

## economic management of Commonwealth fisheries

- » Commonwealth fisheries account for 10-15 per cent of the gross value of production of Australian fisheries and aquaculture. These fisheries are managed by the Australian Fisheries Management Authority. One of the legislated objectives that AFMA is required to pursue is to maximise net economic returns to the Australian community from the management of the Australian fisheries.
- » Rather than attempting to achieve higher net economic returns through increased fishing effort, effective management usually involves maintaining relatively 'thick' fish stocks so that catching costs are reduced. To increase stock abundance and prevent net economic returns from being competed away, management must ensure that restrictions on catches are effective.
- » Historically, management arrangements in many Commonwealth fisheries have not constrained catch effectively, resulting in net economic returns in these fisheries being close to zero or even negative in some years.
- » Steps have been taken recently to address low profitability and sustainability issues in many Commonwealth fisheries. The Australian Government's *Securing our Fishing Future* adjustment package has removed a large share of fishing capacity from some major Commonwealth fisheries. Also, the Australian Fisheries Management Authority has implemented tighter controls on catch and effort, particularly for overfished stocks. Finally, the Australian Government has developed and released a *Harvest Strategy Policy* that aims to stop overfishing, to help overfished stocks recover and to promote the longer term profitability of the fishing industry..

### factors affecting profitability

- » The relatively high Australian dollar in recent years has made Australian exports more expensive for foreign consumers and seafood imports cheaper for domestic consumers.
- » Increases in fuel prices in recent years have also affected the costs of fishing, particularly as fuel can account for about 10-30 per cent of a vessel's total cash costs.

### exports and imports

- » Key Australian **exports** of fisheries products are rock lobster, pearls, abalone, prawns and tuna. Key export destinations for edible fisheries products are Japan, Hong Kong, the United States and China.
- » Key Australian **imports** of fisheries products are canned finfish, finfish fillets, whole finfish, prawns, other crustaceans and molluscs. Key import sources for edible fisheries products are Thailand, New Zealand, Viet Nam and China.

## economic performance of selected fisheries

The Australian Fisheries Management Authority manages more than twenty fisheries encompassing a broad range of fishing methods, species and geographic areas. A summary of the economic performance of a selection of these fisheries based on available economic indicators is presented in the table below.

### large fisheries (GVP over \$4 million)

eastern tuna and billfish	A high proportion of unused permits and generally low net economic returns in the fishery suggest that effort may not have been restricted effectively in the past. New management arrangements for capping effort are being developed.
Heard Island and McDonald Island	Total allowable catches are regularly filled, so net economic returns are likely to be positive but variable.
northern prawn	Usually one of the Commonwealth's more profitable fisheries because input controls have been effective in limiting effort. However, input controls also prevent fishers from choosing a cost minimising combination of inputs. In the future the fishery may be managed wholly or partly by limits on catch.
southern bluefin tuna	The total allowable catch for this fishery is regularly filled and the price of quota is relatively high, so net economic returns are almost certainly positive.
southern and eastern scalefish and shark	Although managed by the government preferred arrangement of individual transferable quotas, previous limits on catch were set higher than historical catches. Given that these have not been able to restrict effort, net economic returns have generally been very low in one of the Commonwealth's most valuable fisheries. However, catch limits have recently been reduced significantly, which is expected to lead to stocks rebuilding and higher net economic returns in future.
Torres Strait prawn	Economic surveys suggest that net economic returns have been relatively large in the past.

### small fisheries (GVP under \$4 million)

Bass Strait central zone scallop	Net economic returns in this fishery were negative when ABARE last surveyed the fishery in 1998-99. High levels of unused effort remained in the fishery up to its recent three year closure.
Macquarie Island	Scant economic performance indicators are available for this fishery. Total allowable catches are regularly filled, so net economic returns are probably positive.
skipjack	High levels of unused concessions suggest that these fisheries are operating at or close to effort levels associated with open access. This means the fisheries are unlikely to be earning positive net economic returns.
small pelagic	Estimates of net economic returns have been negative for all years surveyed (most recently 2001-02).
southern squid jig	The fishery also has high levels of unused concessions.
western deepwater trawl	High levels of unused concessions suggest that the fishery is operating at or near the open access equilibrium and hence profits are likely to be low.
western tuna and billfish	The gross value of production of this fishery has been falling since the early 1990s. High levels of unused concessions suggest that the fishery is operating at or near the open access equilibrium and hence profits are likely to be low. The move to individual transferable quotas may improve the economic performance of the fishery, but only if total allowable catches are set at appropriate levels.