



GOVERNMENT RESPONSE TO SANCTUARY ZONES REGIONAL IMPACT ASSESSMENT STATEMENT: CEDUNA, KANGAROO ISLAND AND PORT WAKEFIELD

INTRODUCTION

On 18 September 2014, the Government committed to preparing Regional Impact Assessment Statements (RIAS) to immediately consider impacts that the implementation of fishing restrictions in marine park sanctuary zones may have on Port Wakefield, Ceduna and Kangaroo Island.

This commitment was made in recognition of community concerns about changes that might occur when fishing restrictions were fully implemented on 1 October 2014. The Assessment was to be completed by 1 October 2015. This timeframe was established to provide an early indication of region wide impacts, allowing action to be taken to address the impacts as soon as possible.

The *Sanctuary Zones Regional Impact Assessment Statement: Ceduna, Kangaroo Island and Port Wakefield* (the Report) has now been provided by the Goyder Institute for Water Research. As a partner of the Goyder Institute for Water Research, the South Australian Centre for Economic Studies (SACES) was engaged by the Goyder Institute as the independent experts to prepare the Report. SACES is a joint research unit between the University of Adelaide and Flinders University.

This work was supported by the Department of Environment, Water and Natural Resources, Primary Industries and Regions SA's – Regions SA, Fisheries and Aquaculture, and the South Australian Research and Development Institute.

The Government has carefully considered the findings of the RIAS Report which found that no region wide impacts were discovered. The Government believes that these findings demonstrates that the work undertaken by Marine Park Local Advisory Groups, community members, stakeholder groups and Government agencies to develop the marine parks zoning has paid off.

South Australia is one of the few governments in the world to develop a comprehensive network of marine parks established across the entire State jurisdiction that provides both protection for marine biodiversity while supporting ongoing ecologically sustainable resource use and development. This is an accomplishment that will serve South Australians into the future.

DEVELOPING AND IMPLEMENTING SOUTH AUSTRALIA'S MARINE PARKS NETWORK

South Australia's marine parks network of 19 marine parks includes 44% of State waters zoned to achieve specific conservation, social and economic outcomes. Around 6% of State waters prohibits resource extraction.

The marine environment is a complicated space with many users. It is important economically to enterprises such as shipping, developers, mining and petroleum industries, seafood producers, researchers and tourism. It is important environmentally as it underpins essential ecosystem functions in the marine environment. It is also important socially for recreational use, education and enjoyment. Coastal and marine environments are central to the well-being of many Australians.

In recognition of this complexity, the network was developed over 10 years and was supported by extensive collaboration with local communities and key stakeholders. This involvement included the contributions of Marine Park Local Advisory Groups, local councils, Aboriginal communities, conservation groups, commercial fishers, recreational fishers, aquaculture operators, scientists, mining and petroleum industry, tourism operators, port and harbor operators, shipping industry and business developers.

CONSIDERATIONS OF THE RIAS REPORT

Limits of the Assessment

The Report acknowledges that its preparation was constrained in some ways.

Timing of Report

The Report provides a snapshot in time of the first year of the full implementation of marine parks. To complete this work in one year, a limited amount of data could be collected and analysed. This timing meant that data relating to such matters as population numbers, taxable income, and building approvals for the period were not available for consideration. However, these matters were considered using trends from previous years. The Report also notes that, “the volatile nature of certain data series at the regional level can mean short term movements reflect statistical noise rather than a response to a particular policy” (page 139).

This timeframe affected the assessment of marine park impacts in relation to commercial fishing. For many fisheries, only four months of data was able to be considered, from October 2014 to January 2015, as all data needed to be collected from fishers and then collated and analysed before being provided to the assessment process. While these months cover significant fishing for some fisheries (rock lobster and abalone), it does not include important fishing time for others, especially some scalefish fishers. It is also acknowledged that fishing is seasonally variable and that this variability may not have been captured by the analysis provided in the Report.

The Report was able to consider information about such matters as seafood prices, employment rates, median incomes, numbers and types of businesses operating, Gross Regional Product of each region, Newstart Allowance recipients, house prices and sales, port exports (Ceduna), tourism, and boat ramp fees.

Confidentiality under the Fisheries Management Act 2007

Section 124 of the *Fisheries Management Act 2007* provides that commercial fishing data which could reasonably be expected to identify an individual fisher may not be publicly released without the consent of the fisher. Data that were consistent with the confidentiality provisions of the *Fisheries Management Act 2007* were supplied for analysis; however, some of the data requested were deemed confidential. Permission was sought from all commercial fishing licence holders for the release of their confidential data in the Report.

However, permission to release this confidential data relevant to some important locations was not received. The Report advises that confidentiality restrictions, “actively prevented the researchers from assessing regional impacts as well as independently confirming the feedback provided by fishers and other stakeholders in certain circumstances” (page 139).

However, despite these constraints, the data that were available does provide information to help identify indications of immediate region wide impacts. They provide guidance about the areas and activities that may be experiencing change. It will be important to consider these findings over time to determine how marine parks might affect individuals and communities. The Report also makes recommendations for the future work of the Government’s ongoing monitoring, evaluation and reporting programme.

Long-term assessment of marine parks

The impacts and benefits of marine parks will take a number of years to be revealed. For example, environmental changes are expected to be realised over many decades as ecosystems respond to the exclusion of fishing. In turn, some opportunities for new activities dependent on these adapted ecosystems will only arise after many years.

Changes could be made to some marine parks zoning, though any such changes will need to be made with adequate information to first identify the reasons the changes are needed, and second, to understand the costs and benefits of the changes. Marine parks are a long-term investment to provide benefits for the South Australian community and these benefits will accrue over time.

Regional context

The Government recognises that South Australia’s prosperity is closely linked to the economic health of our regions, and that regional communities are an integral part of South Australia’s identity. The State Government is committed to supporting the growth of sustainable, competitive regions and is working with South Australia’s regional communities to enhance economic prosperity and community well-being.

The Government also acknowledges that South Australian regions are vulnerable to a diverse range of local, regional, national and international factors that impact on the socioeconomic viability of each region. For example, the resources sector is impacted by global markets and, as a result, mining sites in South Australia have been affected by significant job losses. This, in turn, affects many regional communities across the State with increases in unemployment and decreases in essential and discretionary spending by community members who were formerly earning relatively high wages.

In another example, much of South Australia’s seafood is exported interstate and overseas as the superior quality is highly desired in these markets. Prices for these products are heavily dependent on these other economies which then impacts on cash flows directly into the regions.

The effects of marine parks must be considered in relation to the wider context of other regional influences that are occurring and that will occur in the future. Changes to indicators such as employment, population, building approvals, average taxable incomes, house prices and tourist expenditure may result from the combination of a range of factors and it may not be possible to know the exact factor that instigated a regional change or to assign the cause of a change to just one influence.

The Report advises that, "...regional characteristics are influenced by a wide variety of complex economic, social and environmental factors, of which sanctuary zones would play a very small role. It will therefore be virtually impossible to attribute any shift in these indicators directly to sanctuary zones." (page 144).

The Government believes that it will take some years for the impacts of marine parks to be fully understood. In considering the implementation of marine parks in other places in Australia and around the world, the Government is confident that marine parks can play a strong role in supporting economic growth, community well-being and ecological sustainability across the State.

FINDINGS OF THE RIAS REPORT

The Government believes that the overall findings of the Report are a positive recognition of the work undertaken by Marine Park Local Advisory Groups, community members, stakeholder groups and Government agencies to develop the marine parks zoning.

While it was always stated that the implementation of marine parks would impact some individuals, significant time and effort was made to help minimise the extent of these impacts on each region throughout the development of the marine parks zoning. The results of the Report indicate that, in this early stage of their implementation, this work was effective. No region wide impacts of marine park sanctuary zones were identified.

Specific findings

The Report advises that in relation to economic and social impacts, two main areas of potential impact were identified. These are related to the marine scalefish fishery at Kangaroo Island (Bay of Shoals) and Port Wakefield/upper Gulf St Vincent. These potential impacts relate to, "small groups of individuals in both regions and rests significantly on feedback obtained through the community consultations." (page 141)

Recommendations

The Report advises that there is, "a need for subsequent and/or ongoing analysis of socioeconomic and environmental indicators to properly assess regional impacts" (page 143).

To support the marine parks ongoing monitoring, the Report advises that it would be appropriate to track the following indicators:

- logbook catch data in respect of catch rates, catch and effort (page 143);
- Catch Disposal Records data on the number of landings and catch landed by port for abalone and rock lobster fishers (page 143);
- port of landing data for marine scalefish fishers (page 143);
- average real incomes for commercial licence holders (page 144);
- licence fees as a proportion of the gross value of production (page 144); and
- market value of commercial fishery licences (page 144).

In considering these indicators, the Report notes that various influences may affect the monitoring outcomes including broader economic factors (exchange rates, demand, input costs), changes in species abundance as well as temporal and spatial variation and that, "it may consequently be difficult to attribute any impacts specifically to sanctuary zones." (page 144)

- **The Government advises that the recommended commercial fishing indicators will be incorporated in the ongoing marine parks monitoring, evaluation and reporting programme. In addition, the broader economic indicators will be monitored, recognising the wider economic context and the difficulties of attributing changes to a single factor.**

The Report recommends that the Department of Environment, Water and Natural Resources work with Primary Industries and Regions SA and commercial fishers to consider options for the future release of confidential data to support monitoring public policy initiatives. It is recommended to consider options for future analysis of GPS data for rock lobster fishers to determine if they are travelling longer distances since the introduction of sanctuary zones.

- **The Department of Environment, Water and Natural Resources will continue working with Primary Industries and Regions SA and commercial fishers to discuss options related to data access and use to support monitoring public policy initiatives.**

The Report recommends that the Department of Environment, Water and Natural Resources' regular marine parks public survey be maintained to monitor trends in recreational fishing participation, marine parks usage for recreational fishers, and to explore recreational fishers' understanding of marine parks policy. (page 144)

- **The Government advises that regular marine park surveys and other surveys will continue to seek information about recreational fishing uses and experiences.**

It is recommended that illegal fishing activity be monitored. (page 144)

- **Compliance activities will be carefully considered to identify trends and locations that may need increased focus.**

Ceduna

The Report provides the following information in relation to key socioeconomic regional indicators in Ceduna (page 28/29):

- Approximately 1% of the working population was employed in industry sectors that could potentially be affected by marine parks.
- Employment appeared to rise and unemployment fell. The improvement would reflect non-sanctuary zone related factors such as activity related to oil and gas exploration in the region.
- Median house prices have trended up.
- Boat ramp fees collected by council rose.
- No changes in exports from the Port of Thevenard.
- Port of landing data for abalone in Ceduna indicates a decline in visitation by abalone fishers before sanctuary zones were implemented.
- Current data for rock lobster fishing was unavailable due to confidentiality restrictions indicating that catch in the region is relatively small.
- Scalefish fishing results were variable with results impacted by regular seasonal variations. Conclusions about the impacts of sanctuary zones were not able to be drawn.
- Charter boat effort is not significant in the area.

The Report advises that impacts for Ceduna, “appear to be limited” (page 143). Commercial rock lobster, abalone and charter fishing is relatively limited in the region. Some qualitative information was provided about possible impacts on individuals but this information was not independently verifiable.

- **The marine parks monitoring, evaluation and reporting programme will be specifically monitoring indicators at Ceduna and consider results in relation to marine parks and other influences.**

Kangaroo Island

The Report provides the following information in relation to key socioeconomic regional indicators on Kangaroo Island (pages 56/57):

- Approximately 1% of the working population was employed in industry sectors that could potentially be affected by sanctuary zones.
- There is evidence of loss of employment although broader economic weakness could be a contributing factor. In addition, the rate of loss was less than the overall South Australian average loss.
- No significant change in median house prices.
- Sea Link advised of no noticeable effects on ferry services or passenger numbers for coach tours.
- Given the short period covered by the data, limited number of licences represented, and potential for natural temporal and spatial variation, it is not possible to draw conclusions regarding the impact on abalone fishers.
- Rock lobster catch for the first three months of the season was 6.7% higher than the previous year with a 4.2% increase in catch rate.
- Port of landing data for the whole seven month rock lobster season indicates no change in the number of licence holders landing at Kangaroo Island ports.
- South Australian Research and Development Institute data indicates that over the past 20 years, catch rates inside and outside of sanctuary zones were similar indicating that sanctuary zones are not more productive locations than non-sanctuary zones.
- Scalefish fishing results were mixed and were strongly affected by confidentiality requirements due to the small number of fishers in the area.
- Charter boat fishing effort was down 4.9% up to January 2015 and has trended down since 2007/08. However, the catch rate was up 6.3%.

The Report did not identify region wide impacts on Kangaroo Island as a result of sanctuary zones. It did note that with the small and isolated population, Kangaroo Island may be more susceptible to economic, social or environmental shocks (page 57). Based on qualitative information received, short term economic and social impacts are most evident for two marine scalefish fishers at the Bay of Shoals (page 142).

- **The marine parks monitoring, evaluation and reporting programme will be specifically monitoring indicators at Kangaroo Island and consider results in relation to marine parks and other influences.**

Port Wakefield

The Report provides the following information in relation to key socioeconomic regional indicators on Port Wakefield (pages 89/90):

- Approximately 1% of the working population in the Wakefield Regional Council was employed in sectors potentially affected by sanctuary zones. Exposure for Port Wakefield township would be relatively higher given its strategic location for commercial fishers.
- Since March 2013, unemployment in Wakefield Regional Council trended upward by 2.1% while South Australia's unemployment rate rose by 1% (page 94). There is evidence of loss of an increase in unemployment since 1 October 2014, although broader economic weakness could be a contributing factor.
- In June 2015, median house prices in the Region fell 5.4% compared to the previous year. This area extends beyond Port Wakefield and other economic factors such as developments in broad acre agriculture and mining are likely to be important influences (page 99).
- Wakefield Regional Council reported a decline in house sales.
- Below average employment in the accommodation and food services sector and a lack of published tourism data suggests that Wakefield Regional Council is not a significant tourism destination.
- No significant rock lobster, abalone or charter fishing exists in the vicinity of Port Wakefield.
- Full effects on scalefish fishing were not able to be assessed in the timeframe. Catches in the four months considered were variable depending on the species.

Port Wakefield is the only one of the three regions for which data indicates that the value of landed catch fell after the implementation of sanctuary zones (page 106). However, an important part of the fishing season in this area is the winter months. The data available does not provide a full understanding of the effects of marine parks on scalefish fishing in this region.

- **The marine parks monitoring, evaluation and reporting programme will be specifically monitoring indicators at Port Wakefield and consider results in relation to marine parks and other influences**

Commercial fishing and marine parks

The Government recognises the value of commercial fishing to the State's economy and to the economic and social health of regional communities. As marine parks were developed, every effort was made to create zones which accommodated fishing as much as possible. As fishing potentially occurs across the entire range of South Australian waters, it was inevitable that some fishing activity would be displaced by marine parks. In some locations, conflict arose because there is good fishing available in locations with high environmental values.

With carefully considered zoning, the final marine parks were established with an estimated 1.7% impact on the state-wide gross value of production of commercial fishing.

Addressing impacts on commercial fishers

While the Government did not anticipate region wide impacts on commercial fishers, it was always acknowledged that some individuals may be affected.

The SA Marine Parks: Voluntary Catch/Effort Reduction Programme considered the impacts of marine park zones on affected fisheries and was able to successfully buy back the amount of displaced catch and effort for all relevant fisheries. The purpose of this was to help ensure that remaining fishers could continue to fish in an ecologically and economically sustainable way.

One effect of the buy back of catch/effort is to reduce catches for relevant fisheries. This will mean that commercial fishing data is likely to show reductions in a range of fishery activities consistent with the removal of displaced catch/effort.

Despite these efforts to accommodate the fishing industry, it is recognised that some people may still be affected. The *Marine Parks Act 2007* provides that if the granted rights of statutory authorisation holders are affected by the creation of a marine park zone or temporary prohibition or restriction, the Minister responsible for marine parks must pay fair and reasonable compensation or compulsorily acquire the authority for a fair and reasonable amount.

Public consultation on draft Regulations to administratively support this process concluded in August 2015 and the Regulations are expected to be finalised after submissions are considered. However, any holder of a statutory authorisation may make an application for compensation to the Minister at any time and this is not dependent on the finalisation of the Regulations.

With these measures in place, the Government believes the needs of commercial fishers have been carefully considered.

Regional development activities

In addition to these measures that were established specifically for commercial fishers, the Government has also developed programmes to support regions more broadly.

The Government committed \$3.25 million over three (3) financial years from 2014-15 to help increase opportunities for recreational fishing in South Australia including:

- \$750,000 per year for three (3) years for a recreational fishing grants programme;
- \$600,000 for an artificial reef trial; and
- \$200,000 per year for two (2) years to provide fishing access at up to five (5) offline SA Water reservoirs across the State.

Thirty-seven projects totalling \$557,170 were approved in the first round of the Recreational Fishing Grants Programme and the Government expects a similar response to the next call for applications.

On 23 June 2015, the Government awarded two (2) \$20,000 grants to support recreational fishing in SA Water Reservoirs. The first grant was to the Barossa Council to support the provision of minor infrastructure and to develop a master plan to support recreational fishing in the Warren Reservoir.

The second was to the Port Lincoln High School to study the environmental condition of the Tod Reservoir to determine the most appropriate species of fish that might be used to stock this reservoir for recreational fishing.

Community consultation for a trial artificial reef project is underway with the aim of enhancing recreational fisheries habitat, thereby increasing recreational fishing and tourism opportunities. Early feedback is proposing the project focus on the Gulf St. Vincent, including Yorke Peninsula, and that an artificial reef trial be implemented using a mixed substrate approach that incorporates shellfish reef restoration. It is expected that this work will result in a significant asset for the local community and will also provide valuable information to inform similar future projects.

In addition to these fishing related initiatives, the Government is supporting a diverse range of other projects. These include initiatives such as the Sea Link Passenger Terminal Upgrade, the Kangaroo Island Wilderness Trail, the duplication of the rail line at Bowmans International near Port Wakefield, and State Government support for the fish unloading facility at Ceduna (subject to Commonwealth grant support).

These diverse initiatives recognise the importance of regional communities to the economy, to recreational and social uses, and to the maintenance of a healthy environment.

THE NEXT STEPS

At the same time that the Government committed to completing this Regional Impact Assessment Statement process, the Government also committed to, within this term of Government, commence a programme for the review of marine park management plans, pursuant to section 14(2) of the *Marine Parks Act 2007*. This section of the Act requires that management plans must be reviewed at least once every 10 years. This timeframe was established to allow a reasonable time for the effects of marine parks to begin to be understood.

The programme that is collecting information for the review of management plans is now well underway. This RIAS Report has provided a significant foundation of measures and approaches that will now be incorporated in the ongoing marine parks monitoring, evaluation and reporting programme. The programme will provide annual updates on various environmental and socioeconomic aspects. It will also track progress and assess the overall effectiveness of the implementation of the marine park management plans.

A range of indicators is being monitored for short- and long-term changes from the baseline trend. The programme will measure elements that are expected to drive change, including factors from outside marine parks, such as broader socioeconomic conditions and other environmental pressures.

Indicators recommended in the RIAS Report will be incorporated into the programme. Monitoring data will be sourced from a range of existing datasets such as the Australian Bureau of Statistics and South Australian Research and Development Institute stock assessment reports and from tailored monitoring activities within the marine parks programme (e.g. biological surveys, social surveys).

The Marine Parks Act provides that management plans may be amended at any time. Any proposed amendments are subject to full public consultation and consideration by the Parliament.

CONCLUSION

The RIAS Report provides important analysis to determine if the significant regional impacts anticipated by some community members at Ceduna, Kangaroo Island and Port Wakefield have occurred. The Report has found no evidence that region wide impacts are occurring which is a credit to the community organisations and groups who contributed to the development of marine park management plans over many years.

The Government successfully implemented the voluntary catch/effort reduction programme to help ensure the ongoing ecological and economic sustainability of affected commercial fisheries. The Marine Parks Act also provides the means for individuals who believe they have experienced impacts to make applications for compensation.

The marine parks monitoring, evaluation and reporting programme will provide ongoing assessment of marine parks performance in preparation for the required 10 year review of management plans due to be completed in 2022.

The Government looks forward to working with local communities to realise the environmental, social and economic benefits that may be provided by marine parks.