

A submission to the Territory Economic Reconstruction Commission 'NT REBOUND'

By the Northern Territory Seafood Council Inc.

July 2020

As the peak representative body for the wild catch, aquaculture and trader/processor seafood sectors in the Northern Territory (NT), the Northern Territory Seafood Council (NTSC) welcomes the opportunity to provide ideas, vision and expertise on how to best position the Territory to rebound strongly from the current crisis.

The economic contribution of the Northern Territory's fisheries and aquaculture industries in 2017/18 for the NT fishing, aquaculture and associated processing industries contributed \$136 million dollars (total GVA) to the NT economy with an additional \$22 million GVA generated indirectly to the rest of Australia. Contributing 941 FTE jobs throughout the Territory.¹

NTSC jointly commissioned a report last year with the NT Government to identify the infrastructure needs that underpin the growth of the NT seafood industry in the next ten years². Progressing with key regional road works, processing and cold storage facilities in Darwin, as well as accessible wharf facilities in Gove are identified as key opportunities to unlock further potential, create additional jobs and attract private investment within the NT seafood industry.

Over the immediate short term the NTSC has highlighted the following areas requiring support from the NT government:

1. continued commitment to the evidence based NT Fisheries Resource Sharing Framework which was implemented in 2015;
2. modernisation of the Fisheries Act to bring the NT seafood industry in line with worlds best practice and other competing Acts around Australia that provide operational, economic and ecological benefits;
3. resourcing for a Fisheries Taskforce to aid development and roll out of harvest strategies;
4. development of a policy to support public/private sector infrastructure investment partnerships that drives improved efficiencies and increased profitability for the seafood sector

¹ Report titled *Northern Territory Fisheries and Aquaculture Industry 2017/18: Economic Contributions Summary* available online via: https://www.frdc.com.au/Archived-Reports/FRDC%20Projects/Economic%20Contributions_NT%20Summary_DEC2019Corrected.pdf

² 2019 Saunders, A. NT Fisheries Infrastructure – Identifying infrastructure needs that underpin growth of the NT seafood industry in the next ten years. Summary report available online via <https://www.ntsc.com.au/documents/item/335>

5. fast track a NT Seafood Industry Development Plan; and
6. ongoing support for funding mechanisms for the NTSC.

As a result of COVID-19 the seafood industry in NT is facing a major market readjustment in demand. Whilst the full magnitude of that is not known, the cumulative impacts are the closure of exports and slowing of domestic markets, disruption to supply chains and significant and prolonged uncertainty over the duration of these severe impacts. This is the most challenging circumstance the industry finds itself in living memory and members are seeking support from the NT Government to boost confidence and provide programs that allow access to economic support.

Some of the steps that will aid in this recovery include:

- Retention of market access through air and road freight with government enablement;
- Modernisation of seafood through adequate formation and economically viable fishing processing facility to provide more value adding options to the seafood industry;
- Greater flexibility over quota rollovers and seasonal fishing arrangements;
- Remove and reduce unnecessary and/or unproductive red and green tape;
- Cease incremental regulatory burden that provides no ecological or economic return;
- Government to be mindful of broad based industry changes to management plans when markets are fragile; and
- Seek extensions to WTO export approval conditions.

A snapshot of the NT seafood industry

In 2017, the NTSC developed a strategy to build its social licence to operate as a basis to secure access to fishing grounds. A comprehensive social licence analysis identified the most concerned stakeholders, their issues, and how all stakeholders' issues interrelate.

With this information key priority projects have been developed including a refreshed strategic plan and a stakeholder communication and engagement plan. In addition, a new constitution and a restructured NTSC Board are underway.

The five-year Strategic Plan 2018 - 2023³ focuses on three key pillars to build a social licence and deliver member's value by:

1. Improving structures for an effective NTSC
2. Building trust in our industry between our members, community and government
3. Demonstrating sustainability

The NTSC vision statement is:

The NT Seafood Industry is a trusted, stable and prosperous industry which is continually earning its social licence to operate.

To achieve the vision state from the NTSC, we must first understand where we are now and the issues we face, and the goals we wish to achieve.

The Territory has a diverse variety of species and more than 200 commercial fishing licences and 190 registered fishing vessels operating in 15 different wild harvest and aquaculture fisheries.

Through its trade and processing sector, the Northern Territory seafood industry harvests over 10,000 tonnes⁴ of fish and aquatic life each year and the industry provides important resources to develop

³ NTSC Strategic Plan 2018 – 2023 available online via <https://www.ntsc.com.au/content/strategic-plan-2018-2023>

small-scale inshore fisheries, larger offshore fishing operations and a growing aquaculture industry and ornamental trade.

Providing high quality Northern Territory seafood underpins the great lifestyle and healthy living standard that will support efforts to grow our diverse population.

The economic contribution of the Northern Territory's fisheries and aquaculture industries in 2017/18 for the NT fishing, aquaculture and associated processing industries contributed \$136 million dollars (total GVA) to the NT economy with an additional \$22 million GVA generated indirectly to the rest of Australia. Contributing 941 FTE jobs throughout the Territory. The Northern Territory seafood industry currently contributes approximately 3% of the total GVA contribution from the commercial fishing, aquaculture and processing to Australia.

The economic significance of the Northern Territory seafood industry extends well beyond the coastal communities for which it is a vital industry. Professional fishing operations, such as seafood wholesalers, processors, and retailers, all contribute millions of dollars annually to the Northern Territory's economy.

For Australians, and prior to COVID-19 international tourists, experiencing the range and quality of Northern Territory seafood is becoming as iconic as the destination itself. Delivering fresh local produce to the Territory's cafés, bars, restaurants and supermarket shelves appeals to all visitors, contributing significantly to the \$2.6 billion Northern Territory tourism industry.

The Northern Territory fishing industry shares its waters with significant stakeholders including; Indigenous communities, the mining and energy industry, and the recreational fishing industry.

Together, we must develop a path forward that is both sustainable and appropriate for the fishing community.

⁴ Report titled *Northern Territory Fisheries and Aquaculture Industry 2017/18: Economic Contributions Summary* available online via: https://www.frdc.com.au/Archived-Reports/FRDC%20Projects/Economic%20Contributions_NT%20Summary_DEC2019Corrected.pdf

ATTACHMENT 1: Critical commitments

Key commitments critical for the businesses and people employed within the NT seafood industry with regards to working effectively with Government into the future.

1. continued commitment to the evidence based NT Fisheries Resource Sharing Framework which was implemented in 2015;
2. modernisation of the Fisheries Act to bring the NT seafood industry in line with worlds best practice and other competing Acts around Australia that provide operational, economic and ecological benefits;
3. resourcing for a Fisheries Taskforce to aid development and roll out of harvest strategies;
4. development of a policy to support public/private sector infrastructure investment partnerships that drives improved efficiencies and increased profitability for the seafood sector
5. fast track a NT Seafood Industry Development Plan; and
6. ongoing support for funding mechanisms for the NTSC.

Support and commitment to the evidence based NT Fisheries Resource Sharing Framework which was implemented in 2015

Resource sharing describes arrangements that give different users, such as commercial, Aboriginal, fishing tour operators and recreational fishers, shared access and certainty to the fish resources in a particular fishery. There are a number of ways in which a share of a resource can be expressed through an arrangement for effective management. These can include proportion of a Total Allowable Catch, proportion of mortality in a fishery, historical catch, spatial and temporal separation. These tools will all need to be considered when determining options for resource sharing between user groups. It may be that in some cases a range of tools may provide the best way to meet stakeholders' needs in a fishery.

While in the past predominantly access by the commercial fishing industry has been regulated, resource sharing arrangements formalise shared access arrangements for all relevant user groups.

There are three key reasons for using resource sharing arrangements:

- To ensure the community receives maximum benefit from the resource;
- To ensure the total extraction of resources is sustainable; and/or
- To minimise conflict between user groups.

Effective and stakeholder supported resource sharing frameworks are essential to the sustainable development of all the NT Fisheries. Stakeholder conflict is greatly limiting the optimal management of our fisheries and continuation of the commitment to the stakeholder agreed resource sharing framework is required.

Modernisation of the Fisheries Act to bring the NT seafood industry in line with world's best practice and other competing Acts around Australia.

The *Fisheries Act 1988* (NT) is in need of a full review to be modernised and aid bringing the NT seafood industry in line with world's best practice and other competing Acts that provide operational, economic and ecological benefits. The opportunity to modernise the Act with regards to its objectives; ensure responsive and timely decision making through the use of harvest strategies, enable appropriate enforcement powers and penalties and reduce existing complexity and redundant provisions is required. Seafood production must be recognised as valuable in its own right and deserving of an Act that supported its own set of development-oriented policies rather than a derivative of policy objectives in adjacent areas (such as environmentalism, port development and terrestrial farming).

Resourcing for a Fisheries Taskforce

Commitment for the formation of a broad harvest strategy outcome driven taskforce for all fisheries and injection of capacity and resourcing required to development of Harvest Strategies for NT fisheries. With Harvest Strategies in place for the NT's fisheries, businesses will have more certainty

regarding access and a clear pathway for investment certainty. This investment will set the pathway for more strategic fisheries management and significantly reduce the uncertainty for all sectors. A dedicated and appropriately skilled and resourced Fisheries Taskforce with the primary focus to complete Harvest Strategies will ensure appropriate sector input and understanding, aid in delivering allocations amongst sectors and identification of funding required and sources for any restructuring required.

Development of a policy to support public/private sector infrastructure investment partnerships that drives improved efficiencies and increased profitability for the seafood sector

Substantial investment is needed in Northern Australia to increase efficiencies including the transport of product to market, meeting market requirements and undertaking maintenance of vessels. Within the Northern Territory upgrades are required to the Darwin Port and Nhulunbuy Port with respect to access for fishing vessels, unloading facilities and refuelling facilities. The needs of the NT seafood industry over the next 10 years were recently identified in a report co-funded by NTSC and the Northern Territory Government titled NT Fisheries Infrastructure – identifying infrastructure needs that underpin growth of the NT seafood industry in the next ten years.

Fast track a NT Seafood Industry Development Plan

No clear plan exists to provide the direction of the NT seafood industry along the full supply chain. Investment through the provision of funding to support an industry driven five year Development Plan in collaboration with Government will produce a strategy that will result in improving the viability, growth and investment in the NT seafood industry. Work is needed across all wild harvest, aquaculture and trader/processors to map out a viable development plan for the NT seafood industry.

Ongoing support for funding mechanisms for the NTSC

The NTSC has a long standing agreement with Government regarding funding agreements and the collection of funds, including the Trust Fund and NTSC Levy. This allows the professional fishing industry to provide a positive input to many government processes that, while they may affect fishing operations, are certainly not part of our core business.

Attachment 2: Relevant Projects Underway

| Area | Title | Objectives/Outputs | Timeframe |
|----------------|--|---|-----------|
| Markets | NT Seafood Industry Export Strategy | <ul style="list-style-type: none"> The NTSC with the assistance of the Territory Government through the Department of Trade, Business and Innovation has engaged KPMG to develop a report that will: analyses participation of NT seafood exporters in international export markets prior to COVID-19; identify export opportunities, barriers, areas of focus and priorities ; explore potential export opportunities, demand and market segmentation in international target markets for key wild catch fisheries; and outline a plan to increase participation and grow export contributions of NT seafood to international markets. | Nov 2020 |
| Infrastructure | Seafood Processing Scoping Study | <ul style="list-style-type: none"> Provide the Territory Government with detailed information on the potential for a seafood processing facility in Darwin. The Territory Government through the Department of Trade, Business and Innovation (DTBI) has engaged KPMG to undertake a scoping study into the development of a seafood processing facility in Darwin. The final report will provide the Territory Government with detailed information on the costs and benefits, feasibility and risk and opportunities. | Nov 2020 |
| Markets | FRDC Project 2019-067: Investigate changes in acceptance of wild caught Barramundi in the foodservice and hospitality market sectors. ⁵ | <ul style="list-style-type: none"> To research the food service and hospitality sectors to gain insights into the drivers and barriers in demand for wild caught barramundi across the different industry sectors To document new packaging, presentation and quality requirements needed in order to improve market share for wild caught barramundi. To identify and document resources that can be used by barramundi fishers to develop, trial and evaluate new product packaging formats, product presentation and quality requirements targeting the needs of the food service and hospitality sectors. To develop and extend a wild barramundi market development and positioning strategy | May 2021 |
| Sustainability | Sustainability Strategy - Building capability and resilience for the Northern Territory seafood industry | <ul style="list-style-type: none"> Developing a Sustainability Strategy for NT seafood industry will put it at the forefront of an integrated approach to ecosystem-wide sustainability. Elements to build industry capacity and stewardship of conservation imperatives of marine bioregional planning and marine park estate will increase engagement and | Jan 2022 |

⁵ Project overview available via FRDC website <https://www.frdc.com.au/project?id=6555>

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| | | <p>sustainability initiatives in the NT area of the North Marine Network.</p> <ul style="list-style-type: none"> • Understanding the drivers and barriers preventing a unified approach (for example to areas such as data collection, innovation, reduced interactions with bycatch) will be better understood and addressed to enable a strategic and proactive approach to fishing practices that address sustainability issues. • The project titled <i>Sustainability Strategy - Building capability and resilience for the Northern Territory seafood industry</i> received grant funding from the Australian Government. | |
| Legislation | Harvest Strategy and Management Frameworks ⁶ | <ul style="list-style-type: none"> • Management Frameworks and Harvest Strategies under development to set the pathway for more strategic fisheries management and significantly reduce the uncertainty for all sectors | underway |

Attachment 3: Northern Territory Fisheries and Aquaculture Industry 2017/18: Economic Contributions Summary

Attachment 4: NT Fisheries Infrastructure – Identifying infrastructure needs that underpin the growth of the NT seafood industry in the next ten years

⁶ Refer to Attachment 1 – Critical Commitments of this submission regarding resourcing for a Fisheries Taskforce to ensure appropriate capacity and resourcing to aid timely delivery of more strategic management for NT fisheries