



Tasmanian Seafood Industry Council
2021 Tasmanian State Election Priorities Statement

Fishing for A Future

A new approach to marine resource management in Tasmania



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Executive Summary

The Tasmanian seafood industry is facing some of its most significant challenges. Our wild catch fleet is dwindling and is in large no longer owner operated; our seafood processing sector faces market issues both domestically and internationally; and our marine farm sector faces issues around water quality, harmful algal blooms and disease.

Today's wild catch sector is a sad reflection of our recent past and the 10-year prognosis is for greater retraction of the fleet, a continued reduction in the return to community and erosion of the Tasmanian fishing community. Is this where we want our industry to go?

'The problem is, everyone says 'something needs to be done', but change won't come from what you say, only from what you do'.

There is still an opportunity to shift the goal posts and to deliver a more financially sustainable fishing fleet that has a greater contribution to the Tasmanian community, particularly in regional communities. But this will require changed Government policy and a complete recalibration of how we manage our marine resources.

This 2021 TSIC Tasmanian State Election Policy Statement provides the foundation for a more positive and sustainable future for the Tasmanian seafood industry.

Summary of TSIC Requests:

- *Development of a 10-year plan for Tasmanian seafood that is courageous enough to strive for revolutionary change in the interests of the fishing fleet, fishing communities and the Tasmanian community that owns the resource.*
- *To support the crippled wild catch and processing sectors:*
 - *Emergency cash flow assistance in the form of fee relief / waivers; seafood Emergency Small Business Grant scheme; cash boost tax incentives and Jobkeeper type payment scheme for fishers, deckhands and processor workers.*
 - *Establishment of interest free loan schemes to help consolidate debt.*
 - *Funding to Rural Business Tasmania for a Fisheries Resilience Program.*
 - *A training / upskilling package to include free training.*
 - *An employer grant scheme for businesses who employ someone from the wild catch fishing / rock lobster workforce.*
 - *Grant scheme and low interest loan security to support processors with infrastructure and fishers purchase quota.*
- *Rebates, grants and incentives for on land seafood businesses with high energy costs to install sustainable energy production technology.*
- *\$450,000 to support a seafood sector specific marketing and promotion campaign into mainland domestic markets.*
- *\$360,000 over three years to continue funding the Rural Alive and Well Stay Afloat Reach Out Coordinator position.*

- *Support for our marine farm sector through
 - *A holistic approach to managing our coastal water quality through the establishment of a Coastal Water Quality TaskForce.*
 - *Establishment of a holistic, cross sector approach to biotoxin management, which acknowledges the public good component of the program.*
 - *Shift in marine farm policy to support diversification of species on a marine farm lease, notably, the inclusion of the use of the benthos for farming new species, such as clams and seaweeds.**
- *Provide ongoing support for reliable and consistent air freight solutions and a commitment that the TT Line Ferry Replacements are fit for purpose with respect to freight capacity and timeliness and consistency of ferry schedules in support of time sensitive freight.*
- *Re-establish a direct skills and training funding allocation to the seafood industry.*
- *Develop a funded service agreement with TSIC in compensation for the significant time commitment TSIC makes to support the government and DPIPW to manage our marine resources.*
- *Commit to indexing or further funding for the SMRCA to ensure appropriate capacity and capability to collect the science needed to manage our marine resources.*
- *Provide TSIC with \$50,000 a year over three years to market and promote the Tasmanian seafood trails site to locals, tourists and of course Tasmanian businesses that could benefit from using the site.*

TSIC

The Tasmanian Seafood Industry Council (TSIC) is the peak body representing the interests of 491 wild catch fishers, 68 marine farming businesses who operate 168 marine farm lease areas and 57 seafood processing businesses. To help drive TSIC priorities and workloads, the TSIC Strategic Plan provides clear direction through its Mission for TSIC Members: **1) We are committed to providing leadership for a long-term sustainable seafood industry; 2) We are fully committed to the interests of our members by championing the reduction of inefficiencies and provide outcomes that support a sustainable and profitable Tasmanian seafood industry; and 3) We will continue to support the health and welfare of our members and all those directly involved in the production of seafood in Tasmania.**

Under the current industry structure and Government policy and decision setting processes, it is becoming increasingly difficult for TSIC to deliver against these Mission statements in support of our members, particularly those in the wild catch fishing sector.

This 2021 TSIC Tasmanian State Election Policy Statement provides the foundation for a more positive and sustainable future for the Tasmanian seafood industry.

Because without change, we will be Fishing Without A Future.

The 2021 Tasmanian seafood industry

Wildcatch Fisheries

It is important to reiterate that TSIC represents wild catch fishers who physically go to sea and catch fish.

The 2021 Tasmanian wild catch fishery is a sad reflection of our recent past. Technology and the introduction of Individual Transferable Quota's (ITQs) has created catching efficiencies and separated ownership of quota from the catching sector; and market demand, single species licencing, and non-transferable licences has reduced fishing industry investment confidence and greatly restricted diversification. The result is less vessels in the fleet, less vessels in regional ports, an increasing move towards a part time workforce, and if you look around the aging fishing fleet (both vessels and people) a fatigued and rundown industry. The wild catch fishing sector is progressively contributing less to Tasmania economically, as fishers simply cannot afford to. At the same time, there has been an increased flow of economic return to quota owners (investors) (at least prior to market disruption) and an increasing number of investors residing outside Tasmania¹.

COVID-19 and market disruptions have accelerated these issues and resulted in significant debt for many fishers, especially in the rock lobster sector.

The future of the wild catch fishing sector is looking dire, with many existing fishers facing a future without any prospect of a self-funded retirement, and the sector is simply not an attractive employment prospect for the next generation.

The reality is, if we do not have a fishing sector, we will not have an investment.

¹ https://www.imas.utas.edu.au/__data/assets/pdf_file/0007/1144582/EconSocial-Assessment-Tasmanian-Fisheries-2016-17.pdf

Imagining forward 10 years, and the fishing fleet will be even further eroded, with virtually no owner operators, and the reality of a regional fishing fleet will simply be a memory of our past glory. Is this the direction we want to take our industry?

‘The problem is, everyone says ‘something needs to be done’, but change won’t come from what you say, only from what you do’.

There is still an opportunity to shift the goal posts and to deliver a more financially sustainable fishing fleet that makes a significant contribution to the Tasmanian community, particularly in regional communities. But this will require significant changed Government policy and a complete recalibration of how we manage our marine resources.

Seafood processing

The rock lobster and abalone processing sectors also face significant challenge. Notably, the loss of the Chinese live market for rock lobster, and concerns about live abalone trade has created an urgent need to diversify markets. With this diversification comes the necessity for alternative product characteristics – cooked, frozen and value added. But the processing sector simply does not have this infrastructure and are currently not in a financial position to support investment on behalf of the industry.

Traditional scalefish seafood processors have faced significant challenges due to COVID-19 disruptions, with reduced sales due to restaurant closures. Although retail sales to the public have reportedly been strong, this has not countered the lost wholesale trade. As things gradually improve, ongoing and unpredictable COVID-19 State closures and travel restrictions continue to impact this sector.

The processing sector is, in large, also responsible for marketing Tasmanian seafood product into current and new market opportunities.

There is an opportunity to support the processing sector through provision of key infrastructure needs and further support for marketing and promotion into key domestic and international markets.

Marine farming

Our marine farming sector also has a range of challenges.

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| Oysters | Continues to be impacted by rainfall events, sewage spills, harmful algal blooms and the ongoing threat of POMS. |
| Salmon | Continues to explore new growing area expansion opportunities to increase production. |
| Abalone | Continues to suffer from poor demand in local markets. |
| Seaweed | Provides an emerging opportunity for Tasmanian seafood. |

There is an opportunity to take a more holistic approach to managing water quality and biotoxins, and to support diversification of marine farming, in terms of both space and new species opportunities.



TSIC 2021 Tasmanian Election Priorities Statement

Fishing for A Future

A new approach to marine resource management in Tasmania

1. Planning for a Changed Fishing & Processing Future in Tasmania:

There is no doubt that the current market disruption in China is far worse for the rock lobster industry compared to impacts of COVID-19. Many within the industry are currently in survival mode, and the unfortunate reality for many is that they will not survive and will be forced out of the industry. Other sectors of our fishing industry are also on the verge of 'survival mode' and likewise, many will not survive and will be forced out of industry.

When fishers say they cannot afford to fish, they literally cannot afford to fish.

Industry and government, on behalf of those who own the resource, the Tasmanian community, have an opportunity to develop and implement a structured package that helps define a new, financially profitable, community accepted future for the Tasmanian fishing and processing sector. A future that provides attractive employment opportunity for new entrants, financial security for fishers, capacity for a full-time income, and economic return to fishers and in turn the Tasmanian community they live in.

Without this, our industry will continue to feel the pain of a death by a thousand cuts (autonomous adjustment?) and Tasmanian's will not see an equitable return on a resource they ultimately own.

Support of this framework would pave the way for a fresh, dynamic and profitable Tasmanian commercial fishing and processing industry.

1.1 Changing the Government Policy Mindset: A 10-year plan for the commercial fishing sector

Traditional Government management and policy frameworks are simply neglecting the catching and processing sectors; with most of the control and power, and the lion's share of profit in ITQ managed rock lobster and abalone fisheries, flowing to investors. In 2017, 85% of abalone and 55% of rock lobster quota was owned by investors, and an increasing proportion of investors were residing outside of Tasmania. With even higher figures today, ITQs are simply fuelling the decline of the traditional Tasmanian fishing community. TSIC has asked itself '*Is the Tasmanian marine resource being managed in the best interests of the Tasmanian community?*' and the quick answer is NO.

A shift in the Government policy mindset could create a more profitable and attractive fishing and processing sector, which in turn would better support Tasmanian fishing communities and provide greater return to the Tasmanian community.

Any shift in policy should strive to:

- 1) Create a vibrant, economically viable fishing workforce, with the capacity to be a full-time professional worker.
- 2) Provide support and even incentives to owner operators.
- 3) Provide a realistic ability for current lease reliant fishers to become owner operators and / or have greater security in accessing quota.
- 4) Create an industry that is attractive for new entrants, the next generation of fishers.

There is a continuum of possible changes, each with their own cost benefits, from a compulsory buyback of quotas by Government so that Tasmania regains full control of Tasmania's marine resources, through to a shift in the licencing structure and usage of licences (i.e., elimination of supervisors - meaning new entrants must own a FLAD or Entitlement to fish and hence be more invested in the industry.

*Courageous leaders take risks that go against the grain.
They make decisions with the potential for revolutionary change in the
interests of Tasmania and Tasmanians.*

TSIC is calling for the urgent development of a 10-year plan for Tasmanian seafood that is courageous enough to strive for revolutionary change in the interests of the fishing fleet, fishing communities and the Tasmanian community that owns the resource.

TSIC wants a better return to Tasmania from a Tasmanian owned resource.

1.2 Managing for Change: Supporting a restructure of the fishing & processing sectors

A courageous 10-year plan for Tasmania's commercial fishing community will create significant change, ultimately for the better. Change is also being forced upon the industry right now through COVID-19, the Chinese market disruption and fierce competition in the abalone dive sector amongst a significantly declined TAC. These changes will result in opportunity and profitability for some, but also financial hardship and the need to exit the industry for others.

Managing this change in a structured and coordinated manner will help those within the fishing sector make an educated decision about their future in the industry, then decide whether to exit the industry (with dignity and still owning a house etc) or develop a new business model to adapt to the new industry and market dynamics.

To effectively manage for change, a government must consider and support the following ideas.

1.2.1 Cash flow assistance

Businesses in financial hardship, like the many rock lobster fishing and processing businesses and their employees suffering from the current market disruption, need urgent cashflow support to pay both business and personal bills and put food on the table of their families. TSIC is aware of some deckhands and skippers who have not been paid for 4 consecutive fishing trips over a 6-10 week period. The importance of short term cashflow support cannot be underestimated and will provide individuals who are suffering financial hardship due to current / future disruption with the confidence to stay afloat and provide some much-needed time to consider their future.

Many of the State and Federal Government measures implemented in response to COVID-19 provided cashflow support and those employed within the rock lobster sector (both fishing and processing sectors) are in greater need of cash flow support right now compared with the COVID pandemic 12 months ago.

TSIC calls for an incoming government to provide:

- *Further fee relief / waivers and even reimbursement of already paid fees for fishers in financial hardship.*
- *A seafood Emergency Small Business Grant scheme*
- *Implementation of the cash boost tax incentives to support those who employ deckhands.*
- *And establishment of a Jobkeeper type payment scheme for fishers, deckhands and processor workers.*

1.2.2 Debt consolidation assistance

Consolidation of business debt (vessel loans, quota leasing finance etc) will provide the best opportunity for fishing businesses in financial hardship to either survive the current and future crisis, or allow fishers to exit the industry, while saving their houses etc.

TSIC calls for an incoming government to provide:

- *An interest free loan scheme to allow fishing businesses to consolidate debt.*
- *Funding for Rural Business Tasmania to deliver a Fisheries Resilience Program to assist Tasmanian fishers in gaining sustainability in a quickly changing environment (see Attachment 1).*

1.2.3 Fishing industry workforce adjustment package (short to medium term)

The current China rock lobster market disruption will force many in the fishing industry to exit the industry and find a new employment opportunity. This may require the relocation of fishing families from regional communities. Other sectors are also on the verge of significant disruption, such as abalone which is shifting towards a part time workforce.

TSIC has commenced discussions with the Tasmanian Salmonid Growers Association around a formalised fishing industry workforce employment campaign, with a current focus on the rock lobster industry. There is a high level of interest within the salmon industry to utilise rock lobster workers looking for new employment opportunity.

A formalised workforce adjustment package from government would ensure any strategy is successful.

TSIC calls for an incoming government to:

- *A training / upskilling package to include free training for deckhands to obtain a coxswain's certificate of competency and for current skippers to upgrade to a Master <35 / MED 2 qualification.*
- *Relocation support package to support fishing industry workers who need to move for new employment.*
- *An employer grant scheme for businesses who employ someone from the wild catch fishing / rock lobster workforce.*

1.2.4 Fishing business restructuring assistance (short to medium term)

Regardless of the current rock lobster crisis and issues in other sectors, there will be viable wild catch fishing and processing sector in Tasmania, albeit a different look industry.

In the short term, processors need to adapt to new markets and the product characteristics of these new markets. But currently they have no capacity to process to these new requirements as they have no cooking infrastructure, no freezing infrastructure and no packaging or value adding infrastructure.

Also, as the wild catch fishing fleets restructure, there may be opportunity for fishers to invest in quota, making their new owner operator business model more viable and profitable. But how to borrow the money in the current industry climate?

TSIC calls for an incoming government to:

- *Financial support for processors to enable them to meet new, changed product characteristic requirements. Notable, cooking, freezing and packaging infrastructure.*
- *A medium-term interest free loan scheme that is available to fishers wanting to invest in quota and become owner/operator businesses.*

1.2.5 Fishing business exit Assistance (medium term)

As outlined already, it is inevitable that many businesses within the rock lobster sector will be out of the fishing business because of the current market disruption and rock lobster restructure.

Financial support for adversely impacted businesses that must exit, as well as more marginal businesses that decide to exit the sector provides the best opportunity for individuals to keep their houses and marriages intact.

Some of the measures outlined below are addressed in more detail above.

TSIC calls for an incoming government to:

- *A one off 'Exit Grant Payment' for businesses who are forced to or decide to exit the industry.*
- *Appropriate support to Rural Business Tasmania to develop a rock lobster financial support and advice program to support businesses to consolidate and manage debt and business finances during any exit process (see Attachment 1).*
- *Free training, upskilling or reskilling opportunities.*
- *Waiving of any licence fee renewals during the exit process.*

TSIC acknowledged that any Exit Assistance package would require detailed eligibility criteria.

1.2.6 Supporting energy solutions

Land based rock lobster and abalone holding facilities, along with on land marine farm hatcheries and growing facilities (abalone) have exceptionally high energy costs. Cost of production could be greatly reduced through solar and / or wind energy production within the on-land facility. Such savings would provide much needed support for these businesses and could also provide to the Tasmanian energy production.

TSIC calls for an incoming government to:

- *Provide rebates, grants and incentives for on land seafood businesses with high energy costs to install sustainable energy production technology.*

2. Promoting seafood into existing and new market opportunities

In reaction to the current Chinese market disruption, Tasmanian seafood must find new market opportunities, both within Australia and internationally. An important component of any new market is to promote the Tasmanian seafood brand into the new opportunity. Through a Tasmanian Government Trade Alliance Grant Program, TSIC has engaged a Market Strategist to develop a marketing strategy to help open opportunities within the domestic seafood trade. Using the data and evidence based developed as part of this grant, TSIC plan on delivering a Tasmanian seafood marketing and promotion campaign within the mainland Australia market.

TSIC calls for an incoming government to:

- *\$450,000 to support a seafood sector specific marketing and promotion campaign into mainland domestic markets.*
- *Further grant support for Tasmanian seafood businesses to promote and market their product into international market opportunities.*

3. Mental Health support package

Research has shown that the fishing industry suffers levels of high psychological distress at levels twice that expected in the normal population. This was the driver for the Tasmanian seafood industry to develop the Stay Afloat mental health awareness brand and hands on support, in partnership with Rural Alive and Well. Integral to the Stay Afloat campaign is the employment of a Stay Afloat Reach Out Coordinator, whose sole focus is the Tasmanian seafood industry. This Stay Afloat Coordinator has been in the role for just on 12 months, and momentum, trust and reaching out from fishers to RAW is building momentum.

With recent COVID and Chinese market disruption challenges, the services of the RAW Stay Afloat Reach Out Coordinator are needed now more than ever. Referrals are high, and community engagement initiatives have ramped up. Just prior to the election announcement, the Tasmanian Liberal Government announced \$360,000 support over three years to ensure the continuation of the Stay Afloat Reach Out Coordinator in Rural Alive and Well.

TSIC calls for an incoming government to commit to \$360,000 over three years to continue funding the Rural Alive and Well Stay Afloat Reach Out Coordinator position.

4. Supporting our Marine Farming Sector

The Tasmanian marine farming sector provides significant employment opportunity, economic return and food on the plate for Tasmania and Tasmanian's. Much of these benefits are in regional locations.

The marine farming sector also has significant capacity for growth and expansion, which must be done with the general support of the broader seafood industry and Tasmanian community.

The marine farming sector, most notably the Tasmanian shellfish sector, continues to be plagued by a range of environmental and terrestrial input issues, notably harmful algal blooms, freshwater runoff and sewage spills. Each has a significant economic impact on a business and its operations.

TSIC acknowledges the significant investment and vote of confidence in our aquaculture sector, noting the investment into the Tasmanian oyster industry, including the most recent move of the ShellMAP program into Marine Resources, and the establishment of state-wide Spatial Planning project as a structured approach to expansion in the salmon aquaculture sector.

TSIC calls for an incoming government to:

- *Support a holistic approach to managing our coastal water quality through the establishment of a Coastal Water Quality TaskForce. The taskforce would tackle issues such as freshwater input / E.coli, sewage infrastructure and spills etc.*
- *Support for the establishment of a holistic, cross sector approach to biotoxin management, which acknowledges the public good component of the program.*
- *Shift in marine farm policy to support diversification of species on a marine farm lease, notably, the inclusion of the use of the benthos for farming new species, such as clams and seaweeds.*

5. Tasmanian Freight Assistance

As an island state, long term, reasonably priced freight and logistics solutions are integral to Tasmanian seafood businesses moving out of the COVID pandemic. This is even more vital for time-sensitive freight, such as seafood.

Air and sea freight connections into mainland markets and connections with international linkage flights is needed for time sensitive seafood product.

Furthermore, any new sea freight opportunity must accommodate freight demand and time sensitive freight needs.

TSIC calls for an incoming government to:

- *Provide ongoing support for reliable and consistent air freight solutions.*
- *Ensure that the TT Line Ferry Replacements are fit for purpose with respect to freight capacity and timeliness and consistency of ferry schedules in support of time sensitive freight.*

6. Delivering Skills and Training to Seafood

In late 2020, after 6 years of direct funding through the Seafood Pledge, the Tasmanian seafood industry was forced back into the 6-month Skills Fund cycle. Ongoing skills and training demand was recently validated by a 75-page Skills Fund application that captures the needs of 50 employers in over 1,167 funded places. This training will be delivered to people employed in the seafood industry, meaning that training subsidies in seafood improve a seafood job outcome and support the ongoing growth of the industry.

The reality is the 6-month Skills Fund is not a good fit or level of certainty for a sector the size and importance of seafood.

The Tasmanian seafood sector associations have unanimously supported a return of a direct funding allocation to support skills and training in the seafood industry. The sectors noted that given the size, employment and economic contribution of the Tasmanian seafood industry, and ongoing growth and demand for employees in the salmon industry, longer term certainty is essential. They further noted that seafood training demand was not serviced by the public provider, TAFE.

TSIC calls for an incoming government to:

- *Re-establish a direct, multiyear skills and training funding allocation to the seafood industry.*

7. Supporting TSICs capacity to represent seafood

TSIC provides significant help and support in progressing several whole of industry issues. These issues take considerable TSIC time and resourcing.

On top of these issues, Tasmanian Government Policy, delivered through the Department of Primary Industries, Water and Environment, Marine Resources Division, creates the expectation for TSIC to provide representation on a diverse range of committees and working groups. These include, but are certainly not limited to:

- Abalone Fishery Advisory Committee (FAC)
- Crustacean FAC
- Scallop FAC
- Scalefish FAC
- Shellfish Market Access Program (formal TSQAP Management Committee)
- Sustainable Marine Research Advisory Committee
- Tasmanian Abalone Research Advisory Group (RAG)
- Crustacean RAG
- Finfish Aquaculture RAG
- Shellfish Aquaculture RAG
- Scallop and Minor Species RAG
- Formal responses to Developmental Fishery Permit Applications
- Formal responses to Marine Farm Permit Applications

TSIC notes that the Tasmanian Government provides TARFISH with financial support through a direct State Budget allocation “service agreement” to support TARFISH representation on similar (but far less) committees.

Support for the Government and research takes considerable time to read background papers, attend meetings and provide other informal input. Such time and resource commitments mean that TSIC does not have the financial or human resource capacity to fully address all priorities that may impact the seafood industry, such as maritime safety. In some situations, TSIC has had to put important priorities on hold, which as you can image is not an ideal situation.

TSIC calls for an incoming government to:

- *Extend the Maritime Safety Grant Deed arrangement with TSIC to support the ongoing delivery of maritime safety initiatives to TSIC members. This grant deed is \$50,000 per year over three years.*

8. Supporting RD&E through the SMRCA

Defensible scientific research and advice plays a crucial role in the management of our marine resources. Much of this scientific input is delivered through the Sustainable Marine Research Collaborative Agreement (SMRCA), a Government Grant paid to the University of Tasmania, and with outcomes delivered through the Institute for Marine and Antarctic Studies (IMAS).

This grant is not indexed, meaning that research capacity is being lost over time.

A 2018 election commitment and subsequent budget announcement provided additional funding over a three-year period. The last year of this extra funding is 2021-22.

TSIC calls for an incoming government to:

- *Commit to indexing or further funding for the SMRCA to ensure appropriate capacity and capability to collect the science needed to manage our marine resources.*

9. Supporting the Tasmanian seafood experience

A vital component of the Tasmanian seafood industry is the seafood consumer, both locals and visiting tourists. Supporting their ability to find quality Tasmanian seafood food service outlets and experiences is a priority for TSIC. That is why TSIC has invested over \$150,000 to develop the Seafood Trails Tasmania web-based app (<https://www.seafoodtrails.com.au/>). This app provides the user with a seafood experience, including stories, photos, videos and of course, a linkage to retail and food service outlets that provide quality Tasmanian seafood. Although TSIC would like to further invest in this project through a dedicated Seafood Trails promotion and marketing campaign, our current post covid budget, which took a significant hit after the TSIC Board supported the waiving of the TSIC levy for the 2020-21 renewal period, does not allow this to happen.

TSIC calls for an incoming government to:

- *Provide TSIC with \$50,000 a year over three years to market and promote the Tasmanian seafood trails site to locals, tourists and of course Tasmanian businesses that could benefit from using the site.*