**FISHERIES ACT AMENDMENT BILL, No. 2 1938**

**Legislative Assembly, 15 November 1938, pages 2432-4**

Second reading.

**The Hon. S. W. JEFFRIES (Torrens— Attorney-General)—**This Bill is introduced in an endeavour to secure the establishment in South Australia of a tuna fishing industry For the last three years the Federal Fisheries Department has been investigating the fishing industry on and adjacent to the Australian coastline and special efforts have been directed to the search for tuna. For the department;s work an investigation ship the “Warreen” was built in Australia, and is now in commission carrying on research. It has been established by the department that large shoals of tuna run on the eastern coast of Australia, including the east coast of Tasmania, but so far the Commonwealth Department’s efforts have not been extended to South Australian waters. However, the Chief Inspector of Fisheries of this State has been able to obtain definite evidence of the presence of tuna around the South Australian coastline during part of the years 1937 and 1938. From the habits of tuna it may be expected that the shoals migrate to warmer waters as winter sets in and return to South Australian waters during the summer. It appears to me most likely that the tuna fishing industry will be developed in Australia and, unless efforts are made to further the establishment of the industry in South Australia, there can be no doubt that the industry will be established in one or other of the pastern States. At the present time there is not sufficient information available of the areas and times in South Australian waters of the presence of tuna to justify the installation of extensive plant and much exploratory work will have to be done before the industry can take permanent shape.

The purpose of this Bill is to place the Government in a position to grant conditions that will induce private investigators, without expense to the Government, to explore the possibilities with a view to securing to this State its share of the industry. That this may be an important development for South Australia is shown by the size of the industry in California. In the fish canning, fish, fish meal and fish oil business in California there are employed about 30,000 people, and this industry produced last year about 3,000,000 cans of tuna, 32,000,000 gallons of fish oil, and 1670 tons of fish meal. It takes five tons of raw fish to produce one ton of fish meal. This production came not only from tuna but, mainly on the fish meal and oil side, from the sardine harvest. The value of this production was roughly £7,500,000. To operate efficiently a tuna canning factory, it is necessary to associate with it a fish meal and fish oil plant. Only 50 per cent, of the flesh of tuna is canned, and the balance passes to the fish meal and oil plant which also requires supplies of other fish to keep it going. In South Australian waters there are large shoals of salmon which are considered to be possible raw material for fish meal and fish oil. Fish meal is used to feed poultry, pigs, cattle, and sheep, Germany being one of the chief world consumers. The United States of America also import large quantities of fish meal in addition to its own production. No fish meal or fish oil is produced in Australia to-day nor is any imported. Fish oil finds its chief use in such operations as soap making, paint mixing, and the manufacture of lino.

At present we do not know whether or not the shoals of tuna in our waters would justify the industry being established and, if the supplies are sufficient, the people concerned will have to build up a market for their products in Australia where none exists to-day. The Government has had preliminary talks with the directors of a responsible company in which the main interest is held by South Australians. This company is willing to find the money necessary to test South Australian waters, in preference to directing its activities to the eastern coast. The company has already sent an engineer to California for the purpose of inquiring into the industry as carried on. there and has engaged a Californian tuna fisherman to investigate the fishing grounds and to teach Australians the methods used in California. Special gear has been evolved and. specially equipped fishing vessels are used for tuna fishing and much skill is necessary in using the methods employed. The company purposes using their Californian expert on an imme­diate investigation of the possibilities of South Australian waters. It is intended simultaneously to erect a small canning factory to test out the suitability of the fish for this purpose. If the results obtained are satisfactory, the company would then be in a position to erect a large canning factory together with a fish meal and oil plant to carry on the industry permanently, and it has available the capital necessary for this purpose.

It will be seen that, before the company can fully operate, it must incur expenditure on research which, incidentally, is being carried out at public expense in the eastern States. If the company’s research work shows that the fishing industry is not capable of being operated on an economic basis, the company will, of course, lose the money expended by it. If the research work shows that the tuna fishing resources in South Australian waters are capable of economic development, the company will then have to find markets for its products. The canned tuna will have to be marketed in competition with imported canned fish and, at the present time, fish meal and fish oil are not marketed in Australia. The industry will thus be new, not only in South Australia, but in Australia, and, as the company will have to incur the costs of launching this new industry, it has been suggested that it should be given a measure of protection during the develop­mental stages of the industry.

The Bill accordingly provides that licences will be required before any person may carry on the canning or tuna or tunny-like fish, the manufacture of fish meal or fish oil, or the sharp freezing or other preserving of tuna or tunny-like fish. It is provided that the Minister may issue an exclusive licence for any part of the State. An exclusive licence will be issued for a term of 10 years and will be issued subject to the condition that the licensee will expend an amount fixed by the Minister in the establishment and development of the industry. Any other conditions thought by the Minister may be embodied in the exclusive licence. An exclusive licence will apply to a defined part of the State, and during its currency no similar licence may be issued for that part of the State. At the expiry of the licence, if the licensee satisfies the Minister that markets would not be available to holders of other licences, the exclusive licence may be renewed for a further term of 10 years. The effect of this will be to empower the Minister to grant an exclusive licence for any part of the State to carry on tuna canning and preserving and the manufacture of fish meal and fish oil or any of these purposes, to any person who is willing to expend the necessary capital to develop the industry. It will be for the Minister to fix the conditions upon which an exclusive licence will be granted. The company in question has offered to expend under an exclusive licence in the development of the industry:—In the first l.5 years, £3,000; in the first three years, £10,000 ; in the first five years, £20,000; | in the first seven years, £30,000; in the first nine years, £40,000; and during the whole j of the ten years of the licence, £50,000. It may be added that the company is prepared to expend this money entirely at its own risk. If the venture is unsuccessful the company will bear the loss.

Mr. Thompson—Has a company been formed?

The Hon. S. W. JEFFRIES—I do not think so. As soon as there is an assurance that a Government licence will be granted the company will be formed. If the venture is suc­cessful, the company will utilize fish from our waters which at present are of no commercial value. In addition, the industry will provide an avenue of employment in its fishing vessels, its factory, and in the supply of goods and services. It appears most likely that the tuna canning industry will be started in some part of Australia. The observations carried out by the Chief Inspector of Fisheries encourage the belief that the tuna shoals in our waters are sufficient to enable the establishment of the industry in South Australia. The {provisions of the Bill are, therefore, put forward in order to attract to this State a company which is willing to carry ; out the experimental work which is necessarily preliminary to the establishment of what may develop! into a large and profitable industry. I move the second treading.

The Hon. R. S. RICHARDS secured the adjournment of the debate.