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COUNTRY STATEMENT - AUSTRALIA

by

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Department of Primary Industry

982/81

AUSTRALIA
COUNTRY STATEMENT

1. SUMMARY

1980 was the first full calendar year since the implementation of the 200-mile Australian fishing zone (AFZ) on 1 November 1979. During the year fisheries agreements were re-negotiated with the Government of Japan and with Taiwanese commercial fishing interests, and a number of feasibility fishing projects were continued as part of Australia's resource assessment programme.

2. Total landings by the fishing fleet in 1979-80 were 3% lower than a year earlier. Operating costs increased during the year: the substantial rise in fuel prices was of particular concern to the fleet.

3. There was, however, continued significant investment in new fishing vessels in some segments of the industry, notably the pole-and-line tuna fishery and the northern prawn fishery.

II. GOVERNMENT

(a) Policy

4. There has been no change in Australia's basic policy of developing the resources of the AFZ to the benefit of Australia and its fishing industry in particular. Preference is for development by Australian fishermen. The next preference is establishement of joint fishing arrangements between Australian and foreign interests but the Government is willing, in accordance with its international responsibilities, to consider access to the zone by foreign fishing interests under bilateral arrangements. However, as Australian fishing capability expands the Government will require a phasing out of foreign operations. This policy is reflected in the additional area exclusions provided for in the fisheries agreements negotiated during the year.

5. The Government announced in September 1980 new guidelines for joint fishing arrangements. These seek to facilitate maximisation of the Australian content at the earliest possible time.

6. Guidelines provide for the replacement of foreign vessels and/or crews and for maximum participation by Australians in the catching, processing and marketing sectors of the operation. In addition, proponents are advised that the Government will require satisfactory arrangements for Australian equity in the venture to be increased to at least 50% within an agreed period.

7. Australia remains committed to assisting Pacific States develop fishery resources in the South West Pacific region. To this end, Australia provides a 1/3 contribution to the annual budgets of both the South Pacific Commission (SPC) and the Forum Fisheries Agency (FFA) as well as contributions towards specific projects (eg SPC Skipjack Tuna Tagging Programme - $A883,000 over past four years).

b. Assistance to Aid Industry

8. Grants in excess of $700,000 were allocated from the Fishing Industry Research Trust Account for a range of research projects, including biological and ecological studies, development of fish handling, processing and packaging systems, experimental culture of trout in cages and population dynamics studies.

9. Exploratory surveys, funded from the Fisheries Development Trust Account, were undertaken during the year. A two boat (pair) trawling survey was undertaken off northern Tasmania to test the suitability of this gear for catching squid and fish. The gear worked successfully.

10. An exploratory fishing trawl survey was also undertaken outside the Great Barrier Reef in depths to 550 metres. This survey resulted in the discovery of extensive potential prawning grounds.

11. Currently, tropical demersal and pelagic resources in the Arafura Sea and Gulf of Carpentaria are under assessment.

12. During the year the Government announced the introduction of a special depreciation allowance of 18% for certain primary production plant used wholly and exclusively in agricultural, pastoral, forestry and fishing operations. This rate of depreciation will be available for new fishing vessels, fishing equipment and shore-based plants used wholly and exclusively in fishing operations.

III. PRODUCTION

(a) Fishing Fleet

13. The latest available statistics are for the year ended June 1978 and indicate a fishing fleet of approximately 10,920 vessels.

14. There are, however, a number of new vessels under construction for pole-and-line fishermen anxious to increase their share of the catch in the southern bluefin fishery. A number of new vessels are being built for the prawn fishery in northern and Western Australia and for the trawl fishery off south eastern Australia.

(b) Quantity and Value of Production

Total landings by Australian vessels in 1979/80 were estimated at 123,000 tonnes live weight valued at $A281m. This is a decrease of 3% in volume and an increase of 1% in value compared with 1978/79. Production of crustaceans fell by 17% and molluscs by 3%, whereas fish rose by 3%.

16. The pole-and-line fleet continued to expand its operations in the southern blue fin fishery in waters off New South Wales, South Australia and Western Australia. Off New South Wales, larger fish are being caught in competition with the Japanese tuna longliners.

17. In addition the trawl fleet has continued its expansion of operations into deeper waters adjacent to New South Wales, Victoria, South Australia and Tasmania. The main species taken in these waters include gemfish (*Rexea solandri*), mirror dory (*Zenopsis nebulosis*), blue grenadier (*Macruronus novaezelandiea*), tiger flathead (*Neoplatycephalus richardsoni*) and morwong (*Cheilodactylus macropterus*).

18. Most of these vessels are now equipped with improved electronic equipment and engines with a higher horsepower rating and this has contributed to an increase in demersal trawling effort. Other major technical improvements include increased use of satellite navigation, Kort nozzles, 3-bridle trawls and CRT sounders and sonars.

19. Fuel prices increased by about 40% during the year. The impact of fuel costs varies according to fishery, size of vessel and engine horsepower. In some Australian fisheries fuel costs represent 30% or more of total operating costs and the possibility of further increases is of considerable concern to the fishing industry.

(c) Management

(i) Foreign Fishing Operations

20. The Australian/Japan subsidiary Agreement on tuna longline fishing was re-negotiated and operates for one year from 1 November 1980. The Agreement maintains the maximum number of longline vessels to operate in the zone at 350, but the access fee has increased from $1.4m to $1.8m. In order to protect the interests of Australian fishermen, the Japanese have been prohibited from longlining in competition with the marlin sport fishery off North Queensland, and longliners have been excluded from operating in the Great Barrier Reef Region and an area off the Northern Territory where Australian fishermen are active. In addition, Japanese longliners have also been excluded from a wide area of waters south of 30oS on both permanent and seasonal bases because of expanding capacity in the Australian fleet and increasing competition between Australian and Japanese fleets, particularly in waters off New South Wales.

21. During negotiations it was agreed to set up an Australia/Japan joint working group of industry and government representatives to study the feasibility of commercial co-operation, particularly joint ventures, and the prospect of landing tuna from Japanese longliners on a commercial basis for sale to Australian processors.

22. A new agreement covering the operation of Taiwanese trawlers and gill netters in waters off north and northwest Australia was signed with the Kaoshiung Fishing Boat Commercial Guild. This agreement maintains operations at the same level as in 1979/80; a maximum of 60 pairs of trawlers to take a quota of 27,500 tonnes of demersal fin fish and 30 Taiwanese gill net vessels to take a quota of 7,000 tonnes of pelagic fin fish. The agreement is valid for one year and may be re-negotiated for another 12 months before the end of this period.

23. A second round of Australia/Republic of Korea (ROK) discussions on fisheries co-operation was held during April 1980 in Canberra. Feasibility fishing projects using ROK vessels in the trawl and squid fisheries in waters off the north, north west and western Australia were carried out. However, ROK has since indicated that their fishing companies are not at present interested in fishing in the areas offered by Australia.

24. Feasibility fishing projects (short term studies designed to obtain information about the distribution and abundance of particular stocks of under-developed species and the feasibility of their commercial exploitation) continued to operate during the year. Of particular importance were squid feasibility projects in south eastern waters. Although these demonstrated the existence of commercial quantities of squid, depressed market conditions in Japan and increasing fuel costs involved in distant water operations, have discouraged Japanese interests in mounting any joint venture fishing operations.

25. A computer based Catch Information Subsystem (CISS) has been jointly developed by the Department of Primary Industry and the CSIRO. This has been established to handle the editing, storage and retrieval of foreign catch data from logbooks and radio reports. The radio catch data base is updated weekly and is used to produce supplementary surveillance information, e.g. policy purposes prior to negotiations and to keep management informed as to performance of fleets. It is also used by State fisheries departments to assist in planning for surveillance and observer cruises. The logbook catch database contains more detailed catch information and is used to gauge catch composition for valuation against current market prices. It is being used to monitor certain important species, and to describe fisheries about which there was little previous knowledge.

(ii) Local fishing operations

26. On the domestic front several fisheries are subject to high and unsatisfactory levels of fishing effort. Consequently the following management measures have been applied:

- in the northern prawn fishery a comprehensive management scheme is now fully operational. It limits the number of trawlers permitted to operate in specific areas of the fishery, makes provision for increased licence fees on a sliding scale basis and incorporates a vessel replacement policy;

- because of the rapid increase in vessel numbers the Queensland Government has prohibited further entry to the east coast prawn fishery within the three mile territorial sea;

- restriction on the use of trawlers over 32 metres LOA in the south east trawl fishery has been extended to an area south east of South Australia;

27. A freeze on the number of pole-and-line boats permitted to catch southern bluefin tuna in waters off South Australia was lifted on 31 March 1981. Research indicated that the freeze was ineffective in containing fishing effort and investment, and a joint Government/Industry Working Group has been established to consider options for future mangement.

IV. MARKETING

(a) Utilisation

28. During the year ending June 1980, 80% of marine product caught by commercial fishermen was used in fresh and frozen form, 15% canned, 2% cured and 3% reduced to fish meal.

29. In 1980, two companies established fish finger processing plants in Australia. Total investment in facilities was estimated at $A6.4m, employing about 100 persons full time. One plant owned by South Australian Fisheries Co-operative Ltd. operates at Millicent, South Australia and the other International Sea Products Pty Ltd., a joint venture between Petersville Australia Ltd. and National Sea Products Ltd. of Canada, operates at Bathurst, New South Wales. Initially, fish blocks will be imported as raw material for these plants.

(b) Demand

30. Fish consumption is provisionally estimated at 7.0kgs per person for the year ending June 1980, slightly up on the previous year.

31. Demand for fresh fish was high in 1979/80. However, prices which rose on average by about 10% at wholesale markets just kept pace with inflation. The volume of sales increased by 1%.

(c) External trade

32. The value of Australia's imports of marine produce in the year ended June 1980 was $A162.5m, an increase of 26% over the previous twelve months. Exports were valued at $A255.8m, a rise of 20%.

33. Whole fresh and frozen fish imports increased by 80% to 8,1000 tonnes for 1979/80, and were valued at $A9.6m. New Zealand supplied 77% of these imports followed by South Africa with 8% and Japan 5%. Imports of chilled and frozen fillets rose by 4,000 tonnes to 20,700 tonnes, the major suppliers being South Africa (32%), Japan (26%), New Zealand (22%) and United Kingdom (6%). Fish finger imports rose 22% to 6,300 tonnes with 64% coming from South Africa, the remainder coming from Norway (19%), United Kingdom (10%) and Japan (7%). Imports of smoked fish declined in 1979/80 to 3,200 tonnes of which South Africa provided 80%.

34. Canned fish imports rose 3,200 tonnes to 13,800 tonnes, the main products being salmon, 5,100 tonnes, tuna, 2,900 tonnes and sardines, 2,800 tonnes. Salmon was imported mainly from the United States (65%) and Canada (21%) and tuna came mainly from Thailand (34%) and the Phillipines (27%). Norway (30%) and Canada (24%) were the principal sources of sardine imports.

35. Australia's main exports in 1979/80 were frozen prawns, 12,000 tonnes valued at $A118m, frozen rock lobster, 5,500 tonnes valued at $A71m and abalone, 3,300 tonnes valued at $A26m. Nearly all prawns and over half of the abalone exports went to Japan. The United States took the bulk of rock lobster exports and Hong Kong was a significant market for abalone.

V. STATISTICS

36. The statistics provided in the tables are the most recent available for a full year and relate to financial years (July/June).

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TABLE I

LANDINGS AND VALUES

1978/79 & 1979/80

(Prov.)

Quant: tonnes (est. live weight)
Val.: $AUST'000

	1978/79		1979/80(a)	
	Quant.	Val.	Quant.	Val.
Total landings (b)..........	127,702	278,474	123,400	281,000
Fish........................	63,395	56,617	65,400	63,500
Species:				
Tuna........................	11,266	5,316	12,500	7,500
Snoek.......................	186	76)	)	
Mullet......................	5,600	3,396)	)	
Australian salmon..........	2,390	993)	)	
Snapper.....................	2,045	3,939)	)	
Morwong.....................	1,447	1,356)	52,900)	56,000
Flathead....................	2,169	1,896)	)	
Shark (c)...................	7,452	8,465)	)	
All other species (c).....	30,840	31,180)	)	
Crustaceans.................	37,640	176,391	32,100	162,000
Species:				
Rock lobster................	15,358	73,624	13,300	73,000
Prawns, shrimps............	21,479	100,648	18,000	87,000
Other.......................	803	2,119	800	2,000
Molluscs....................	26,667	32,348	25,900	39,000
Species:				
Oyster (d)..................	8,128	14,121	8,000	16,000
Scallops....................	10,548	5,381	10,700	5,700
Abalone.....................	6,197	11,316	6,100	16,300
Others......................	1,793	1,531	1,100	1,000

(a) Department of Primary Industry Estimates.

(b) All species including crustaceans and molluscs, and the value includes confidential items such as pearling. Figures for the remaining small proportion of the landings were not available at time of drafting.

(c) Includes fish caught for reduction to fish meal.

(d) Excludes production in Queensland and South Australia.

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TABLE II
UTILISATION OF CATCH
1978/79 & 1979/80

Quant.: '000 tonnes (live weight
% : Percentage of total landings

How marketed	1978/79 Quant.	1978/79 %	1979/80 Quant.	1979/80 %
Fresh, chilled, frozen..............	103	80	101	82
Cured (salted, smoked, dried).......	2	2	2	2
Canned..............................	17	13	1714	
Reduced to meal and/or oil, etc.....	6	5	3	2
Other...............................	-	-	-	-
TOTAL.................	128	100	123	100

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TABLE III

EXTERNAL TRADE IN FISH AND FISH PRODUCTS

1979 & 1980

Quant.: tonnes (product weight

Val. : $AUST '000 FOB

	IMPORTS				EXPORTS			
	1978/79		1979/80		1978/79		1979/80	
	Quant.	Val.	Quant.	Val.	Quant.	Val.	Quant.	Val.
Total fish and fish products......................	-	129,318	-	162,467	-	213,987	-	255,782
of which:								
Fresh, chilled/Frais, sur glace................	2,328	3,849	1,936	3,926	85	104	250	301
Frozen/Congeles..............................	26,956	43,913	36,701	60,745	3,148	3,568	8,858	11,270
of which:								
Frozen fillets................................	15,552	23,929	20,103	33,264	87	451	24	82
Salted, dried, smoked	4,401	9,289	4,178	8,699	4	33	5	48
Canned..	10,635	27,742	13,844	40,131	93	304	87	390
Other...	180	642	390	1,075	58	188	12	50
Shellfish (live, fresh, chilled, salted, dried and canned)................................	8,156	38,909	7,687	38,227	20,224	188,147	29,276	227,735
Meal..	6,354	1,520	13,986	5,493	124	55	134	53
Oil...	897	705	447	436	4,900	1,407	2	5
Other...	-	2,749	-	3,735	-	20,181	-	15,932

(*) If not included above.