

Evolution of the FRDC to 2015

A “corporate memory”
of the activities of the Fisheries Research and Development Corporation
since its establishment in 1991, for reference
by directors and other interested people.

September 2015 edition



Evolution of the FRDC
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Evolution of the FRDC to 2015

*The structure of this document is chronological. In the case of themes that have evolved over the years, to avoid repetitive listing the description of the inaugural activity is followed by a paragraph summarising subsequent developments. Such paragraphs are enclosed by square brackets and are coloured *indigo*.*

Contents

Evolution of key corporate terminologies	4
Pre-1991: Fisheries research before the FRDC's establishment	7
1991–94: Formative years	8
1994–95: Building researcher capacity	12
1995–96: A wider scope	13
1996–97: Continual improvement starts to pay off	15
1997–98: Major gains in bycatch reduction	16
1998–99: New accountability measures	17
1999–2000: Measurement of ESD performance	19
2000–01: Industry response to ESD	21
2001–02: Major initiative for industry development	22
2002–03: Increased focus on R&D outcomes	24
2003–04: Full financial support from industry	27
2004–05: Hand-over at the helm	28
2005–06: Chefs and consumers engaged	29
2006–07: Seafood Cooperative Research Centre established	31
2007–08: People development ramped up	32
2008–09: World breakthrough in innovation	33
2009–10: New national strategy for RD&E	34
2010–11: Productivity Commission recognises RDC benefits	35
2011–12: Telling the story: science for the community	37
2012–13: <i>Status of key Australian fish stocks released</i>	38
2013–14: New roles for the FRDC	41
2014–15: Engagement and uncertainty	45
Appendix A: Evolution of the FRDC's programs in successive R&D plans	50
Appendix B: Status of Industry Partnership Agreements	54

Evolution of key corporate terminologies

Listed in this table are some key corporate terminologies that have evolved during the timespan of this document, including some that, although not in current use, have been important. The entries are in chronological order of first occurrence.

Term	Page number (first reference)
FIRDC → FRDC	7
Fishing Industry Research and Development Council → Fisheries Research and Development Corporation.	
<i>Nature of the entities:</i> FIRDC was one of the 18 rural industry research and development councils established in 1985; the FRDC was incorporated in 1991.	
DPIE → AFFA → DAFF → DOA	7
Department of Primary Industries and Energy → Agriculture, Fisheries and Forestry – Australia → Department of Agriculture, Fisheries and Forestry → Department of Agriculture.	
<i>Role of the entity:</i> Australian Government's department responsible for agriculture, fisheries and forestry	
PIERD Act → PIRD Act	7
<i>Primary Industries and Energy Research and Development Act 1989.</i> In 2013 the Act was updated and energy was removed from the title to become the <i>Primary Industries Research and Development Act 1989</i> [NB: not 2013].	
<i>Role of the legislation:</i> regulate activities of rural R&D corporations.	
AFIC → NFIC → ASIC → NAC+CFA (see note) → NSIA.	9
Australian Fishing Industry Council → National Fishing Industry Council → Australian Seafood Industry Council → (see note) → National Seafood Industry Alliance.	
<i>Role of the entity:</i> industry association of the commercial wild-catch sector and (latterly) the aquaculture sector.	
<i>Note:</i> From NFIC onwards it was a representative organisation to which the FRDC is required to report in accordance with the PIERD Act. When ASIC ceased trading in 2006–07, its place as a representative organisation was taken by the Commonwealth Fisheries Association (albeit the state and NT wild-catch sectors were then not represented) and the National Aquaculture Council. In 2011 the National Seafood Industry Alliance (whose membership includes state and NT wild-catch sectors) was declared a representative organisation.	
(The National Seafood Industry Alliance was incorporated after the Commonwealth Fisheries Association and National Aquaculture Council were formed; the latter two remain independent but are members of Alliance.)	

ABARE + BRS → ABARES	10
<p>Australian Bureau of Agricultural and Resource Economics + Bureau of Rural Sciences → Australian Bureau of Agricultural and Resource Economics and Sciences.</p> <p><i>Role of the entity:</i> an Australian Government research bureau providing research, analysis and advice for government and private sector decision-makers on issues affecting Australia's agriculture, fisheries and forestry industries.</p>	
NSC and AUSEAS and SeaQual → SSA	11, 14, 22
<p>National Seafood Centre + Australian Seafood Extension and Advisory Service + Seafood Quality → Seafood Services Australia Ltd.</p> <p><i>Role of the entities:</i> respectively, improve value-adding of seafood; help the commercial sector to take up leading-edge post-harvest technology; provide quality management and food safety guidelines for seafood processing; and enhance the profitability, international competitiveness, sustainability and resilience of the Australian seafood industry.</p>	
IC → PC	11
<p>Industry Commission → Productivity Commission.</p> <p><i>Role of the entity:</i> advise on economic, social and environmental issues affecting the welfare of Australians.</p>	
NFITC → ASIEN → STA → AISC → ASA	15
<p>National Fishing Industry Training Council → Australian Seafood Industry Education Network → Seafood Training Australia → Agri-Food Industry Skills Council → AgriFood Skills Australia.</p> <p><i>Role of the entities:</i> industry training for the commercial sector.</p>	
CAC Act → PGPA Act	17
<p><i>Commonwealth Authorities and Companies Act 1997 → Public Governance, Performance and Accountability Act 2013.</i></p> <p><i>Role of the legislation:</i> the CAC Act enacted accountability arrangements for statutory authorities; the PGPA Act established a single system of governance and a performance framework across all Australian Government entities.</p>	
Standing Council on Primary Industries (ScoPI) Primary Industries Ministerial Council (PIMC), and the Natural Resource Management Ministerial Council (NRMMC) → Agriculture Ministers' Forum (AGMIN)	33
<p>Primary Industry Standing Committee (PISC) → Agriculture Senior Officials Committee (AGSOC)</p> <p>AGSOC is supported by the Research and Innovation Committee</p>	

Aquaculture CRC, Aquafin CRC, Seafood CRC (not contiguous)	11, 21, 30
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Cooperative Research Centre for Aquaculture,
Cooperative Research Centre for Sustainable Aquaculture of Finfish,
Australian Seafood Cooperative Research Centre.

Role of the entities: respectively, develop emerging aquaculture species; add significant value to the FRDC's subprograms for Southern Bluefin Tuna and Atlantic Salmon; and drive a national approach to closing major gaps in the seafood industry value chain.

Pre-1991: Fisheries research before the FRDC's establishment

Australian Fisheries Services, an element within the federal Department of Primary Industries and Energy (DPIE), managed the Fishing Industry Research Trust Account. Similar trust accounts were managed within the department for other industries.

[The FRDC inherited and has stored all the reports on research undertaken by its predecessors since 1971.]

In 1984–85, following a study of rural research, the *Rural Industries Research Act* was enacted.

As a result, 18 rural industry research and development councils were established, including the Fishing Industry Research and Development Council (FIRDC). The councils were intended to provide greater transparency about funding of rural R&D and at the same time give the respective industries more say about how such funds were invested. Bernard Bowen was appointed as the first chair of FIRDC. He was assisted by an executive officer, Michael Walker. Both were based in Perth.

Notwithstanding the intention for these councils, in the case of FIRDC — like the trust account that preceded it — the fisheries elements within state governments wanted to have control of the research funds, particularly over contributions that the states made to the funds. Industry also wanted to minimise its contributions.

Alan Newton, a senior officer within DPIE, played a leading role in setting up the councils. Subsequently, in 1989, Alan produced the *Research Innovation and Competitiveness Statement*, which initiated an evolution in the way in which rural research was funded. It was substantiated in the enactment of the *Primary Industries and Energy Research and Development Act 1989* (PIERD Act), developed by the Minister for Primary Industries and Energy, The Hon. John Kerin.

As a result, most councils soon afterwards evolved into new corporations under the PIERD Act. Fisheries, however, did not.

[In 2013 the Sugar RDC became an Industry Owned Corporation leaving only the Cotton RDC, FRDC, Grains RDC, Grape and Wine RDC, and Rural industries RDC as statutory corporations.]

The move towards formation of the FRDC was flagged in the Commonwealth Government Policy Statement of December 1989, *New Directions for Commonwealth Fisheries Management in the 1990s*. The statement established the framework for the FRDC and the Fisheries Resources Research Fund, and stipulated that the Commonwealth's funding was to be expended on "research which is directly management related and specific to a fishery be funded by those entitled to operate in that fishery, in proportion to the benefits received".

In late 1989, Alan Newton formed a committee within Australian Fisheries Services to develop new directions for Commonwealth fisheries management. The main item was the establishment of the Australian Fisheries Management Authority. However, it did examine the case for fisheries to establish an R&D corporation. In implementing the recommendations, Alan and his committee liaised with the Australian Fishing Industry Council¹, state industry councils and state governments.

Notwithstanding qualified support for setting up a fisheries RDC, the slow pace at which this happened reflected the states not wanting to lose control of the R&D agenda, which was mostly related to fisheries management, and industry not wanting to increase its contribution

1 The executive officer of AFIC was Brian Jeffriess.

to fisheries management research. Hence, when the FRDC came to be established under the PIERD Act and related regulations², the regulations specified how industry contributions were to be made to the FRDC but excluded provision for the compulsory R&D levy that was applied to other R&D corporations.

Another major difference concerned the contribution that the Australian Government made to the revenue base of the FRDC. For most³ other R&D corporations, the Australian Government matched industry contributions up to 0.5% of the industry's average gross value of production over three years (AGVP). However, for the FRDC the Australian Government provided unmatched funds equivalent to 0.5% of the AGVP in recognition of the federal and state governments' stewardship of the publicly owned natural resources on which the seafood industry depends. In addition, the Australian Government matched industry contributions, albeit up to a lesser amount — 0.25% of the industry's AGVP — in recognition of industry benefits deriving from the seafood industry's use of the natural resource.

For other industries, DPIE also provided infrastructural support for marketing and export, but no such support was afforded the seafood industry.

1991–94: Formative years

From the Corporation's inception until they were amended in 2013, the FRDC's activities pursued, and were aligned with, the following objects specified in section 3 of the PIERD Act:

"The objects of this Act are to:

- (a) make provision for the funding and administration of research and development relating to primary industries with a view to:
 - (i) increasing the economic, environmental and social benefits to members of primary industries and to the community in general by improving the production, processing, storage, transport or marketing of the products of primary industries; and
 - (ii) achieving the sustainable use and sustainable management of natural resources; and
 - (iii) making more effective use of the resources and skills of the community in general and the scientific community in particular; and
 - (iv) improving accountability for expenditure upon research and development activities in relation to primary industries."

On 2 July 1991 the Minister for Primary Industries and Energy, The Hon. Simon Crean, established the FRDC under the provisions of the PIERD Act. Later in the year he appointed Henry Bosch to head a selection committee to select a chairman and board for the FRDC. The committee commissioned TASA International, an executive search company, to assist with this process. As a result, Bill Widerberg was appointed on 16 March 1992 as chairman of the board. Other directors appointed at the same time were Dale Bryan, Dr Brian Hickman, Dr Burke Hill,

² The Fisheries Research and Development Corporation Regulations 29 April 1991. They were amended on 31 January 1992, changing the definition of the fishing industry and adding the formula for industry sector contribution to AFMA.

³ The two other exceptions were the Land & Water Resources RDC and the Rural Industries RDC.

George Kailis, Dr Robert Kearney and Ted Loveday. Bruce O’Meagher was appointed as Government Director.

The Minister declared the National Fishing Industry Council — later called the Australian Seafood Industry Council (ASIC)⁴ — a representative organisation to which the FRDC was required to report in accordance with the PIERD Act.

[See page 32 for details of ASIC’s subsequent demise and the representative organisations that followed.]

The FRDC established an interim office in the Kurrajong Hotel, Canberra, staffed by seven people on secondment from DPIE. Subsequently, permanent accommodation was obtained on the ground floor of Deakin House, 50 Geils Court, Deakin West. Peter Dundas-Smith was appointed as the inaugural Executive Director, and five other staff were recruited to replace the seven seconded from DPIE. Two of these inaugural staff members, Annette Lyons and John Wilson, remain.

[In 1997, the FRDC moved to the ground floor of 25 Geils Court, where it remains; subsequently the building was named Fisheries Research House.]

Early on, the chairman and the manager of the secretariat met with state government and industry representatives to explain the role of the FRDC and to seek agreement on operational arrangements. A common stumbling block was the expectation that (unlike with FIRTA) industry funds raised by jurisdictions be unconditionally forwarded to the FRDC and subsequently accessed through a competitive R&D funding round.

Such discussions were appeased by two measures. First, in May 1992 Minister Crean issued a direction under section 143(1) of the PIERD Act that the FRDC was to ensure that spending of industry contributions was to be of direct relevance, within a five-year period, to the fishery, region or state/territory in which funds were collected, based on advice from management agencies and industry sectors.⁵ Second, the FRDC agreed to establish a trust fund within each state and Commonwealth (CSIRO-administered) jurisdiction and would pay into that trust fund the first year’s Australian Government contribution of \$6.5 million in proportion to the AGVP of each jurisdiction. The FRDC guaranteed that it would support such funds being invested in R&D without competitive processes. In doing so the FRDC achieved expenditure of the Australian Government contributions in the inaugural year, 1991, in which there were no R&D project applications to fund.

Other significant inaugural activities were as follows:

- The first 5-year R&D plan was prepared. With a sole focus on the commercial sector, it identified four areas for its R&D investment: natural fish resources, aquaculture, harvesting and marketing.

[A table showing the evolution of the R&D program structure is at appendix A, page 50.]

- Tenders were requested through Department of Finance for a project management system — a process subsequently disbanded in favour of developing an in-house system based on Microsoft® Excel® software.

[The system subsequently migrated to Microsoft® Access® then .NET/SQL. In 2013 the FRDC moved to “out-of-the box” system solutions, including Microsoft® SharePoint® and Microsoft® Customer

4 Previously the organisation’s title had been the Australian Fishing Industry Council.

5 This is a summary of the original ministerial direction. The full text of the amended direction of 1995 is on page 11.

Relationship Management. Other agencies⁶ purchased versions of the project management systems from the FRDC and used them to varying degrees.]

- The FRDC entered data into its project management system for 510 completed projects, worth \$54 million, that had been funded by its predecessors since 1971. The majority of final reports from 1971 to 1991 were also obtained and placed in the final report database.
- The FRDC adopted 51 current R&D projects from FIRDC and invested in 42 new projects.
- One such project was the commissioning of a national seafood consumption study aimed at providing a basis for the FRDC's investment in marketing, which found that Australians consumed 13.5 kilograms of seafood per year.

[The FRDC subsequently funded three smaller, city-based studies – in 1998 (Sydney), 1999 (Perth) and 2004 (Melbourne) – to update the original findings. These studies found that Australians consumed 15 kilograms of seafood per year. Later studies funded by the Seafood CRC (among those outlined on p. 47) focused on consumer attitudes and behaviours towards seafood purchasing and eating, and the influences of change. A major aim of the studies was to identify how the industry, through marketing, could influence seafood consumption.]

- Another project — funded by the FRDC in partnership with the Australian Tuna Boat Owners Association (later called the Australian Southern Bluefin Tuna Industry Association), SA R&D Institute (SARDI), and the Overseas Cooperative Foundation of Japan — was a trial of catching wild Southern Bluefin Tuna and growing them to market size. An ex-post analysis of this project revealed a benefit–cost ratio of 41:1.
- The Australian Bureau of Agricultural and Resource Economics (ABARE) was commissioned to develop a priority-setting process. As a consequence, the FRDC, in consultation with state and Commonwealth jurisdictions, established Fisheries Research Advisory Bodies (FRABs) or made existing bodies relevant to the FRDC.⁷ Their role was to ensure that R&D was directed to the needs of industry and other end-users.
- The FRDC developed its corporate image and published *R&D News*, quickly achieving record circulation figures for a fishing industry periodical.

[A subsequent change in focus following a stakeholder survey and re-branding as *FISH* is described on page 29.]

- The FRDC collaborated with other RDCs in contributing to the maintenance of the Australian Rural Research In Progress database and the Australian Bibliography of Agriculture, both of which were established by the state governments to inform end-users and research providers of current and completed R&D.

[The initiatives subsequently developed into Australian Agriculture and Natural Resources On-line (AANRO — www.anro.net), an integrated knowledge access tool for agriculture and natural resources management. Later, the states withdrew support for AANRO because of its resource needs; consequently, so too did the RDCs.]

- The FRDC also collaborated with other RDCs on a wide range of functions, including benefit–cost analyses (see page 34), communications, common project agreements, comparable approaches to risk management, and cost efficiencies.

6 AFMA, Australian Pork Limited, Condamine Alliance (a Queensland natural resources management group), CRC Reef, Forest and Woods Products R&D Corporation, NZ Ministry for Primary Industries, Seafood CRC, Sugar R&D Corporation, and Tasmanian Aquaculture and Fisheries Institute.

7 In 1995, Minister Beddall consequently amended the ministerial direction of 1992 to recognise the role played by FRABs in prioritising fisheries R&D.

[Such collaboration continues. Reviews relating to RDCs have also recommended that the RDCs combine their back office functions.]

- In its second year, the FRDC commissioned the National Fishing Industry Marketing Strategy, later called the Fishing Industry National Study, aimed at identifying sustainable development and profitability challenges for the industry. It involved an unprecedented degree of consultation with industry and others, both in Australia and New Zealand.

[The study's report identified a number of strategic planks that were subsequently implemented through Seafood Services Australia Ltd, the Seafood CRC and other FRDC investments. Planks that were not implemented were a well-funded national peak body and a seafood promotion body. However, in 2013 the FRDC's enabling legislation was changed to give the Corporation the power, among other things, to undertake marketing activities, as described on page 41.]

- A National Seafood Centre was also established to improve value-adding of seafood. Innovation achieved by the Centre included packaging technology for export of live kuruma prawns, a machine to remove skin from small fish, and packaged UHT soup from processing waste. Later, the Australian Seafood Extension and Advisory Service was collocated to help the commercial sector to take up leading-edge post-harvest technology. Both initiatives were in partnership with the Department of Primary Industry, Queensland, and they were accommodated in the Department's Centre for Food Technology. The FRDC's contribution was to fund a Commercial Manager⁸ to run the centre, 34 small industry-driven projects and other value-adding activities.

[These initiatives later formed the basis for Seafood Services Australia, which commenced in unincorporated form in 1999 and as a not-for-profit industry development company in 2001. It wound up in 2013: see p. 43.]

- The FRDC established managed subprograms so that when the scope of a particular R&D objective extended beyond that which could be achieved through a single project undertaken by a single researcher, strategic directions were developed and maintained, R&D was not duplicated, scientific methods were standardised, and results were extended. Originally there were three subprograms: Replacement of Fishmeal in Aquaculture Feeds, Abalone Aquaculture, and Effects of Trawling.⁹
- The Cooperative Research Centre for Aquaculture was established. The FRDC did not become a participant in this CRC but co-invested in related projects under an informal arrangement.

[In 2001, the FRDC became a formal participant in the CRC for the Sustainable Aquaculture of Finfish. In 2007 it became a participant in the Seafood CRC (page 30).]

- The first FRDC-sponsored fishing industry participant in the Australian Rural Leadership Program, Peter Petersen, undertook the program.

[The FRDC subsequently funded either one or two participants per year.]

The seafood industry's GVP was as follows:

- 1991–92: \$1.38 bn (\$1.13 bn wild-catch, \$0.25 bn aquaculture)
- 1992–93: \$1.49 bn (\$1.24 bn wild-catch, \$0.25 bn aquaculture)
- 1993–94: \$1.68 bn (\$1.42 bn wild-catch, \$0.26 bn aquaculture).

⁸ The inaugural Commercial Manager, John McVeigh, later became the Queensland Minister for Agriculture, Fisheries and Forestry. His successor, Deon Mahoney, later became the FRDC Programs Manager.

⁹ Respectively under the leadership of Dr Geoff Allan, Dr Patrick Hone and Dr Ian Poiner.

1994–95: Building researcher capacity

From the FRDC's initial experience, it became evident that there was a need to improve the experimental design of fisheries research. In partnership with the University of Sydney, the FRDC established and funded, until 2001, the Quantitative Fisheries Training Unit. Under Professor Tony Underwood fisheries scientists were trained in modelling and analysis of the population dynamics of fisheries. The FRDC also subsidised the salary of a population dynamicist in each state and Commonwealth (CSIRO-administered) jurisdiction to increase the expertise urgently needed for fisheries management. After three years of FRDC support these experts¹⁰ were paid by their agencies. They made significant contributions to fisheries science.

Other significant activities in 1994–95 were as follows:

- New Board appointments were Dr Russell Reichelt as Chairman, new directors Diana Day, Peter Shelley and Richard A. Stevens, and re-appointed directors Dr Burke Hill, George Kailis and Ted Loveday. Dr Alison Turner was appointed Government Director.¹¹
- At the request of the Australian Prawn Promotion Association, the Australian Government enacted the *Prawn Export Promotion Act 1995*. Under this Act, funding in the order of \$700,000 per year was collected through a compulsory marketing levy on wild-catch prawn fishers. The initiative, the first of its kind for the seafood industry but similar to those of other primary industries, brought a number of benefits to the sector, including the capacity to successfully negotiate reductions in import tariffs.

[In 2001 the Act was repealed following a representation to the minister by a minority of prawn exporters who regarded the initiative as a threat to their businesses.]

- The FRDC instigated scholarships with the Australian Maritime College, Launceston, to increase seafood industry members' skills in Management Advisory Committees.

[The FRDC subsequently funded scholarships for a further eight years.]

- The first comprehensive atlas of Australia's commercial fish and fisheries, *Australian Fisheries Resources*, funded with the Bureau of Resource Science, was launched.
- The *Australian Seafood Catering Manual* — a tool of trade for seafood suppliers, researchers, trainers, consultants and promoters published in conjunction with DPI Queensland — won a national award for marketing excellence. In *The Australian Financial Review*, food writer Stephen Downes judged it to be "the best publication of any sort I've seen on Australian food."

[In 2000 the manual was re-designed and published as the *Australian Seafood Users Manual*, which continued to be sold through outlets such as the Seafood Services Australia bookshop.]

- The Industry Commission Report No 44 of 15 May 1994, *Research and Development*, concluded that research and development corporations "have made significant changes in improving the interactions between the R&D process and industry, and in making R&D more responsive to industry needs".
- The FRDC's transition to an ecosystem focus was reflected in funding of a significant project, "A review and synthesis of Australian fisheries habitat research" through the Australian Institute of Marine Science.¹²

¹⁰ They included Dr Cathy Dichmont, Dr Rick McGarvey, Dr Malcolm Haddon and Dr James Scandol.

¹¹ Succeeded in 1997 by Mary Harwood.

¹² Led by Mike Cappel.

The seafood industry's GVP was \$1.81 bn, of which wild-catch was \$1.42 bn and aquaculture \$0.39 bn.

Ministerial direction of 11 May 1995

by the Minister for Resources, the Hon. David Beddall, MP

Pursuant to my powers under sub-section 143(1) of the *Primary Industries and Energy Research and Development Act 1989*, and replacing the Ministerial direction given to FRDC on 21 May 1992, I hereby direct that:

- (a) FRDC is to ensure that industry funds raised from a particular fishery, industry sector or State/Territory are spent within a five-year period starting from the year of receipt on research and development projects that are of direct relevance to:
 - (i) that fishery; or
 - (ii) industry sector; or
 - (iii) the State/Territory in which the funds were collected;
- (b) in determining the projects on which funds are to be spent under (a), FRDC is to have regard to the advice of the relevant management agency and industry sectors acting in collaboration through the relevant FRAB; and
- (c) FRDC is to recognise the Australian Fisheries Management Authority, operating in consultation with its Management Advisory Committees, as the FRAB relevant to Commonwealth-managed fisheries, including Joint Authority fisheries managed under Commonwealth law.

[As a consequence of amendments to the PIERD Act (renamed the PIRD Act) in 2013, the FRDC entered into a 2015–19 Funding Agreement with the Department of Agriculture as a new basis for receiving Australian Government funding. In a letter of 28 May 2015, Senator the Hon. Richard Colbeck, Parliamentary Secretary to the Minister for Agriculture, referred to his signing of the Funding Agreement and set out a written direction to the FRDC, for the purposes of s143(1) of the PIRD Act, to the effect that in entering into the Funding Agreement the Ministerial direction issued in 1995 was no longer to apply, effective from 1 July 2015.]

1995–96: A wider scope

Investing for tomorrow's catch: the FRDC's research and development plan, 1996 to 2001 (its second plan), specifying the FRDC's strategic R&D priorities for the next five years, came into effect. It recognised recreational fishing, and customary fishing by Indigenous people, as principal sectors of the fishing industry. This significant change widened the scope of the FRDC beyond its previous focus on the commercial sector. The Minister for Resources and Energy declared the Australian Recreational and Sport Fishing Confederation (Recfish Australia) as the second representative organisation of the FRDC.

The R&D plan re-structured the FRDC's programs into Resources Sustainability, Ecosystems Protection and Industry Development to reflect Government and industry priorities, and specified indicators against which the FRDC could measure its performance.

[A table showing the evolution of the R&D program structure is at appendix A, page 50.]

The industry

The three principal sectors of the fishing industry are commercial, recreational, and Indigenous.

The commercial sector, which is also commonly referred to as the “seafood industry”, comprises the wild-catch sector (which for practical reasons includes pearling) and the aquaculture sector.

[The scope of the FRDC description of the industry’s sectors has evolved over time. The original term used to describe the industry has changed from the “fishing industry” to the “fishing and aquaculture industry”, acknowledging the increasing importance of aquaculture. Commercial fishing and aquaculture are generally regarded as separate sectors within the seafood industry.]

A formal definition of the fishing industry is included in the Fisheries Research and Development Corporation Regulations, Amendment 1992:

Includes any industry or activity carried on in or from Australia concerned with: taking, culturing, processing, preserving, storing, transporting, marketing, or selling fish or fish products.

Other significant activities in 1995–96 were as follows:

- The first national FRAB workshop was held to implement best practice in R&D planning and evaluation processes.
[FRAB workshops have continued, initially biennially then annually; they now include other stakeholder and program management groups.]
- A “whole of chain” emphasis in quality management and product quality was initiated through SeaQual, a joint initiative of the Australian Seafood Industry Council, DPIE and the FRDC managed by Jayne Gallagher. Early outputs of this initiative were *The seafood industry’s strategic plan for achieving seafood excellence* and food safety guidelines for seafood processing, described by the Australia New Zealand Food Authority as “a model for others”.
[The SeaQual project was incorporated into Seafood Services Australia in 1999.]
- A book, *Marketing Names for Fish and Seafood in Australia*, was published with the aim of protecting consumers when purchasing seafood — part of longstanding efforts to use standardised names for more than 4500 marine species either harvested or available in Australia. This was the first of a number of publications and posters resulting from the activities of the National Fish Names Committee, which by then was managed by the FRDC after being managed by DPIE for some 15 years.

[In 1999 the FRDC and CSIRO Marine Research, through the Fish Names Committee, which by then was managed by Seafood Services Australia (SSA), published a reference publication, the *Australian Seafood Handbook*. An identification guide to domestic seafood species, it proved to be one of the most popular and widely used publications. Subsequently a guide to imported species was published. In 2007 the National Fish Names Committee, led by Roy Palmer, achieved its goal when standardised Australian fish names were codified as Australian Standard® AS SSA 5300 – 2007: *Australian Fish Names Standard*. In 2013, management of the Fish Names Committee reverted to the FRDC following the wind-up of SSA.¹³]

13 The chair of the committee remains Mr Gus Danoun.

- The Australian Government restructured industry training advisory bodies and as a consequence disestablished the National Fishing Industry Training Council. The FRDC, in conjunction with the SA Skills Centre (Bob Miller), then established the Australian Seafood Industry Education Network (ASIEN).

[ASIEN later relocated to Canberra, was staffed by Ross Ord under the management of ASIC, and was renamed Seafood Training Australia (STA). Subsequently the Australian Government, under another restructuring of industry training, recognised STA as an industry training advisory body and provided funding for it. The FRDC's involvement with STA was then reduced. STA was disestablished in 2004 when the Government rationalised industry training and seafood came under the Agri-Food Industry Skills Council, later AgriFood Skills Australia.]

The seafood industry's GVP was \$1.70 bn, of which wild-catch was \$1.31 bn and aquaculture \$0.39 bn.

1996–97: Continual improvement starts to pay off

Several years of systematic improvement in the FRDC's R&D project management processes began to deliver results. Researchers were becoming more aware of FRDC funding processes and were responding positively to them, leading in turn to higher approval rates for projects and a record level of expenditure projected for the coming three to four years — within a continuing overhead cost constraint of no more than 8 per cent of total FRDC expenditure, as determined by the Board in framing its first budget. An increasing role was being played by the FRABs in setting priorities and communicating those priorities to the FRDC, other funding agencies and researchers.

Other significant activities 1996–97 were as follows:

- The week-long, FRDC-sponsored Second World Fisheries Congress, attended by more than 1200 participants from 62 nations, put a spotlight on the state of science and management across national and international fisheries. It provided an excellent opportunity to hear first-hand the challenges facing fisheries in Australia and overseas.
- A post-harvest symposium, 'Making the Most of the Catch', hosted in Brisbane by the Centre for Food Technology of the Department of Primary Industry, Queensland, was sponsored by the FRDC's National Seafood Centre.
- A two-day fisheries economic statistics workshop was held to identify economic statistics essential to sustainable development of the fishing industry. Subsequently a steering committee developed an implementation plan to improve fisheries economic statistics. The committee produced a "barbecue companion" booklet detailing the value of the seafood industry and in 2002 published a comprehensive book, *Valuing fisheries — an economic framework*, edited by Professor Tor Hundloe.
- The FRDC was involved in the Inquiry into Management of Commonwealth Fisheries conducted by the House of Representatives Standing Committee on Primary Industries, Resources and Rural and Regional Affairs.
- The FRDC set up a website to provide corporate information, including online access to the R&D Plan, *R&D News* and annual reports, and to enable electronic lodgement of funding applications.

The seafood industry's GVP was \$1.78 bn, of which wild-catch was \$1.34 bn and aquaculture \$0.44 bn.

1997–98: Major gains in bycatch reduction

The Effects-of-Trawling Subprogram started to have a major impact on trawl fisheries around Australia. Uptake of bycatch reduction devices increased in the Northern Prawn Fishery, Torres Strait, Queensland East Coast Trawl and the prawn trawl fisheries of NSW and SA. Adoption of turtle exclusion devices increased, allowing confidence in setting targets for 100% adoption in northern prawn trawling fisheries by 2001. The SA prawn fishery became the first such fishery in Australia — if not the world — to have all operators voluntarily installing bycatch reduction devices. These initiatives were assisted by publication of a guide to bycatch reduction in Australian prawn trawl fisheries and the award of a \$10,000 travel grant to a prawn fisher for leadership in innovation and adoption of bycatch reduction.¹⁴

To encourage bycatch reduction, the FRDC and OceanWatch Australia Ltd published *Bycatch solutions*, a handbook for fishers in non-trawl fisheries.

Other significant activities in 1997–98 were as follows:

- Board appointments were new directors Simon Bennison, Dr Jim Penn, Bill Sawynok and Sandy Wood-Meredith, and re-appointed directors Dr Russell Reichelt (Chairman), Dr Diana Day and Richard A. Stevens. Mary Harwood continued as Government Director.¹⁵
- The Australian Government reduced its contribution from the 0.5% component of the AGVP for the coming financial year by \$3.6 million. Minister for Resources and Energy, the Hon. Warwick Parer, at a meeting of the Ministerial Council for Forestry, Fisheries and Aquaculture, encouraged his state counterparts to maximise the Australian Government's matching contributions to the FRDC by ensuring that state industry contributions were at least 0.25% of the AGVP.
- The FRDC's quality management program was certified to international standard AS/NZS ISO 9002:1994 (later upgraded to AS/NZS ISO 9001:2008). This was tangible evidence of the FRDC's work ethic of continual improvement, giving further confirmation to stakeholders that their financial contributions to the FRDC were sound, beneficial R&D investments.
- The FRDC was seeking to influence the development, at appropriate levels and sectors within the fishing industry, of R&D plans that incorporate R&D priorities. To assist this process the FRDC started to commission reviews of wide-ranging crucial topics such as seagrass, fisheries habitat and wild-caught abalone to identify R&D priorities.

[In more recent years R&D plans, largely funded by the FRDC, have been developed for all major industry sectors.]

- Complementing these FRDC reviews, the Australia–New Zealand Standing Committee on Fisheries and Aquaculture, in collaboration with the FRDC, commenced an analysis of current and completed fisheries R&D. The aim was to form a picture of Australia's investment in fisheries R&D to help to identify key areas for investment.
- Outputs from some of the inaugural investments began to appear in the form of publications. Titles included *Seafood by season: a state-by-state pictorial guide to the availability of Australian seafood*; *Marketing into Asia: an analysis of Asian markets for seafood products*; *South East Fishery quota species – an identification guide*; *Fish Futures: individual transferable quotas in fisheries*; *The new rural industries: a handbook for*

¹⁴ The inaugural winner was John Olsen.

¹⁵ Succeeded in 1999 by Dr Derek Staples.

investors in new fields of agriculture and aquaculture; and a *Quality Chooser* developed under the SeaQual project.

- The portfolio of managed subprograms was extended by 1998 to include Southern Bluefin Tuna aquaculture, Atlantic Salmon aquaculture, Rock Lobster post-harvest and, controversially, Rock Lobster enhancement and aquaculture.^{16 17}
- A major, multi-agency project commenced on the Huon River estuary to investigate the effects of sea cages on the aquatic environment and environmental factors (such as land-based run-off) on aquaculture production.
- The FRDC also invested significant funds into live finfish export that involved a committee that worked with airlines.

The seafood industry's GVP was \$1.88 bn, of which wild-catch was \$1.38 bn and aquaculture \$0.50 bn.

1998–99: New accountability measures

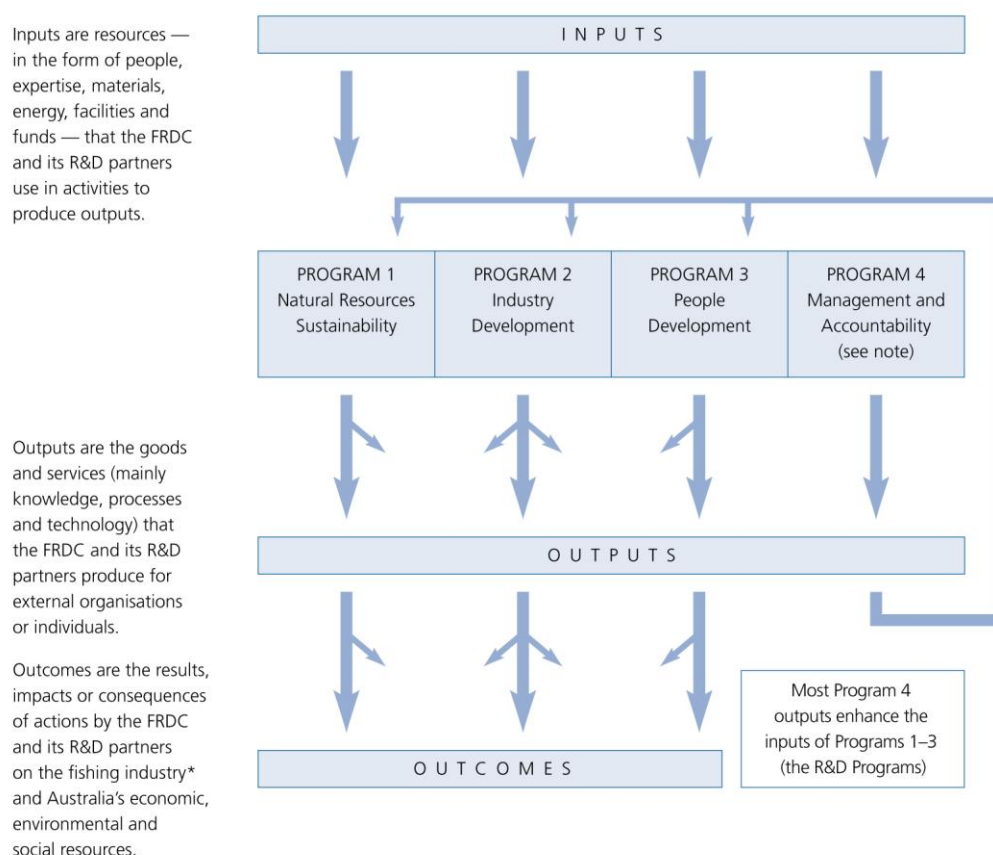
In January 1999, the Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry, Senator Judith Troeth, informed the FRDC of sweeping new accountability arrangements for statutory authorities. Under the new *Commonwealth Authorities and Companies Act 1997* (CAC Act), which mirrored the *Corporations Act 1989*, the directors of the Corporation were to include a report of operations in their annual reporting. Soon afterwards, the department, by then known as Agriculture, Fisheries and Forestry – Australia (AFFA)¹⁸, conducted a Report of Operations workshop to help R&D corporations to identify key requirements and processes in the new accountability arrangements. Other significant changes to accountability arrangements resulted from the Australian Government's moves to an accrual-based "outcomes and outputs" budget framework, to be used first in the 1999–2000 financial year. Accordingly, the FRDC developed a new strategic structure to focus on outcomes and encouraged outcomes-based priority setting through the FRABs and other entities. Figure 1 shows the essential elements in relation to the program structure at the time.

[In 2013 the Public Governance, Performance and Accountability Act 2013 (PGPA Act) replaced both the CAC Act 1997 and the Financial Management and Accountability Act 1997.]

16 Subprogram leaders were, respectively, Steven Clarke, Dr Stephen Battaglene, Dr Bruce Phillips and Dr Robert van Barneveld.

17 The latter subprogram originally concerned aquaculture, albeit including re-stocking of the wild fishery. It was strongly opposed by many Rock Lobster fishers, particularly in WA, who saw it as a threat to their sector. Consequently 'Enhancement' was added to the title in allaying those concerns.

18 A subsequent change to "Department of Agriculture, Fisheries and Forestry" (DAFF) was made in 2002–03. The name was shortened to "Department of Agriculture" in 2013.

Figure 1: The program structure as it was in 1998–99 and its focus on outcomes

Other significant activities in 1998–99 were as follows:

- *World Aquaculture '99*, hosted by the World Aquaculture Society and the NSW Department of Primary Industries, was sponsored by the FRDC.
[This conference was, in part, a stimulus to the inaugural *Australasian Aquaculture* conference in 2004.]
- Public awareness of the health benefits of eating seafood was increased with the launch of *Seafood the Good Food*. The CSIRO Marine Research study on which it was based showed that most Australian seafood contains 10 to 100 times higher levels of certain omega-3 fatty acids than other protein sources such as beef, chicken and lamb, and lower levels of cholesterol".
[The high demand for this publication necessitated a second large printing run of an updated edition. In 2001, furthering the theme and culminating a long, rigorous study by Griffith University¹⁹, a guide for seafood marketers outlining the health benefits of eating seafood — *What's so healthy about seafood?*²⁰ — was published. A second edition was published in 2004 and two subsequent projects provided updates to the original work.]
- *Antarctica to the tropics: a snapshot of the Australian fishing industry* was published by the FRDC to provide easily accessible insights into the industry and its challenges.

¹⁹ The principals of the study were Dr Shawn Somerset and Martin Bowerman.

²⁰ Many reviewers contributed to the book, among them Professor Mark Wahlqvist and Dr Naiyana Tikky Wattanapenpaiboon, who subsequently exhaustively examined the material and brought it up to date.

[Two subsequent editions of the book were published. The need for this form of publication was overtaken by the availability of similar information on the FRDC website.]

In this year, the R&D and promotion arms of the meat and livestock industry amalgamated as Meat and Livestock Australia Limited (MLA). This was to be the first instance of a primary industry R&D corporation evolving to become independent of the PIERD Act; others followed. Levy arrangements for both R&D and promotion remained under a deed of agreement between MLA and AFFA.

The seafood industry's GVP was \$2.11 bn, of which wild-catch was \$1.50 bn and aquaculture \$0.61 bn.

1999–2000: Measurement of ESD performance

Following an inaugural national workshop to engage all stakeholders in developing a national fisheries ESD framework, the FRDC — in conjunction with the Australia-New Zealand Standing Committee for Fisheries and Aquaculture and with representatives of the fishing industry — established a suite of projects to speed the development of ESD criteria and indicators. They were expected to allow reliable measurement, over time, of the ESD performance of all Australian fisheries, and to be important in helping commercial operators to meet the requirements of the Commonwealth's *Environmental Protection and Biodiversity Conservation Act 1999*.

[Subsequently the FRDC formed an ESD Reporting and Assessment Subprogram.²¹ The Subprogram's ESD and risk assessment processes have now been adopted by FAO as their model for fisheries assessment worldwide.]

Other significant activities in 1999–2000 were as follows:

- Dr Garth Newman reviewed the FRAB system and reported that the system “has materially improved the strategic directions of fisheries research [and] the focus of research funding”. He noted the change from a fisheries biology and assessment perspective to one meeting the wider information needs of resource managers and industry, and the involvement of stakeholders in research planning. The FRDC implemented the changes recommended by the review.

[In 2014 the FRDC commissioned Greg d'Arville to undertake a second review of the FRAB system, which provided wide-ranging recommendations focusing on the structure of the FRAB system with a view to making it more effective and cost-efficient.]

- The Western Rock Lobster fishery received Marine Stewardship Council (MSC) certification as a sustainable, well-managed fishery — the first such certification in the world, resulting from a \$5 million FRDC investment over several years.

[Since then other Australian fisheries have received MSC certification. In 2013 the WA Government endorsed the MSC certification process and provided \$14.5 million of funding for its fisheries to undertake preliminary certification.]

- The FRDC established the South East Fishery Industry Development Subprogram²² to change a narrow focus on R&D to underpin stock assessment to one that reflected whole-of-chain processes in the fishery, which at the time supplied 60 per cent of fish for the domestic market.

²¹ Led by Dr Rick Fletcher.

²² Led by Dr Ian Knuckey.

- A memorandum of understanding was signed with the Australian Tuna Boat Owners Association — the first of a number of memoranda with industry entities providing for a guarantee of revenue to the FRDC for a period of up to five years, in return for delivery of a sector-specific R&D program.

[The following year a similar memorandum was signed with the Tasmanian Salmonid Growers Association and in 2001–02 the FRDC continued to develop strategic alliances with industry through signing a memorandum with the Northern Prawn Fishery and Australian Prawn Farmers Association. From 2005 these arrangements were superseded by Industry Partnership Agreements: see pp. 30 and 54.]

- At the *Aquaculture beyond 2000* conference sponsored by AFFA and FRDC, participants resolved, after recognising that more than 90 per cent of aquaculture value was derived from five species, that public investment in aquaculture R&D should focus on species that have a high potential for commercialisation. The Australian Government announced it would support an Aquaculture Action Agenda to facilitate aquaculture development.
- As a result of this Agenda, the National Aquaculture Council was formed with Australian Government seed funding. Further, the conference resolution was embraced by the FRDC as its future aquaculture investment strategy. The potential to use inland saline water for aquaculture was identified in a national R&D plan funded by the FRDC.

[This initiative proved to be difficult to manage on a national basis, largely because of the limited funds available. In 2007, the NSW component was included in the portfolio of the Seafood CRC; however, it disbanded largely because of the lack of water from the River Murray that could be assigned to the project.]

- Following a comprehensive review of people development within the industry the FRDC, in conjunction with ASIC, sponsored the inaugural *Seafood Directions* conference to encourage the seafood industry to become more strategic and proactive in shaping its future.

[The FRDC has continued to sponsor the conference biennially, alternating with *Australasian Aquaculture* conferences. The Corporation also sponsors the biennial recreational fishing conference. *Seafood Directions* conferences have included an important acknowledgement of exceptional contributions by industry people: the National Seafood Industry Awards. The awards recognise and celebrate professionalism and commitment, at individual and organisation levels, to a sustainable and profitable industry. From 2013, the awards categories included inductees to the “Hall of Fame”.]

- Based on improved understanding of the importance of sea mounts to the deep-sea environment, industry and fisheries managers agreed to protect a proportion of the Tasmanian sea mounts as a marine protected area.

[This project was the start of the significant role that FRDC-funded research played in the development of marine protected areas. A further example is on page 30.]

- The FRDC collaborated with the National Land and Water Resources Audit; Australian Geological Survey Organisation; CSIRO; Cooperative Research Centre for Coastal Zone, Estuary and Waterway Management; the University of Queensland; Environment Australia; and state and territory agencies to audit the health status of 970 of Australia’s estuaries. The audit concluded that there was more to be gained initially in investing in the protection of healthy estuaries rather than the restoration of damaged estuaries.

[Much momentum was lost in this project when the Coastal CRC was disestablished.]

- The Institute of Public Administration Australia awarded the FRDC a High Commendation in its 1998–99 Annual Report Awards, commenting that a particularly strong point was the coverage of corporate governance.

[This was to be the first of a series of national reporting awards by the Institute and the Australasian Reporting Awards, including an ARA gold award.]

The seafood industry's GVP was \$2.34 bn, of which wild-catch was \$1.66 bn and aquaculture \$0.68 bn.

2000–01: Industry response to ESD

An Environmental Management Systems (EMS) initiative between the FRDC and industry placed an EMS facilitator in each state to help the industry to implement environmental management systems and address the national fisheries ESD framework. A decision support methodology²³ provided a template for sector-specific EMS documentation. The aim of the initiative was to help commercial fishers and farmers to manage their operations sustainably — principally through improving environmental outcomes but with consideration of economic and social factors.

[Based on FRDC's initial funding, many fisheries and farmers subsequently put in place EMSs supported by Seafood Services Australia and/or OceanWatch Australia; many large sectors moved from EMSs to third-party-accredited standards.]

Other significant activities in 2000–01 were as follows:

- Board appointments were new directors Ian Cartwright and David Newton, and re-appointed directors Dr Russell Reichelt (Chairman), Simon Bennison, Dr Diana Day, Bill Sawynok and Sandy Wood-Meredith. Dr Derek Staples continued as Government Director.²⁴ In appointing the new FRDC Board, the Parliamentary Secretary varied the term of the appointments in order to have directors appointed before the start of the annual evaluation of FRDC R&D applications, thus giving new appointees adequate time for familiarisation.
- *Investing for tomorrow's fish: the FRDC's research and development plan, 2000 to 2005*, the FRDC's third five-year R&D plan, came into effect. It contained the most comprehensive available description of the Australian fishing industry and its future challenges, based on the changes in the FRDC's business environment envisaged for the following 20 years. The plan modified the previous program structure with the three R&D programs becoming Natural Resources Sustainability, Industry Development and Human Capital Development.

[A table showing the evolution of the R&D program structure is at appendix A, page 50.]

- The Women's Industry Network Seafood Community was initiated to empower women to take a greater role in seafood industry development.
- The Cooperative Research Centre for Sustainable Aquaculture of Finfish (Aquafin CRC) was established, with the FRDC a major participant, to add significant value to the FRDC's subprograms for Southern Bluefin Tuna and Atlantic Salmon. The CRC attracted \$16.5 million of investment by the Australian Government and more than treble that amount from other CRC participants. It wound up in 2008.
- AFFA appointed the FRDC to project-manage the aquatic animal health components of the Australian Government's initiative, 'Building a national approach to animal and plant health', with a budget of \$3.1 million over four years, to be invested in accordance with AFFA's strategic plan for aquatic animal health, Aquaplan.

23 The methodology, called the "Green Chooser", was at first solely an SSA activity and evolved into a collaborative activity with OceanWatch Australia, which eventually took it over.

24 Succeeded in 2002 by Glenn Hurry.

[Subsequently, the FRDC instigated an Aquatic Animal Health Subprogram.²⁵]

- The FRDC co-funded an Aboriginal fishing strategy in WA to incorporate subsistence fishing practices in a framework of sustainable use of fish and fish habitat, and to increase Aboriginal people's involvement in commercial fishing, charter operations and fisheries management.
- The Parliamentary Secretary approved a national R&D levy for the prawn farming sector. This levy process — new for the FRDC but commonplace in all other R&D corporations — has resulted from the prawn farming sector's realisation of the benefits of funding and managing R&D within the aegis of the FRDC.

[The prawn farming sector Commonwealth levy remains the only FRDC R&D levy.]

- The FRDC commenced negotiations with state governments to have a component of recreational licence revenue provided to the FRDC for investment in R&D related to the recreational sector. The FRDC funded a workshop of recreational fishing representatives and fostered the subsequent development of a recreational sector R&D plan.

[No untied contributions to the FRDC remain from the recreational sector.]

- The first pilot course of what was to become the Australian Seafood Industry Leadership Program was conducted.

[The FRDC subsequently funded the course annually.]

The seafood industry's GVP was \$2.44 bn, of which wild-catch was \$1.73 bn and aquaculture \$0.71 bn.

2001–02: Major initiative for industry development

Despite the industry's many success stories, market and institutional failure in the seafood supply chain continued to impede the industry's ability to identify and capitalise on many of its opportunities. Increasingly sophisticated global markets require prompt, efficient access to the best knowledge, processes and technology if the Australian seafood industry is to be globally competitive. Seafood Services Australia Ltd (SSA), until then a series of joint-venture R&D projects, had sufficiently demonstrated its potential to deal with those challenges for the FRDC and ASIC to incorporate it as a company limited by guarantee. The inaugural Managing Director of SSA was Ted Loveday.²⁶

[ASIC ceased to be a company member of SSA when ASIC was wound up in 2006 (page 32). The FRDC withdrew as a company member of SSA in 2007, acting on legal advice. By 2009 the company members were the National Aquaculture Council Inc., Seafood Experience Australia Ltd and Sydney Fish Market Pty Ltd. Details of SSA's winding up in 2013 and its legacies are on page 43.]

[To avoid duplication, SSA and FRDC partnership projects are not referenced year by year but are summarised in the description of SSA's legacies on p. 43.]

²⁵ Led by Dr Eva-Maria Bernoth and subsequently Dr Mark Crane.

²⁶ Succeeded in 2013 by Michelle Christoe.

Seafood Services Australia Ltd

The company was established with a mission “to enhance the profitability, international competitiveness, sustainability and resilience of the Australian seafood industry”.

SSA activity areas were:

- cost-efficient production and processing
- environmental management
- trade and market access
- capitalising on seafood health benefits
- seafood incident response planning
- standards development and implementation
- certification and branding
- networks, alliances and information.

These activity areas were achieved through many relationships with industry associations and other industry entities; agencies of the federal, state and territory governments; international entities; research providers and other service providers.

Other significant activities in 2001–02 were as follows:

- A new Chairman, Denis Byrne, was appointed.
- The FRDC celebrated its tenth anniversary during the year. During a celebratory dinner, FRDC achievements were acknowledged by many industry leaders. Inaugural Chairman Bill Widerberg recalled that the fishing industry remained unattracted to the idea of contributing financially to the FRDC:

The problem was that research had been used against industry — to take away access or quota — or for researchers to look into their areas of special interest. ... It was the inaugural board’s aim to assist industry to find solutions, and remove barriers to progress.

Russell Reichelt, recently retired FRDC chairman, commented that statutory authorities such as the FRDC were often confronted with the need to satisfy government and industry stakeholders in ways that may conflict, even to the point of having legal consequences. So far, the FRDC had managed these tensions well and to the satisfaction of all stakeholders. FRDC chairman Denis Byrne emphasised that the message from the largest investor in fisheries R&D — the Australian Government — was that R&D corporations must increasingly focus on delivering good outcomes to the wider community, not just immediate stakeholders, and that communication of research results to all potential end-users is essential.

Noted Sydney restaurateur Peter Doyle said:

The seafood industry owes the directors and staff of the FRDC a vote of thanks for your tremendous efforts. Congratulations!

- DAFF initiated an amendment to the PIERD Act to change the way in which the AGVP was calculated, without consulting with or advising the FRDC.

[The consequence of the way in which this change was handled was that DAFF overpaid the FRDC for some six years, accruing a debt of \$1.9 million that was paid off over a further six years.]

- The Board determined the activities in which the FRDC would not invest, consistent with the FRDC's legislative and policy underpinnings.

Activities in which the FRDC will not invest

- routine stock assessment or other routine management activities
- fisheries re-stocking
- exploratory fishing
- direct marketing of fish and fish products
- direct promotion of the fishing industry
- environmental or quality certification of fisheries or enterprises
- training when other funding sources are more appropriate
- capital, unless related directly to the marginal costs of undertaking R&D
- venture capital.

[In more recent years the FRDC has taken a more discretionary approach to activities in which it will not invest.]

- The FRDC played a major role in helping the Tasmanian oyster industry to incorporate Australian Seafood Industries Ltd to commercialise the results of selective breeding of Pacific Oysters.

[This was the culmination of years of FRDC investment in the genetic improvement of Pacific Oysters. In a similar vein, the FRDC later worked with the NSW oyster sector to form the Select Oyster Co. Ltd to commercialise the Sydney Rock Oysters breeding program.]

- In pursuing its R&D plan, the FRDC worked with the Aboriginal and Torres Strait Islander Commission to develop a cost-effective consultative framework to culminate in the Minister appointing an Indigenous body to join with ASIC and Recfish Australia as a representative organisation. In parallel, the FRDC wrote to each FRAB requesting the appointment of a suitably qualified Aboriginal or Torres Strait Islander person on each FRAB, as was the case on the NSW FRAB. In a similar vein, the Minister for Agriculture, Fisheries and Forestry, Warren Truss, wrote to all RDCs seeking support for the Government's advance towards Indigenous reconciliation. In particular, the Minister encouraged the RDCs to ensure their programs were responsive to the needs of Aboriginal and Torres Strait Islander people and that they took into account how the corporations' activities might affect them.

[After several efforts proved unsuccessful, an Indigenous Reference Group was formed in 2011. However, no Indigenous body has yet been appointed as a representative organisation.]

The seafood industry's GVP was \$2.43 bn, of which wild-catch was \$1.70 bn and aquaculture \$0.73 bn.

2002–03: Increased focus on R&D outcomes

In an address to the chairs of rural R&D corporations, Senator Judith Troeth, Parliamentary Secretary, stated that:

Many research organisations measure performance on the basis of the number of patents, or level of commercialisation, as an indicator of performance. However, demonstrating that research is actually being adopted by rural end-users is fundamental to the rural R&D corporation model.

She added that the R&D corporations had to provide hard evidence of success and the value delivered to the nation through the funding partnership between government and industry. To this end, the FRDC asked the Australian Fisheries Management Forum, comprising directors of Australia's fisheries management agencies, to help it in quantifying R&D outcomes — i.e., what happens when the results of R&D are implemented — of FRDC's investment in projects related to fisheries management. Such involvement of fisheries managers was significant, because they were the end-users of the 60 per cent of the FRDC's R&D budget that was invested through the Natural Resources Sustainability Program.

Until 2002, the FRDC had expressed its R&D investment priorities in a very broad way to allow researchers and end-users of R&D to respond more freely than they would have been able to do if the priorities had been highly prescriptive. However, the Board decided that if R&D were to achieve significant, measurable outcomes from FRDC investment, a higher degree of prescription was needed. As part of its own activities in line with the Australian Government's increased focus on outcomes, the Board held a workshop with the FRABs and other stakeholders to identify more explicit R&D priorities within the FRDC's program structure. The priorities (listed in the panel overleaf) took particular account of key elements of the nine challenges concerning the fishing industry and fisheries natural resources identified in the R&D plan, and issues identified by the Australian Fisheries Management Forum.

Other significant activities 2002–03 were as follows:

- For some years, state governments had queried why they had a role in collecting industry contributions to be passed to the FRDC for fisheries R&D, in contrast with other industries, which were sustained by a Commonwealth R&D levy that did not involve state governments. The FRDC therefore obtained legal advice, which was that there was no obligation on the Commonwealth to match industry payments that were made directly to the FRDC, rather than through a state or territory, and that in order for an obligation to be imposed on the Commonwealth to rectify this anomaly, an amendment would need to be made to the PIERD Act regulation.

[The lack of Commonwealth R&D levies required the collection mechanism to continue and to remain a point of contention between the FRDC and some jurisdictions. It also occasionally resulted in the contributions from some jurisdictions being less than the maximum that would be matched by the Commonwealth. The 2013 amendments to the Act provided for a fishery to be declared a "separately levied fishery", and for levies collected by Commonwealth processes to be matched without state or territory involvement.]

Priorities for FRDC investment

- Develop alternative fisheries management structures and methods that:
 - provide for ecosystems-based fisheries management
 - are based on the precautionary principle²⁷ and appropriate risk management strategies
 - provide for maximisation of economic and social returns from fisheries through robust resource allocation methods
 - provide for effective management of recreational fishing
 - recognise the varying levels of need for government involvement in fisheries management (i.e., as reflected by large self-managed fisheries, full-cost-recovered fisheries, small fisheries, data-rich fisheries and data-poor fisheries)
 - recognise varying levels of property rights
 - are cost-effective.
- Develop ways of increasing the quality and numbers of new industry leaders to accept increased responsibility for fisheries management and industry development.
- Assess Australia's potential to address its likely 80,000-tonne seafood deficit in 2020 through high-volume, low-value aquaculture and improved use of wild-catch resources.

- Australia's first national research priorities were announced by the Prime Minister in December 2002, dealing with an environmentally sustainable Australia; promoting and maintaining good health; frontier technologies for building and transforming Australian industries; and safeguarding Australia. Subsequently, the Parliamentary Secretary issued updated Australian Government priorities for rural R&D in the light of the new national research priorities. The FRDC responded quickly to both sets of new priorities, incorporating them into its reporting processes.

- As a result of the FRDC working with potential industry shareholders, Australian Seafood Co-products Pty Ltd was incorporated to commercially utilise the many thousands of tonnes of fish waste thrown away each year by the processing and retail sectors of Australia's seafood industry.

[The company is still operating but has not had the national impact that was envisaged.]

- The National Strategy for the Survival of Released Line Caught Fish examined the mortality rate of fish caught on lines and released by Australia's four million recreational fishers and commercial fishers.²⁸ The project employed the reverse of the usual science-directed approaches. First, surveys conducted by the Roy Morgan polling company determined

²⁷ The precautionary principle, sometimes erroneously cited contrary to its intent (i.e., as a rationalisation for postponement of action), is defined in clause 3.5.1 of the [Intergovernmental Agreement on the Environment 1992](#) as follows:

Where there are threats of serious or irreversible environmental damage, lack of full scientific certainty should not be used as a reason for postponing measures to prevent environmental degradation. In the application of the precautionary principle, public and private decisions should be guided by:

1. careful evaluation to avoid, wherever practicable, serious or irreversible damage to the environment; and
2. an assessment of the risk-weighted consequences of various options.

²⁸ Led by Bill Sawynok.

which sources of information recreational fishers most trusted and how amenable they were to change. The information gained was then used to focus the science on “the art of the possible” in influencing the fishers to modify their practices.

- The FRDC collaborated with the Kondinin Group, Primary Industries and Resources SA and the fishing industry to develop a high-quality educational book, *The Story of Seafood in Australia*, for children of primary school age. A comprehensive teacher’s resource kit applied the material across all subject areas, including mathematics. The project won one of *The Australian Awards for Excellence in Educational Publishing*.

[This Perth-based initiative achieved varying levels of success, particularly in the eastern states, and was overtaken by other activities such as the *Seafood Industry Partnership In Schools Program* funded by the FRDC and undertaken by OceanWatch Australia. The program opened new channels of communication between the seafood industry and the community, starting in Tasmania and expanding to include the metropolitan areas of Sydney, Newcastle and Wollongong. Fifty-eight partnerships were created, involving a total of 39 schools, 1,700 students and 113 teachers. The program used commercial fishers, aquaculturists and other workers as educators and advocates for the seafood industry.]

The seafood industry’s GVP was \$2.43 bn, of which wild-catch was \$1.73 bn and aquaculture \$0.70 bn.

2003–04: Full financial support from industry

For the first time, industry contributions to the FRDC exceeded the maximum levels that were matchable by the Australian Government. Consequently, the main incentive for the industry to contribute more to the FRDC softened.

Table 1: Industry contributions to FRDC as a percentage of matchable Australian Government dollars

	97-98	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09
(Actual % contributed) →	%	%	%	%	%	%	%	%	%	%	%	%
Commonwealth	86	88	90	90	100	101	153	168	117	120	195	322
New South Wales	70	78	63	76	88	81	100	117	106	122	134	74
Northern Territory	25	31	29	33	38	43	105	89	105	197	476	517
Queensland	51	86	65	81	92	100	106	94	99	100	94	90
South Australia	80	88	83	69	76	81	110	111	165	183	145	199
Tasmania	11	51	48	70	101	67	82	100	135	109	105	104
Victoria	100	95	98	100	87	83	101	94	96	131	108	110
Western Australia	49	60	58	55	51	80	81	102	136	116	89	164
Total	59	72	68	71	77	84	109	114	128	129	130	169

Further, with the lowering of the AGVP caused by lower export revenues, both the Australian Government’s and the industry’s contributions to the FRDC (where tied to the AGVP) were projected to decline, during the following two years at least. However, only in three states and Commonwealth fisheries did the decline eventuate, as shown in table 1. Two years later the upward trend continued and in 2008-09 contributions reached a peak (so far) of 169%.

Other significant activities in 2003–04 were as follows:

- Board appointments were new directors John Harrison, Professor Tor Hundloe, Dr Nick Rayns and Stuart Richey, and re-appointed directors Simon Bennison and Ian Cartwright. Denis Byrne continued as Chairman and Glenn Hurry as Government Director.
- Two surveys — spanning five years, more than 100 projects and more than 300 end-users — conducted as a PhD project by Alex Wells, a former FRDC staff member, showed that “the vast majority of end-users considered the FRDC’s R&D projects to be valuable in terms of results, to be of high priority and to be meaningful for the fishing industry and/or the community”. A majority also reported that objectives were achieved and results were adopted. At the same time, they identified areas where improvements may be warranted, such as in communication between end-users and researchers, and in participation by industry.
- The FRDC had recognised that the seafood industry, unlike other primary industries, had little capacity, through a marketing authority or otherwise, for generic promotion. The higher value of the Australian dollar, the outbreak of Severe Acute Respiratory Syndrome and the strengthening of competition in overseas markets had increased the need for the seafood industry to do more product promotion at the industry sector level — as distinct from enterprise level. A number of sectors shared this view and looked at ways to fund promotion. In response, the FRDC took the first steps towards gaining legislative capacity to receive and manage sector levies for such promotion activities, much as it did for the sea-caught prawn sector under the former *Prawn Export Promotion Act*. The FRDC received strong support for the initiative from industry; however, further action depended on a Government response that was not to be forthcoming for six years.

[The response came in a letter dated 6 July 2010 from the minister responsible for fisheries, the Hon. Tony Burke, who sought advice from industry leaders about support for a compulsory marketing levy and whether it should be applied at sector level or whole-of-industry level. The resulting amendment to the Act in 2013 enabling the FRDC to undertake marketing activities was in keeping with the Productivity Commission’s recommendations about best-practice science investment in its 2011 report, *Rural Research and Development Corporations* (see page 35.)]

- Elements of the FRDC annual report were singled out as examples of good practice in a review by the Australian National Audit Office and the Department of Finance and Administration, and were extensively featured in the resulting book, *Better practice in annual performance reporting*.

The seafood industry’s GVP was \$2.21 bn, of which wild-catch was \$1.48 bn and aquaculture \$0.73 bn.

2004–05: Hand-over at the helm

Peter Dundas-Smith, Executive Director of the FRDC since its establishment, retired. His successor was Dr Patrick Hone, previously Programs Manager. Reflecting the increasing focus on developing people in the industry and those who support it, and with a reference to the strong personal theme of Peter’s tenure, the Board instigated the Peter Dundas-Smith Leadership Scholarship. It provided personal mentoring and \$10,000 towards “an activity that will improve [winners’] ability to contribute as leaders in their chosen field”.

Other significant activities in 2004–05 were as follows:

- John Harrison resigned from the board with effect from 30 April 2005: on becoming an executive of a representative organisation he ceased, in accordance with s.18 of the PIERD Act, to hold office as a director. David Bateman, whose expertise was in recreational

fishing, began attending board meetings as an observer until the next board was appointed in 2007.

- The FRDC's first stakeholder survey was conducted. It revealed that the FRDC had a very high level of recognition by the industry and was well regarded. Areas for increased investment were identified. Responses supported a view that the best partnerships for future investment were with industry councils. The survey also revealed that *R&D News*, the FRDC's magazine, needed a revamp: many people thought there was too much focus on researchers and that more content should focus on the interests of industry people. The magazine adopted a new focus in February 2006, before being significantly re-branded as *FISH* in June 2007.

[The FRDC now commissions a stakeholder survey every two years:
http://frdc.com.au/research/market_research/Pages/default.aspx]

- In conjunction with the National Aquaculture Council and the Tasmanian Aquaculture Council, the FRDC sponsored the inaugural *Australasian Aquaculture* conference.

[The FRDC has continued to sponsor the conference biennially, alternating with *Seafood Directions* conferences.]

The seafood industry's GVP was \$2.09 bn, of which wild-catch was \$1.45 bn and aquaculture \$0.64 bn.

2005–06: Chefs and consumers engaged

In a closer focus on consumers, the FRDC set out to educate many of the next generation of opinion leaders in the food sector. It did so by engaging with chefs, who are uniquely positioned to provide advice on the best way to prepare and eat seafood. Chefs influence consumers hugely, especially through the print media and television food programs. As end-users of large volumes of seafood, chefs can also help producers to understand trends in the marketplace, including changes in consumer tastes, the need for quality and consistency, and appropriate ways in which seafood should be sold.

Other significant activities in 2005–06 were as follows:

- *Investing for tomorrow's fish: the FRDC's research and development plan 2005–2010*, the FRDC's fourth five-year plan, came into effect. Like its predecessor, the plan was based on forecast changes to the FRDC's business environment and redefined the Corporation's strategic challenges. The FRDC's program structure was further enhanced, as shown in appendix A on page 50.
- Following a wide review of Australian Government statutory authorities' corporate governance by John Uhrig, the Government announced that R&D corporations would remain in place under the CAC Act, with their own boards. The Government ratified the rural R&D corporation model as the preferred mode for engaging in government–industry partnerships. The PIERD Act would be amended to discontinue the position of government director²⁹ and expand the range of desired expertise for selection of directors to include government policy processes and administration. The review clearly identified that the FRDC Board's role was to establish strategy, manage risk and opportunity (entrepreneurial), and monitor and respond to performance from its R&D investment.

²⁹ The reasons were that appointment of government directors was inconsistent with a skills-based approach and that discontinuance would remove potential conflicts of interests in responsibilities to the department and the minister and responsibilities to the board and the R&D corporation.

[Subsequently the FRDC prepared a Statement of Intent required by the Government, incorporated it into the 2007–08 annual operational plan, and started to integrate it into its reporting framework. The Corporation also increased communication with the Minister and DAFF through monthly reporting. The Parliamentary Secretary also suggested that RDCs improve their level of collaboration, implement a quantitative impact assessment and reporting framework between them, and improve their level of investment in people development.]

- The Productivity Commission issued a report, *Public Support for Science and Innovation*. It made no RDC-specific recommendation but commented on what it saw as best-practice science investment. It reinforced the collective need of the RDCs to measure the benefits of the Government's investment. Further, its commentary on spill-over benefits shifted the emphasis of public good funding to include measures of community benefit since in recent years public good funding had focused more on direct industry or commercial benefits. The Commission acknowledged that government funding could be seen as industry subsidy and that taxing powers could be considered as being used to give private benefit. It concluded that the Australian Government needed to focus more on public good research.
- A new FRDC funding framework was implemented, with five key areas:
 1. an annual competitive open round that focused on the public good
 2. a tactical research fund to invest \$1.75 million on small projects (less than \$75,000 and fewer than 18 months maximum duration) through four rounds a year (subsequently three)
 3. national strategic investment (in which the Board would initiate partnerships to fill nationally applicable R&D gaps that it identified in the interests of public good)
 4. increased partnership with large industry sectors (such as Southern Bluefin Tuna, Southern Rock Lobster and Atlantic Salmon) through Industry partnership agreements (IPAs), replacing memoranda of understanding

[Subsequently, additional IPAs were signed with the major sectors and sectors with growth potential. The status of IPAs is in appendix B on page 54.]
 5. a further increased focus on people development, reflected in allocation of 10 per cent of the FRDC R&D budget to people development.
- A review and assessment of the impacts of the proposed broad areas of interest for Marine Protected Area (MPA) development in the South East Region was concluded. Professor Colin Buxton and an expert team examined 14 proposed MPAs in a way that could be substantiated by science; the Australian Government accepted a majority of the recommendations. In a win–win outcome for the industry and the environment, the final agreed MPAs provided a marginally improved set of conservation and biodiversity outcomes compared with those originally proposed. The impact on the commercial wild-catch sector and its infrastructure and associated communities was expected to be far less than what may have been the case under the original proposals. The project brought a benefit–cost ratio of 959:1 for its \$37,500 cost.

The seafood industry's GVP was \$2.17 bn, of which wild-catch was \$1.42 bn and aquaculture \$0.75 bn.

2006–07: Seafood Cooperative Research Centre established

Cooperative research centres relating to the seafood industry had existed alongside the FRDC since 1993 and co-invested significant Australian Government funds into many FRDC-managed projects. The need for a new CRC stemmed from recognition that the Aquafin CRC was due to wind up in 2008–09: without a follow-on entity, significant increased demand would be put on FRDC funding. Previous CRCs had focused on aquaculture development, so the challenge was to find a theme for a new CRC that would meet the Australian Government’s criteria and not to be, nor appear to be, “more of the same”.

Many of the major sectors of the seafood industry, both wild-catch and aquaculture, had benefited from the millions of dollars that the FRDC and previous CRCs had invested in ensuring the sustainable development of their production, and were now shifting their R&D priorities further along their supply chains. Consequently, at an initial workshop of industry and research leaders, it was decided that any new CRC should be built around the R&D needs of the “big end of town” as this would afford the CRC most opportunity to realise the significant economic outcome required by the CRC program criteria.

Spurred by the urgent need for a national approach to closing major gaps in the seafood industry value chain, during 2005 and 2006 the FRDC and key industry entities developed a case for investment by the Australian Government’s Cooperative Research Centres program. In December 2006, the Australian Government approved the Australian Seafood Cooperative Research Centre with an investment of \$37 million, making it the second-largest of all Australian CRCs until then. In 2007 the Seafood CRC Company Ltd was formed; the CRC board, under the chairmanship of Peter Dundas-Smith, was elected by participants; and associated governance arrangements were put in place.³⁰ The FRDC’s investment of \$24 million over seven years was the largest in the CRC. Total Australian Government and industry investment was \$140 million.

The Seafood CRC’s planned outcomes

- Substantial increase in the production and profitability of selected wild-harvest and aquaculture species.
- Increased demand and access to premium markets for Australian seafood; fulfilment of consumer demands for safe, high-quality, nutritious seafood products; and increased profitability throughout the value chain.

The scope of the CRC’s research (both pre-harvest and post-harvest activity) spans the entire value chain from production to consumer. The economic benefits of the CRC are estimated to add \$445 million to gross domestic product in Year 5 and more than \$520 million in Year 10.

[The Australian Government approved a non-funded extension to the Seafood CRC to take it to June 2015. Details of the Seafood CRC’s winding up in 2015, and its legacies, are on page 45.]

[To avoid duplication, Seafood CRC and FRDC partnership projects are not referenced year by year but are summarised in the description of Seafood CRC’s legacies on page 46.]

³⁰ The Seafood CRC’s agreement with the Australian Government took effect on 1 July 2007.

Other significant activities in 2006–07 were as follows:

- Board appointments were new directors Dr Ray Johnson, Dr Paul McShane, Frank Prokop, Richard A. Stevens and Richard N. Stevens, and re-appointed director Stuart Richey. Denis Byrne continued as Chairman and Glenn Hurry as Government Director.
- ASIC ceased trading because of lack of financial support from the state industry councils. This had wide ramifications, particularly for the FRDC because ASIC was — together with Recfish Australia — a representative organisation under the PIERD Act, and because it was a company member of Seafood Services Australia Ltd.
- The Minister declared the National Aquaculture Council and the Commonwealth Fisheries Association representative organisations under the PIERD Act.
[\[The Minister declared the National Seafood Industry Alliance Inc. a representative organisation in 2011.\]](#)
- In the absence of an Australian Government response for the FRDC to manage a levy for seafood promotion, Seafood Experience Australia Ltd was incorporated by some industry leaders. The FRDC contributed to the establishment cost of the company in its endeavour to have seafood promotion legislation and an associated levy enacted.

The seafood industry's GVP was \$2.22 bn, of which wild-catch was \$1.41 bn and aquaculture \$0.81 bn.

2007–08: People development ramped up

For some years, the Board had been disappointed by the relatively low numbers of applications for funding under the People Development (previously Human Capital development) Program: they were inadequate, in number and focus, to meet the challenges identified in the R&D plan. In 2006, they totalled less than 5% of R&D expenditure. The Board therefore commissioned a review of the People Development Program to assess how far it met the current needs of industry and how it could be re-oriented to meet future needs. The review found that although the FRDC had demonstrated a long-standing commitment to investing in people development, its investment had lacked a strong strategic focus and had been confined largely to sponsoring leadership development programs and research scholarships.

In response to the review's recommendations, in May 2007 the FRDC recruited a manager to implement recommendations of the review through a more focused program. An advisory group was appointed to guide the initial activities.

Other significant activities in 2007–08 were as follows:

- Peter Neville was appointed as FRDC Chairman.
- The FRDC commenced R&D focused on the needs of the recreational fishing sector under the guidance of a new working group.
- The FRDC joined the new Council of Rural Research & Development Corporations charged with instigating high-level reports to the Minister for Agriculture, Fisheries and Forestry concerning, for example, national rural RD&E strategy and priorities and assessment of current delivery mechanisms.

- Following a Board review of its functions, the Board issued its first corporate plan to guide its own activities. The aim was to make the FRDC more effective as a successful business delivering outcomes to its stakeholders. It included seven corporate strategies:
 1. Demonstrate the rate of return on R&D investment.
 2. Evaluate options for alternative business models and implement the preferred model.
 3. Conduct a business efficiency review.
 4. Build and maintain effective industry and government partnerships.
 5. Develop an effective communication plan.
 6. Establish a national investment allocation framework for public-good R&D.
 7. Develop mechanisms to deliver better adoption of fisheries R&D results.
- Changes were introduced to reduce the time spent by the board evaluating R&D projects and devolving more of that function to experts in industry and government. More emphasis was to be placed on thematic development of R&D.
- The FRDC launched *Co-management: Managing Australia's fisheries through partnership and delegation*, a report of the FRDC's national working group³¹ on fisheries co-management. Since fisheries managers cannot manage wild fish — only the behaviour of fishers and, to a severely limited extent, some aspects of the ecosystems on which they depend — it is known that far closer collaboration is needed for “total ecosystem” management of fisheries. Genuine interaction and partnerships are at the heart of co-management, but practical ways of achieving it have proved exasperatingly difficult. This practical “How to” guide provided a flexible framework to be applied at various levels of co-management. It was widely hailed by industry and fisheries managers.

The seafood industry's GVP was \$2.21 bn, of which wild-catch was \$1.34 bn and aquaculture \$0.87 bn.

2008–09: World breakthrough in innovation

The huge progress made by Australian fisheries research since the 1990s was exemplified by a world scientific coup: the raising of juvenile Southern Bluefin Tuna (SBT) in captivity.

Since 1992, SBT caught off the SA coast had been fattened for about 12 months in sea cages for the Japanese sashimi market, now worth about \$250 million a year. Clean Seas Tuna Ltd, with the support of the FRDC, Seafood CRC and other agencies, selected some of those fish as broodstock and transferred them to a purpose-built onshore facility. Their spawning in spectacular fashion was an exciting development: spawning had been notoriously difficult to induce in this species because it resulted not from biological inevitability but from environmental cues during migration from the Great Australian Bight to spawning grounds in the Java Sea. These cues of the sea migration route were mimicked in a tank in which variables such as water quality, light, temperature and feed were assiduously controlled. The breakthrough presented huge potential for Australian aquaculture to help to materially fill the growing gap between world demand for premium seafood and its supply.

[In 2013, Clean Seas Tuna made the business decision to suspend its SBT breeding program.]

³¹ Led by Peter Neville.

Other significant activities in 2008–09 were as follows:

- The FRDC released its report into fisheries co-management
- The FRDC established a Chair of Fisheries Economics at the University of Tasmania
- The FRDC established a social research program
- The FRDC implemented a formal RD&E Investment Evaluation Framework that included:
 - an agreed national plan
 - key performance indicators and targets for measuring success
 - an investment framework that ensured investment against priorities where research can contribute to a significant improvement
 - total portfolio evaluation based on RDC evaluation methodology
 - ongoing review by the Board of planning and investment framework based on performance against KPIs.
- In conjunction with the National Aquaculture Council the FRDC, at the 2008 *Australasian Aquaculture* conference, proposed an annual target for aquaculture production of 100,000 tonnes by 2015. Production, at that stage about 56,000 tonnes, was expected to increase particularly through Atlantic Salmon, Barramundi, Yellowtail Kingfish, oysters and abalone.
- Following a decision to unify the processes for evaluating cost–benefits across the entire RDC portfolio, the FRDC started to evaluate 18 clusters of R&D projects conducted between 2003–04 and 2007–08 that would produce statistically valid results. The clusters were aggregated from 34 projects in which the FRDC had invested \$96 million. The return on FRDC investment across three programs during the previous five years was found to average 5.6:1.

[This process continued: see page 39. Evaluation of non-economic benefits remains difficult.]

Land and Water Australia, the R&D corporation that received funding from the Australian Government for public good activities, was abolished. This was the second R&D Corporation to be abolished, the first having been the Energy R&D Corporation in 1997.

The seafood industry's GVP was \$2.21 bn, of which wild-catch was \$1.35 bn and aquaculture \$0.87 bn.

2009–10: New national strategy for RD&E

Working Together: the national fishing and aquaculture research, development and extension strategy 2010 was approved by the Primary Industries Ministerial Council as a component of the new National Primary Industries Research, Development and Extension Framework.³² Its intent was to encourage collaboration and promote continual improvement in national investment in primary industry RD&E. Developing the strategy involved unprecedented collaboration between fishing and aquaculture industry leaders, the RD&E community and

³² A significant component of the National Framework was a concept of major, supporting, and linking roles in RD&E — initially termed “major–support–link” and later “major–support”. The concept was to conduct national *R* with regional *D&E*, recognising that basic and strategic research could be provided from a distance but that regional adaptive development and local extension was required to improve industry's uptake of innovation.

other key stakeholders. It was considered to potentially move fishing and aquaculture RD&E towards greater integrated planning — particularly for addressing national priorities — leading to more cost-efficient, effective delivery of RD&E.

[Implementation of the first edition of the strategy was varied. Little evidence ensued that it had made a measurable difference to the extent of collaboration between research providers or to the quality of research beyond that achieved through extant FRDC processes].

Other significant activities in 2009–10 were as follows:

- FRDC board appointments were new directors Heather Brayford, Renata Brooks, Brett McCallum, Dr Daryl McPhee and Professor Keith Sainsbury, and re-appointed directors Stuart Richey and Richard A. Stevens.
- To coordinate national investment and encourage adoption, the FRDC worked with the industry, DAFF, fisheries managers and the Department of Climate Change to develop a national climate change program, following several reports on the likely effects of climate change on marine and freshwater environments. The FRDC committed a minimum of \$2.7 million to this \$6 million program.

[The resulting program, which concluded in 2013–14 (page 39), enhanced the industry's capacity to adapt, mitigate against, and take advantage of further climate change.]

- Sequencing of the genome of AbHV and development of sensitive molecular techniques to diagnose viral ganglioneuritis in Abalone led to improved biosecurity and, in turn, better management and reduced impacts on the fishery.

[The research team subsequently won several science achievement and seafood industry awards.]

- Atlantic Salmon rickettsia vaccine developed
- Higher production volumes of tiger prawns (*Penaeus monodon*) resulted from previous research into domestication.
- Assessment of current fisheries management approaches identified the potential for substantial triple-bottom-line benefits to Australian wild-catch fisheries and annual gains, without increasing catch volume, of more than \$350 million under “best use” compared with current performance.

The seafood industry's GVP was \$2.20 bn, of which wild-catch was \$1.31 bn and aquaculture \$0.89 bn.

2010–11: Productivity Commission recognises RDC benefits

Following the Minister's request to the Productivity Commission to consider the effectiveness of the RDC model in improving competitiveness and productivity and whether other models could address policy objectives more effectively, the Commission concluded that the Australian Government should continue with the RDC model since the research sponsored by RDCs had, in aggregate, significantly benefited the rural sector and the wider community. The Commission noted that while much of this benefit came from research-induced productivity improvements, there had also been positive environmental and social impacts. The Commission also suggested mechanisms for increasing cross-sectoral R&D and recommended permitting statutory RDCs to undertake industry-funded marketing and promotion activity, thereby removing the difference between those corporations and the industry-owned corporations.

Other significant activities in 2010–11 were as follows:

- A new FRDC Chairman, the Hon. Harry Woods, was appointed.

- *Investing for tomorrow's fish: the FRDC's research, development and extension plan 2010–2015*, the FRDC's fifth five-year plan, came into effect. The plan's five programs and 14 themes mirrored those of the *National fishing and aquaculture research, development and extension strategy* released earlier in 2010. A shift in emphasis, to which the FRDC's stakeholders contributed substantially, resulted in the three principal R&D programs being named "Environment", "Industry" and "Communities", and two enabling programs being instituted to add value to them: "People Development" and "Extension and Adoption". The renewed emphasis on extending R&D outputs to end-users also resulted in "extension" being added to the title of the plan.

[A table showing the evolution of the R&D program structure is at appendix A, page 50.]

- The transaction costs of applying for FRDC funding were substantially reduced by introducing a two-page expression of interest. In a related move, the role of the FRABs was changed from ranking long lists of applications to supporting only projects within an allocated budget for the jurisdiction.
- The FRDC established the Indigenous Reference Group (IRG) to develop a nationally focussed and better way of addressing Indigenous RD&E needs.

[In 2011–12 the group established 12 principles to guide Indigenous fishing and aquaculture, mapped to the five strategic research areas of: primacy for Indigenous people; acknowledgment of Indigenous cultural practices; self-determination of Indigenous rights to use and manage resources; economic development opportunities and rights for Indigenous people; and enhancement of capacity-building opportunities for Indigenous people. In 2014–15 the FRDC created an Indigenous Subprogram managed by the IRG to drive its Indigenous RD&E investment.]

- Blood fluke was identified as the key factor in Southern Bluefin Tuna mortality and the intermediate host identified as a polychaete worm in sediment. In a treatment trial, mortality declined from about 13 per cent experienced in the previous growing season to about 1 per cent for the subsequent season. Growth also improved as a result of the animals' health not being compromised.

[The results of the project were subsequently adopted by industry, saving about \$20 million per year.]

- With FRDC assistance, the Australian Mussel Industry Association was formed to unify the industry under a national peak body covering production in five states. The association committed to implementing both an R&D levy and a marketing and promotion levy.
- Research by the FRDC Pearl Research Consortium resulted in a significant increase in productivity per hectare and reduced time between seeding oysters and harvesting pearls.
- Commercial production of *Artemia* commenced following FRDC investment in utilising salt ponds in the production of cysts. Subsequently the FRDC, jointly with Cognis Australia Pty Ltd and the WA Department of Fisheries, won an award in the 'Developing the Economy' category of the WA Premier's Awards.
- Following adoption of FRDC research by the Commission for the Conservation of Antarctic Marine Living Resources, the Patagonian Toothfish fishery was acknowledged as one of the world's leading sustainable fisheries.
- In the Commonwealth gillnet fishery, fisheries scientists had identified sea-lion interactions as a major problem. A partnership of the FRDC, fisheries management agencies, environment departments and NGOs in on-boat research led to the interactions being significantly reduced.
- A \$1.9 million investment in targeted recreational fishing research resulted from DAFF engaging the FRDC to manage the Recreational Fishing Industry Development Strategy.

Building capacity in the recreational sector and acquiring data to support decision-making in recreational fisheries management were the strategy's two main priorities.

The seafood industry's GVP was \$2.25 bn, of which wild-catch was \$1.29 bn and aquaculture \$0.96 bn.

2011–12: Telling the story: science for the community

Previously, the FRDC had focused most of its extension and communication efforts on industry, managers and scientists, generally at project level. Responding to increasing public concerns about the sustainability of fishing and aquaculture, the Corporation increased its promotion of factual, science-based information to the community through four linked strategies:

- industry unity – developing consensus on fishing and aquaculture through unified messages on key science issues
- media relations – providing the FRDC's science outputs in a format that is better suited for utilisation by the media (included developing a whole-of-industry media science strategy and "science ambassadors" who would ensure a professional approach to presenting science)
- community relations – engaging with regional and urban communities about positive science stories
- stakeholder advocacy "influencers" – working with both allies and detractors to develop an agreed "common language" on issues where there is differences of opinion about the science evidence.

Related to these FRDC strategies, the extension working group of the national fishing and aquaculture RD&E strategy (see p. 34) developed a draft national extension strategy and six extension and adoption principles. A new Research Provider Network finalised major-support-link allocations for delivering research.

[These strategies have been absorbed into the FRDC's core business practices.]

Other significant activities in 2011–12 were as follows:

- The House of Representatives Standing Committee on Agriculture, Resources, Fisheries and Forestry called an **Inquiry into the Role of Science for Fisheries and Aquaculture**. The holding of the inquiry coincided with the FRDC's assessment that a rethink was needed on how science was informing the needs of ministers, the community, industry and managers.
- The FRDC contributed to DAFF's development of a **National Food Plan**, highlighting opportunities for seafood, Australia's reputation, health benefits and the importance of RD&E in addressing future challenges and opportunities.
- The Indigenous Reference Group established 12 principles to guide Indigenous fishing and aquaculture, mapped to the five strategic research areas of: primacy for Indigenous people; acknowledgment of Indigenous cultural practices; self-determination of Indigenous rights to use and manage resources; economic development opportunities and rights for Indigenous people; and enhancement of capacity-building opportunities for Indigenous people
- The *Seafood Directions 2011* conference highlighted the need to establish third-party environmental certification for fishing and aquaculture. Subsequently the WA Government budgeted \$14.5 million to certify all WA fisheries and aquaculture activities, with the

preferred certifier being the Marine Stewardship Council. The FRDC board supported further work on establishing an Australia Fisheries Management Standard.

- Western Rock Lobster became a quota-managed fishery and both the Spencer Gulf Prawn Fishery and the Antarctic Patagonian Fishery achieved MSC certification. A large body of FRDC science contributed to the certifications.
- Oysters Australia (which evolved from the oyster consortium that facilitated the oyster sector to participate in the Seafood CRC) was established as the peak body for all oyster-producing states.

The seafood industry's GVP was \$2.31 bn, of which wild-catch was \$1.27 bn and aquaculture \$1.04 bn.

2012–13: *Status of key Australian fish stocks released*

More than 80 scientists of the FRDC, the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES), and state and territory fisheries management agencies collaborated to produce the first *Status of key Australian fish stocks* report and an associated website (www.fish.gov.au). The report is a major step forward for transparency and reporting of fish stock health and sustainability for policy makers, industry and the general public.

Forty-nine key wild-catch fish stocks (representing more than 80 per cent of the value and 70 per cent of the volume of Australian catch species) were assessed across Australia. In total, 150 stocks were assessed across 49 key species, with 98 stocks (which contribute 90.6 per cent of the total catch of the species assessed) being classified as sustainable. Eight stocks were classified as transitional–recovering, three as transitional–depleting, and two as overfished: Southern Bluefin Tuna and School Shark, which have management plans in place.

[In 2013–14 the FRDC initiated the development of Australian standards for responsible fishing and fisheries management. A second edition of the *Status of key Australian fish stocks* report was produced in 2014.]

The arrival of a large factory freezer vessel (FV *Margiris*) to fish the Commonwealth Small Pelagic Fishery³³ put the spotlight on the fishery's sustainability and gave rise to concerns by some stakeholders, widespread negative media attention, and campaigns by people opposed to its operation. Amendments were promptly made to the *Environment Protection and Biodiversity Conservation Act 1999* to allow the temporary prohibition of certain declared fishing activities. There followed a two-year ministerial prohibition of large factory-freezer vessels from mid-water trawling or in transshipment operations in the Small Pelagic Fishery, to allow an expert panel to conduct an assessment to determine the environmental impacts of the declared commercial fishing activity, particularly on species protected by Australia's national environment law.

The Department of Agriculture then worked with AFMA and the FRDC to identify research needs for the fishery. One activity was a review by CSIRO of the harvest strategy used in the fishery which inferred that key predators were not as reliant on the target species of the fishery as had been expected and that the Commonwealth fisheries harvest strategy was sufficiently precautionary. Other research activities initiated included the estimation of spawning biomass for Jack Mackerel, Sardines and Blue Mackerel, which are target species for the fishery, using the daily egg production method as well as an expert workshop to review the Daily Egg Production methodology used. To assist in the coordination of this research, the FRDC developed a Small Pelagic Fishery Research Coordination Program.

33 This fishery extends from just north of Perth, through the Great Australian Bight to southern Queensland.

[The expert panel reported in late 2014, when at-sea sampling commenced. In April 2015 the 95-metre trawler *Geelong Star* started fishing the Small Pelagic Fishery; subsequently, marine mammal deaths led to AFMA imposing further restrictions on the way in which it could fish.]

Other significant activities in 2012–13 were as follows:

- Board appointments were new directors Dr Bruce Mapstone, Dr Peter O'Brien and David Thomason; Heather Brayford, Renata Brooks and Brett McCallum were reappointed. Dr Daryl McPhee, Stuart Richey, Dr Keith Sainsbury and Richard A. Stevens retired.
- Following a series of consultative meetings held by DAFF nationally, a ministerial Rural Research and Development Policy Statement supporting the current RDC model was issued in response to the Productivity Commission's inquiry into the rural RDCs. The statement also commented that some changes should be made to the PIERD Act to broaden the FRDC's role to manage investment of levies raised by industry for purposes other than R&D, such as product marketing.

[Many of the issues identified in the policy statement were reflected in amendments made to the PIRD Act in 2013–14.]

- The FRDC commissioned an independent economic analysis of a further eight clusters of 173 R&D projects following the evaluations of 2009–10 (page 34). Most benefits identified were economic, although significant numbers of environmental and social benefits were also identified. The major beneficiaries were the fishing and aquaculture industry (56 per cent); 44 per cent of identified benefits were public good. The results demonstrated the significant spill-over of these benefits to the Australian public. When all eight clusters were aggregated, the benefit–cost ratio for the \$99.3 million investment (FRDC and partners) was 2.5:1, with present value benefits of \$251.7 million and net present values of \$152.4 million. The FRDC's component comprised \$32.9 million in present value terms, with a net present value of \$48 million.

[The results of the analysis are available on the FRDC website.]

- Participants in the Seafood CRC, including the FRDC, unanimously agreed to seek from the Department of Industry, Innovation, Science, Research and Tertiary Education a one-year extension to improve the impact of legacy projects proposed to extend beyond the CRC's closure in June 2014. The Australian Government approved the extension.

[The Seafood CRC attempted to gather industry support for an application to continue the CRC for another term of three years or more, largely to continue its marketing-related activities while industry and the FRDC developed strategies for implementing long-term marketing capacity. Although there was strong support from the industry sectors that were undertaking market development under the CRC — abalone and wild-catch and farmed prawns — overall support was insufficient to warrant proceeding with an application. This turned out to be the right decision, albeit for the wrong reason, in that the timing coincided with an Australian Government decision not to approve new CRCs for that year and to reduce funding for the following years. The CRC's legacies are summarised on page 45.]

- The FRDC reviewed its 2008–13 People Development Program, focusing especially on integrating it with existing program areas of environment, industry, communities, and extension and adoption. The conclusions were incorporated into a new **People Development Plan 2013–15**, which among other things supported the Australian Government's capacity-building priorities. Although the goal was to integrate people development with the FRDC's other planning structures, evidence showed that a dedicated program was still needed, consistent with the findings of other RDCs.
- The coordinated funding program initiated in 2009–10 (page 35) to enhance the fishing industry's capacity to adapt, militate against and take advantage of further climate change concluded. It provided knowledge to help marine users and managers to adapt; reinforced the need to rethink marine management paradigms; equipped inshore fisheries for

increased productivity and resilience to more extreme shock events; fostered multi-objective marine resilience; fostered climate- informed action through shared knowledge; and contributed to smarter energy use. Funding for climate-related research during 2009–10 to 2012–13 exceeded \$10 million through co-investment from DAFF³⁴ and the Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education.³⁵

- The FRDC funded R&D to ensure the Australian Shellfish Quality Assurance Program provides the foundation for internationally acceptable protection of public health and market access, following a biotoxin outbreak in which Tasmanian mussels were affected by a bloom of naturally occurring algae, leading to rejection of an export shipment and consequent economic cost of about \$8.5 million to \$10.5 million. Other shellfish were also affected.

The seafood industry's GVP was \$2.38 bn, of which wild-catch was \$1.35 bn and aquaculture \$1.03 bn.

Many other significant activities that would normally have been recorded against this year have been included in the Seafood CRC legacies section (page 45) as the result of these FRDC–CRC joint partnership projects having been realised and adopted.

³⁴ DAFF was re-named as the Department of Agriculture in 2013–14.

³⁵ Formerly the Department of Climate Change and Energy Efficiency, later Department of Industry and Science.

2013–14: New roles for the FRDC

Amended legislative objects

In 2013, the objects of the rural R&D corporations specified in section 3 of the PIERD Act (listed on page 8) were supplemented following an amendment to the Act, which was renamed the *Primary Industries Research and Development Act 1989* (PIRD Act). The added provisions were contained in sub-sub-clauses iv, v and, in respect of the FRDC, sub-clause b — delineated in blue in this panel.

“The objects of this Act are to:

- (a) make provision for the funding and administration of research and development relating to primary industries with a view to:
 - (i) increasing the economic, environmental and social benefits to members of primary industries and to the community in general by improving the production, processing, storage, transport or marketing of the products of primary industries; and
 - (ii) achieving the sustainable use and sustainable management of natural resources; and
 - (iii) making more effective use of the resources and skills of the community in general and the scientific community in particular; and
 - (iv) supporting the development of scientific and technical capacity; and
 - (v) developing the adoptive capacity of primary producers; and
 - (vi) improving accountability for expenditure on research and development activities in relation to primary industries; and
- (b) make provision for the funding and administration of marketing relating to products of primary industries.”

The RDCs’ new legislative objects provided a very important authority for a number of changes in addition to those list above, including:

- the ability to develop and maintain the research workforce
- the ability to develop the capacities of primary producers to adopt the outcomes of research
- the ability to undertake marketing activities using industry levies specifically collected for that purpose³⁶
- the requirement for the FRDC to enter into a Funding Agreement with the Department of Agriculture
- the ability to declare a part of the fishing industry as a “separately levied fishery” and for its contributions to the FRDC to be matched by Australian Government up to the 0.25% AGVP cap
- a requirement for the FRDC to spend funds raised from a particular jurisdiction or industry sector on RD&E activities relevant to that jurisdiction or sector
- a requirement for board selection committees to create a “reserve list” that can be used to fill unplanned vacancies over the following twelve months

³⁶ A drafting oversight prevented the FRDC from using voluntary marketing contributions for marketing purposes. The Department of Agriculture undertook to amend the legislation to remedy it.

- preparation for an independent review of FRDC operations and consistent benefit–cost analysis of projects
- improvement in collaboration and cross-sector investment, and reporting on it annually.

Seafood Services Australia, which had commenced in unincorporated form in 1999 and as a not-for-profit industry development company in 2001, was wound up. During its 13 years of operation, SSA had invested more than \$7.32 million in seafood industry development initiatives: a leverage of an additional \$3.07 million over the \$4.25 million that the FRDC had invested in its projects. The SSA Board concluded that the company's future was financially unsustainable in light of the inability to attract industry support and alternative funding and after the FRDC introduced a new project-by-project funding arrangement. Some of SSA's major legacies are outlined in the panel overleaf.

On SSA's winding up, the FRDC took over three SSA functions to ensure they were maintained for the benefit of the seafood industry, by continuing to:

- develop and promote the Australian Fish Names Standard (the FRDC gained approval from the Accreditation Board of Standards Development Organisations as a Standards Development Organisation in lieu of SSA)
- conduct trade and market access activities
- convene the Common Language Group.

Seafood Services Australia's major legacies

SSA's many legacies included the following:

- the Seafood Trade and Market Access Forum to provide an inclusive, transparent mechanism to identify, prioritise and action critical trade and market access issues faced by the Australian seafood industry (the initiative, and associated activities, was the first by the Australian seafood industry that took a coordinated, strategic approach to these issues; the Seafood CRC's market development research also achieved significant outcomes — see p. 47)
- the online Seafood Trade and Market Access Database to provide industry and government with up-to-date, comprehensive technical data and other crucial information on the trade and market access requirements of all of Australia's key seafood trading partners (this was a collaborative activity involving the Seafood CRC and its participants, including with SARDI on the provision of technical data for the database — see p. 47)
- accreditation as a Standards Development Organisation (SDO) under the stringent requirements of Standards Australia (SSA one of only five SDOs in Australia and the only SDO in Australia with seafood industry standards development capacity)
- the Australia Fish Names Standard — the definitive document on common and scientific names for seafood that resolved longstanding confusion about marketing names and improved consumer confidence in seafood purchasing
- the online Fish Names Database that extended the Fish Names Standard nationally and internationally (it is now utilised on a daily basis by the scientific community and seafood wholesalers, retailers and consumers to clarify marketing and scientific names)
- the enlarged National Seafood Incident Response Plan, which included how to deal with incidents that could be detrimental to the seafood industry; additionally, SSA coordinated a national biennial trial of the plan to evaluate the responsiveness of industry to a major incident and the level of interaction between industry and government agencies
[The seafood industry did not take responsibility for the plan after SSA's demise; it is no longer operational.]
- a "Seafood for Life" theme, aimed at increasing consumer awareness of the health benefits of seafood with a view to increasing per-capita seafood consumption
- the Common Language Group, a forum for stakeholders to agree on terminology and definitions relating to the fishing and aquaculture industry
- the National Seafood Industry Environmental Management Systems (EMS) program, which was carried forward by SSA to help commercial fishers to manage their fisheries towards sustainability, principally through improving environmental outcomes but with consideration of economic and social factors (although this was not an active role for SSA at the time of its winding up, having been assumed by OceanWatch, the program is included here because it remains a good example of how SSA's intervention in the face of market failure achieved much faster adoption by industry).

Other significant activities in 2013–14 were as follows:

- The *Public Governance, Performance and Accountability Act 2013* (PGPA Act) replaced both the CAC Act and the *Financial Management and Accountability Act 1997*. The provisions of the new Act established across Commonwealth entities a single system of governance and a performance framework. It also increased the level of reporting and accounting by the FRDC to the Australian Government.
- To counter the diminished social licence of NSW commercial fishers, the FRDC funded two projects, respectively to scope the development of a fisheries management standard with the Sydney Fish Market and the Seafood CRC, and to develop a Master Fishers Certificate

with OceanWatch Australia. Under the latter project, 54 estuary fishers in NSW were recognised as OceanWatch Master Fishermen; information on their activities and the sustainability of their catches was made available at the point of sale through Quick Response Codes.

- Two new subprograms were created: Recfishing Research and Indigenous. Unlike earlier subprograms, these have an allocated investment budget. In addition to the usual role of subprograms, Recfishing Research is to work towards the Government's agreeing to the determination of an AGVP for the sector and matching its contributions as it does for the commercial sector. The Indigenous subprogram is supported by the FRDC's Indigenous Reference Group.
- In her FRDC-funded project "Let's Talk Fish", Nicki Mazur tackled the challenge of identifying how perceptions about the sustainability of the wild-catch sector are formed and underpin the community's "social licence to operate". She recommended that industry improve its engagement with the public and with stakeholders, especially those who have significant influence in decision-making contexts and the ability to galvanise parts of society with similar interests. Another recommendation was that industry establish a strategic vision, consistent with predominant social values, demonstrating a commitment to environmental sustainability.
- FRDC research led to the doubling of Yellowtail Kingfish hatchery production, with more high-quality fingerlings being produced more cost-effectively. Larvae and juvenile deformity and survival rates materially were improved through altered hatchery practices based on earlier Striped Trumpeter work. Having to cull more than 30 per cent of stock at 50–60 days after hatching was almost entirely eliminated by changes to tank design, management and colour.
- The Atlantic Salmon industry, the Tasmanian Government, and the FRDC jointly funded the creation of the Centre of Excellence for Aquatic Animal Health and Vaccines in Launceston. In the first instance, the Centre will work on virology, diagnostics, and infectious diseases relevant to the Atlantic Salmon industry.
- The FRDC boosted investment to mitigate the impacts of Pacific Oyster Mortality Syndrome that has devastated oyster-growing industries throughout Europe and Asia since 2008. The Corporation funded research to understand the virus and its vectors, to develop diagnostic capabilities, and to develop farm management practices. Breeding for genetic resistance to the disease was undertaken in parallel to this work through the Seafood CRC.

The seafood industry's GVP was \$2.45 billion, of which wild-catch was \$1.____ bn and aquaculture \$1.____ bn. [← To be inserted when available.](#)

Many other significant activities that would normally have been recorded against this year have been included in the Seafood CRC legacies section (overleaf) as the result of these FRDC–CRC joint partnership projects having been realised and adopted.

2014–15: Engagement and uncertainty

During the course of 2014–15 the FRDC consulted extensively with all its stakeholders as it developed *Knowledge for fishing and aquaculture into the future: FRDC's research, development and extension plan 2015–20*.

The May 2014 federal budget process resulted in a proposed cut to the FRDC's annual funding of \$1.2 million to pay for the Australian Government's annual membership costs for a number of regional fisheries management organisations.³⁷ The FRDC consequently terminated its Tactical Research Fund and reduced forward years' RD&E allocations to all its stakeholders. The amendment to the PIRD Act to enact this budget decision passed through the House of Representatives but the Senate instigated a Parliamentary Inquiry; the amendment is yet to be passed.

[Should the Senate pass the amendment, the annual membership costs will be payable to the Department of Agriculture backdated to 2014–15.]

The May 2014 federal budget process also required the FRDC to provide costings for relocation out of Canberra. A lengthy process of providing input to the Minister continued throughout the year, culminating in a June 2015 request from the Minister to the FRDC board that it consider relocating to Hobart, with the \$4 million estimated cost to be funded from the Corporation's RD&E funds.

The Seafood CRC's achievements

The Seafood CRC was incorporated in June 2007, was anticipated to wind up in 2014 and in practice wound up in 2015. During this eight-year period, the 39 participants in the company conducted 540 projects that produced benefits to aquaculture, fisheries, domestic and export markets. The value of the benefits was estimated to be \$529 million net present value over the 15-year period from 2007 to 2022.

Financially, the CRC exceeded expectations. Against the cash contribution of \$73.5 million specified in the Commonwealth Agreement, the actual contribution was \$82.5 million, of which \$30 million was invested by the FRDC (\$6 million more than envisaged in the Commonwealth Agreement).

[Although the CRC ceased operating under the auspices of the Commonwealth CRC program on 30 June 2015, the underlying legal entity, the Seafood CRC Company Ltd, will continue operating for another year to assist in voluntary marketing arrangements established with the prawn and abalone sectors.]

Throughout the life of the CRC there was a strong collaborative relationship with the FRDC. The FRDC will continue to drive some of the major CRC legacy activities and has retained copies of all CRC materials for future reference and archiving.

[The CRC website, www.seafoodcrc.com, which encompasses all CRC project outputs and is the best source of information for anyone interested in the products of the Seafood CRC, will be maintained by the FRDC for the foreseeable future.]

³⁷ Commission for the Conservation of Southern Bluefin Tuna, Indian Ocean Tuna Commission, Western and Central Pacific Fisheries Commission, Southern Indian Ocean Fisheries Agreement, South Pacific Regional Fisheries, and Network of Aquaculture Centres in the Asia-Pacific.

The Seafood CRC's major legacies

AQUACULTURE

The Yellowtail Kingfish sector expanded through improved genetics and nutrition, with Clean Seas Tuna Ltd in SA tripling its production in three years. Production was expected to reach 6,000 tonnes with a farm gate value of \$90 million by 2020.

Cobia, a tropical marine finfish new to Australian aquaculture, was successfully produced in commercial quantities over two seasons in prawn ponds by Pacific Reef Fisheries Pty Ltd in North Queensland, in 2015 winning the Royal Agricultural Society of NSW President's Medal recognising outstanding achievement in Australia's food, wine and dairy industries.

Use of microbial floc pond management reduced water usage by 70% and nitrogen discharge by 77% on prawn farms. It also produced a 50% increase in harvest yields, resulting in \$65,000 per hectare increase in value of production.

Genetic selection of oysters over the life of the CRC resulted in improved growth rates, saving the \$100 million industry at least \$6 million per annum.

Pacific Oysters genetically resistant to the disease Pacific Oyster Mortality Syndrome were selectively bred and were expected to be commercially available through the industry-owned company ASI Ltd in 2018. The expected saving for the sector was \$65 million, based on a scenario of 30% of the sector going out of production for two years if the disease were to recur.

A 9% improvement in growth rate of abalone was achieved by modifying protein:energy ratios according to the season and age of the abalone. A 15:1 return on the additional feed input costs resulted for farmers. Three feed companies incorporated the findings into the formulations of their commercially available diets.

Sea Cucumber ranching technology was developed by Tasmanian Seafoods Pty Ltd in conjunction with the Aminjarringa Enterprises Indigenous Corporation on Groote Eylandt. In 2014, 100 tonnes were produced for export to China — expected to rise to 2,000 tonnes by 2022, valued at \$20 million.

An innovative instrument was developed, and subsequently commercialised by Ridley Aquafeeds, for early detection of *Heterosigma* toxic algae in prawn ponds. The instrument allowed early intervention that prevented total loss of prawn crops through algal growth.

Research and modelling into expansion options for the Atlantic Salmon industry in Tasmania found that moving production into deep-water offshore sites was the best option to achieve the sector's strategic production growth objectives.

Two natural treatments for Barramundi production ponds were developed to remove geosmin from the water, eliminating the muddy taint sometimes found in these fish.

The Seafood CRC's major legacies (continued)**WILD HARVEST**

Tasmanian fishers' translocation of low-value, small, pale Southern Rock Lobsters from deep-water fisheries to shallow waters, where the lobsters grow faster and turn redder, was proven to be commercially successful. The process can double the value of each lobster in the Chinese market. Translocation of 160,000 lobsters over two seasons resulted in increased revenue of \$6 million for a total outlay of \$250,000.

Bio-economic models were developed to identify harvest strategies and changes in fisheries management to improve profit from fisheries without affecting sustainability. Fisheries regulators in SA and Tasmania incorporated model outputs into decision settings.

A new refrigeration design standard was developed: estimated savings of \$3.5 million in replacing obsolete freezer systems were expected to accrue to the fishing fleet across northern Australia during 2015–18.

MARKET DEVELOPMENT

Under the CRC's auspices, the industry conducted research into the detail of consumer preferences for a wide range of seafood types, individual species, product formats, dining occasions, retail preferences and physical characteristics of seafood. The results, a basis for future market development activity in Australian and Asian markets, are on the dedicated website managed by the FRDC, www.seafoodconsumerresearch.com.

In a historic collaboration, prawn farmers and fishers combined to use CRC consumer research to implement the Love Australian Prawns® market development strategy. This national campaign across supermarkets and retailers was funded directly by industry contributions. Evaluation showed that it increased sales volumes by 30% to 50%, with prices remaining strong.

Three years of consumer research resulted in the Australian Barramundi Farmers Association launching a national branding strategy under the theme of Gold Tick Certified Barra and agreeing to develop and implement a voluntary contribution scheme similar to that of the prawn sector.

Using CRC research results, Australia's major abalone exporters established the Australian Wild Abalone™ market development program in China. Consumer research, quality standards, an industry trademark approved by the Australian Competition and Consumer Commission and a distributor education campaign in China all contributed to maintaining Australian abalone as a high-priced, luxury product against competition from other countries. The estimated yearly benefit to the industry was \$12 million.

PROCESSING TECHNOLOGIES AND PRACTICES

A large-scale Mud Crab recovery unit was developed to operate at Sydney Fish Market to reduce crab mortalities caused by the stress of transport. The unit consistently returned a recovery rate of more than 50%, saving more than \$250,000 a year.

A new value-added crab product was developed with Abacus Fisheries in WA using an accelerated product development approach developed by CRC scientists. The product was very successful, with more than 1.5 million crab cakes sold by 2015.

Sardines caught in Australia are normally sold for bait, but they are highly nutritious. Following research with chefs, Cape Le Grande Australian Sardines started to sell raw, frozen Sardine fillets and lemon-flavoured, crumbed frozen fillets to supermarkets, seafood retailers and food service outlets in Perth and Melbourne.

The Seafood CRC's major legacies (continued)

SUPPLY CHAIN IMPROVEMENTS

The CRC investigated seafood supply chains in detail across Australia and made improvements using Quality Index manuals and predictive microbiology. One company saved \$150,000 by introducing improved cold-chain management.

Quality assurance and traceability systems were developed with the prawn and abalone industries.

FOOD SAFETY

The SafeFish advisory committee was established to provide consolidated technical advice and risk assessments to support Australia's seafood safety standards and market access negotiations. Significant outcomes were achieved in negotiations on oyster transport, marine biotoxins, *Vibrio*, cadmium and parasites in fish.

INTERNATIONAL TRADE

The Seafood Trade Advisory Group, established to represent seafood exporters, demonstrated the importance of unified industry representation, consistent communication with government and well-researched data to support negotiating positions. It successfully contributed to negotiations on Free Trade Agreements and technical issues concerning exports.

CONSUMER HEALTH BENEFITS

More than 20,000 tests on 20 of the most popular fish species determined that chemical and heavy metals levels in seafood are consistently below regulatory limits. High levels of nutrients such as omega-3 oils and iodine were also confirmed in most species. Downloadable resources for seafood processors were at www.superseafood.com and a booklet, *Super Seafood*, was available for consumers.

Curtin University established the Centre of Excellence in Seafood Science and Health as part of the CRC. The centre produced a range of research-based information resources for the community, schools and health professionals on the role of seafood in a healthy diet and in managing chronic conditions.

An App based on the Seafood Quality Index Manual was developed to enable consumers and businesses to determine the freshness of fish by comparing images to actual fish.

EDUCATION AND TRAINING

The CRC supported 44 PhD students, 9 MSc students and 17 Honours students. More than half of these "industry ready" graduates are now working in the seafood industry.

More than 1,000 people attended 13 CRC master classes designed to meet the specialist training needs of CRC Participants. Thirty international experts were brought to Australia to participate in the classes.

Research results from the CRC were provided to update 15 existing units of competency and 10 new ones for the National Seafood Industry Training Package managed by AgriFood Skills Australia.

Education for chefs in the preparation of seafood was dramatically updated with the production of high-quality training videos that have been distributed nationally.

INDUSTRY STRUCTURE

The CRC contributed to the creation or further development of several entities that are likely to receive ongoing investment, thus establishing legacies for the seafood industry. They included a nationally coordinated seafood marketing capability, the SafeFish food safety specialist group, the Seafood Trade Advisory Group, the University of Tasmania Experimental Aquaculture Facility, the Curtin University Centre of Excellence for Seafood Science and Health, the Australian Centre for Marine Biotoxin Testing, the oyster breeding company Australian Seafood Industries Ltd, and the two industry associations: Oysters Australia Ltd and Australian Council of Prawn Fisheries Ltd.

Other significant activities in 2014–15 were as follows:

- Developed national guidelines for developing fishery harvest strategies
- Technically reviewed formal harvest strategies to assist in the revision of the Commonwealth's harvest strategy policy
- Developed a methodology to measure, and measured, the economic value of recreational fishing at a national level
- Developed and tested social objectives for fisheries management
- Made significant progress in the development of octopus aquaculture
- Assessed the vulnerability of benthic habitats to impact by demersal gears in the Australian Exclusive Economic Zone of the Southern Ocean
- Assessed the feasibility of spatial management in the South Australian Northern Zone Rock Lobster fishery
- Validated the use of near infrared spectroscopy to age fish
- Developed a management framework and harvest strategies for small scale multi-species, multi-method community based fisheries, using the South Australian Lakes and Coorong Fishery as a case study
- Identified viable refrigerant alternatives for use in the Northern Prawn Fishery
- Developed a methodology to forecast the spatial distribution of Southern Bluefin Tuna in the Great Australian Bight fishery
- Developed a method to add value to seafood processing waste through the recovery of bioactive molecules
- Reviewed the effective implementation of Ecosystem Based Fisheries Management frameworks and their benefits to the broader community
- Sponsored the International Institute of Fisheries Economics and Trade Conference 2014 held in Brisbane
- The 2014 stakeholder survey showed that there had been a significant uplift in a number of indicators over the past three years, and in particular:
 - an increase in acknowledgement from stakeholders that they have visibility of, and contact with, the FRDC — both direct contact (in person or at events) and indirect contact (communications and through the digital channels)
 - an increase in stakeholders' "top of mind" awareness of FRDC, disposition (attitudes) towards FRDC, acknowledgement of the importance of the Corporation to the industry, and satisfaction with how the Corporation invests and deploys their levies.

The research also confirmed that the different channels and approaches to stakeholder engagement delivered different impacts. Clearly the more indirect channels (such as *FISH*, the FRDC website and social channels) were likely to have less impact than direct, one-on-one personal contact and interaction.

The seafood industry's GVP was \$2.67 billion, of which wild-catch was \$1.____ bn and aquaculture \$1.____ bn. [← To be inserted when available.](#)

Appendix A: Evolution of the FRDC's programs in successive R&D plans

1993 to 1995	1996 to 2000	2001 to 2005	2006 to 2010	2011 to 2015
Natural Fish Resources program	Resources Sustainability and Ecosystems Protection programs	Natural Resources Sustainability program	Natural Resources Sustainability program	Environment program
Knowledge of fisheries resources. Fisheries resource maintenance and improvement. Management of fisheries Fisheries habitat – the ecosystem.	<i>Resources Sustainability:</i> Resources status. Fisheries management Improvement. <i>Ecosystems Protection:</i> Ecosystems status. Ecosystems maintenance and improvement. Ecosystems management improvement.	Fish biology. Interactions between fish and their ecosystems. Effects of fishing activities on fish and their ecosystems. Effects of non-fishing activities, pests and pollution on fish and their ecosystems. Health of fish and their ecosystems. Rehabilitation and enhancement of fisheries and their ecosystems Legislative, institutional, compliance and policy arrangement and their impacts. Access to fisheries resources. Stock assessment. Fisheries and Ecosystems.	<i>Challenge 1:</i> Natural resources sustainability. <i>Challenge 2:</i> Resource access and resource allocation.	<i>Theme 1:</i> Biosecurity and aquatic animal health. <i>Theme 2:</i> Habitat and ecosystem protection. <i>Theme 3:</i> Climate change. <i>Theme 4:</i> Ecologically sustainable development.

— Next program is overleaf

1993 to 1995	1996 to 2000	2001 to 2005	2006 to 2010	2011 to 2015
Aquaculture program, Harvesting program, and Marketing program	Industry Development program	Industry Development program	Industry Development program	Industry program
<p><i>Aquaculture:</i></p> <p>Growth and survival.</p> <p>General biology and genetics.</p> <p>Management and the environment.</p> <p><i>Harvesting:</i></p> <p>Production handling and preservation.</p> <p>Marine environment.</p> <p>Processing.</p> <p><i>Marketing:</i></p> <p>Customer needs analysis.</p> <p>Competitor analysis.</p> <p>Industry analysis.</p>	<p>Aquaculture development.</p> <p>Health and safety.</p> <p>Information delivery.</p> <p>Market development.</p> <p>People development.</p> <p>Quality.</p> <p>Technology.</p> <p>Value adding.</p>	<p>Economic and social values of the industry and its impacts.</p> <p>Fishing technology.</p> <p>Legislative, institutional, compliance and policy arrangements and their impacts.</p> <p>Market development.</p> <p>Health and safety associated with fishing activities.</p> <p>Quality, food safety and consumer health.</p> <p>Value-adding.</p>	<p><i>Challenge 3:</i></p> <p>Response to demand; profitability.</p>	<p><i>Theme 5:</i></p> <p>Governance and regulatory systems.</p> <p><i>Theme 6:</i></p> <p>Resource access and allocation.</p> <p><i>Theme 7:</i></p> <p>Production, growth and profitability.</p> <p><i>Theme 8:</i></p> <p>Consumers, products and markets.</p> <p><i>Theme 9:</i></p> <p>Value from aquatic resources.</p>
				Communities program
				<p><i>Theme 10:</i></p> <p>Resilient, supportive communities.</p>

— Enabling programs are overleaf

1993 to 1995	1996 to 2000	2001 to 2005	2006 to 2010	2011 to 2015
		Human Capital Development program	People Development program	<i>Enabling program:</i> People development
		Leadership development.	<i>Challenge 4:</i> People development.	<i>Theme 11:</i> Leadership development.
		Vocational development.		
		Consumer education.	<i>Challenge 5:</i> Community and consumer support.	<i>Theme 12:</i> Workforce development.
		Community education.		<i>Theme 13:</i> Innovation skills.
		Community involvement.		
				<i>Enabling program:</i> Extension and adoption
				<i>Theme 14:</i> Extension and adoption.

— Management, Communications and Accountability program is overleaf

1993 to 1995	1996 to 2000	2001 to 2005	2006 to 2010	2011 to 2015
		Management and Accountability program	Management and Accountability program	Management, Communications and Accountability program
	[Operational, communication and management objectives were included, but not within a separate program]	<p>Fisheries R&D leadership.</p> <p>Strategic investment.</p> <p>Effective, efficient management.</p> <p>Communication and extension of results.</p>	<p>Strategies for:</p> <ul style="list-style-type: none"> • providing leadership in fisheries R&D • investing in high-priority R&D that has the potential to deliver the highest benefits • making R&D results widely known, and facilitating their adoption and (if appropriate) commercialisation • expanding the FRDC revenue base to increase investment in fisheries R&D • developing and maintaining effective, efficient, open and accountable management procedures and systems. 	

Appendix B: Status of Industry Partnership Agreements

Note: "MOU" indicates Memorandum of Understanding, the precursor to Industry Partnership Agreement.

Industry partner	Signed with effect from	Expiry date
Abalone Council of Australia	4 July 2013	30 June 2017
Australian Abalone Growers Association	30 June 2015	30 June 2020
Australian Barramundi Farmers Association	4 March 2015	30 June 2020
Australian Council of Prawn Fisheries	Under negotiation	
Australian Prawn Farmers Association	Compulsory levy in place	
Australian Southern Bluefin Tuna Industry Association	28 October 2013	30 June 2018
	2 December 2008	30 June 2013
Oysters Australia	1 July 2014	30 June 2019
Pearl Consortium	29 Aug 2011	1 July 2016
Southern Rock Lobster	1 Jul 2015 (under negotiation)	
	31 August 2011	30 June 2015
	13 December 2005 (MOU)	30 June 2010
Tasmanian Salmonid Growers Association	1 February 2015	30 June 2020
	22 June 2011	30 June 2016
	1 June 2006 (MOU)	1 December 2009
Western Rock Lobster	14 March 2014	30 June 2019

A thought for newly appointed FRDC directors:

Custodianship

By the time you reach this final page, the huge strides the FRDC has made since 1991 on behalf of all sectors of the fishing and aquaculture industry and the people of Australia will be very apparent.

As with directors past and present, I have been deeply conscious of the responsibility and privilege to be charged with the custodianship of the FRDC and with continually — sometimes radically — striving to improve the way it goes about achieving its mission.

As you in turn meet this responsibility, I know that you will find much satisfaction in contributing to our great cause through your wise directorship.

Harry Woods
Chairman

September 2015