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Government of South Australia

Department of Trade and Economic
Development

COMPETITIVENESS COUNCIL INDUSTRY REVIEW

FISHING & AQUACULTURE

Final Report

Office of the Economic Development Board

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1. Executive Summary

South Australia's Competitiveness Council was established in 2006 to identify, develop and champion reforms that enhance the State's competitiveness and generate further investment. A key focus is leading efforts to achieve the Government's goal of reducing the annual burden of 'red tape' on business by \$150 million by July 2008.

As part of this project, the Council secretariat is talking directly with representative groups, individual businesses and unions through a series of industry reviews. The aim is to elicit information about the issues of concern 'at the coalface' and identify practical initiatives for red tape reduction. The fourth industry review is the Fishing and Aquaculture industry.

This report summarises the findings of the review and lists the actions the Government has agreed to take to reduce red tape in response to the issues raised.

Industry accepts that effective regulation is required for the social, environmental and economic wellbeing of the State and its people. However, the Council and the State Government recognise that some regulations can impose unnecessary compliance burdens on business, and impede competition, productivity and investment in the State. It is one of the purposes of this review that, where possible, these hindrances be identified and removed, or amended, without compromising the net benefits of the regulation.

Key Findings

Given the value of fishing and aquaculture to the South Australia economy, (\$622 million in 2005-06)¹, the optimal use of aquatic resources is very important to economic growth. Equally important is the sustainability of the resource, which needs to be carefully managed for the benefit of current and future generations.

¹ Australian Fisheries Statistics 2006, ABARE May 2007, Canberra

This is achieved through regulations such as quotas, leases, licence conditions, size limits and seasonal and area closures.

Fishers are vulnerable to increases in operating costs, similar to other primary industry sectors. Where fish harvest is restricted for sustainability reasons, cost reduction and greater operating efficiency are the main keys to maintaining a profitable enterprise. If the price of their produce rises they benefit, but if the price falls, fishers cannot readily compensate for lost revenue by increasing their catch, unless this catch is transferred from other fishers. Consequently, regulation that imposes cumbersome and/or time consuming administrative burdens increases operating costs and has a direct, negative impact on the industry's competitiveness.

The Fisheries and Aquaculture Divisions of PIRSA are primarily responsible for managing the State's aquatic resources while partnering with the commercial fishing and aquaculture sectors to ensure sustainable and competitive industries.

The greatest strengths of the fishing and aquaculture industries are:

- the compact size of the industries (1,187² licences in fisheries and 623³ licences in aquaculture) combined with
- the systems⁴ that exist to ensure a high level of Government engagement with the industry and stakeholders.

The latter particularly applies to PIRSA Fisheries and Aquaculture Divisions. Their staff have a strong customer focus, are well aware of the issues in their industries and are responsive to feedback from their respective stakeholders. Consequently, red tape and other issues affecting competitiveness in the fishing

² 1,187 licences (as at September 2007) can be broken down in to 874 commercial fishing licences, 157 fish processing licences and 156 restricted fish processing licences. Of the 874, there are a small number of commercial enterprises who hold more than one licence.

³ As at September 2007, there were 623 active aquaculture licences and 394 active aquaculture leases. Leases only apply to marine aquaculture activity and grant the lessee the rights to use the resources in a defined geographic area. For every lease there is at least one associated licence but it is possible to have more than one licence per lease. As is the case with Fisheries, some participants have multiple leases and licences, the larger commercial enterprises in particular. Land-based aquaculture is generally undertaken on private land so a lease is not required. Approximately 190 of the 623 licences are land-based.

⁴ "systems" in this context refers to PIRSA's One-Stop-Shop approach to client services and the roles of the Aquaculture Advisory Committee and the Fisheries Council, both of which have a PIRSA representative attending all meetings.

and aquaculture industries have been, and continue to be, reviewed and addressed within the parameters of their respective legislative responsibilities.

The key issues drawn to the attention of the review team, in written submissions and during interviews, concern:

- The positive feedback received regarding PIRSA and overall regulation of the industries
- The preference to lodge forms and payments electronically
- The complicated licensing application process for small, low risk aquaculture businesses
- Planning and zoning issues that affect aquaculture development and/or expansion
- Marine safety requirements
- Occupational Health and Safety compliance

It should be pointed out that many of the concerns that were raised in the interviews show that some businesses are either not clear about their legislative responsibility or understand the reasons for good regulation. These issues will be discussed in detail in Section 7 of this paper.

2. Background

The fishing and aquaculture industries are represented by separate divisions in PIRSA, but some of the same issues affect all businesses in these industries. Both industries agree that the sustainable management of the aquatic resources is of paramount importance for the benefit of the community as a whole.

According to the Australian Bureau of Agricultural and Resource Economics (ABARE), the gross value of fisheries production in SA in 2005-06 was \$407 million, an increase of \$36.7 million over the previous year. The gross value of

aquaculture production in South Australia in 2005-06 was \$215 million, an increase of \$27.9 million over the previous year.⁵

The major commercial fisheries are the southern rock lobster, western king prawn, abalone and sardine fisheries. These are supported by smaller fisheries such as the blue crab, marine scale fish and inland waters fisheries. Most of the aquaculture species in SA are high value species aimed at export markets such as Bluefin tuna, oysters, finfish and abalone. Table 1 demonstrates the majority of businesses employ few people so any regulatory burden that exists is experienced by the owner.

Table 1: Number of businesses by segment and employment size – SA – 2003-04

Business numbers (based on ABN counts)	Commercial fishing (ANZSIC 4)	Marine fishing (ANZSIC 41)	Aquaculture (ANZSIC 42)
0-19 employing	516	387	129
20-199 employing	30	15	15
200+ employing	0	0	0
Total (employing)	546	402	144
Total (non-employing)	988	677	311
Total	1534	1079	455

n.p. = not available for publication

Source: ABS, Counts of Business by Industry (SA), June 2004, Cat No 8161.0.55.001

Aquaculture is defined as the farming of aquatic organisms including fish, molluscs, crustaceans and aquatic plants with some form of intervention in the rearing process to enhance production, such as regular stocking, feeding, protection from predators, etc. The systems used for aquaculture include ponds, fibreglass or concrete tanks, pens, and floating cages.

⁵ Australian Fisheries Statistics 2006, ABARE May 2007, Canberra

3. Methodology

Staff of the Competitiveness Secretariat attended a meeting of the Fisheries and Aquaculture Industry Executive to discuss this review and discuss potential opportunities for collaboration. Subsequently they met with the Executive Directors of the Fisheries and Aquaculture Divisions within PIRSA to discuss the history, profile, legislative requirements and key issues of their respective industries. They provided the Secretariat with a list of peak bodies in the industries as the commercial fisheries and aquaculture businesses are represented by a plethora of industry associations. The Convenor of the industry reviews, John Rau MP wrote to these organisations, inviting them to be interviewed and/or provide him with a written submission.

Eleven industry associations were interviewed on a one-on-one basis (see Attachment 1), including two by phone. Two of the industry associations were peak bodies for a range of smaller industry associations. Nearly half of the interviewees are still in business themselves in addition to representing a range of fishers/aquaculturists. For this reason, additional business owner/operators were not interviewed.

A number of relevant Government agencies were consulted to gain a more thorough understanding of the regulations and licences raised by businesses through the interview process. They included PIRSA Fisheries, PIRSA Aquaculture, Environment Protection Authority (EPA), Department for Transport, Energy and Infrastructure (DTEI), SafeWork SA and the South Australian Research and Development Institute (SARDI).

Additional feedback from fishing industry participants was sought by the inclusion of two questions on regulation in the Fisheries Division bi-annual survey conducted in May 2007 (See Attachment 2).

The issues raised and recommendations for possible action were forwarded by the Convenor of the industry reviews to the Competitiveness Council for

endorsement. They have also been forwarded to Government agencies for consideration and inclusion in their Red Tape Reduction Plans.⁶

4. Scope

The scope of the review is to identify:

1. Steps that Government could take to:
 - Reduce the compliance burden on business (e.g. by simplifying regulations and licences that cause the biggest problems); and
 - Remove or reduce any unnecessary, overlapping, repetitive or inconsistent regulation
2. Ways of using technology to reduce 'red tape' and simplify business relationships with State Government

During meetings and interviews it was explained that the aim of the red tape industry review was to find practical, logical ways to reduce regulatory processes and reduce transaction costs, without compromising social, environmental and economic objectives.

5. Regulatory Arrangements

The Acts that currently regulate the fishing and aquaculture industries are the Fisheries Act 1982, repealed by the Fisheries Management Act 2007 which commenced on September 2007 and the Aquaculture Act 2001.

5.1 Fisheries Regulation

The co-management approach that has existed until now will continue under the new Act with the establishment of a new Fisheries Council to provide advice to the Minister on the management of fisheries for:

- commercial use

⁶ The Council has requested that all State Government agencies identify, develop and implement initiatives to reduce red tape to meet the target of July 2008

- recreational use, and
- Aboriginal traditional fishing purposes.

The Fisheries Council replaces the seven committees that existed under the old Act, will be expertise-based with nine members appointed by the Governor, plus the Director of Fisheries as an ex-officio member. The Council has a broad advisory role and key responsibility for the preparation and maintenance of fishery management plans. These management plans will extend the period and tenure of commercial fishing licences from the current one-year period to periods of up to 10 years, providing an improved investment climate for the commercial fishing industry.

The impact of other legislation and regulation on fisheries officers in particular can be significant as they are cross-authorised to represent other State and Federal agencies, including Divisions in the Commonwealth Department of Environment, Water, Heritage and the Arts, the Australian Fisheries Management Authority, DTEI, Department of Environment and Heritage (DEH) and the Department of Water, Land Biodiversity and Conservation (DWLBC).

5.2 Aquaculture Regulation

The Aquaculture Act is in the process of being revised but all comments made by industry during the consultation process concern the current Act.

5.2.1 Aquaculture Leases

Aquaculture leases are allocated by the Aquaculture Tenure Allocation Board (ATAB) involving the drawing of lots or a similar process (for pilot leases), or tendering or similar competitive process (development leases).

There are four classes of leases for aquaculture:

- (a) Pilot lease: This lease can only be granted outside existing aquaculture zones. The maximum lease term is 12 months renewable for a maximum of three years. The lease is not transferable and the lease holder must be the holder of the corresponding licence.

- (b) **Development lease:** A leaseholder may apply to the Minister to convert a pilot lease (outside an existing zone) to a development lease subject to performance criteria and the approval of the EPA. In all other cases, development leases can only be granted within aquaculture zones. Applications for development leases will only be accepted if a call for applications has occurred and a lease may only be granted through an allocation process approved by the ATAB involving a competitive tenure allocation process. A development lease will be granted for a maximum of three years with renewal of up to nine years and may be transferred with the consent of the Minister.
- (c) **Production lease:** A Production lease may only be granted within an aquaculture zone through the conversion of a development lease (with the exception of transitional arrangements). The maximum term of a production lease is 20 years, renewable for successive terms, however lesser terms may be negotiated. Production leases may be transferred if the Minister is given prior written notice.
- (d) **Emergency lease:** These leases are only granted within Aquaculture Emergency Zones as a result of an event requiring protection of the environment or aquaculture stock. The maximum term of an emergency lease is three months with renewal of up to six months.

5.2.2 Aquaculture Licences

Any person conducting the business of aquaculture must have a licence granted by the Minister for Agriculture, Food and Fisheries. This applies to aquaculture carried out in State waters as well as for land-based aquaculture. The licence system aims to ensure that resources used in the industry are managed efficiently, and take into consideration the environmental impacts and operational activities associated with aquaculture.

Leases only apply to marine aquaculture and grant the lessee the rights to use the resources in a defined geographic area with an endorsement for the species

and type of farming activity to be undertaken on the site. In this instance, a licence can only be granted over an area that is subject to a lease, provided the area is within State waters. For every lease there is at least one associated licence but it is possible to have more than one licence per lease.

Land-based aquaculture is generally undertaken on private land so a lease is not required. Land-based licences are issued according to the type of aquaculture undertaken, the level of risk associated with the species to be farmed and the aquaculture system. The level of risk is determined having regard to the amount of feed introduced to the system and potential effects of water discharge from the site, among other factors.

6. Recent South Australian Government Initiatives

In recent years, PIRSA have introduced a number of internal systems to improve their business processes. These systems will be discussed briefly as they have, or will, assist in addressing some of the red tape issues raised in the industry consultation process.

6.1 Initiatives by Fisheries Division

6.1.1 Quality Management System

PIRSA Fisheries have recently introduced an accredited Quality Management System to assist them to maintain a strong customer focus by identifying and addressing customer needs, ensuring a consistent approach to service delivery and improving the use of internal information. The International Standardisation Organisation (ISO) system is a framework for continuous improvement in which all business processes are documented, reviewed and internally audited on an ongoing basis. The ISO certification was granted in October 2006 and PIRSA is the first fisheries agency in the country to be accredited. To retain the certification, outcomes must be measured and externally audited every three

years. Once the Primary Industries Information Management System (PIIMS)⁷ is fully implemented, this will become part of the ISO process and audit.

6.1.2 Compliance

Another Fisheries Division objective is to improve the cost effectiveness and integrity of compliance services and activities. PIIMS will have the capacity to provide PIRSA staff, in particular Fisheries Compliance Officers, with immediate and complete information relating to a licence or a licence holder via a Personal Digital Assistant (PDA) when they are out in the field. Although this will not remove the statutory requirement for fishers to have a hard copy of their licence on hand it will make dealing with licensing and compliance matters quicker and easier. The Division is also trialling the use of electronic scales so a catch can be weighed and recorded on site, allowing the data to be uploaded to PIIMS.

6.1.3 E-brief

E-brief is a comprehensive, web-based legal database developed in conjunction with the West Australian Government. It records information on all prosecutions, expiations and cautions issued by Fisheries Compliance Officers around the State. Some of the detail E-brief can record includes:

- Seized gear, audits and disposals
- Information on what stage a legal matter has reached at a given time
- Court decisions and outcomes
- Demerit points, in line with the new Fisheries Management Act
- All documentation relating to an offence.

E-brief is accessible by authorised personnel in any Fisheries office and is currently being rolled out across the State. It replaces a database that stored less information, had limited accessibility and could only be used in conjunction with

⁷ PIIMS is a web-based database that is already in use by other PIRSA departments and will record all licensing details required under the Fisheries Management Act.

hard copy files. Although there is potential for E-brief to be integrated with PIIMS, the privacy, security and resource issues will need to be resolved first.

6.2 Initiatives by Aquaculture Division

The Aquaculture Act was the first comprehensive aquaculture legislation in Australia and is due to be reviewed. The review of the Act, undertaken in consultation with the industry, is expected to result in improved certainty for business investment and greater efficiencies in aquaculture management. A number of areas have been identified as opportunities that will maintain SA's position as a leader in the planning and management of marine and land-based aquaculture, including:

- Emergency leasing and licensing provisions
- Clarifying arrangements for ancillary activities at sea such as cage maintenance, towing, etc
- Clarifying arrangements for divisions and amalgamations of aquaculture leases and licences, and
- Arrangements for registering a third party interest in an aquaculture lease.

Once a Bill for introduction into Parliament has been drafted it will be send out for public consultation.

6.3 Initiatives across PIRSA

Objective – This is an electronic document management system PIRSA has been developing over the last four years. The implementation phase is still underway, with approximately 90% of staff currently having access to it. Objective uses a Business Activity Classification Scheme as the basis for its folder structure, which replaces the need for a network drive system. Along with registered documents, electronic documents and emails, Objective can store media releases, newspaper articles, web pages, CD's and publications relevant to a file. It has a search capacity which enables Fisheries or Aquaculture Division

staff to view all documentation relating to a specific licence holder. It is envisaged Objective will be integrated with PIIMS from June 2008.

6.4 Initiatives by DTEI

DTEI also maintains close links with the fishing and aquaculture industries and where possible, implements changes in response to industry requests. These are some of the initiatives that DTEI has introduced in recent times:

- A restricted Coxswain's Certificate was introduced to assist applicants who did not meet the eligibility criteria for the full qualification.
- DTEI's Commercial Marine Services Section now advises clients two months in advance of vessel surveys instead of waiting for clients to contact them which was previously the case.
- Clients are advised of likely demand at particular slipways when vessels are scheduled for a survey, to minimise disruption to individuals and their businesses.
- Discussions are underway with the Office of the Technical Regulator to allow statutory declarations rather than physical re-inspections of gas appliances.
- Client schedules are better accommodated when new vessel construction inspections are required.

7. Compliance Issues

During the course of the industry consultation many positive stories were told about government initiatives that have reduced the regulatory burden for businesses in the fishing and aquaculture industry. Several respondents felt there were limited red tape issues in the industry. Positive comments arising from the review process include:

- PIRSA needs to be supported by whole State Government. SA is leading edge.
- Cost recovery system works well.

- Introduction of the Aquaculture Act is great. SA is leader in this field and driving a lot of the aquaculture developments nationally.
- Don't believe there is a lot of paperwork. Most of it is fully understandable and necessary to keep unlicensed fishermen out.
- This industry operates in a number of States and finds SA effective in its level of regulation.

Nonetheless, there were other issues that were raised in interviews with individual businesses and industry associations that warranted further attention. Each of these was discussed with the relevant government agencies, and where possible, new initiatives are being developed by these Departments. They are discussed in detail in the remainder of this report.

7.1 Licensing – Fisheries

Issues:

- Should be able to lodge all forms and payments electronically.
- Licences are a piece of paper which is not practical in a marine environment.
- The Act requires them (fishers) to have the licence on them at all times. If the licence conditions are changed then they get recalled by PIRSA. For most businesses this occurs 2-3 times a year when they have to send it in and thus they would not have it with the person.
- Can transfer quota to another vessel but there is a lot of paperwork involved in this.
- Log books should be an electronic system.
- Quota transfer should be electronic.

Discussion:

PIRSA has been progressively improving internal financial processing to provide customers with higher levels of service through the standardisation of invoices and a greater range of payment options (e.g. PIRSA's Internet facility, Australia Post and Services SA outlets).

The Fisheries Division will have the technical means to address the broader issues when PIIMS is implemented. As noted in section 6.1, PIIMS is a web-based database that is already in use by other PIRSA divisions and will record all licensing details required under the Fisheries Management Act 2007.

PIIMS will also allow for the provision of a searchable public register of licence holders in accordance with the new Act and will replace the current paper-based system, ensuring less paperwork and greater transparency.

Although this use of technology has cost-saving and efficiency benefits, it is not necessarily welcomed by everyone in the industry. When asked *What is your preferred method of contacting Licensing Services?* in the 2007 Fisheries Customer Survey, the overwhelming majority of fishers responded: Phone (68%), Face to Face (24%), Fax (5%), and Email (3%). Despite 70% of survey respondents saying they had access to the internet, their response to the question *For those with internet access, do you or would you consider accessing fisheries services via the internet?* 44% said Yes, but 39% said No and 17% were unsure. It is expected this will change over time.

In order to measure their licence renewal process internally, PIRSA Fisheries use a Success Rate Percentage which measures the percentage of licence renewals processed without error. Results are reproduced in Table 2.

Table 2: Percentage of licence renewals processed by Fisheries without error

2004-05	2005-06	2006-07	2007-08
98%	99.82%	100%	98.9%

Source: Fisheries Customers Survey 2007

It should be noted the 2007-08 result was achieved while the Fisheries Division was introducing new software designed to further improve their licensing process.

Government Response

1. *Introduce on-line services*

It is anticipated PIIMS will provide a facility for:

- Fishers to complete forms online rather than physically downloading them from the PIRSA Fisheries website, filling them in and returning them as they currently do
- Quota transfers to be completed online along with the appropriate stamp duty calculations and payment options
- Licence details to be updated on-line by the licence holder.

PIRSA are aware that resource and security issues need to be resolved in order to facilitate the introduction of on-line facilities.

2. *Streamline the process for issuing and maintaining licences*

One of the Fisheries Division's objectives is to make the process for issuing and maintaining fishing licences more efficient. This would have flow-on benefits for the industry. One of these initiatives is to issue a licence with a separate Entitlement and Extract Register. When quota allocations change, a fisher will no longer be required to return their physical licence to PIRSA, they will return the Entitlement and Extract Register only.

7.2 *Licensing – Aquaculture*

Issues:

- Required to fill in 10 pages to apply for an aquaculture licence under the Aquaculture Act.
- Short term licence holders cannot automatically assume that their licence or lease will be renewed. Need to fill in an application form to apply for renewal. Recommendation that this administrative requirement is deleted from the Act. Renewal should be automatic if all other requirements are satisfactory.
- If you want to carry on a business, albeit small, you need to apply for an aquaculture licence under the Aquaculture Act.

Discussion:

In the past, the aquaculture application licensing process was measured in years. It is now measured in months or weeks. The ten page application form for an aquaculture licence is only required when an initial application is made or when a licence holder is seeking a variation to a licence. The PIRSA Aquaculture Division encourages applicants to make their initial application as comprehensive as possible, so that variations can be expedited more efficiently when they are applied for.

In general, a short term licence is related to risk, however licence renewals are dependent on the type of lease and the licence conditions, for example some marine production leases can be renewed with a two-page form for periods of up to 20 years, subject to the applicant satisfying development criteria and meeting other lease conditions. Likewise, a land-based licence for a low risk activity can be granted for up to 10 years.

Land-based aquaculture businesses did have an annual renewal process in place but this has now been extended to two or three years where possible to reduce handling of these licences.

Government Response:

With the Aquaculture Act about to be reviewed, PIRSA is examining ways in which the licence application process can be simplified for smaller, land-based operators (ornamental breeders, hobbyists and pet shops). Where the activity is considered to be low risk because there is either no discharge of water or nutrients (e.g. small scale yabbies) or fish tanks meet a specified litre capacity, the current requirements may be reduced (e.g. reporting requirements) or removed (e.g. need for some to be licensed).

7.3 Planning/Zoning

Issues:

- Aquaculture is simply a method of farming, and should be a permitted use on land, as is any farming operation.
- Land needs to be rezoned if you want to farm fish. Aquaculture is not a permitted use on privately owned or leased rural land. In order to do this a planning submission needs to be put in. It is very expensive but needs to be done to operate an aquaculture business. Process can take months.
- The government must coordinate its consideration and approval of planning applications. Different planning officers may have different interpretations of requirements and sometimes specialist consultants are required to interpret requirements.
- There must be a formal link with Planning Authorities in order to streamline the approval process. A “gatekeeper” should be nominated as the State planning advisor who has an intimate understanding of inland and marine aquaculture proposals and can coordinate all proposals within the State. All aquaculture proponents should be able to deal directly with this person.

Discussion:

Some of the aquaculture issues regarding planning and zoning have arisen from SA’s Development Act being intended for land, not a marine environment and the concept that aquaculture activities are limited to specific lease/licence sites. It is anticipated some of the issues this raises (e.g. towing of sea cages to a different location) will be addressed in the forthcoming review of the Aquaculture Act.

One of the opportunities for the aquaculture industry is to develop stronger links with local government who have varying degrees of knowledge and understanding about the aquaculture industry and its associated planning issues. PIRSA Aquaculture is investigating ways in which the assessments already required for licence applications (e.g. noise impacts, pollution and discharge of

water) could be used by local Councils to facilitate the planning application process as an alternative to requesting similar but additional information.

Government Response:

PIRSA Aquaculture is aware of these issues and already has a range of strategies in place to address them including:

- Further collaboration with Planning SA to simplify processes
- Identifying the issues that will assist in establishing more effective relationships with local Government
- PIRSA's Office for State/Local Government Relations will include aquaculture issues in a series of workshops to be conducted with local Councils
- Providing a one-stop shop for industry. PIRSA staff deal with other agencies (e.g. Development Assessment Commission and EPA) on behalf of the licence holder to ensure approval processes are being progressed.

7.4 Marine Safety Requirements

Issues:

- An average boat of about 6-7 metres, operated by a single operator, needs to carry a life buoy as well as life jackets for each person on board. Smallest buoy that complies with national standards is a 3-person ring.
- The minimum requirement for a fire extinguisher on board is 7.5 kg. A number of people bought two 3.75-4 kg extinguishers because they are easier to handle and store but the marine safety inspectors knocked it back during marine survey.
- HF radio is apparently old technology but cost \$2,000 to purchase and it is compulsory to have the radio tested for the vessel survey. The suggestion was made for HF not to be mandated.

Discussion:

The marine safety system for commercial vessels requires a minimum of two levels of flotation:

1. Lifejacket/s, and
2. Float off apparatus such as one lifebuoy per person, or that the vessel floats when fitted with approved internal buoyancy.

This approach maximises lifesaving potential and assists persons in the water being found by search and rescue services. The stipulated lifebuoys are designed to keep an unconscious person's face out of the water and therefore prevent drowning. The vessel owner has the option to either fit buoyancy apparatus or use lifebuoys. DTEI will accept any SOLAS (Safety of Life At Sea) approved life buoy that meets the needs of the required safety outcome.⁸

As a general rule, the larger the vessel the larger the engine, and hence the amount of fuel the vessel carries. This in turn leads to a greater fire risk, hence the need for larger and/or more extinguishers as the vessel size increases. However, a 7.5 kg extinguisher is not the minimum requirement. For vessels over 5 m and less than 10 m usually one single fire extinguisher is required. The standard size for an extinguisher is either a 4.5 kg DCP (Dry Chemical Powder extinguisher suitable for use on many types of fires), a 3.0 kg CO₂ (Carbon Dioxide extinguisher recommended for use in electronic environments) or a 9 litre LIQUID. The choice of medium rests with the vessel owner. For certain vessels under 5 m the requirement is a 1 kg DCP extinguisher. Information about required equipment for life saving appliances, including lifebuoys and fire fighting equipment is provided to owners, operators and boat builders by DTEI.

All commercial vessels are assessed in accordance with the regulations under the *South Australian Harbors and Navigation Act and Regulations 1993* and the national Uniform Shipping Laws (USL) Code. The specific safety requirements

⁸ SOLAS (Safety of Life at Sea) approved buoys are orange in colour, 30" in diameter, and equipped with reflective tape and rope that floats.

for a vessel are determined by the size of the vessel and the number of people on board.

All vessels are required to have on board at least two working forms of radio distress equipment capable of alerting a shore station. VHF is inexpensive and reliable but more localised, therefore potentially only an option where shore stations exist within range of the vessel. HF offers broader coverage but can be affected by atmospheric conditions. Although many fishers may use satellite and mobile phone technologies for their day-to-day business, they do not satisfy the current legislative requirements for distress alerting and are considered to be unreliable. Satellite communications systems and satellite phones have been included as a possible alternative to HF in the Draft National Standard for Commercial Vessels (C7B) "Radio Communications" however this draft is subject to passage through the formal approval process before it can be considered for inclusion in any legislation.

Government Response:

1. *General marine safety*

It should be noted that vessels are workplaces in the eyes of the law. DTEI will accept any SOLAS approved life buoy that meets the needs of the required safety outcome. The Government will continue to communicate up-to-date and accurate information on regulatory requirements in one-on-one meetings between senior DTEI staff and industry associations and through its websites.

2. *HF/UHF radio requirements*

South Australian legislation for vessel equipment carriage requirements is based on National Standards, such as the USL codes and the National Standards for Commercial Vessels (NSCV) in order to attain a level of uniformity between the jurisdictions. The new communications carriage requirements under NSCV C7 Part B are currently being finalised by the National Marine Safety Committee (NMSC) following an extensive process

and period where all concerned parties were invited to contribute through having release a draft for public comment.

Marine HF radio is still current technology and required under the applicable State Legislation (Harbors and Navigations Act and Regulations) and the USL Codes. This legislation also mandates the requirements for the radio certification process, which is necessary given the more critical nature of key components of a HF radio system.

Under their international obligations, the Commonwealth only retained responsibility for provision of the Global Maritime Distress and Safety Service (GMDSS), which still retains a HF capability (HF DSC) but passed responsibility entirely to the States to provide for “coastal” HF marine voice communications. Whilst any vessel may choose to equip itself with a new HF DSC radio and access the Commonwealth GMDSS system, the existing HF radios can continue to be used with the state-based arrangements at no additional cost to the operators of vessels.

In seeking to ensure Marine Safety, the Government has made a significant commitment to HF, having entered into a 5 year \$1.5 million contract with Airservices Australia to provide a professional 24-hour HF marine distress and safety monitoring service through the provision and use of additional systems dedicated for marine purposes at Airservices’ HF sites at Alice Springs and Broken Hill. Airservices, who are responsible for ensuring the safety of Australia’s air navigation, had recently undertaken a \$17 million upgrade of their own HF radio network using state of the art technology which the marine contract was also able to benefit from.

Whilst VHF may be an option in some circumstances, it is only relatively short range. Current legislation already offers the ability to permit some commercial vessels to operate using VHF without HF, but specifies that vessels would have their area of operation limited to being able to operate “***within 20 nautical miles of a coast station that maintains a continuous radio watch on VHF***”. Amendment to the legislation has been submitted

seeking to revise this to “***within range of a coast station that maintains a continuous radio watch on VHF***” however any such legislative change takes time due to the parliamentary approval process.

Whilst the legislative change is necessary to effect any change with regards to the carriage of VHF in lieu of HF in the future, the most critical factor is that of the availability of coast stations maintaining a continuous listening watch. Currently the only official 24 hour service is that which the department has provided as an interim arrangement utilising the former Seaphone sites at Thistle Island, Kangaroo Island and Myponga, hence coverage is inherently limited. DTEI is actively seeking further funding to provide long term 24 hour VHF marine distress and safety service with far more comprehensive coverage of the State's coastline, which subject to being able to gain the funding to implement, may permit a future review of vessel HF/VHF radio carriage requirements.

7.5 Occupational Health and Safety

Issues:

- SafeWork SA now requires safety plans, regardless of the size of the boats. These plans do not add value in the eyes of the single owner. However, the bulk of the small companies are affected by it.
- SafeWork SA needs to assess the risk, differentiate between different size boats/activities and develop policy that addresses these risks.
- Divers in the industry are required to have an advanced level of training. This has created a shortage of divers with the necessary qualifications.

Discussion

SafeWork SA requires all fishers to have an OHS&W statement in order to comply with the Occupational Health, Safety and Welfare Act 1986 and 1995 Regulations.

One industry association advised that funds were available to support the preparation and development of business tools such as a Business Plan and recommended a similar pool of funds be allocated to support OHS&W compliance. This would compensate fishers for:

- The financial cost of attending a 2-day training course (this course is optional but is recommended by the relevant industry association as the most efficient means of ensuring fishers have the knowledge required to meet their OHS&W obligations)
- The loss of time and potential income if they are absent from their business to attend a training course.

Some divers in the industry are required to have an advanced level of training due to the increased risks associated with operating in and around nets. This has created a shortage of divers with the necessary qualifications.

SafeWork SA has been consulting with the industry on addressing the issue of appropriate training and qualifications for divers and amendments to the SA Approved Code of Practice have been proposed. At the same time there has been research undertaken at a national level. Following a request from Australian Diver Accreditation Scheme (ADAS), the Australian Safety and Compensation Council (ASCC) is currently assessing the need for consistent national regulations for occupational diving. The ASCC are due to report in March 2008.

Government Response:

1. OHS&W statements

The obligation to prepare an OHS&W statement rests with an employer. A single person, owner operator is not required to prepare a statement if they work alone. The obligation only applies if they employ other staff. The complexity of the statement will vary in line with the size and complexity of the business. Employers are not required to submit their statements to SafeWork, however they must be able to demonstrate they have one if requested by an inspector.

2. Reduce the training requirement for accreditation as a diver

SafeWork SA has deferred seeking further comment from the industry on suggested changes until this report is released. This will enable the industry to comment on both sets of proposals at one time.

8. Other Non-Compliance Issues Raised in the Review Process

8.1 Communication between Government and industry

Central to many of these issues is the need for Government to explore the information services provided by its agencies and determine whether there are more appropriate ways to communicate and explain the regulatory information that businesses actually require. This has been a recurrent theme in the series of industry reviews that the Competitiveness Council has undertaken. It has been suggested that the Government investigate options for the introduction of business tools similar to the UK's *Business Link* website.⁹

8.2 Cost Recovery

There were a number of comments made about the Government's Cost Recovery policy, in particular, the cost of research undertaken by SARDI on behalf of the industry. As cost recovery is a whole-of-Government policy issue, it is outside the scope of this review however, in response to industry concerns PIRSA Fisheries has benchmarked the cost of SARDI's research services against similar services provided interstate. Their charges are consistent with the middle of the range.

8.3 Stamp Duty

The stamp duty incurred when quota is traded was also a source of concern. Stamp duty is a statutory requirement and therefore outside of the scope of this review.

⁹ <http://www.businesslink.gov.uk>

ATTACHMENT 1 – ABBREVIATIONS

ABARE	Australian Bureau of Agricultural and Resources Economics
ABS	Australian Bureau of Statistics
ANZSIC	Australian New Zealand Standards Industry Classification
ATAB	Aquaculture Tenure Allocation Board
CDR	Catch Disposal Record (Fisheries)
DTEI	Department for Transport, Energy and Infrastructure (SA)
ISO	International Standardisation Organisation
PIRSA	Department of Primary Industries and Resources (SA)
SARDI	South Australian Research and Development Institute
SOLAS	Safety of Life at Sea
USL	Uniform Shipping Laws

ATTACHMENT 2 - INTERVIEWEES

Industry interviews were conducted with:

- Abalone Industry Association of South Australia
- Australian Freshwater Crayfish Growers Association (SA) inc
- Far West Coast Professional Fishermen's Association
- Inland Aquaculture Association of SA
- Mussel Growers Association
- Oyster Growers Association
- South Australian Aquaculture Council
- SA Fishing Industry Council
- SA Rock Lobster Advisory Council
- SA Sardine Industry Association
- Tuna Boat Owners Association of Australia

ATTACHMENT 3 – FISHERIES SURVEY – SUMMARY

787 questionnaires were sent to fisheries stakeholders

284 responses were received (36 per cent response rate)

The responses to the question, *Is there too much regulation in your industry*, were as follows:

• Yes 47%
• About right 37%
• No not enough 3%
• Unsure 13%

The follow up questions were:

- Which rules and regulations are unnecessary, repetitive, inconsistent or burdensome?
- Why is this the case?

Of the 284 questionnaires returned, there were 74 individual responses to the question on regulation (26 per cent of respondents or 9 per cent of the survey population). A summary of the most frequent responses are as follows:

Prior Reporting and Core Hours
Prior report times could be extended to a later time.
ETA times no proper mobile coverage when ringing. Causes unnecessary risk if skipper is hurrying to get back if running late.
Prior reporting is irrelevant.
Prior reporting is a pain at times, it is difficult to be exact.
Fines for calling in i.e., didn't return to the ramp on time.
Poor phone reception re prior reporting.
Prior reporting - too hard out at sea to get good phone reception and to work out one hour before you get home.
Prior reporting when fishing close to home in months that were always part of our normal season.
Core hours prior reporting for those that have offended. All offenders should have to prior report.

Phone calls if landing out of core hours. Inspections in core hours are not as concentrated as they could be.

Time limit imposed on reaching scales. Should not have core hours for fishing.

Prior reporting to the 24 hour Fishwatch hotline is a compliance condition that varies according to the fishery, e.g. fishers with a licence for Goolwa cockles report when going out to advise of their intended fishing location, rock lobster fishers report one hour prior to returning to shore. The prior reporting system ensures that Fisheries Officers can maintain a presence in the relevant fishery or port when catches are landed. The prior reporting period for rock lobster fishers was previously two hours but has been reduced to one hour in response to industry requests.

Record keeping

Catch Records: Measure and weigh individual fish is time consuming, repetitive and burdensome.

Fish Logs are time consuming when you are trying to operate a small charter business.

Some of the paperwork is either irrelevant or simply unwarranted.

Recording daily catch numbers on CDR (Catch Disposal Record) rule should be relaxed.

Catch Reports are needed but could be refined for easier use and less time.

The recording of scalefish used for bait can not be done accurately due to the work load on the skipper who has to record live, dead, undersize, oversize, OCY, find pots, set pots, watch crew, traffic, sea conditions, engine performance etc.

Constant reporting of specific catches e.g. Blue Crab.

Catch records are considered an essential tool to manage the long-term sustainability of marine resources. While there is potential for electronic recording and lodgement, the need to maintain accurate catch records will remain.

Safety Equipment

Current survey gear excessive.

Survey - Unrealistic and far too expensive. Fire extinguisher on 15-16' tinny ridiculous + 3 life buoys.

DMH survey requirements are too strict. Radio HF - needs to be simplified. People use cell phones more for safety.

In relation to Dept of Transport there are regulations relating to gear safety.

Too much safety gear to be carried on boat.

I think some of the technicalities concerning licence conditions are over the top as far as gear entitlements.

As outlined above, the current safety requirements are commensurate with national standards.

Stamp duty

Abolish stamp duty - excessive tax.

Stamp duty when transferring quota should have been abolished with introduction of GST.

As outlined above, the payment of stamp duty is a statutory requirement and is therefore outside the scope of this review.

General

We are over-regulated. We pay payroll tax + high tax rates post GST. We collect employee taxes, WorkCover, Super, Child Support for employees etc. We collect GST on behalf of Govt. As Govt Depts are expected to self fund we pay for increasing service fees.

Increase in cost to industry because of cost recovery.

Too much paperwork etc.

There are too many rules. You almost need a university degree to go fishing.

Licence fees increase every year but income hardly varies.

Licence fees too high for income produced.

And finally...

No complaints