

## CEO Report



October 2018



1. October 2018 Catch update
2. Fishery performance summary
3. Current and future Market conditions
4. Election commitments – AIRF establishment plus royalty reduction to 5%
5. AIRF call for projects
6. EMP for Lower Channel/Actaeons
7. Trans Tasman Abalone Convention

## Catch Update

1-Oct-18

|                      | 2018 TAC kgs     | Total Caught   | Total Uncaught | % of TAC taken |
|----------------------|------------------|----------------|----------------|----------------|
| Bass Strait Blacklip | 91,000           | <b>75,201</b>  | 15,799         | 82.6           |
| Eastern Blacklip     | 294,000          | <b>217,543</b> | 76,458         | 74.0           |
| Greenlip             | 133,000          | <b>88,568</b>  | 44,432         | 66.6           |
| Northern Blacklip    | 98,000           | <b>64,582</b>  | 33,418         | 65.9           |
| Western Blacklip     | 717,500          | <b>476,838</b> | 240,662        | 66.5           |
| <b>Total</b>         | <b>1,333,500</b> | <b>922,732</b> | <b>410,769</b> | <b>69.2</b>    |

# Fishery Performance summary

## Western Zone:

2015 90kg/hr

2018 115kg/hr

28% improvement on average across all blocks: Target CPUE met or exceeded in blocks 7, 8 and 9, 12 and 13 (between 110 and 150 kg/hr). CPUE in blocks 6,7,8,9,10,12 and 13 are stable or increasing. CPUE in block 11 has fallen slightly relative to 2017 although catch stats from this week have not been added as yet.

## Eastern Zone:

2016 50kg/hr

2018 57kg/hr

14% improvement on average across blocks 13 to 21. However all blocks still below target CPUE by between 10 and 20kg/hr. CPUE in blocks 16,17, 20, 21, 29 and 31 improving in 2018. CPUE for blocks 13 and 14 appears stable at 60 kg/hr. Blocks 22 to 28 – capped at 8 tonne – CPUE around 55 kg/hr

This zone is heavily impacted by: Centro – above Cape Pillar

Marine Heat waves in 2010 and 2016

Storm events in 2010 and 2016

# Fishery Performance summary

## Northern Zone:

2017 60kg/hr

2018 70 kg/hr

17% improvement on average across all blocks; All blocks still below target CPUE.

## Bass Strait Zone:

2016 60kg/hr

2018 70kg/hr

17% improvement on average: 6 sub blocks at or above Target CPUE; 4 blocks below Target CPUE.

## Greenlip Zone:

Steady at 57 kg/hr; all blocks currently below Target CPUE. KI and NW sub blocks have improved; Perkins Bay and Furneaux have dropped away. NE steady.

## Steady improvement in Beach Price since 2013

Average Quarterly Beach price spreads (all product forms) -

\$30 to \$36/kg in 2013

\$33 to \$39/kg in 2014

\$39 to \$45/kg for 2015

\$44 to \$56/kg for 2016

\$47 to \$56/kg for 2017

\$59 to \$62 so far for 2018

Record high prices \$80/kg for live blacklip with overseas selling price at over \$100/kg

## Current Market situation

### LIVE:

Strong and consistent demand for live blacklip abalone due to short supply.

Current record prices for Tasmanian live abalone into China over \$80/kg beach price and \$100 overseas selling price. Why – Large robust blacklip that is not available elsewhere. Shortage of supply. Competition between processors for product.

### PROCESSED:

Canned abalone prices now achieving over \$800 USD per carton. Cannery holding very little in the way of stock – no need to undersell due to increased demand. Frozen and rumbled meat currently achieving improved returns. Beach price back to 2005 levels at around \$38/kg.

### COMPETITION:

Competition in key markets from farm products from China and South Korea. Also increasing competition from farmed product from South Africa and Chile.

## Total Australian Production has declined by 35% since 2011

| State             | TACC in tonnes 2011/2012 | TACC in tonnes 2017/2018                  |
|-------------------|--------------------------|---|
| Tasmania          | 2366.00                  | 1333.50                                   |
| South Australia   | 834.40                   | 717.50                                    |
| Victoria          | 806.40                   | 595.30                                    |
| Western Australia | 349.40                   | 143.40                                    |
| New South Wales   | 94.00                    | 100.00                                    |
| <b>TOTAL</b>      | <b>4450.20</b>           | <b>2889.70</b> (35% reduction in 6 years) |

NZ: 1250 t in 2001/02  
918 t in 2011  
706.7 t in 2018 (23% reduction)



## Market and Trade conditions

### Upside:

- Strong demand in China for large Tasmanian Blacklip abalone
- Strong demand for greenlip abalone in all markets
- Increasing demand for processed products
- Japan and China FTA's assisting
- China import tariff reduced to zero by January 2019

### Risks:

- Australia/China relationship deteriorates
- Xi Jinping wants China to be the predominant power in the Asia Pacific
- US led Trade Wars destabilizing global markets
- Contracting Chinese economy (IMF growth rate down to 6.6%)
- Tasmania highly dependent on China – 90%+ of sales

# South China Morning Post – Wednesday 17<sup>th</sup> October 2018

China's currency down 6.4% this year

China's growth rate down from 6.7% in June qtr to 6.6 % for 3<sup>rd</sup> quarter 2018

Shanghai stocks down 22.3% this year

So far Trump has announced tariffs of up to 25% on US\$250 billion of Chinese made goods

Trump pursuing US\$500 billion increase in tariffs

Xi Jinping focused on short term stimulus to halt slowing economy

"Conflict with China over trade, investment, technology and geopolitical dominance will only escalate"

10 OCTOBER 2018

# THE AUSTRALIAN



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**JANET ALBRECHTSEN (P12)**  
‘#MeToo’ - a movement with no leader, no mission and a bandwagon as big as the internet’



**PARIS HOLIDAY**

**LIFE (P10)**  
The latest from fashion's premier catwalk



**NEWS (P3), BUSINESS (P19)**  
**Marvellous**  
Daphne Benaud passes Richie's baton to Adam Gilchrist

IMF DOWNGRADES AUSTRALIA'S ECONOMIC GROWTH OUTLOOK AMID TARIFFS ROW

## US, China trade war warning

**EXCLUSIVE**

SIMON BENSON  
DAVID UREN

Josh Frydenberg has urged the US and China to de-escalate their trade war before it gets “out of control”, amid warnings by the International Monetary Fund that Australia's economy is about to be caught in the crossfire.

The IMF yesterday issued a sharp downgrade of Australia's economic growth for next year, amid the trade deadlock between the two largest economies, as G20 finance ministers and central bank governors prepare to meet in Indonesia tomorrow.

The Treasurer, who will meet US Treasury Secretary Steve Mnuchin at the summit, told *The Australian* he would take a “clear message” to the forum that the trade war must be contained.

The meeting will be held against the backdrop of deteriorating US-China relations, with no resolution in sight to the trade impasse and growing military tensions in the South China Sea, following a near-collision involving two warships.

A diplomatic row broke out between US Secretary of State Mike Pompeo and China's Foreign Minister Wang Yi in Beijing on Monday, with China accusing the

US of escalating the trade friction in response to Mr Pompeo's claims of “fundamental disagreements” with Beijing over trade and foreign policy. This followed an incendiary speech last week by US Vice-President Mike Pence, who accused Beijing of trying to meddle in US mid-term elections to undermine Donald Trump.

The IMF report said US trade relations against China posed a “systemic” risk if they were allowed to develop into a full-blown trade war. As a result, tariff measures imposed during the dispute, the IMF expected Australia's economy would expand by 2.8 per cent next year, down from 3.2 per cent this year. The figure for this year was slightly ahead of the IMF's last forecast in April.

The downward revisions to the 2019 growth forecast for Australia – partially reflect the negative effect of the recently introduced trade measures, the fund said in its global outlook, re-

**Has America just started Cold War II?**

Did Cold War II break out last week while no one was watching? As the Kavanaugh battle raged, many missed what looks like the biggest shift in US-China relations since Henry Kissinger's 1971 visit to Beijing. Vice-President Mike Pence gave a guide to the approach in a speech detailing a strategy to counter what the US considers Chinese military, economic and political aggression.

ANALYSIS P8

leased yesterday ahead of IMF and World Bank meetings to run alongside the G20 meeting in Bali.

Mr Frydenberg told *The Australian* he believed there had been little trade-related impact to the broader economy.

“The trade tariffs imposed by the US and China cover only about 2 per cent of world trade, so they have had little macroeconomic effect to date,” the Treasurer said.

“However, we can't allow trade tensions between the US and China to get out of control. It is in the interests of both Australia and the world for differences between the US and China to be resolved

as quickly as possible. That means sending a very clear message that free trade equals more jobs, free trade equals more investment and free trade means higher economic growth.”

The IMF had previously expected Australia to achieve 3.1 per cent growth next year. The latest forecasts from both the Reserve Bank and Treasury envisage Australia's growth holding at 3 per cent for the next several years.

The IMF has downgraded its growth estimates for the global economy to 3.7 per cent this year and next, down from an estimate of 3.9 per cent for both years issued in July. Although the forecast for the next two years is still the highest since the global financial

Continued on Page 4

MORE REPORTS P4  
WORLD P8  
BUSINESS P19  
GLENDA KOPRORAL P25



‘I love it here because you feel free’ ... Yiling Wang and Nicky Zhang, postgraduate students from Shanghai studying at Sydney University

## Prepare for Beijing ‘student blockade’

**EXCLUSIVE**

TIM DODD  
HIGHER EDUCATION EDITOR

University of Queensland chancellor Peter Varghese has urged Australian universities to prepare for a possible Chinese government

curb on international students by directing the profits they earn from Chinese students into a future fund and not use them for immediate needs.

Mr Varghese, who as head of

the Department of Foreign Affairs and Trade was Australia's chief diplomat until two years ago, warned that universities would suffer if Australia decided to use its students as an economic lever against Australia.

Speaking at the National Conference on University Governance in Adelaide, he said universities should also reduce risk by diversifying student source markets, particularly to India and Indonesia.

Nevertheless, Mr Varghese urged universities not to voluntarily restrict the still-booming

Chinese student market because, in the absence of political factors, Chinese demand was “more likely than not” to remain strong.

“While demand remains high, it makes little sense for Australian universities to turn their back on the revenue stream offered by students from China and elsewhere,” he said. “But it would be wise to invest the profit margin for the longer term, not use it for current expenditure. Put it into a future fund or endowment, which would give universities a measure of resilience in the event that the mar-

ket abruptly shifts for reasons beyond the control of universities.”

Mr Varghese would not put a figure on the amount he believed universities needed to put aside. He told *The Australian* it was a “substantial amount of money across the university sector” but he did not have an estimate of profits earned from Chinese students.

Yiling Wang and Nicky Zhang came to Australia about a year ago to study at the University of Sydney. “I love it here because you feel free,” Ms Wang said. “You can feel

Continued on Page 4

## Help us fight tech threat: spy boss

**EXCLUSIVE**

ROSIE LEWIS

Spy chief Duncan Lewis has appealed to Labor and cross-bench senators to back the government's new encryption laws, saying the Australian Security Intelligence Organisation was confronting “one of the most significant and gravest technological challenges” in its history.

Mr Lewis, ASIO's director-general of security, revealed 95 per cent of terrorists, spies and hackers were using encrypted communication and data, and said it was “greatly concerning” their activities remained undiscovered or hard to track.

Labor has refused to endorse



Lewis

the laws, which are to be reviewed by federal parliament.

The government will need to win over eight of a 10 Senate cross-benchers of Labor joins with the Greens to oppose the legislation. *The Australian* understands none of the cross-benchers has committed to supporting the bill, with tech giant including Google and Facebook joining an alliance with civil libertarian groups to campaign against the law.

Writing in *The Australian* today, Mr Lewis says effective encryption helps protect bank accounts, private conversations and business transactions “fundamental to our nation's prosperity and security”, but cautions that protection is “equally available to, and used by, those who would do Australia harm”.

“I feel it is important that Australians are aware ASIO faces one of the most significant and gravest technological challenges

## INSIDE

**We must understand that the China-Australia relationship has entered a new phase. The China of Xi seeks to become the predominant power in Asia and its economic reach gives it considerable leverage.**

PETER VARGHESE P28





# US and Chinese navy ships narrowly avoid high seas collision

## Disputed island groups in the South China Sea



## Conclusion

Were military clashes to occur, the economic consequences would be significant. Economic growth would suffer, and regional supply networks and major sea lanes could be disrupted.

Devaluation of dollar is helping.....4% decrease since July

1 Australian Dollar equals

**0.74 United States Dollar**

|      |                      |
|------|----------------------|
| 1    | Australian Dollar    |
| 0.74 | United States Dollar |



1 Australian Dollar equals

**0.71 United States Dollar**

16 Oct., 5:35 am UTC · Disclaimer

|      |                      |
|------|----------------------|
| 1    | Australian Dollar    |
| 0.71 | United States Dollar |



# 2018 State Election Commitments

The Liberal Government has confirmed in the State Budget support for the following outcomes:

## **Establishment of the Abalone Industry Re-investment fund (AIRF)**

- 1% of industry GVP redirected from royalty to the AIRF during 2018/2019 (\$750,000)
- 1.5% of industry GVP into AIRF during 2019/2020 (\$1.1 million)
- 2% of industry GVP into AIRF during 2020/2021 and 2021/2022
- (\$1.5 million)
- **\$5.1 million over next 4 years**
- Review of AIRF in 2022 prior to permanently reducing royalty to 5% .
- The royalty reduction will be legislated before the end of the next parliamentary term.

# AIRF Governance

- The AIRF to be jointly administered by a Management Committee made up of representatives from the TACL, DPIPWE and expert advisers from IMAS. A Trust Deed to be drafted that includes agreed governance arrangements and defines the scope of projects that the AIRF may be used for – much like the existing Abalone Industry Development Fund (AIDF).
- A Centro Steering Committee (CSC) to be established from representatives from the TACL, CDAT, DPIPWE and IMAS. The Steering Committee will advise on operational and technical matters.

# Abalone Industry Reinvestment Fund (AIRF)

Currently finalising Governance Framework:

1. Deed
2. Management and Assessment Committee

DPIPWE and TACL are finalising terms and the membership of the AIRF Committee – then requires Ministerial approval.

The aim is to support projects that assist in maintaining and enhancing the sustainability and value of the abalone fishery.

In particular, the AIRF will:

- Focus on projects to reduce the *Centrostephanus rodgersii* (long-spined sea urchin) population on the east coast.
- Focus on projects to increase abalone stocks



## AIRF Assessment Committee:

The AIRF will be largely managed through an assessment committee. The AIRF Assessment Committee will have five major roles:

1. Set the strategic direction for the AIRF.
2. Encourage contributions to the strategic direction through means via calling for EOI's.
3. Assess projects submitted to the AIRF Assessment Committee.
4. Refer projects for financial sign-off.
5. Report the AIRF's performance to the Minister.

## AIRF Advisory Committee:

DPIPWE: Director Marine Resources (Chair)

DPIPWE: Manager Wild Fisheries Management Branch

DPIPWE: Principal Fisheries Management Officer (Dive Fisheries)

TACL: President

TACL: Vice President

TACL: Treasurer

TACL: Chief Executive

IMAS: Prof. Caleb Gardner

(Executive officer [DPIPWE])

## Approved purposes

Potential activities or research in respect of which the AIRF may be expended include:

research projects addressing biological, stock enhancement or climate change issues;

activities or research that would improve the productivity of the abalone fishery;

activities or research that would improve/enhance biosecurity of the abalone industry or respond to or manage aquatic disease;

activities or research that would reduce or ameliorate the impacts of introduced marine pests or species under a range extension scenario;

# TACL Accelerated Centro Harvesting Program

- A potential AIRF Project - accelerated harvesting/culling program from block 30c in the north and block 22a in the south.
- Subsidies to divers and processors
- 2 subsidy systems: during roe season and non-roe season
- Harvesting/culling/liming???
- RDE opportunities leveraged by FRDC and ARC/CRC's
- Fertiliser, bio-active chemicals etc



# CENTRO

YEAR ONE BUDGET: 650K to 750K

- Allocate \$225k to:

Subsidised roe (uni) harvest by urchin divers. This supports the fledgling Centro urchin sector and removes 300 tonne of Centro per annum from "above the weed line" thus reducing the risk of barren formation down to around 15 metres in depth. This will assist in slowing and/or reversing the loss of habitat required for productive and sustainable abalone populations.

- Allocate balance of \$275k (maybe up to \$425K) to:

Strategic and targeted culling by urchin and/or abalone divers of Centro barrens that lay beyond the 15 metre depth range

1. Trialling Quicklime killing techniques on deep barrens (20m plus)
2. Support RD&E investment into ways to improve the quality of Centro roe
3. Support RD&E investment into commercialisation of Centro waste  
- e.g. for bioactive compounds and as a nutrient rich fertiliser



## Abalone industry

As the world's largest exporter of wild abalone, the industry is incredibly

## News

Tasmanian Abalone Council News

## About us

What does the Tasmanian Abalone Council do?

## Members

You'll need to have your username and password to login and view this section

Tasmanian Abalone Council LTD > **News**

## News

[Risks to the Tasmanian Abalone Fishery from further expansion of the Salmonid Industry October 2014](#)

[Tasmanian Abalone Council Submission re draft EMPC\(EL\) regs 2018](#)

[A Plan for Environmental Monitoring of abalone reef systems within the Lower D'Entrecasteaux Channel and Actaeons Reef Systems](#)

[A Plan to accelerate the removal of Centrostephanus rodgersii \(long spine urchin\) from Tasmania's East Coast](#)

Tasmanian Abalone Council Ltd Submission to the Draft Storm Bay North MFDP Nov 2017 – Feb 2018

Abalone Council submission re draft amendments to the Tasman Peninsula and Norfolk Bay MFDP January 2018

[Tasmanian abalone industry submission to the Sustainable Salmon Growth Plan September 2017](#)

[Commonwealth Department of the Environment and Energy re Tassal waste dumping October 2017](#)

[Letter to EPA re Tassal waste dumping October 2017](#)

## On This Page

### About abalone



### Gallery



### Videos



Maintaining healthy abalone reef systems on Tasmania's East coast by:

(1) accelerating the harvest of *Centrostephanus rodgersii* and

(2) assisting the establishment of a commercially viable industry  
based on the sustainable harvest of *Centrostephanus rodgersii*



Report for the Tasmanian Abalone Council Ltd

May 2018

Prepared by Dean Lisson





## Existing Centrostephanus Mitigation Program sponsored by TACL 2016/2017/2018

Main Objectives and outcomes to date:

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

# Centro harvested to date via TACL subsidy:

2016: 17,979 kgs or about 54,000 urchins

2017: 34,816 kgs or about 105,000 urchins

2018: 172,116 kgs or about 516,000 urchins

**TOTAL: 224,911 kgs**

**Total number urchins removed to date: 675,000.....**

From between St Helens/Bay of Fires region south to Maria Island.

**distribution of *Centrostephanus rogersii***

- barrens patches
- no barrens, individuals common
- no barrens, individuals rare
- uncertain

2005

0 50  
Kilometres

St Helens  
(1978)

Bicheno  
(~1980s)

Maria Island  
(~1980s)

Tasman Peninsula  
(during 1980s)



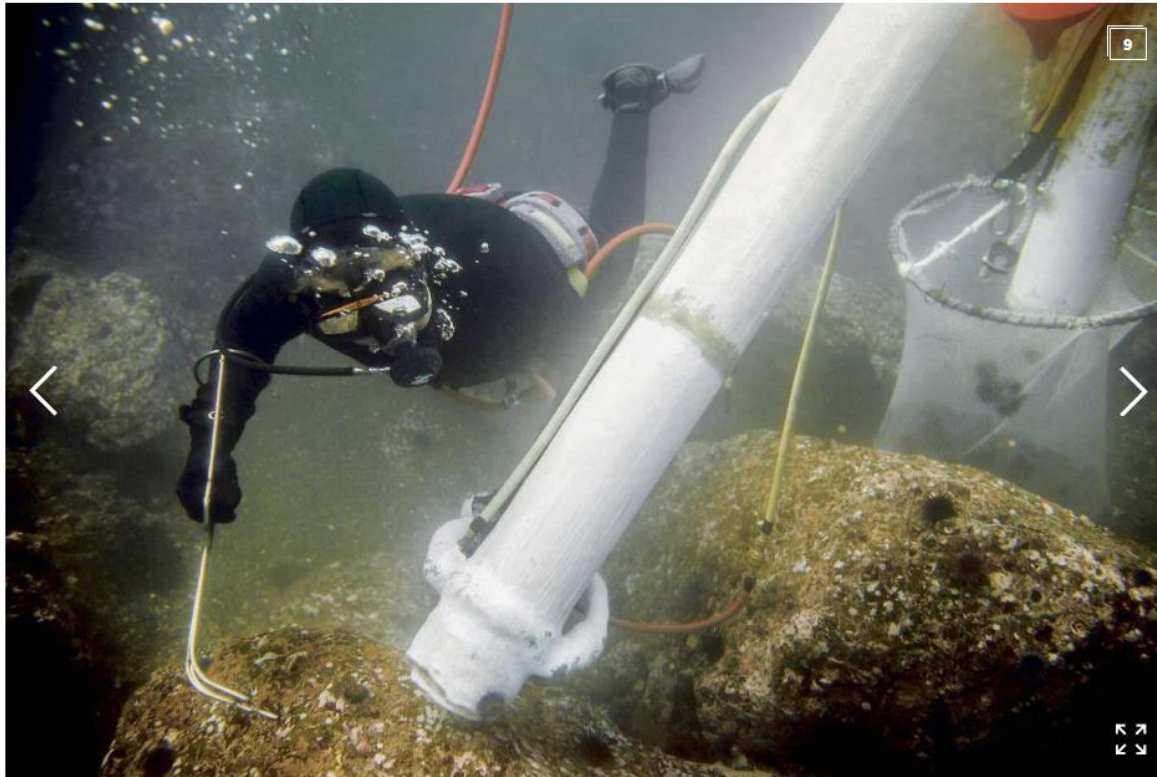
**FOOD**

# Northern California divers battle to save abalone — with a giant sea-urchin vacuum


**Tara Duggan**

April 6, 2018

Updated: April 6, 2018 11:30 a.m.



1 of 9

Near Fort Bragg, Jon Holcomb clears purple sea urchins from the ocean floor using an urchin rake and an air lift.

Photo: Brian Feulner / Special to The Chronicle

Usually, the first weekend of April is when abalone divers pack up their wetsuits and fins and head off to campsites along the Sonoma and Mendocino coast. However, this year's recreational abalone season is closed due to a population on the brink of collapse, so the diving community has

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## Most Popular

It should have been  
President Hillary Clinton.  
Here's why it's not

Woman found guilty of  
throwing Chihuahua to his  
death from SF parking  
garage

California gearing up for big  
battle over rent control

Ultimate Guide: The 16 best  
ice cream shops in the San  
Francisco Bay Area

Scooter 'treasure hunt':  
Nighttime chargers make  
big money

# Potential AIRF project - Stock Enhancement of the Eastern Zone abalone fishery – 22A to 31C

Potential Investment: \$2 million over 4 years

Three options to consider:

1. Translocation of mature abalone
2. Re-seeding using hatchery reared juveniles
3. Re-seeding using hatchery or locally produced larvae

Each option has pros and cons in terms of effectiveness and biosecurity risk.

Options 2 and 3 would involve changing a long-term policy of the TACL. This policy is not permitting genetic material from abalone farms into Tasmanian waters.

Potential Collaboration with Abalone Aquaculture sector.....

The success of stock enhancement around the world has been highly variable to date. Japan has been re-seeding for 40 years with mixed results.....

## Additional considerations

It goes without saying that a comprehensive risk management plan from Biosecurity Tasmania would be required to mitigate potential risks for any larval seeding, juvenile seeding or translocation trials.

Ultimately, stock enhancement of areas depleted of wild abalones is an attractive proposition provided the medium to long-term returns exceed the costs and the disease and genetic risks can be identified and appropriately mitigated.

That said, there always remains the “no-risk option which is of course to reduce the commercial catch to very low levels and simply allow nature to take its course - this may be a much slower pathway to healthy productivity but at least the risks are truly minimal!

# Environmental Monitoring of the Lower Channel and Actaeons Reef systems

Funded by IMAS

Joint initiative TACL and IMAS

Scotts Point, Lippies Pt, Sisters Bay, Partridge Island, Tower Bay, Lady Bay, Southport, Actaeons island, George III Reef

Abalone recruitment profiles (juvenile collector strings)

Sediment quantity and composition profiles (suspended trap collectors)

Rapid assessment reef health surveys (weed type and cover, substrate cover, sediment/dust, filamentous/green algae)

Water and sediment quality data

Abalone abundance surveys



Environmental Monitoring of abalone reef systems within  
Eastern Zone fishing blocks 13 and 14

(Lower D'Entrecasteaux Channel and Actaeons Reef System)

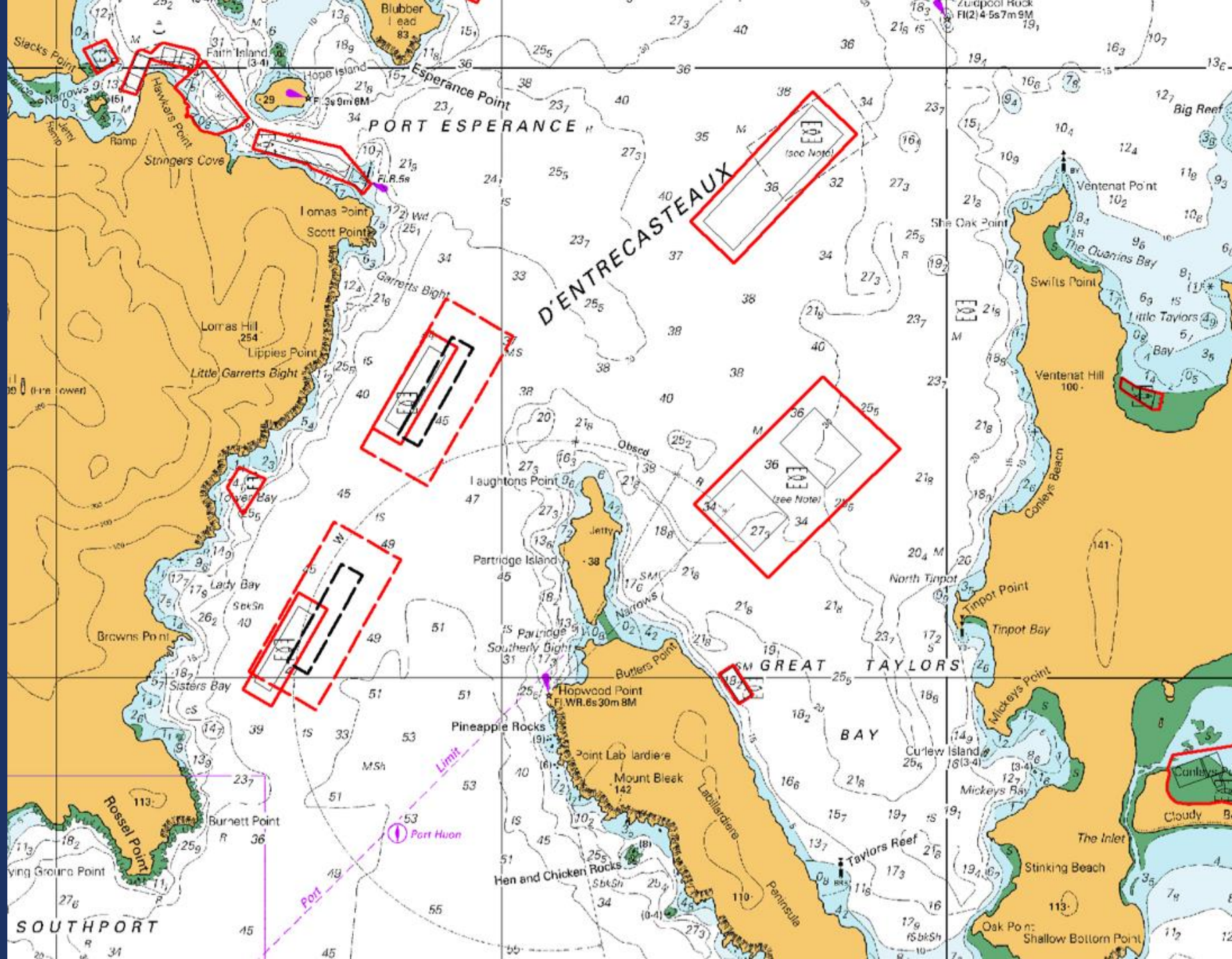


Report for the Tasmanian Abalone Council Ltd

November 2017

Prepared by Dean Lisson

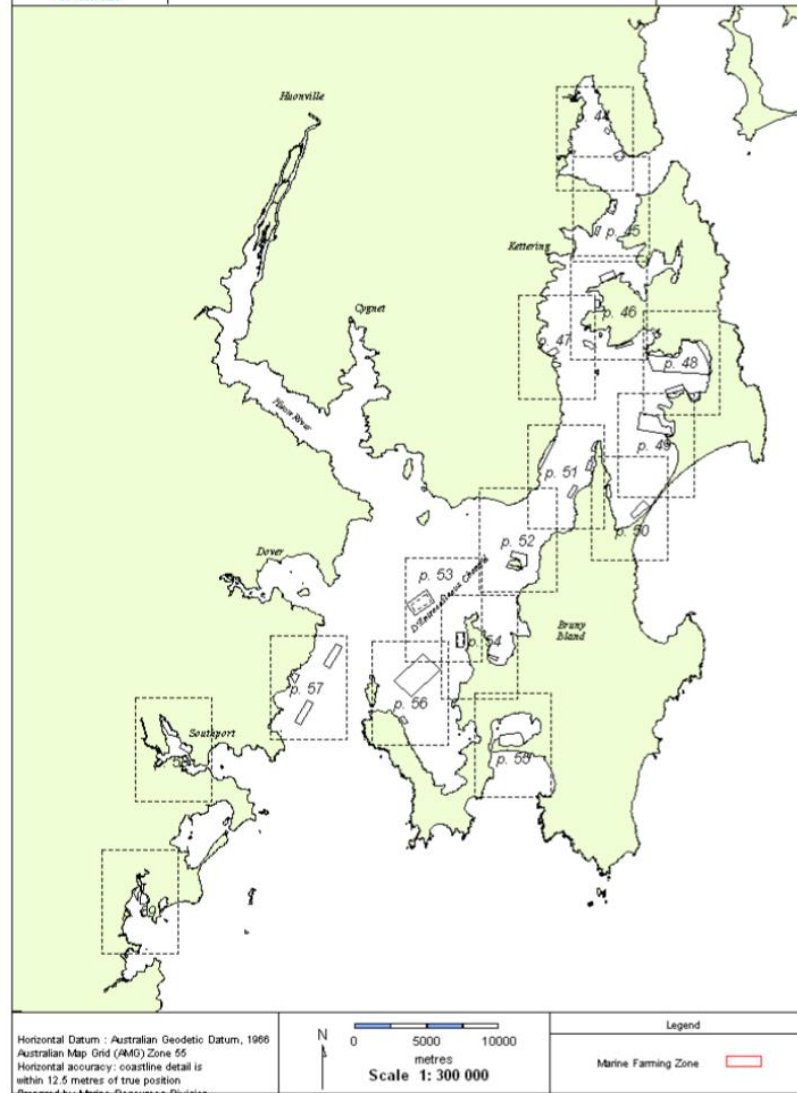






## Map 2.2 - Marine Farming Zones in the D'Entrecasteaux Channel

DEPARTMENT of  
PRIMARY INDUSTRIES,  
WATER and ENVIRONMENT



# Environmental Monitoring of the Lower Channel and Actaeons Reef systems

Joint management committee TACL/IMAS

Meets twice per year to review datasets

Early detection of changes/ anomalies/ emerging trends

Where possible, abalone divers may be used for data collection

Trigger for regulatory response from Government/salmon industry

Template for inclusion within salmon EMP

# Trans Tasman Abalone Convention

7<sup>th</sup> Convention hosted by ACA

- Australian and New Zealand stakeholders
- July 29 to 31, 2019
- Place: Hobart      Venue: Grand Chancellor
- Welcome Reception      MONA via ferry
- 2 days
- Similar format to the 2014 Convention in Queenstown, NZ



6th National Abalone Convention  
August 6-8, 2014  
Queenstown, New Zealand







## Managing the future of the Australian Wildcatch Abalone Industry



The Abalone Council Australia Ltd (ACA) is the peak industry body representing the wild-harvest abalone Industry from the five producing states of Tasmania, Victoria, South Australia, Western Australia and New South Wales. Collectively these state-managed fisheries will produce 2,900 tonnes (wet live weight) of wild harvest product in 2018, which represents about 50% of the total global supply of wild caught abalone.

One of the primary functions of the ACA is to oversee and manage national Research and Development investment in abalone related research.

The ACA has partnered with the Fisheries Research and Development Corporation (FRDC) to ensure that investment in abalone related R&D supports and underpins the developmental needs of the Australian Wild Harvest Abalone industry. The ACA provided the services and organisaitonal structure to support and deliver FRDC project 2012-404: Wild Harvest Abalone National RD&E Planning, Management and Oversight. This Project 2012-404 was the management project for the inaugural ACA IPA. The Final Report for this project is available for [download here](#).

### State Industry bodies



**ABALONE INDUSTRY ASSOCIATION  
OF SOUTH AUSTRALIA Inc.**  
Working for a Sustainable Future



#### Coming Events

[View Calendar](#)

#### 7th National Abalone Convention

**Date:** 29 July 2019 - 31 July 2019

# Abalone Council Australia

## Key Stakeholders

---

- Tasmanian Abalone Council Ltd
  - Abalone Industry Association of South Australia
  - Abalone Industry Committee Victoria
  - Abalone Association of NSW
  - Western Australian Abalone Industry Association
  - Abalone Association of Australasia (Exporters)
  - Fisheries Research and Development Corporation
-

## Research & Development



### Abalone related Research Projects

Clicking on the title of the project will take you to the project detail on the FRDC website, including link to Final Report if project completed.

| Funding Entity and project number | Project Title and link to Final Report  | Principal Investigator | Organisation |
|-----------------------------------|---|------------------------|--------------|
| FRDC 2018/061                     | <a href="#">ACA Planning and Management for a National Research, Development and Extension Program</a>                            | Dean Lisson            | ACA          |
| FRDC 2018/004                     | <a href="#">SafeFish 2018-2021</a>  | Alison Turnbull        | SARDI        |
| FRDC 2017/225                     | <a href="#">Improving risk management of paralytic shellfish toxins in the Blacklip Abalone (Haliotis rubra rubra)</a>            | Alison Turnbull        | SARDI        |
| FRDC 2017/124                     | <a href="#">Developing a new five year Strategic Plan for RD&amp;E Investment in the Australian wild harvest abalone industry</a> | Dean Lisson            | ACA          |





## Tasmania

### Tasmanian Abalone Council Ltd

The Tasmanian Abalone Council (TAC) is the voice of the fishery, representing divers, non-diving quota-holders, processors and exporters. The council is proud that its members' far-sightedness has made the fishery a model for the rest of the world. The TAC is committed to further improvements through research and management initiatives.

Through sound management practice and skilled harvesting techniques, the Tasmanian Abalone Council has successfully translated natural advantages into sound economic gains, ensuring a bright future for the industry in Tasmania.

For more information on Tasmanian Abalone Council, visit their [website](#).

### Total Allowable Catch

Each year the abalone Total Allowable Catch, known as the TAC, must be set for the next quota year - which is aligned to the calendar year.

An allowable catch needs to be set for each zone in the fishery, which together comprises the total allowable catch. Each of the 3,500 quota units then provides access to the same amount of abalone in each zone, and the fishery as a whole.

That is, the TAC set for a year is divided by 3,500 to determine the amount each quota unit provides for that year. As the TAC changes, the quota units are amended each year correspondingly.

For more information on Tasmanian Abalone fishery management, visit the DPIWWE [website](#).



**Abalone Council  
Australia Ltd**

# STRATEGIC PLAN 2018-2023

Abalone Council Australia Ltd  
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Ph: +61 3 6169 2050  
[www.abalonecouncil.com.au](http://www.abalonecouncil.com.au)



### ACA Strategic Objectives 2018-2023

1. Healthy stocks maintained at biological optimums
2. Abalone stewardship - globally verified and promoted
3. A clear and harmonised Harvest Strategy in every state fishery
4. Higher productivity through innovation – pre and post harvest
5. A professional marketing program for the world's best abalone
6. Australia recognised as the global Home of Wild Abalone
7. Smart people using best practices
8. Team work across Australian abalone fisheries and users
9. An efficient ACA leading a national industry
10. Build social capital for industry benefit





## Discover Australian Wild Abalone



### Turning the tide

Investing in consumer education and promotion for Australian wild-caught abalone

The global market for abalone is more challenging now than it has ever been in the industry's history. There is an ever-increasing quantity and range of abalone products available to consumers worldwide. Australian wild-caught abalone products need to "stand-out from the crowd".

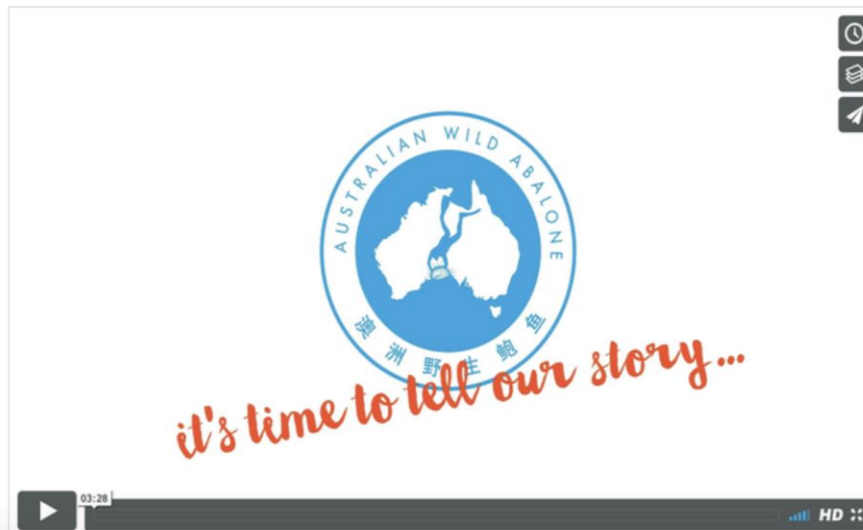
Click [here](#) for further information about the Australian Wild Abalone program.



[Home](#) ▾[Reports and Downloads - AWA Marketing Levy](#) ▾[What is the AWA Program?](#)[Contact](#)

# Investing in Marketing

*for the future of the Australian Wild Abalone Industry*



Until around 2000 Australia was the dominant supplier of Abalone globally - with about 50% of market share. Due to the rapid growth of the Abalone aquaculture industry since then, Australian wild harvest Abalone now represents less than 3% of total global supply. With such a small market share it is now more important than ever for Australia to stand out from the crowd and ensure the future of the industry.

In order to effectively differentiate our product, the industry must



# Turning the tide

Investing in consumer education  
and promotion for Australian  
wild-caught abalone

( INVESTMENT ♦ PROSPECTUS )





# Turning the tide

Australian Wild-Caught Abalone  
Consumer Education and  
Promotion Program





# Levy Ballot

- *Levy Prospectus and Consumer Education and Promotion Program available for download from [www.abalonepal.com](http://www.abalonepal.com)*
- Electoral Commission preparations – October/November
- Poll to take place in November/December 2018
- Levy potentially in June 2019 (subject to Ministerial and Parliamentary approval)

[www.abalonepal.com.au](http://www.abalonepal.com.au) for information

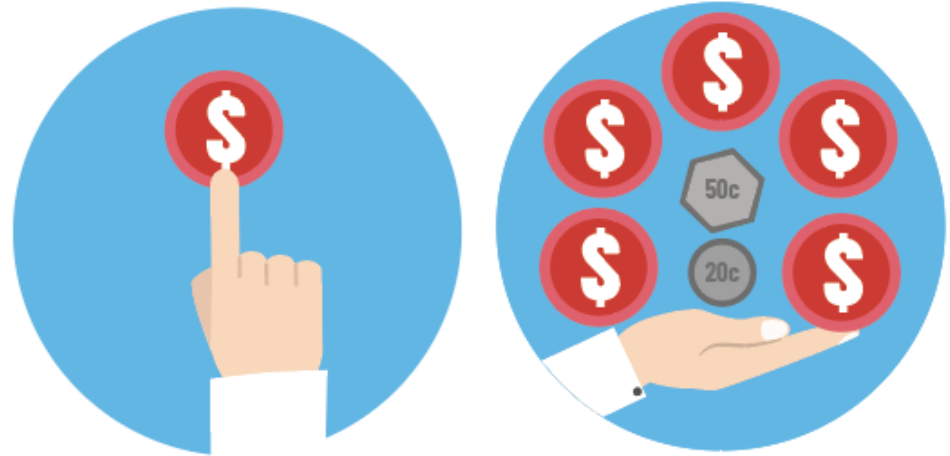


[www.abalonepal.com](http://www.abalonepal.com)



# Return on Investment

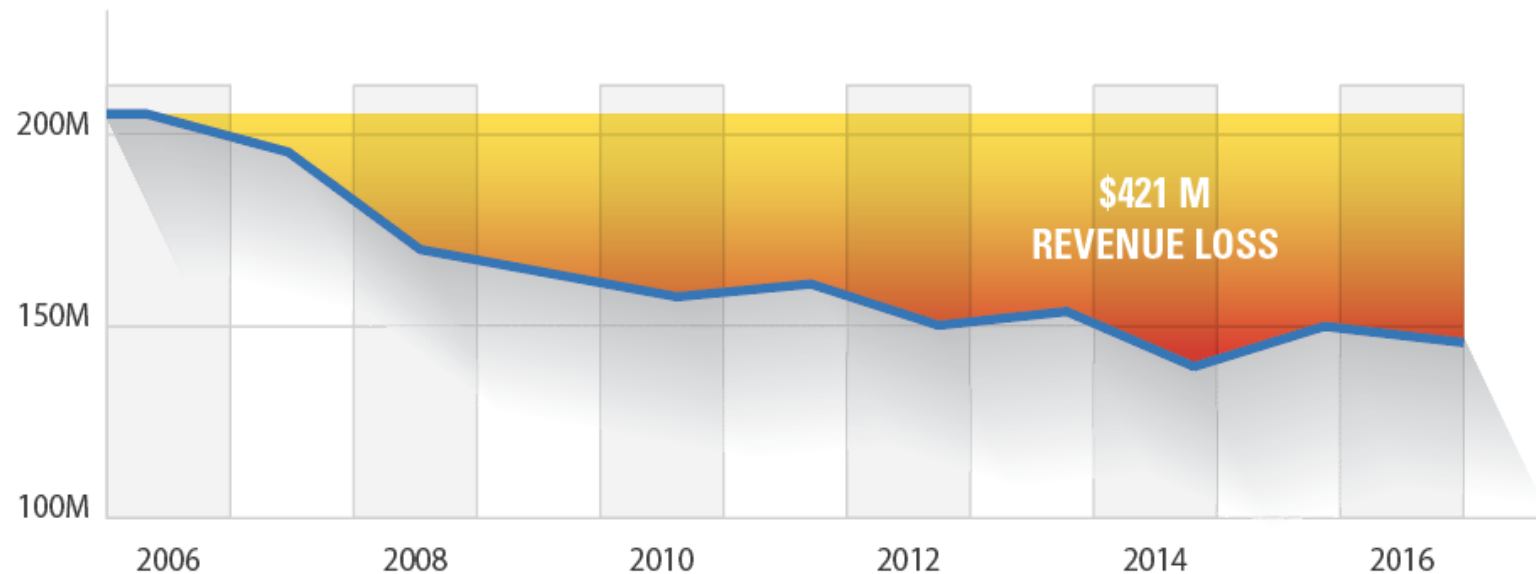
**Quota owners will receive \$5.70 back for every \$1 invested over the five year period (the original \$1 plus \$4.70)**



# DECLINING PRODUCTIVITY AND REVENUE

VALUE OF AUSTRALIAN WILD-CAUGHT ABALONE INDUSTRY 2006–2016

**There has been a 3% decline in industry  
revenue on average between 2006-2016**



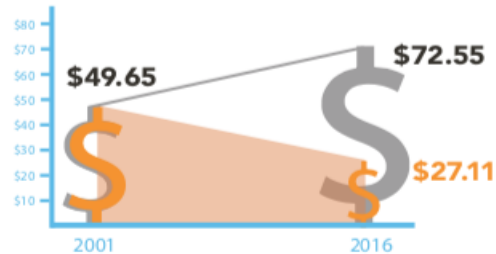
(SOURCE: ABARES 2017)

## DECLINE IN INFLATION ADJUSTED BEACH PRICE

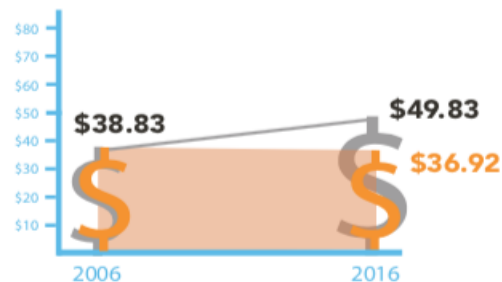
There has been a significant fall in inflation-adjusted beach prices in all five abalone-producing states since 2001. The following graphs summarise the situation in each state.

The following graphs illustrate how the beach prices in all states have not kept pace with inflation. The orange figures are the average beach prices expressed in nominal terms. The grey figures for 2016 show the price that should have been received IF the 2001 (or 2006 in the case of WA) beach prices had kept pace with inflation. In all cases there is a gap.

### VICTORIA

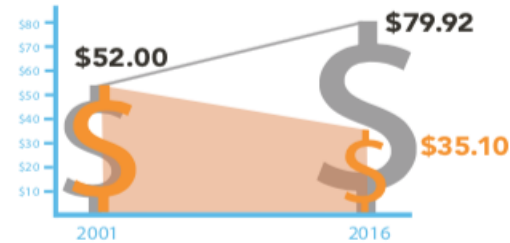


### WESTERN AUSTRALIA

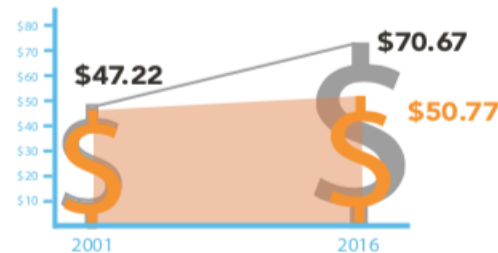


**NOTE:** WA price information only available from 2006. This data is for Greenlip and Brownlip only

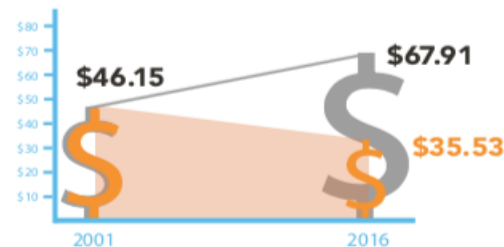
### NEW SOUTH WALES



### TASMANIA



### SOUTH AUSTRALIA



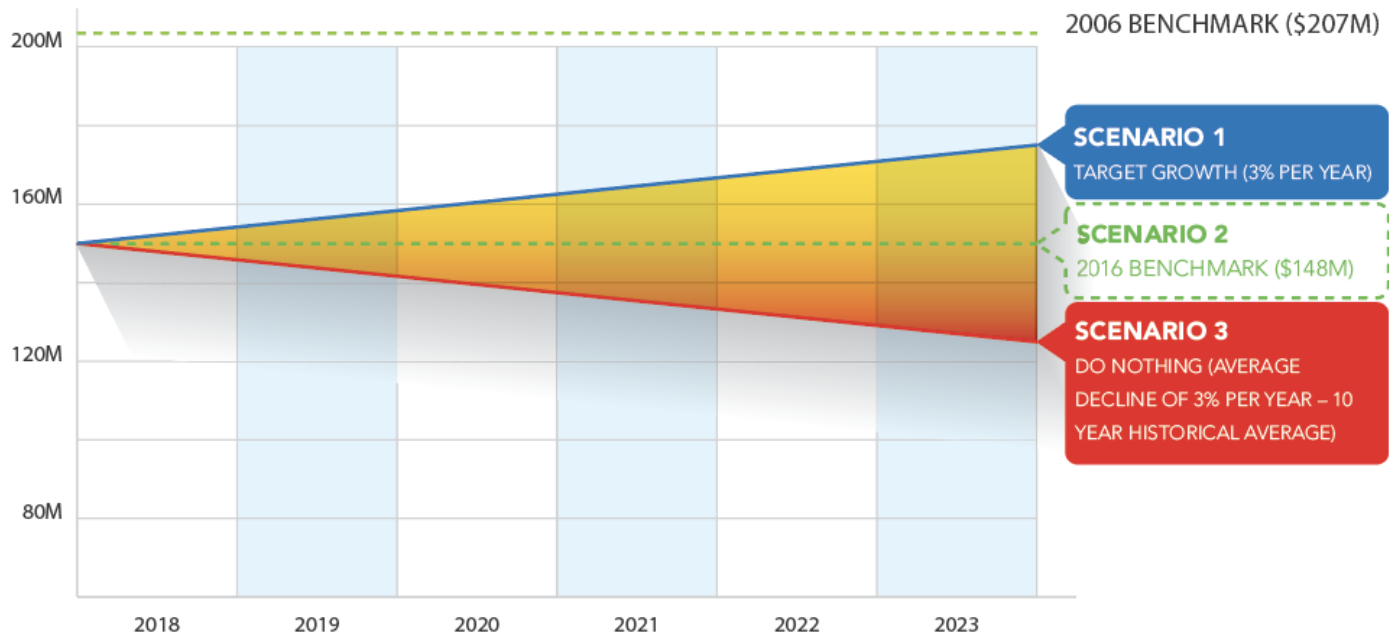
**SOURCE:** Data provided by abalone peak bodies in each state

Inflation adjusted prices based on Reserve Bank of Australia calculator

### KEY

- Nominal Price
- Real Price (2001 price maintaining pace with inflation)

# Target Growth





# CONSUMER EDUCATION AND PROMOTION PROGRAM PILLARS

Working in all five markets the program will undertake activities to differentiate Australian wild-caught abalone as a special product worthy of a market premium.

## PILLAR 1

### AWA® TRADEMARK

Telling the  
AWA® story

Nanotag and  
fraud  
protection

Licencing and  
management

Managing and  
monitoring use

## PILLAR 2

### GLOBAL MARKET ACCESS

Seafood Trade  
Advisory Group

Safefish

New Market  
indentification  
and  
development

## PILLAR 3

### CONSUMER AWARENESS AND ENGAGEMENT

Targeted  
in-market  
marketing  
programs

Tourist/visitor  
engagement  
programs

Social media and  
competitions

## PILLAR 4

### AWA® SUPPLY CHAIN ENTERPRISE SUPPORT

Supply chain  
education and  
engagement  
program

Key influencer  
engagement  
program

E-commerce  
platforms

## PILLAR 5

### CONSUMER INSIGHTS AND MARKET RESEARCH

Marketing  
impact

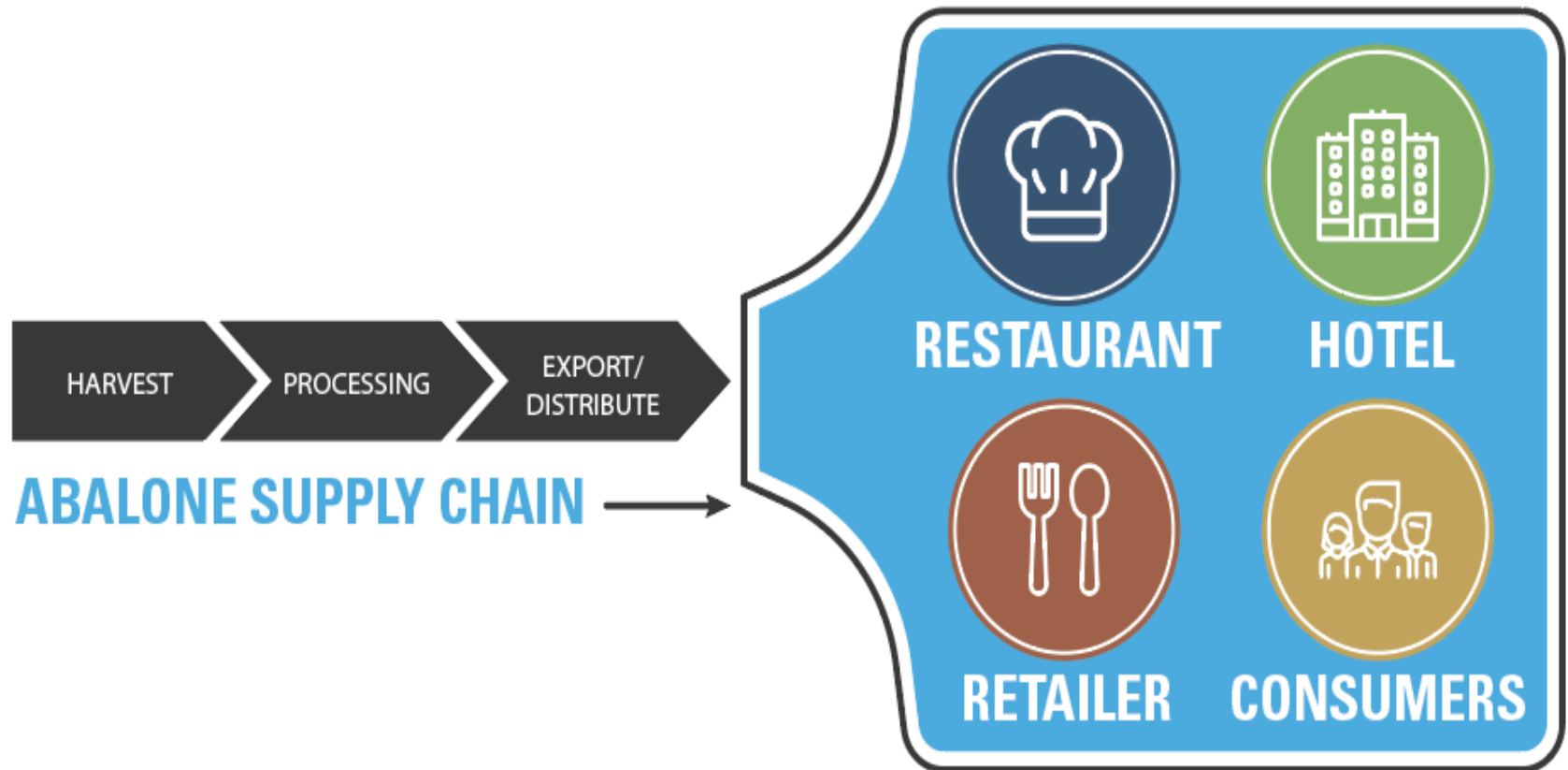
Consumer  
insights

Supply chain  
performance

Market  
intelligence

AWARENESS AND PREFERENCE FOR AUSTRALIAN WILD-CAUGHT ABALONE WILL BE CREATED AT THE CONSUMER AND RETAILER END OF THE SUPPLY CHAIN.

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## KEY MARKETS

The value-growth trends in the five key markets provide new opportunities for Australian wild-caught abalone to reach current and develop new consumers.

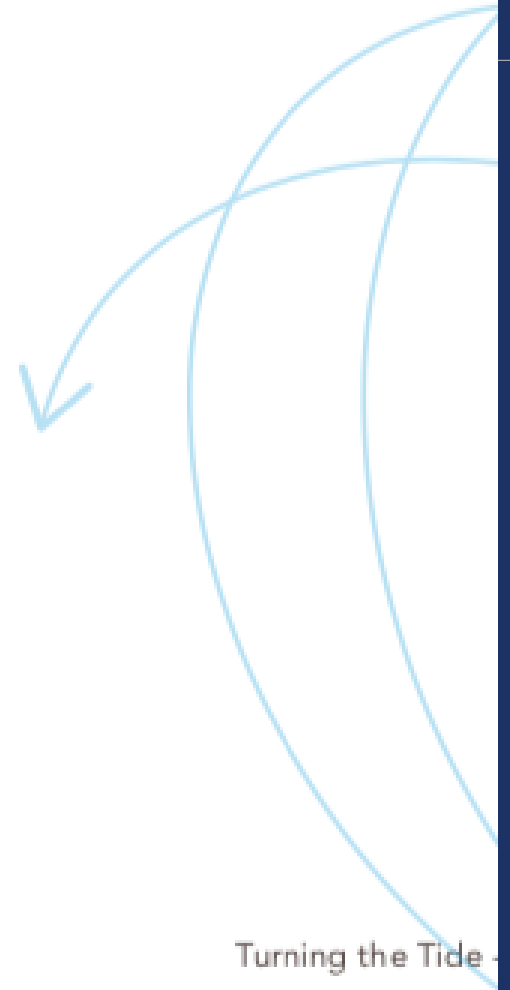
We have an opportunity to create abalone connoisseurs, much like wine connoisseurs, where consumers can impress their friends and family with their knowledge of premium abalone: Australian wild-caught abalone.

# SUPPORT FOR INDIVIDUAL COMPANIES

The Consumer Education and Promotion Program will provide support to individual Australian wild-caught abalone businesses. This support will include:

- access to a market intelligence service;
- use of the Australian Wild Abalone® trademark (to qualified and approved businesses);
- access to marketing collateral (such as videos, photos, advertising copy) and resources; and
- profiling in consumer promotion campaigns.

The full plan can be downloaded from the Abalone Promotions Australia website ([www.abalonepal.com](http://www.abalonepal.com)).





## ADVISORY COMMITTEE

The Fisheries Research and Development Corporation will establish an Australian Wild Abalone® Consumer Education and Promotion Program Advisory Committee.

The committee will comprise up to seven people with the skills, knowledge and experience to advise the Fisheries Research and Development Corporation on how the levy should be invested and to help the Corporation monitor and report on Program performance.

### Role and function of the advisory committee

The Consumer Education and Promotion Program implementation plan has been developed during the levy consultation process. This plan will be provided to the advisory committee to guide its execution, with due regard to the strategic goal, the budget available and ongoing review of consumer insight and market research.

The committee will oversee and guide the annual planning, implementation and reporting process, ensuring opportunities for input from abalone industry and levy payers, and comprehensive performance reporting to all stakeholders.

The full Consumer Education and Promotion Program has been provided with the ballot documentation and hard copies are available from the Abalone Council Australia Ltd Secretariat (see contact details on page 34).

The Consumer Education and Promotion Program is also available at [www.abalonenepal.com](http://www.abalonenepal.com)

### Selection and appointment

There will be a widely circulated call for nominations (from within and outside the Australian wild-caught abalone industry) and selection will be undertaken by a committee comprising Abalone Council Australia Ltd and Fisheries Research and Development Corporation nominated persons. Selection will be based on agreed selection criteria and the constitution of the committee will ensure that all necessary skills, knowledge and experience are present. Recommendations will be made to the Fisheries Research and Development Corporation Board for approval.

The selection criteria will include knowledge and expertise in:

1. Planning and executing whole of industry marketing and promotion programs.
2. Planning and executing marketing and promotion activities in any of the key markets of China, Hong Kong, Australia, Japan, and Singapore.
3. Developing and managing brands, particularly high end luxury brands.
4. Consumer insight analysis and application to marketing programs.
5. Marketing program performance evaluation and reporting.
6. Stakeholder engagement and management.
7. Business planning and investment.

It is also expected that at least two members of the committee will have abalone industry knowledge and expertise (one from a production/ quota holder and one from an export/sales perspective).

An independent chairperson (someone with no financial or pecuniary interest in the Australian wild-caught abalone industry but who has experience with managing and implementing collaborative investments in market development) will be appointed jointly by Fisheries Research and Development Corporation and Abalone Council Australia Ltd. Each committee member will be appointed for three years .

## TENDERING AND CONTRACT MANAGEMENT

All expenditure is to be made in accordance with:

1. The agreed Consumer Education and Promotion Program.
2. Fisheries Research and Development Corporation financial management policies related to tendering and contracting.

## REPORTING

The Fisheries Research and Development Corporation will be responsible for all reporting.

The reports will be provided annually to all investors and will include information detailing:

- expenditure against budget;
- effectiveness of the Consumer Education and Promotion Program activities (see section on performance measurement); and
- any planned changes to activities for subsequent years.

All investors will receive annual reports that will include details of the activities undertaken in each market as well as information about the effectiveness and impact of those activities. The annual report will also provide progress reports against the performance targets outlined in this prospectus

Abalone Council Australia Ltd will also provide regular updates via regular newsletters and updates. From time to time, face-to-face consultation meetings will be held by Abalone Council Australia Ltd directors, such as at state peak body annual general meetings to enable direct investor input to the Program.

The Fisheries Research and Development Corporation will produce an annual levy report to be presented to the abalone industry and the Department of Agriculture and Water Resources.

## CHANGING OR CEASING THE LEVY

The Consumer Education and Promotion Program will be conducted for five years because experts advise that this is the minimum time before substantive changes in consumer behavior will occur.

Quota owners will always have the power to alter the investment amount by requesting that another national vote be conducted. This includes the ability to stop the investment completely at any stage during the next five years.

Note that changing the levy or ceasing requires legislative amendments and changes must be in line with '**Levy Principle 12: Amendments to existing levies**' which states the following.

*The proposed change must be supported by industry bodies or by levy payers or by the Government in the public interest. The initiator of the change must establish the case for change and where an increase is involved, must estimate the additional amount which would be raised. The initiator must indicate how the increase would be spent and must demonstrate the benefit of this expenditure for levy players.*

In any event, after five years another ballot will be conducted to decide whether to continue investing in a collaborative Consumer Education and Promotion Program.



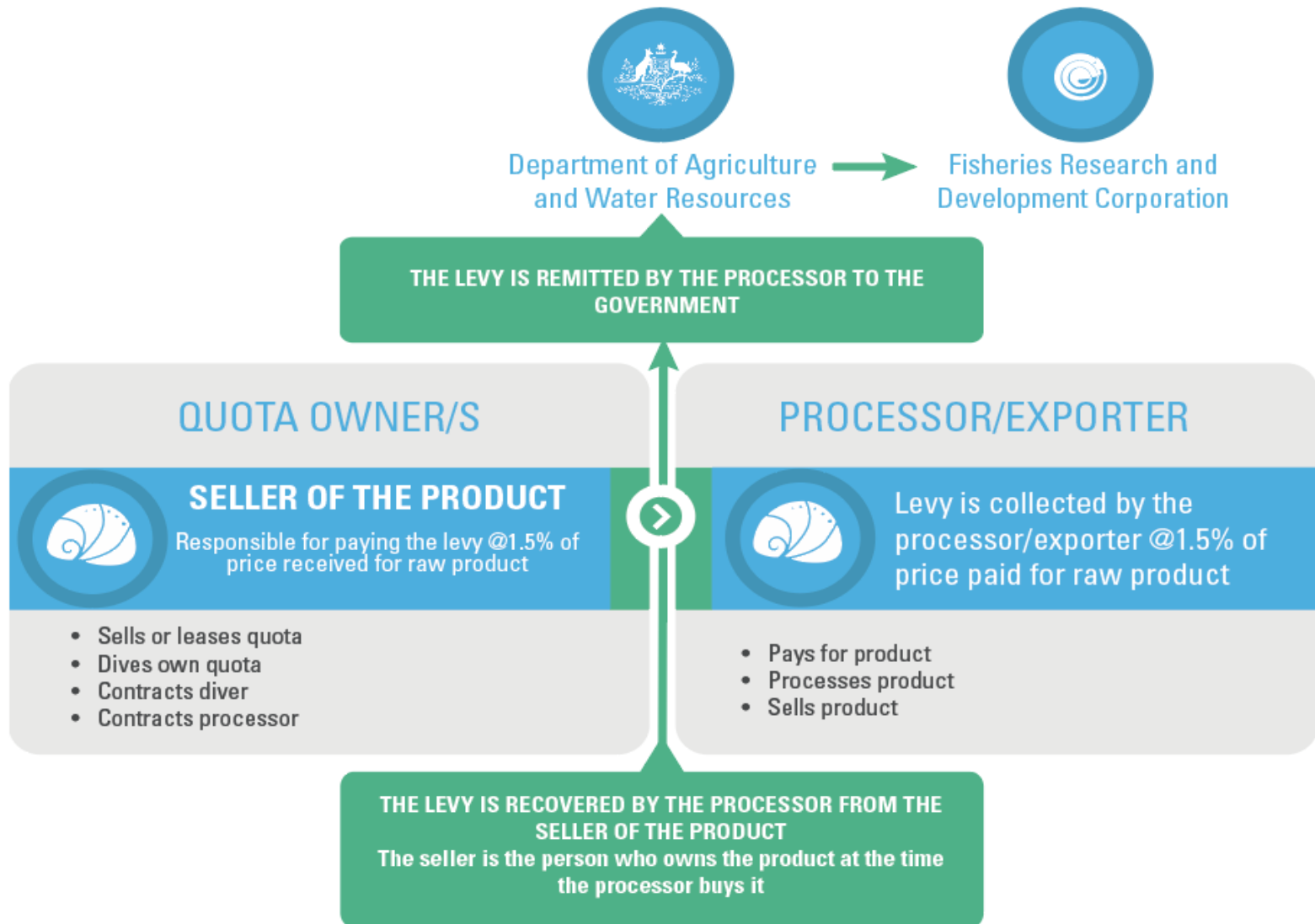
## AUSTRALIAN WILD ABALONE® 5 YEAR BUDGET SUMMARY

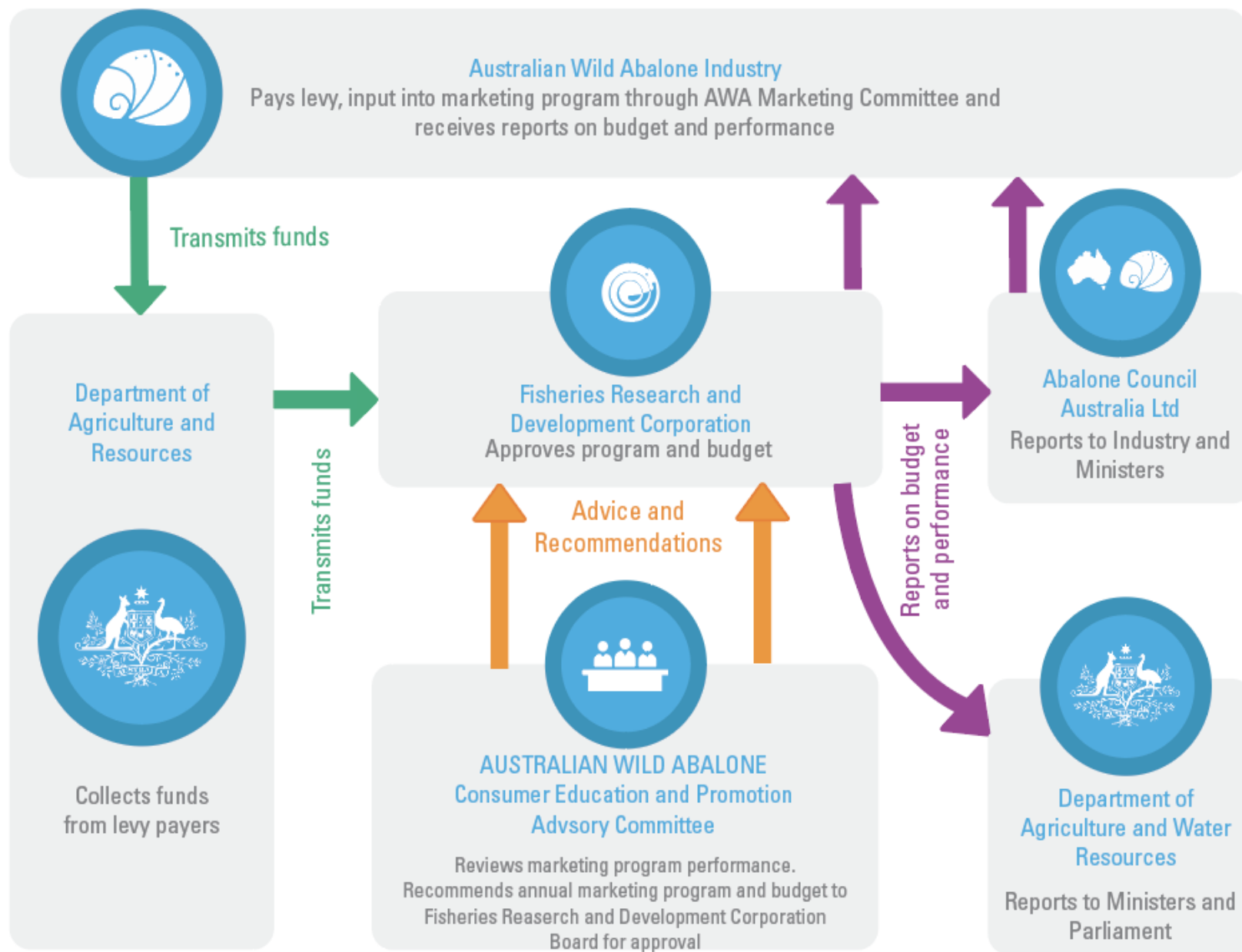
| ACTIVITIES  | 5 YEAR BUDGET       |
|---|---------------------|
| In-market consumer education activities and abalone enterprise promotion support in China, Hong Kong, Australia, Japan and Singapore                  | \$7,500,000         |
| AWA Trust mark administration management and cross-market coordination (includes collateral development, some content creation and translation costs) | \$2,500,000         |
| Levy administration:<br>Fisheries Research and Development Corporation  | \$ 500,000          |
| Department of Agriculture and Water Resources   | \$ 220,000          |
| Opportunity and contingency fund  | \$1,280,000         |
| <b>Total</b>  | <b>\$12,000,000</b> |

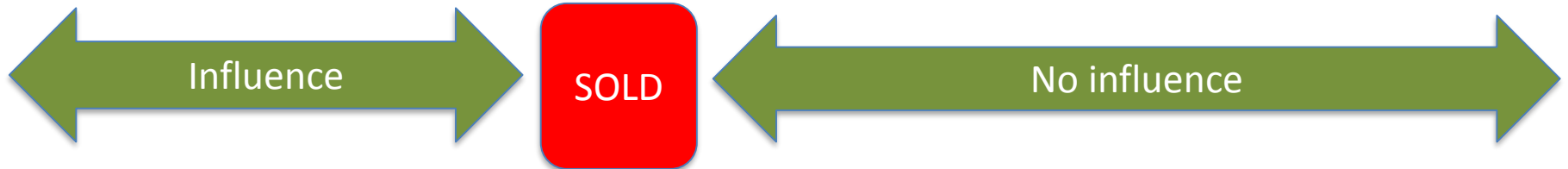
**Spreading investment across all five markets will provide benefits to all stakeholders**



# Levy collection point







Role of AWA® Program  
Create an awareness and preference for  
Australian Wild Abalone products at this  
end of the supply chain

# Role of AWA® Program



首页

产品

舌尖的享受

捕鱼师

关于AWA

联系我们



[www.candyabalone.com](http://www.candyabalone.com)



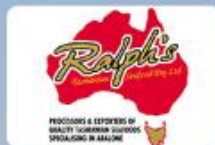
[www.westernabalone.com.au](http://www.westernabalone.com.au)



[www.tasmaniaseafoods.com.au](http://www.tasmaniaseafoods.com.au)



[www.streakybayseafood.com.au](http://www.streakybayseafood.com.au)



[www.ralphstasmaniaseafood.com.au](http://www.ralphstasmaniaseafood.com.au)



[www.hotdogfisheries.com.au](http://www.hotdogfisheries.com.au)



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[www.abalone.com.au](http://www.abalone.com.au)



[www.doverfisheries.com.au](http://www.doverfisheries.com.au)



[www.craigmostyn.com.au](http://www.craigmostyn.com.au)



[www.blueskyfisheries.com.au](http://www.blueskyfisheries.com.au)

# Kansom Pouches Brisbane Airport





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## 黑边鲍鱼

生长在澳大利亚南部各地沿海的礁岩中，  
生长于南澳、塔斯马尼亚、维多利亚和  
新南威尔士州海域。

[联系出口商](#)



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## 寻迹鲍鱼

澳洲野生鲍鱼的生长分布，决定了其的品类。  
不同鲍鱼的品类，更有其独特的风味。

[了解更多](#)

### 寻迹鲍鱼

多种野生鲍鱼品类，  
构成澳洲鲍鱼的独特之处。

[了解更多](#)

### 舌尖的享受

卓越品质遇上大师巧做  
领略舌尖上的曼妙滋味

[了解更多](#)[微博](#)

AWA V 上海

[+ 加关注](#)

#About AWA 澳大利亚野生鲍鱼标志(AWA)代表着世界上最高质量的野生鲍鱼。澳大利亚鲍鱼出口商必须遵循AWA的质量保障守则，才可以在他们产品的包装上展示AWA标志，表明其品质可信。







## 从海洋到你

澳洲野生鲍鱼对生长环境极为挑剔。唯有生长在鲨鱼出没的水域的鲍鱼，才能确保其天然的野鲜味。

[了解更多](#)

### 寻迹鲍鱼

多种野生鲍鱼品类，构成澳洲鲍鱼的独特之处。

[了解更多](#)

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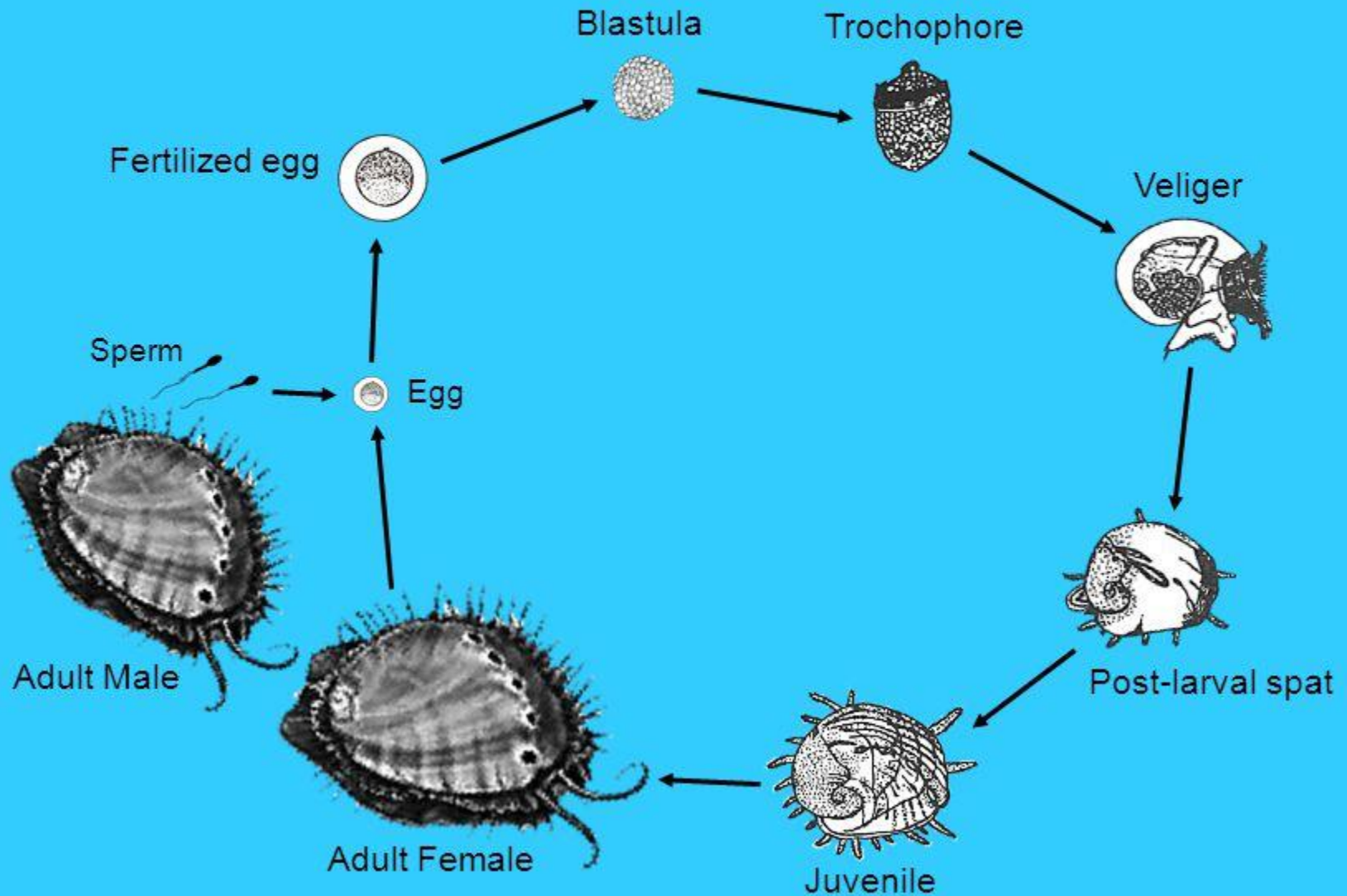




The End



# Abalone life cycle





## Option 3: Re-seeding using hatchery reared juveniles

The use of hatchery reared juveniles for re-seeding may have some efficiency and cost advantages over larval seeding provided the bio-security risks are comprehensively identified and properly mitigated. It might be that release of 30mm to 40mm juveniles is a more cost effective strategy (as compared with larvae), *but we need to properly consider the risk of transferring a farm-based pathogen to the wild.*

The juveniles would be propagated using broodstock that had been harvested from the same reef location nominated for stock enhancement.

### *Measuring success*

By establishing juvenile collectors in good habitat where abalone are depleted, and then reseedling the area with larvae will be the fastest way to confirm the collectors work, but also that the reseedling is working. Previous larval and/or juvenile seeding trials haven't used much in the way of either larval or juvenile collectors to quantitatively measure the success of whatever enhancement methodology they were trialling.

# Goals and Strategies

## GOALS AND STRATEGIES

ACA is the global supplier of premium wild Abalone. Our strategic landscape will be framed by the following Goals and Strategies.

### A. Healthy Fisheries of World Renown

- Healthy stocks maintained at biological optimums
- Abalone stewardship – globally verified and promoted

### B. Maximum Benefit from the Harvest

- A clear and harmonised harvest strategy in every state fishery
- Higher productivity through innovation (pre and post-harvest)

### C. Premium Consumers Engaged

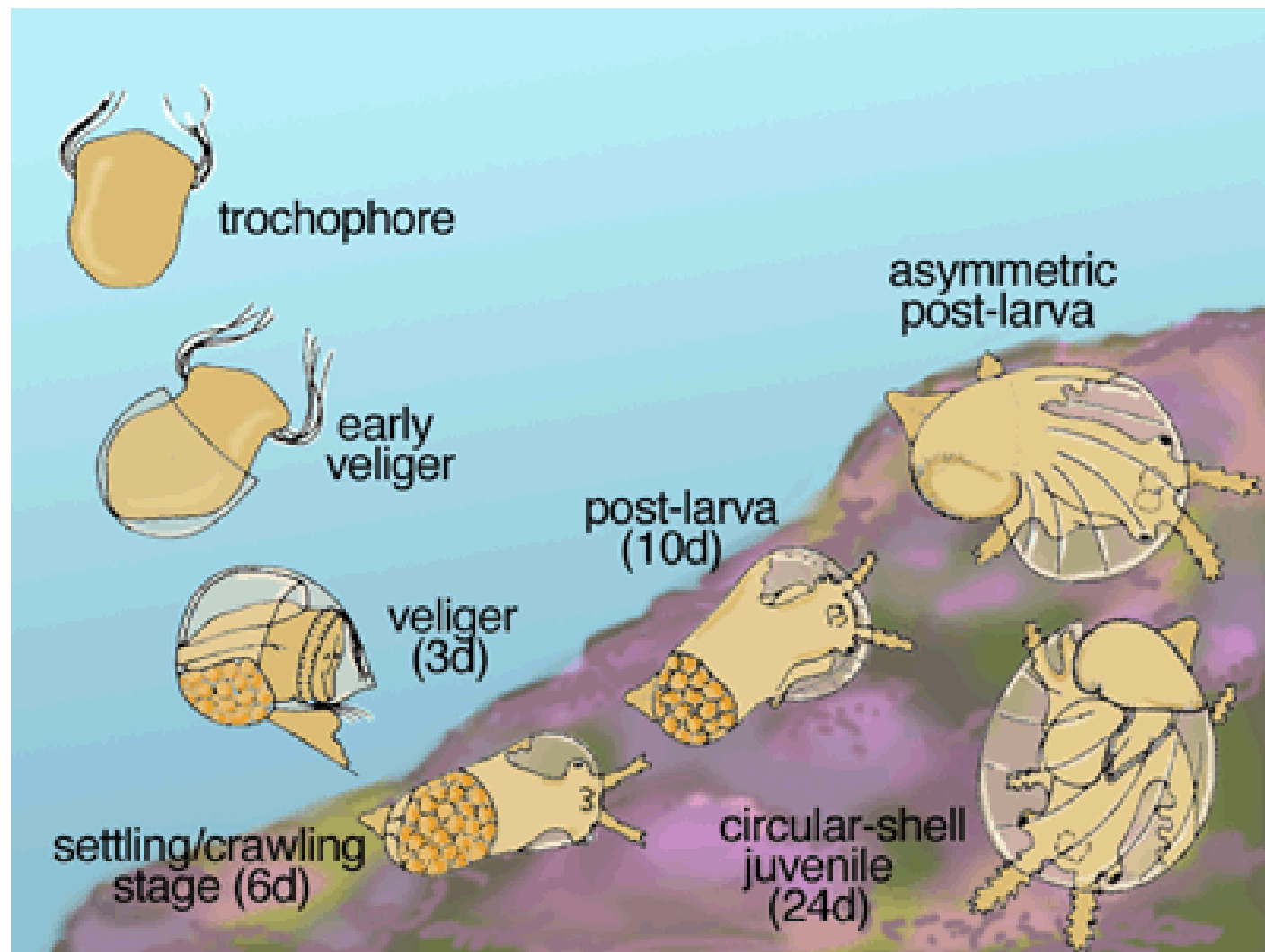
- A Professional Marketing Program for the world's best abalone
- Australia recognised as the Global Home of Wild Abalone

### D. Human Capacity Driving Success

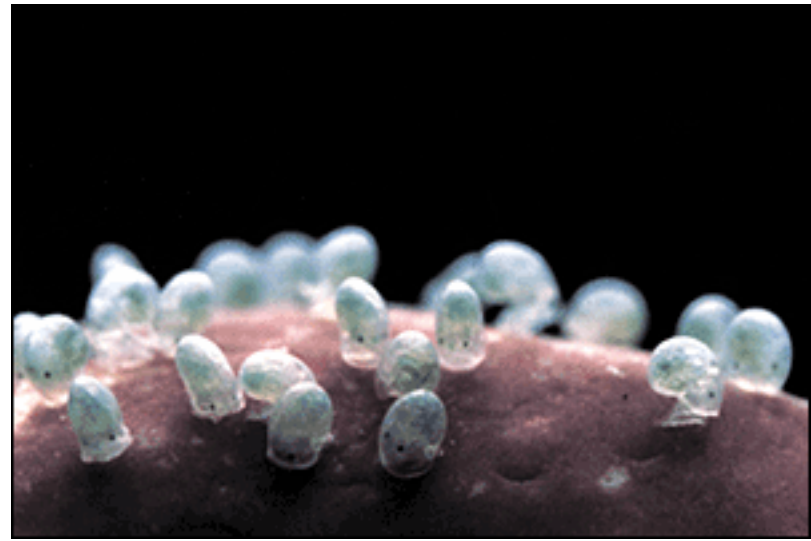
- Smart Industry people using Best Practices
- Team work across Australian fisheries and Users

### E. Efficient National Leadership

- An efficient ACA leading a united national industry
- Build and apply social capital for industry benefit



## Option 2:Larval Seeding



- Lower risk stock enhancement option
- Mobile Tanking system mounted on board a vessel
- Harvest male and female abalones and place in tank and induce spawning
- Wait about a week then carefully pump larvae from boat down to suitable habitat
- Enhances natural recruitment processes

## Stock Enhancement within the eastern zone

### Option 1: Translocation of mature abalone

Mundy project: Seafood CRC project 2005/029

Key findings:

A “nearby” adequate source of mature abalones is required -

May be feasible to re-establish abalone populations within localized, discrete reef systems

Translocation is only likely to be economically feasible at small scales

Biosecurity risk is very low

## Total Australian Production has declined by 35% since 2011

| State             | TACC in tonnes 2011/2012 | TACC in tonnes 2017/2018                  |
|-------------------|--------------------------|---|
| Tasmania          | 2366.00                  | 1333.50                                   |
| South Australia   | 834.40                   | 717.50                                    |
| Victoria          | 806.40                   | 595.30                                    |
| Western Australia | 349.40                   | 143.40                                    |
| New South Wales   | 94.00                    | 100.00                                    |
| <b>TOTAL</b>      | <b>4450.20</b>           | <b>2889.70</b> (35% reduction in 6 years) |

NZ: 1250 t in 2001/02  
918 t in 2011  
706.7 t in 2018 (23% reduction)