) and d), interactive actions are required. These can include:

- Regular meetings with industry peak bodies
- "Road shows" or scheduled forums at key locations
- Participation at seafood events and functions
- Direct mail surveys to key stakeholders

To support this work, SIAC must maintain or tap into current contact lists and databases of key stakeholders.

**Cost:** Variable

**Timing:** As needed based on initiatives.

[Note: While these activities are essential to achieve industry interaction, they can be very time intensive and require personal commitment from SIAC members.]

Revised Dec 2005