Since the last meeting in May 2016

1. Improved market conditions
2. Algal Blooms and Shellfish toxins
3. Salmonid Industry expansion plans
4. Managing impacts of Centrostephanus
5. Ministerial Review of Fishery Assessment process
6. Ministerial Review of Diver pay rates
7. TACL Communications Planning
8. Amendments to the Abalone Management Plan
9. TACL Levy
Steady improvement in Beach Price since 2013

Average Quarterly Beach price range:

$30 to $36/kg in 2013

$33 to $39/kg in 2014

$39 to $45/kg for 2015

$47 to $48/kg for 2016 so far
Improved Market conditions

1. Rising China GDP – more consumers with more to spend
2. Preference for safe food
3. Aquaculture abalone creating aspirational buyers
4. Increase in direct trade (ChAFTA)
5. Reduction in live exports – less supply
6. Gradual decline in AUD vs USD (see graph)
Improved Market conditions

Strong demand in China for large Tasmanian Blacklip abalone
Strong demand for greenlip abalone in all markets
Lower demand for processed products – prices stagnant
Tasmanian Prices align with Victoria and NSW – around $27 to $28 per kg
Japan and China FTA’s assisting
Low dollar assisting
1. AUSTRALIAN ABALONE PRODUCTION tonnes (ABARES data)
Global Abalone Supply (FAO Data)

- Global Abalone Capture tonnes
- Global Abalone Aquaculture tonnes
- Global Abalone Supply (incl. IUU)
3. GLOBAL ABALONE SUPPLY 2000-14 (FAO)
Top 10 suppliers (after China) - 16% of Global Supply in 2014
(SKorea expect to produce 35,000t in 2020 and export 14,000t)

1. Australia - wild - Blacklip, Greenlip, Brownlip, Roei
2. South Korea - farmed
3. Japan - wild - Giant abalone
4. Chile - farmed
5. Australia - farmed
6. New Zealand - wild - Abalones nei
7. Mexico - wild - Abalones nei
8. USA - farmed
This page considers the big picture trends related to China's long-term population and disposal consumer incomes.

Over the century to 2050, China's consumers will move from Rural subsistence incomes to Urban middle and upper incomes.

These trends will have large and direct positive impact on the demand for safe attractive food, including seafood.
Tasmanian Agri-Food ScoreCard
Snapshot 2014-15

4 Processed & packed value $3.90 billion

- Beer $255m
- Bakery $104m
- Confectionery $520m
- Beef $398m
- Sheep $110m
- Other livestock $75m
- Dairy $582m
- Wine $59m
- Other seafood $48m
- Rock lobster $102m
- Abalone $120m
- Apples & pears $54m
- Other fruit $71m
- Potatoes $370m
- Salmon $807m
- Other vegetables $221m
6 Overseas food exports $612 million

- Beef $150m
- Sheep meat $29m
- Dairy $156m
- Cherries $27m
- Onions $17m
- Salmon $44m
- Abalone $73m
- Rock lobster $28m
- Confectionery $47m
- All other foods $40m

Food imports $21.8 million
Commodity exports $6.8 million
Commodity imports $4.8 million
Algal Bloom Management

The Tasmanian Biotoxin Management Plan (BMP) is primarily based on analysis of shellfish meat for biotoxins supplemented by surveillance for potential harmful algal bloom species.

Tasmania has experienced relatively regular bloom events over more than two decades caused by the introduced species Gymnodinium catenatum. In 2012, Alexandrium tamarense emerged as a species with the potential for harmful algal blooms in Tasmania.
Alexandrium tamarense is a dinoflagellate known to produce saxitoxin, a neurotoxin which causes the human illness clinically known as paralytic shellfish poisoning (PSP)
Alexandrium Tamarense – germination of cysts
Algal bio-toxins (cont)

The maximum acceptable levels of bio-toxins in shellfish for human consumption are prescribed in the Australia New Zealand Food Standards Code - Standard 1.4.1 - Contaminants and Natural Toxicants.

TSQAP manages the opening and closing of growing areas using the provisions of the Tasmanian Primary Produce Safety (Seafood) Regulations 2014.

In order to provide access for Tasmanian shellfish products to local and interstate markets, the TSQAP must meet the requirements of the Australian Shellfish Quality Assurance Program (ASQAP) Operations Manual (Version 2009-01).

In order to gain access to export markets the TSQAP must also meet standards relating to shellfish harvested for export provided in the Export Control (Fish and Fish Products) Orders 2005, administered by the Commonwealth Department of Agriculture.
Abalone tissue samples tested during and after Alexandrium bloom events on East coast have so far had negligible uptake of toxins. It appears Alexandrium has a different absorption/uptake profile to Gynodinium Catenatum which occurs in the D’Entrecasteaux Channel.

*Algal bio-toxins (cont)*

**TACL Abalone Biotoxin Management Plan 2013 (ABMP)** is being reviewed and updated to take account of:

1. Changes in the way that DPIPWE manage the TSQAP
2. Development of new “abalone export eligibility” criteria within Commonwealth Department of Agriculture and Water Resources
3. Desire to reduce collection, sampling and testing costs
4. Need to expand Plan to include Alexandrium
Salmonid expansion plans

- Tassal
  - Okehampton Bay
  - West of Wedge

- Huon Aquaculture
  - Storm Bay

- Other areas???
Food pellets, chemicals and antibiotics introduced into cage to promote healthy growth of fish.

- Chemicals and Antibiotics
  - Risk of toxicity to other more sensitive species
  - Development of resistance to antibiotics

- Soluble Waste
  - Risk of nutrient enrichment and plankton blooms
    - Possible consequences include:
      - Wild swings in dissolved oxygen
      - Toxic algal blooms
      - Smothering or clogging of gills

- Soluble Waste (food and faeces)
  - Risk of smothering of sediments
    - Organic solids encourage microbiological activity, utilising available oxygen
    - Risk of anoxic sediments
    - Impoverished fauna
    - Growth of bacteria and fungi
    - Release of methane and hydrogen sulphide
Okehampton Bay
West of Wedge
Storm Bay
Okehampton Bay submission

- FRDC 2015/024 - Managing ecosystem interactions across differing environments: building flexibility and risk assurance into environmental management strategies

- It is the view of the TACL that any further inshore expansion of the Tasmanian salmonid industry (including the Tassal Okehampton Bay proposal) should be “suspended” until such time as this critically important FRDC project is completed and the recommendations from the project have been properly adopted within the broader framework of finfish farming regulation in Tasmanian waters.

- This suspension should apply to all new inshore salmonid farm sites currently proposed (or in the planning phase) by any or all of Tasmania’s Salmon farming companies.
Salmon Industry expansion

- In the meantime, the Salmon companies should be encouraged by the Tasmanian Government to
  
  1. seek additional cost and production efficiencies within the existing scale of their operations.
  
  2. expand their production volumes by constructing on-shore closed-cycle farming systems as these are now considered world’s best practice in the context of environmental outcomes.
  
  3. Alternatively, they should investigate and trial off-shore farming systems that are at least 4 nautical miles from productive inshore reef systems.
Centrostephanus Mitigation Program sponsored by TACL 2016

Main Objectives:

1. To remove Centro from productive abalone harvesting areas to 20m depth where incipient barrens may transition to extensive barrens if not “cleared”

1. Where possible, collaborate with the “emerging” Tasmanian Urchin industry to build a long-term strategic approach to restoring and maintaining the ecological balance between abalone and urchin populations on the East Coast

2. Determine the most economically efficient way of achieving objective 2 by trialing, monitoring and continuously improving the approach/strategy
Centrostephanus

- A Centro Working Committee - TACL, Tasmanian Commercial Divers Association, Urchin Processors, IMAS and DPIPWE was formed in 2015 and 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.
Centro

- *Abalone Industry Development Fund (AIDF)*

- The trial was a success with 12 tonne of Centro being harvested around the St Helens region – most of these urchins (about 40,000) were harvested from incipient barrens on productive abalone reefs.

- It will now be very interesting to monitor how the reef habitat recovers.

- The TACL is keen to work with the Tasmanian Commercial Divers Association to conduct another harvesting program in 2017. It is expected that more processors will participate in 2017 and that we will be able to expand harvesting to include other sections of the East Coast.
Knuckey Review of Abalone Fishery Assessment Process

- Reviewed by TACL Board, IMAS and DPIPWE
- Makes 30 recommendations
- Primary recommendation is the development of a formal harvest strategy with
  - Operational objectives
  - Performance indicators
  - Reference points
  - Tested decision rules
Knuckey Review

- Currently trialing a Multi-Criteria Decision Analysis (MCDA) tool to guide management decisions
- Aiming for a more structured and robust approach to fishery assessment
- MSE testing of the MCDA indicators and control rules required
- Formal Harvest Plan is the end game – not legislated but to be used as a guide for key fishery management decisions
Dive Rate Review

- Initiated by Minister
- Ian Knuckey and Sevali Sen have been engaged
- Aiming to talk to as many stakeholders as possible
- Divers, quota owners and processors
- Preliminary report in November 2016
- Final report end of 2016
Terms of Reference

A detailed description of the operation of the commercial abalone dive rate by zone and by species.

Identification of the key determinants of dive rates and the reasons for their variance.

An assessment of the costs and benefits of the operation of the present private market in the case of dive rate in the Tasmanian commercial abalone fishery will need to be clearly set out.

In consultation with abalone stakeholders (including quota holders, divers, processors, brokers) identify alternative options to determine the dive rate. These alternatives may include but not be limited to:
- a cost-of-production plus normal profit approach by zone;
- a schedule of payments linked to the beach price;
- collective bargaining; and,
- rationalisation of the dive sector.
Dive Rate Review

- This task will most likely require some updating of the dive cost calculated in the 2009 Felmingham Report and strongly rely on the cooperation of industry to provide reliable data.

- Undertake an analysis of the consequence of alternative options for actors along the supply chain. This analysis may involve a benefit cost analysis or it may be more realistic to conduct a semi-quantitative risk assessment.
University of Tasmania students build artificial kelp reef for experiment
A UNIVERSITY of Tasmania team has completed the painstaking process of transplanting 500 kelp plants onto artificial reefs near Maria Island.

THEMERCURY.COM.AU
Welcome to Tasmanian Abalone Council.

We represent the Abalone industry – the divers, non-diving quota holders, processors and exporters. Our members have created a world-leading sustainable model – Tasmania is not only the world’s largest exporter of wild abalone, but also the most sustainable. We work with our members, researchers and government to continually improve our industry. Find out more about our role and our members here.
TACL Levy

Introduced 2007
No substantive increases since then
TACL required to manage an increasing number of issues in recent years
Operational deficits since 2014
Deficits accumulated now at about 70k
Increase in levy is now required
DPIPWE confused about section 279
Solicitor General consulted and process clarified
TACL outlines case to Minister
Minister writes to TACL members declaring he will make a determination to increase the levy
Members have 21 days to submit a response
Minister reviews responses and makes final determination
Seafood Trade Advisory Group

• Key issues
• SO2 in canned abalone – still one of the 5 priorities
• Program Assisting Small Exporters (PASE), funded an extension to the STAG to develop and provide:
  – Seafood Exporters with a China Market Intelligence Service
  – Communication Resources about Seafood Safety Programs for use overseas
  – Safefish Technical Collaboration
  – Updating of the STAG priorities beyond 2016
The Seafood Trade Advisory Group (STAG) was initially set up with the support and financial assistance of the Seafood CRC and FRDC, by major exporters of Southern Rock Lobster (SRL), Western Rock Lobster (WAFIC) and Australian wild harvested Abalone (ACA).

So far.....

Recognition of the STAG by Government Ministers and Cabinet as a reliable source of information about seafood related issues

CHAFTA and JAEPA

Monitoring of trade notices – import regulatory changes followed by notification of exporters (translation)

Deemed values

Customs clearance times

Sulphur Dioxide in canned abalone
SafeFish

Provides technical advice on food safety and hygiene

Helps resolve barriers to trade

Risk assessments

Technical briefing papers for Government regulators to consider

www.safefish.com.au
Marketing Levy Consultations

- New prospectus is being developed (expected to be completed end of October 2016)

- Department of Agriculture requirements


- Industry briefings from October 2016 to February 2017

- Poll expected to take place in March 2017

- Levy potentially in January 2018 (subject to Ministerial and Parliamentary approval)