



## **Submission to the Government's Green Paper on Northern Development.**

This submission is made on behalf of the NPF Industry Pty Ltd (NPF) in response to the Government's Green Paper on Developing the North of Australia.

The NPF Industry Pty Ltd represents Commonwealth Statutory Fishing Rights holders in the Northern Prawn Fishery (NPF). Our industry is comprised of a combination of individuals, small businesses and corporate fishing companies, many of whom are from intergenerational fishing families who have been involved in the NPF since the 1970's.

Our industry is committed to working with government and key stakeholders (e.g. Indigenous, agriculture, fishing, mining, tourism, environment) to support sustainable development and conservation efforts across Northern Australia which maintain and strengthen the social, economic, cultural and environmental values of the North. NPF believe that future development in the North should be underpinned by a shared vision and supported by long term planning and collaborative decision making.

The NPF also relies on our previous submission to the 'Developing the North' inquiry (as attached) and supports the key principles of the 'Kimberley to Cape' submission.

### ***The Importance of Fisheries Resources***

The NPF recognizes and supports the need for improved infrastructure and facilities if Northern Australia is to prosper.

NPFI notes that the Green Paper comprehensively identifies the large range of opportunities, risks and trade-offs associated with developing the North of Australia.

However NPFI notes the limited acknowledgement in the Green Paper of the fisheries resources in the North and of the significant contribution that the commercial, recreational and indigenous fisheries make to the socio-economic and cultural values of the region. Commercial fisheries in particular play a key role in providing regional employment, assisting with border security and providing large volumes fresh, high quality, wild caught seafood to to both Australian and international consumers in the North.

The potential for fisheries resources and the marine environment to be negatively impacted by future development is high, particularly in relation to water diversion, pollution, sediment run-off and introduction of diseases (eg from aquaculture species escapement).

The White Paper should explicitly recognize the importance of wild-capture fisheries resources (commercial, indigenous, recreational) and the marine environment as economic, cultural, social and iconic contributors to the Northern and overall Australian economy.

The White Paper should include explicit processes to mitigate risks of future development on wild-capture fisheries resources, the marine environment and fishing ‘property rights’.

The White Paper should include specific reference to how and by whom fishing rights holders will be compensated if there is any diminution in the value and/or productivity of those fishing rights resulting from future development.

### ***Knowledge Gaps***

There are considerable constraints regarding existing knowledge of north Australian environments, particularly with respect to

environmental sustainability thresholds. To this end, the White Paper should:

- require the Precautionary Principle to be applied where knowledge gaps and/or uncertainties around potential impacts exist
- clearly elucidate the types of development (small, medium or large scale) which are considered appropriate and the pros and cons associated with same, including who/what development should benefit and what existing values should be maintained. In doing so the White Paper should take into account that large scale development is not always optimal and that the cumulative benefits of local and small to medium scale projects often exceed those of ‘mega’ projects
- actively support and require a ‘risk-based’ approach to future development
- acknowledge that cultural, social, economic and environmental outcomes are interdependent, not mutually exclusive
- clearly elucidate the processes by which decisions, including weightings for trade offs, of future development will be made

### ***Stakeholder Engagement***

The White Paper should elucidate how government intends to improve coordination, build community engagement and strengthen local capacity as “an essential part of the Government’s on-going commitment to the north”.

The White Paper should require robust environmental impact and risk assessments to be undertaken for all medium to large scale developments. The ‘one-stop shop’ for environmental approvals must be robust and comprehensive, taking into account all stakeholder values (including the natural and cultural values of our natural resources and the environment) and the potential impacts of development of other industries.

The White Paper should include a process for communicating existing and emerging science, including climate change predictions, to be communicated to stakeholders and taken into account when developments are being proposed.

### ***Improved Infrastructure***

NPFI supports the need for improved and upgraded infrastructure particularly in relation to roads, sea and air ports and telecommunications. The White Paper should clearly elucidate what public infrastructure improvements are planned, and how they will be paid for.

The White Paper should also include upfront identification of the funding sources for infrastructure requirements (eg roads, rails, sea ports, airports), which will be required to support privately funded development.

### ***Water Allocation***

The health and productivity of the fisheries resources in the North including the NPF) rely heavily on water flow from northern rivers and catchments. The productivity of NPF banana prawns in particular is highly correlated to rainfall and river flow. Any reduction in water flow will have a negative impact on banana prawn production and will jeopardise the fishery's Maximum Economic Yield management target.

NPFI reiterates that decisions around future development must therefore ensure that there is sufficient water to maintain adequate environmental flow to maintain maximum fisheries production and healthy freshwater and marine eco-systems.

NPFI is particularly concerned about the current absence of a thorough, well-documented understanding of current baseline conditions in northern catchments, including the absence of criteria for what constitutes a "first flush" event and how much water is

required to renew and maintain healthy, productive aquatic systems. NPMI supports the findings of the 2013 CSIRO '*FGARA Report*' which identified this information as critical to future water resource planning and development decisions.

It is a well documented fact that previous agricultural irrigation developments in tropical Australia have been associated with decreased river and offshore water quality. There is limited information available on the current or historical water quality of the majority of northern rivers, their associated estuaries and coastal areas. This lack of data poses a risk to future decision making.

NPMI notes that the Green Paper recognizes the need for careful planning in future water allocation/development decisions, and sufficient scientific information to support transparent, strategic and equitable consideration of the needs of all water users.

As such, NPMI SFR holders are strongly of the view that the White Paper must establish processes and identify funding sources to:

- require the establishment of baseline data on current catchment conditions and minimum water flows required to maintain healthy aquatic systems, and fisheries production. In the case of the NPMI banana prawn fishery, this will include baseline data to determine how much water is required to maintain the maximum banana prawn production available in both low and high rainfall years to ensure that the fishery management MEY target can be met
- require the establishment of baseline data on the water quality of northern rivers and their associated estuaries and coastal areas
- identify potential lower level and/ or chronic impacts and/or synergistic impacts between multiple stresses (eg potential impacts of a combination of low level agriculturals and reduced flows)

- require all medium to large scale developments to undergo robust environmental impact and risk assessments
- require potential impacts of proposed developments, including future water allocations, on fisheries resources and the marine environment to be quantified and taken into account in decision making
- require the proponents of developments to fund research required to address information gaps relating to impacts of developments
- require developers to provide ‘offsets’ (eg insurance payments/ bonds etc) for potential environmental damage, reduced water flow and/or other negative impacts on wild-capture fisheries resources and/or the marine environment, including for clean-up operations

NPFI does not support in-stream damming of rivers, and/or large scale hydro-electric schemes which will impact on river flow, water salinity and fisheries productivity. The White Paper should acknowledge that traditional methods of water storage do not work well in the North (eg lake Argyl loses 30% of its water by evaporation) and that innovative approaches to water storage which do not negatively impact on other stakeholders need to be developed.

NPFI further recommends that there should be no current or future government support for large scale water storage proposals in Northern catchments which are not supported by robust technical and scientific assessments.

NPFI recommends that the full suite of required research to obtain sufficient robust scientific information, including on downstream impacts, to properly inform decisions on future development in the North is undertaken as a matter of priority.

## ***Employment***

NPFI supports the need for a larger, improved and upskilled workforce. The NPF suffers on-going labour shortages exacerbated by the remote working conditions and competing industries (eg oil and gas). As such we rely heavily on itinerant workers to crew our fleet.

The retention of the 457 visa program and extension of guest worker schemes, including longer term visas, are required for the industry to remain profitable and competitive.

Tax incentives could also be provided to businesses and crew who operate in the remote north as encouragement to participate in the fishing industry.

## ***Improving Profitability***

The fishing industry in the North operates in a remote and challenging environment, with high operating costs, susceptibility to natural disasters (droughts, floods and cyclones) and over-regulation.

Whilst the Northern Prawn Fishery is fully developed and there is little room for expansion, there is scope to improve the profitability of the NPF through tax incentives, better facilities and infrastructure, lower costs and less, more streamlined regulation.

The fishery is heavily reliant on the diesel fuel rebate – the White Paper should explicitly reference the government's commitment to retaining the current policy for all commercial fishing activities.

Freight subsidies and all weather roads would significantly reduce transport costs of fuel, stores and product and would make the fishing industry more competitive. The White Paper should identify what subsidies and incentives could be put in place to improve the profitability of both new and existing businesses

operating in the North.

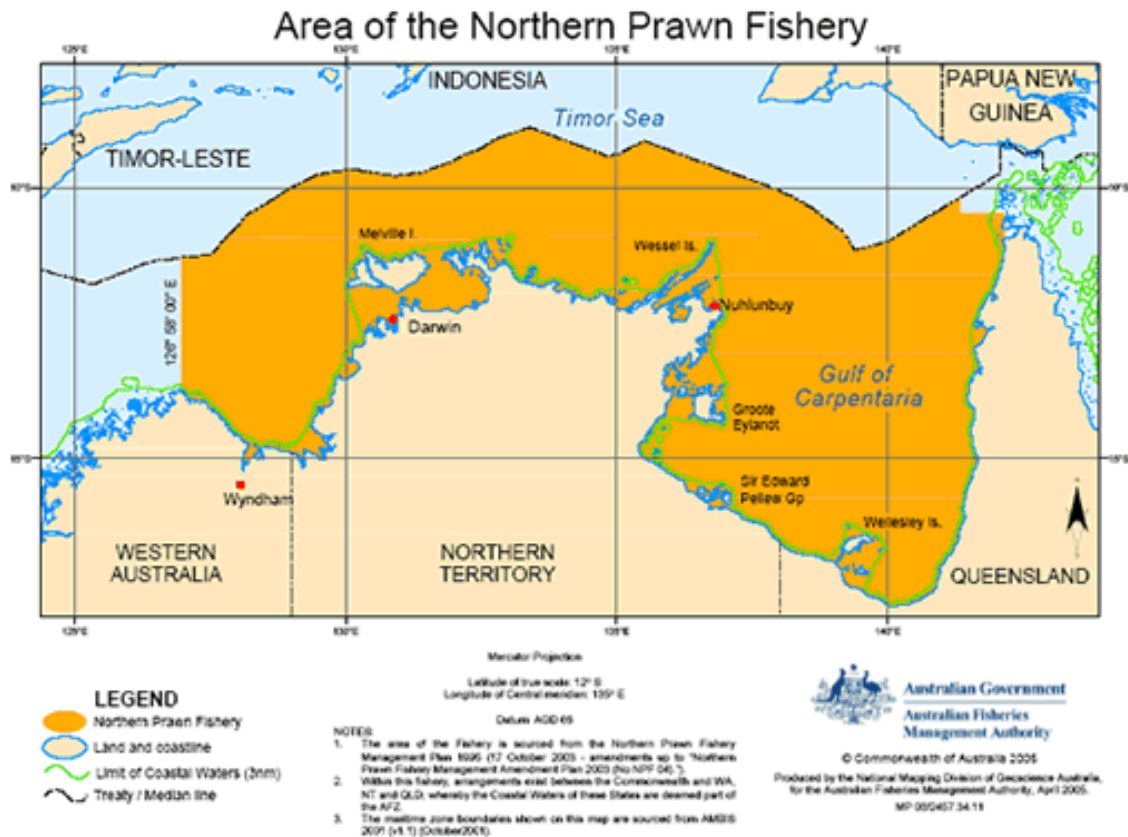
A review of the very complex regulatory environment the fishing industry operates in may also result in less costs/ higher profitability. The White Paper should identify areas where regulation reform is appropriate and possible.

*End.*



## *Appendix: About the Northern Prawn Fishery*

The Northern Prawn Fishery is the Commonwealth's most valuable fishery, and Australia's largest and most valuable prawn fishery, occupying an area of 771,000 square kilometres off Australia's northern coast.



The Fishery extends from the low water mark to the outer edge of the Australian fishing zone along approximately 6,000 kilometres of coastline between Cape York in Queensland and Cape Londonderry in Western Australia.

The gross value production (GVP) of the NPF is currently estimated at approximately \$94 million (ABAREs 2012). The first hand value of Australia's wild-capture fisheries production was estimated at \$1.3 billion in 2010/11.

The GVP of the NPF represents a significant component of the

total economic contribution of Australian fisheries to Australia's domestic and export economies, and to Northern regional economies.

The Northern Prawn Fishery has a unique, highly valuable, and important role as the provider of fresh, high quality wild catch prawns and other marine products to Australians and international consumers. An ecosystem based management approach including the voluntary protection of key habitats and ecosystems on which our fishery depends has been adopted in the NPF for many years.

The NPF is managed through a stringent series of input controls, including limited entry to the fishery, gear restrictions, bycatch restrictions and a system of seasonal, spatial and temporal closures. These management restrictions are implemented under the *Northern Prawn Fishery Management Plan 1995*.

On 52 boats operate in the fishery for 6 months of the year. The fishery is highly regarded as a global example of best practice management underpinned by a significant investment in research and a strong co-management philosophy.

The NPF is the only tropical prawn fishery in Australia<sup>1</sup> to have achieved certification as a sustainably managed fishery by the prestigious Marine Stewardship Council.

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<sup>1</sup> And only 2 in the world