

AQUATIC RESOURCES MANAGEMENT BILL 2015
AQUATIC RESOURCES LEGISLATION AMENDMENT BILL 2015

Cognate Debate

Leave granted for the Aquatic Resources Management Bill 2015 and the Aquatic Resources Legislation Amendment Bill 2015 to be considered cognately, and for the Aquatic Resources Management Bill 2015 to be the principal bill.

Second Reading — Cognate Debate

Resumed from 24 February 2015.

MR I.C. BLAYNEY (Geraldton) [7.01 pm]: I rise to speak briefly on the Aquatic Resources Management Bill 2015 and the Aquatic Resources Legislation Amendment Bill 2015. I intend to talk briefly about fisheries and then about how that industry relates to my electorate of Geraldton and the wider midwest.

The fisheries industry has been through many changes since the Barnett government came to power. To a fair degree, those changes were driven by the fact that there was a reluctance to go near any changes in the industry under the previous government. The biggest fishery in Western Australia is that of the western rock lobster, which has changed enormously with the adoption of a quota system. Other fisheries have experienced tighter catch rules, which of course have impacted heavily on amateurs as well. The logic that sat behind adopting a quota could not be questioned; it made absolutely no sense for fishermen to be given a date upon which they could start fishing and they then would race to fish, as we called it, which produced a glut in the market that led to low prices. Then, when a set number of kilograms was reached, the season was closed. Now, fishermen have virtually all year in which to fish. They are given a set number of kilograms to catch per pot. They can choose when to fish, so they time their catch and what they are catching to the market. I will point out a bit later the impact that this has had on the value of the western rock lobster fishery. I think it is one of the great unheralded successes of the Barnett government.

Western Australia has been split into a number of aquaculture regions: the south coast bioregion; the southern inland bioregion; the west coast bioregion, which is where the midwest sits; the Gascoyne coast bioregion, which ends I think around the Ashburton River; and the north coast bioregion, which runs from there up to the state border. Two zones have been established for finfish: the Kimberley zone was declared in August 2014 at Cone Bay and the second zone will be declared during 2016 in the Abrolhos Islands. The aim is that these zones will basically be an investment-ready platform. Strategic environmental improvements and management policies are in place, so this will allow commercial enterprises to set up without lengthy and expensive approval processes. Why is there this trend towards aquaculture and away from catching fish in wild fisheries? There has been a change in recent years, with the majority of the seafood eaten in the world now being farmed. To quote work done by the Mid West Development Commission on the potential for aquaculture in the midwest, demand worldwide for fisheries is expected to expand by 37 million tonnes between 2009 and 2030. Accompanying this, of course, is increased pressure on wild stocks, and there has been a commensurate decline. Interestingly, the Economics and Industry Standing Committee recently toured the east coast to help with our inquiry into innovation. One of the places we visited was the Fisheries Research and Development Corporation in Canberra, where the point was made that there is the potential to markedly increase the amount of fish caught in the wild if fishermen go further off the coast. However, they need much bigger ships and much more capital to do that, and not very much is known about those regions further away from the coast.

There is an overriding need for fisheries to become more sustainable. Although Western Australia has a vast coastline and a lot of waters, our fishing grounds are not rich. The nine regions in Western Australia have just completed their investment plans to map out their investment into the future under the various programs that sit under the royalties for regions program. The midwest is the most economically diversified region in Western Australia, but the number of people employed in fisheries, agriculture and forestry—not that there is very much forestry in the midwest, of course—is not huge. In 2011 it was 2 223, in 2025 it is expected to be 2 625 and by 2050 it might be about 4 500. However, the midwest investment plan confirms that the region does have a comparative advantage. The Mid West Development Commission is working to promote the area for aquaculture. The midwest produces about 17 per cent of the state's fishery. The value of production of the western rock lobster fishery was \$176 million in 1999–2000. However, because of the bad management practices of the time, by 2011–12 it had dropped to \$89 million. As I said, the turnover now, just of the Geraldton Fishermen's Co-operative, is \$400 million, so that shows the massive financial impact of better management practices and of allowing fishermen to fish when it suits them—when they make up their own mind to do so. The other advantage of the midwest is that its waters are probably as clean as those of anywhere else in the world.

Geraldton as a city is used to servicing the fishing industry. It is one of our older industries. Aquaculture and fisheries are seen as a source of very stable, long-term jobs. Along with the Mid West Development Commission, I have already met with two large interstate groups that are interested in the area and the potential of an aquaculture industry in the Abrolhos. We can see very clearly that this is on the investment radar. One of those groups was a Tasmanian company that is worth about \$120 million, so it is pretty serious money. We are doing the second lot of trials of the yellowtail kingfish out in Champion Bay, which is a joint venture between the Mid West Development Commission and a local, private investor. Investment will probably be needed by the government, probably through the Mid West Development Commission, into fish health, husbandry and breeding. Providing those small amounts of money really fits with the charter of the Mid West Development Commission to act as a catalyst—to provide small amounts of strategic investment that gets private investors in and hopefully creates a big industry. We already have facilities at the Batavia Coast Maritime Institute that could be developed to service the areas that we need. An area of 3 000 hectares has been put aside for aquaculture at the Abrolhos, which is a reasonably large area. It is in two separate areas, one of 2 200 hectares and the other of 800 hectares, which lie between the Pelsaert Group and the Easter Group approximately 65 kilometres to the west of Geraldton. The Abrolhos Islands is an interesting area because it has a unique confluence of temperate and tropical waters. It is a truly unique area of Western Australia in which both tropical and temperate species survive. The physical attributes of the area chosen are that the water is relatively deep at between 35 and 45 metres and it has clean, well-flushed waters and an open sandy seafloor. Apparently, these are almost perfect conditions for aquaculture. The species in the area will be marine finfish native to the west coast, such as yellowtail kingfish, pink snapper and mulloway.

The other interesting thing—as a farmer on the land, I understand this clearly—is that it will be up to fishermen to decide the size of the cages. An economic analysis of the project reveals that the size of the sea cages and equipment drives the project's economics. As the scale gets bigger, costs get less and it becomes more profitable, but there will be a maximum limit for the zone of 24 000 tonnes of finfish biomass.

Finally, I want to talk briefly about Geraldton Fishermen's Co-operative because it is one of the shining lights of the fishing industry in Western Australia. It is currently the largest processor of rock lobsters in the world. The size of the catch it processes is bigger than the catch of South Australia, Tasmania and New Zealand combined. That indicates the scale and success of the outfit. In its sixty-fifth year, its turnover is \$400 million. As I said, that indicates the success of the government's switch to a quota that allows fishermen to target their product to a certain time of the year, such as the Chinese New Year, when prices are the best.

Quite often innovation in government is not about spending government money; rather, it is about changing the laws to enable private managers to make the best decisions. I do not think anyone in this place would disagree with that. Geraldton Fishermen's Co-op is building a \$20 million facility at Perth Airport purely to handle the live lobsters that will be sent to China. It will hold about 80 tonnes of live lobsters. GFC is building a sister-facility for this in Guangzhou, China. The GFC will be the first Australian seafood company to hold its own stock on Chinese soil and deeply integrate itself into the Chinese market. As I said before, frequently the economy works best when the government stands back, clears up legislation and allows people to get on with their business. The final factor for the development of the Abrolhos aquaculture industry will be smart people who know how to market. We have already seen such people in the Geraldton Fishermen's Co-op, but other locals have the same skills. This industry has a bright future. All the economic factors point to it having a bright future. All it needs now is patient capital.

Debate adjourned, on motion by **Mr J.H.D. Day (Leader of the House)**.