



Dear Tasmanian Abalone Council Members,

The festive season has arrived, along with a welcome increase in beach prices for East and West zones and greenlip abalone.

Thank you to all of those that attended and participated in the Fisheries Research Advisory Group meetings during the past year. You have given up your own time in the interest of the industry, and the effectiveness of us all working together should mean a strong industry into the future.

The Council is looking forward to working with everyone in the industry in 2016 and we wish everyone a safe and merry Christmas and a prosperous New Year.

Joey McKibben



Greg Woodham and John Hoult were awarded Life Membership at the AGM, for their commitment and dedication to the Board of the Council

From the desk of the Chief Executive.

Dear Tasmanian Abalone stakeholder,

Another busy year has passed but before I summarise the major issues I would like to mention the loss of two colleagues. Joe Russell and Damian Johnson both worked as abalone deckhands. Both deaths are stark reminders of the risks that are faced every day in and on the ocean. Our thoughts are with family and friends.....

Market Conditions

The last 12 months have seen an overall higher price for our live black-lip abalone exports to China with beach prices peaking between Chinese New Year and May 2015 to set a new record. Green-lip abalone sales into Hong Kong and Singapore have also strengthened during the last 12 months. Sales of canned and frozen black-lip abalone have remained sluggish primarily due to a global oversupply of cheaper aquaculture abalone. This is where a strategic marketing program is (particularly) required to ensure our product is properly differentiated as wild caught product to the Food & Beverage (F&B) sector as well as to the end consumer!

There is some light at the end of the tunnel however in the form of direct and “fully compliant” importation of our canned abalone into the burgeoning mainland China market. The *Seafood Trade Advisory Group – (STAG)*

www.seafoodtradeadvisory.com has been working hard to ensure Chinese authorities adopt the International Codex standard covering the use and volumes of SO₂ (sulphur dioxide) in canned abalone. This is a critically important initiative, as it will finally enable Australian canned abalone containing SO₂ into the massive (and growing)

China market as a fully compliant import. This could be a “game-changer” for Tasmanian (and Australian) canned abalone sales and could lead to significant future price improvements – rest assured that the STAG is working to achieve this outcome as soon as possible.

Salmonid industry and the recent Senate Inquiry

As you may be aware, Tasmania’s burgeoning salmonid industry has been the subject of a recent Senate Inquiry. As you would also be aware, the TACL has issues with some of the in-water practices of the salmon farmers and we have been raising our concerns whenever there is an opportunity.

Our main issue is the underlying premise (upon which the Tasmanian salmon industry operates) that the marine environment adjacent to salmon pens will assimilate and process salmonid waste products without any long-term or broadscale detrimental effects.

The TACL provided a lengthy written submission to the Inquiry which included, amongst other key documents, a paper written by Dr Julie Mondon (Marine Ecologist, Deakin University) entitled “*Coastal marine sediment and water quality: contaminant verses pollutant risk assessment in relation to the Tasmanian salmonid industry*”.

The TACL Submission may be viewed in the Members section of our website:

www.tasabalone.com.au

One positive recent outcome is the implementation of a new R&D project focusing on improving environmental monitoring and compliance for salmon growers – Avril and I are both on the project steering committee and thus will have some input into ensuring that the abalone industry concerns are “front and centre”.

Proposed *Centrostephanus* (Long Spined sea urchin) Harvest plan

There has been much research conducted into *Centrostephanus* (long spined sea urchin) and we now have a comprehensive understanding of the animal itself and the challenge in front of us to mitigate its effects on the productivity of the East coast abalone fishery. A *Centro Working Committee* made up of representatives from the TACL, Commercial Dive Association, Urchin Processors,

IMAS and DPIPW has met twice this year and has now developed an agreed harvest plan to commence in March 2016.

The view of the Committee was that the most cost effective, efficient and “sustainable” way to maintain a “healthy balance” between the Centro population and the abalone population within our valuable inshore reef habitat is to assist where possible the commercial harvesting of Centro. Urchin processors are reporting heightened interest in Centro roe in the China market and are keen to increase production to supply this recently developing market. If we can assist them by abalone/urchin divers providing partially subsidized raw material, then this may well present a medium to long-term mitigation measure that at the same time assists the growth of a “new” export industry for Tasmania.

The key elements of the harvest plan are as follows:

1. TACL partial sponsorship of the urchin harvest dive rate is available up to 100k (from the TACL Abalone Industry Development Fund).
2. Participation in the Centro harvest will be available to abalone divers who also hold Commercial Dive licenses. Consideration is also being given to offering the opportunity to 3 or 4 of the dedicated and highly experienced urchin only divers.
3. Two designated harvest areas are likely: Cape Pillar to the northern tip of Fortescue Bay in the SE (75% of effort) and north of St Helens in the NE (25% of effort) with precise areas yet to be determined.
4. TACL sponsored Centro harvesting exercise to occur between March and May 2016.
5. Divers to invoice TACL for 75 cents per kg with balance to come from processor totaling approximately \$1.50/kg dive rate.
6. Centro harvesting to occur inshore (to a depth out to about 17 metres) targeting incipient barrens within the weed canopy.
7. Pre and post fishing surveys to be conducted and fully funded by IMAS.

As the plan develops further, additional information will be made available to TACL members.

Diver & Deckhand Forum

The TACL hosted a *Diver & Deckhand Forum* on Friday the 17th of July 2015 in Launceston. The

forum was attended by 49 abalone divers and 18 deckhands.

A minutes silence was observed at the start of the meeting for Joe Russell, recently deceased deckhand.

After 3 hours of discussion the meeting supported two key initiatives:

1. That all abalone divers adhere to a minimum dive fee of \$10/kg inclusive of \$2/kg for the deckhand and that the TACL write to all members advising them of this collective decision by divers.
2. That the TACL work with the Government to find a mechanism to reduce the number of dive entitlements.

A 26% reduction in the total allowable catch since 2005 to ensure sustainability of the abalone resource has significantly reduced tonnage available for the harvest sector. This fact combined with the ever-increasing costs associated with harvesting operations has had a detrimental effect on the financial viability of many of our divers. I strongly encourage all quota-holders/brokers/processors to discuss the dive rate with their divers and negotiate a new fee for the commencement of the 2016 quota year.

Code of Practice Workshops – September/October 2015

During September/October, the TACL has hosted two *Code of Practice* workshops for divers, deckhands and factory staff – at

each workshop, there is a morning session of 3hrs duration dealing with the TACL *Quality Assurance (QA) Code of Practice* and an afternoon session of 2 hours duration dealing with updates to the TACL *Abalone Diver Code of Practice*.



The QA Code of Practice was developed after much consultation with supply chain participants across all abalone producing states. Its primary objective is to ensure that our valuable product is handled with

optimal care all along the supply chain – for a copy of the code please go to:

http://abalonecouncil.com.au/wp-content/uploads/2013/04/Australian-Wild-Abalone-Quality-Assurance-Code-of-Practice-Master-Manual_June-2013.pdf

The Tasmanian Abalone Diver Code of Practice has been updated to reflect the latest *Work Health & Safety Act 2011* and its relevant Dive Regulations. For a copy of the updated Tasmanian Abalone Diving Code of Practice please go to the members section of the TACL website:

www.tasabalone.com.au

Additional workshops will be scheduled in the months ahead. The ultimate objective is to have all divers and deckhands complete both the *QA Code* and the *Abalone Diving Code* and processing staff (factory staff, factory managers & truck drivers) to complete the *QA Code*.

Harmful Algal Blooms – (HAB's), Bio-toxins and abalone

From time to time inshore waters around Eastern Tasmania suffer from unwanted algal bloom events - *Alexandrium tamarens*e around the central East coast and *Gymnodinium catenatum* in the South East. Both algal blooms produce toxins that may accumulate within the meat and viscera of various shellfish including abalone.

The TACL has worked closely with the *Commonwealth Department of Agriculture* and the *Tasmanian Health & Human Services* to develop a risk management plan and this has been utilised a couple of times during 2015 as bloom events occur.

Abalone fishing blocks in the Mercury Passage and in Oyster Bay have recently been closed to commercial abalone harvesting because of algal bloom events. I know that this is annoying to divers and processors but the last thing we need is to export abalone products that may contain paralytic toxins!

We will advise when these blocks are re-opened for fishing!

Australian Wild Abalone® update

I am pleased to report that stakeholder awareness and support for the AWA® Program is steadily growing. There are many exciting things happening

in the AWA® space over the next few months due in large part to the decision taken at last years TACL AGM to support the program with sponsorship from the Tasmanian Abalone Industry Development Fund.

Asian consumers are hooked on their mobile digital devices and it is now necessary for any business serious about promoting their product in Asian markets such as China and Hong Kong to establish a “**digital**” presence.

Please check out our new China AWA® website at the following link:

www.awachina.com.cn

Two key AWA® events have taken place recently – our attendance along with 6 of the AWA® Exporters at *Seafood Expo Asia* in Hong Kong from the 8th to the 10th of September 2015 and the Savour Tasmania event in Shanghai on the 9th of September 2015 – for information regarding these events, please go to the below link:

<http://abalonecouncil.com.au/rd/awa-news/>

The global market for wild caught abalone remains challenging but *full of future promise and opportunity* – in order to make the most of future opportunities we need to do the following:

1. Conduct ongoing market research in our existing and emerging markets to better understand the purchasing habits and key purchasing “activators” of the F&B sector as well as the individual consumer
2. Utilise the above mentioned “in –market” research to design a market education program to ensure an *awareness of* and a *preference for* our wild abalone products within the F&B sector initially (Executive Chefs, Restaurant & Hotel Purchasing Managers) and by individual consumers (retail) in the longer term
3. Leverage the above mentioned market education program to stimulate demand thereby eventually increasing financial returns to stakeholders and at the same time reducing the risk of “doing nothing”
4. Work harder to ensure ongoing “optimal” trade & market access for our abalone products into existing and “emerging” markets

The AWA and STAG initiatives have provided us with a solid foundation upon which to build a “fully fledged” *Market Development Program* that can eventually be rolled out in each of our key markets – there is much work still to be done and industry investment via a national marketing levy equivalent to 1% of abalone fishery GVP is required to move to the “next level”.

Early in 2016, stakeholders will receive the following key documents for their consideration:

1. A 5 year Strategic Market Development Plan with detailed Operational plans and a 5 year budget
2. A comprehensive report detailing the market research conducted via the AWA® program with key strategic recommendations
3. A comprehensive benefit/cost analysis with detailed case studies showing ROI for other Agribusiness sectors that have invested in a generic marketing program
4. A proposed management and governance framework to ensure accountability and transparency of levy funds expenditure

Further industry briefings will commence during the first half of 2016 and a formal ballot will be conducted later in 2016 to determine the level of support (or otherwise!). There is much work yet to be done as the requirements to set up a national agribusiness’ levy are very onerous – for more information please go to;

<http://www.daff.gov.au/SiteCollectionDocuments/ag-food/levies/documentsandreports/levy-principles-guidelines.pdf>

For information about the Seafood Trade Advisory Group please go to:

www.seafoodtradeadvisory.com

China Australia Free Trade Agreement

The historic signing of the **China Free Trade Agreement** in Canberra on Wednesday the 17th of June will help the Australian abalone industry be more competitive in the world's largest seafood market. Over the next 3 to 4 year period, import tariffs for abalone (which currently sit at 14%) will be progressively reduced to zero.

In the months leading up to the announcement of the China FTA by Chinese President Xi Jinping in November of 2014, the **Seafood Trade Advisory**

Group (STAG) - a joint initiative of **Abalone Council Australia Ltd, Southern Rock Lobster Ltd** and the **Australian Seafood CRC** played an important role in ensuring that Canberra's key trade negotiators were well informed about the value and importance of the Abalone and Lobster industries to the Australian economy. The STAG also made sure that the trade negotiators understood the significance of a tariff reduction in terms of the positive effect this would have on abalone and lobster exports.

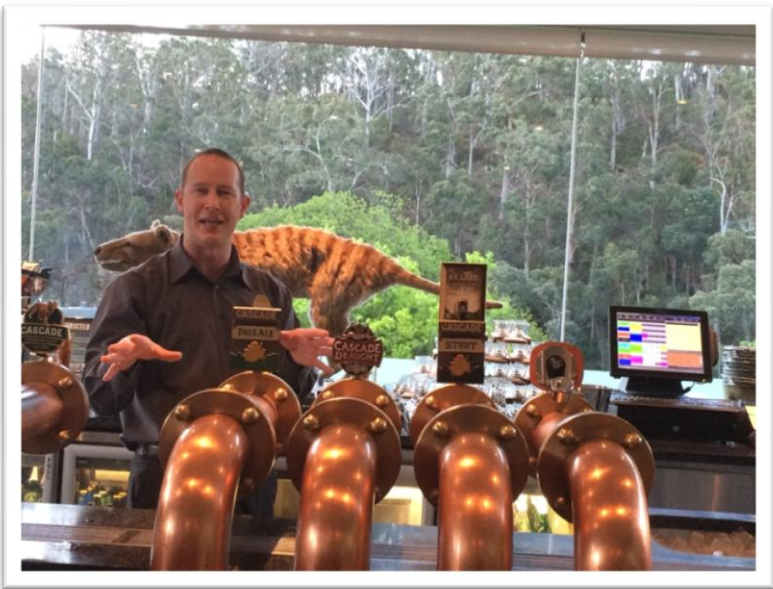
I am pleased to say that the Australian Government negotiators listened to what we had to say and pushed hard with their Chinese counterparts to secure a great outcome for the abalone and lobster industries.

Dean Lisson Chief Executive
December 2015

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[www.facebook.com/tasabalone](http://www.facebook.com/tasabalone)



The Board and Members celebrated the Annual Dinner with a fun evening at the Cascade Visitors Centre.



There are a small number of outstanding invoices for the First Aid refresher course – if you have received an overdue notice could you pay promptly please.

DPIPWE Marine Resources – change in facsimile number for Licensing and Fisheries Monitoring Section – (03) 6173 0252  
This change does not affect mobile 1300 and 1800 numbers

First Aid refresher courses with St John Ambulance in 2016 will be scheduled for July and August. Reminders and booking forms will be sent out in June.

The office will be closed from Wednesday December 23 to Monday January 11, 2016



Circa 1997?



### **Editor's Notes**

Somewhere I seemed to have missed 365 days. Perhaps not all of them but a large proportion.

2015 has been a very busy year but when I look back its also been very productive. Annually the TACL has approximately 14 face-to-face meetings a year and then the email and phone conversations, researching, submission preparations, steering committee meetings, budget preparation, oh, and the Newsletter.... All the Board members bring different skills and experiences to the table so as you can imagine the topics and perspectives vary considerably. Overall the objective is to find-a-way-to-fix-it-all but realistically at times that isn't possible.

We will miss our retiring members, and thank them for their considerable input to our Industry. And now we welcome the new Board members.

### **Expansion of the Aquaculture Industry**

The results of the Senate Inquiry where predictable. The second day of the Enquiry was for 'community' dialog. The majority of the Senators showed either considerable disinterest or a closed mind attitude. Except for Senator Whish-Wilson who disassociated himself from their final report of 130 pages with only 3 recommendations, to produce a detailed report of his own with 24 recommendations. If you have a 'minute' check out the reports. I can supply hard copies if you prefer to read the paper version. As a consequence the finfish aquaculture industry has been given the green light to double their



production and continue their expansion. Tassal will be establishing the Lippias lease during 2016. To date the TACL is not aware of plans to re-establish the lease in Recherche Bay but consider this a highly probably extension considering the problems of increasing water temperatures, algal, jellyfish and tunicate blooms and ongoing gill disease in the D'Entrecasteaux Channel and low O<sub>2</sub> in Macquarie Harbour.

The major score on the board for the TACL's (and others) work is an unquestionable awareness at Govt, Industry, science and community levels about the complete absence of baseline and long-term monitoring of rocky reefs adjacent to these farms. The lack of Regulatory requirement meant nothing happened.

To address this IMAS has commenced a 3 year, \$1m+ project specifically looking at how and what is monitored with a view to providing Govt with updated parameters specifically including rocky reef monitoring. Camille White has been appointed Junior Research Fellow to the project and brings a volume of experience to the role. Craig Mundy (IMAS) is also seeking funding for a project to assess the productivity of the Actaeons which will mesh with the main project.

As an adjunct to these projects the TACL will be seeking funding to establish a PhD Scholarship with Deakin University to undertake a biological investigation of how anthropogenic-driven processes (including salmon farm waste) impact abalone. The objective is to provide a checklist of early warning signs in the event abalone are deemed to have an adverse reaction. Dean Lisson and I are active on all the Steering Committees for the above projects.

Its taken 30 years to get the Regulators to take notice. Now we have to get changes imbedded in Legislation. The Actaeons supplies over 10% of Tasmania's abalone – that would be a crippling lose for our Industry.

Avril Brown

*The only impossible journey is the one you never begin* – quote from Anthony Robbins.

## Update from IMAS

The new year will bring substantial change in the IMAS abalone research program, with the retirement of David Tarbath at the completion of his long service leave on Dec 31. David is the second longest serving researcher at Taroona, working on abalone since 1995 and a further seven years prior to that working on scalefish and rock lobster. David has an extraordinary knowledge of the Tasmanian coastline and the fishing activity that regularly takes place along it. There is no substitute for experience, and we will most certainly miss that experience and unique understanding of our coastline, and we wish him well on his new 'work free' adventures – David has never been one to sit idle. We hope to tempt David back on occasions to assist the team with field work where we can afford to do so, and I'm sure David will be selective, choosing to join us on the more interesting journeys we are likely to have in 2016 and beyond.

We also expect there will be drivers for change in our research program through the Knuckey review, some of which we have anticipated and have already commenced. For example, we plan to have the Fishery Assessment complete by late February and possibly finalised by the first FRAG meeting of the year. This would enable an evaluation of the 2015 fishing year while it's still fresh in our minds, and then move on to 2016 issues. There will also be a change in report structure, to facilitate automation of the assessment report.

IMAS abalone staff also feel there is a need to revisit the very well attended research days that were held until 2004. The opportunity to share our achievements and intentions with industry members, and the opportunity for industry to have robust discussion with IMAS staff is an important part of communication and validation of what we do in the IMAS abalone research and assessment program. There is also a good deal of research at IMAS on areas of interest to the industry undertaking outside of the abalone research team, particularly on bigger scale issues such as changing climates. I feel this should be a standalone day, rather than embedded in one of the existing meeting formats, and I will engage with the TAC board in the new year about a suitable opportunity.

Craig Mundy