

Sustainable Seafood Op Co Pty Ltd & QSFT Pty Ltd Submission

Economic Diversification and Investment Strategy

Submitted by	The Advisory, on behalf of Sustainable Seafood Op Co Pty Ltd & QSFT Pty Ltd
Date	20 August 2026
Responding to	Economic Diversification and Investment Strategy — Consultation Draft
Primary strategic fit	Priorities 1, 2 and 3: investment, innovation and productivity
Industry focus	Licensing and ITQ settings affecting investment, scale and market access
Reform character	Predominantly facilitative and low- or no-cost to government

Data note — All figures and comparisons are drawn from the supplied submission and referenced sources. Values are approximate where the source material indicates this.

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Executive Summary

This submission is made by The Advisory on behalf of the Sustainable Seafood Op Co Pty Ltd & QSFT Pty Ltd in response to the Economic Diversification and Investment Strategy Consultation. The industry supports the Strategy's vision of a thriving and dynamic Tasmanian economy that creates opportunity for every region and every generation, and its explicit commitment to protect and promote traditional strengths while seizing new opportunities.

Southern rock lobster is one of Tasmania's premier comparative advantages: a sustainably managed, high-value, almost entirely export-oriented fishery that reinforces Brand Tasmania's global reputation for premium quality and supports coastal regional communities. Biological performance remains strong; however, the sector faces a severe private investment and confidence crisis driven primarily by legacy regulatory constraints and policy uncertainty that undermine the intended benefits of the Individual Transferable Quota (ITQ) system.

TACC
1,050.7 tonnes (fully caught for over a decade)
Source: IMAS Commercial Logbook Data Summary (May 2026)

Fleet scale
~130 vessels landing catch (2025/26)
Down from well over 250 in late 1990s/early 2000s

Productivity signal
CPUE at near record highs (multi-decadal high in 2022/23)
IMAS May 2026 summary; nominal and standardised measures

Private capital at stake
~$1.6b capitalised value of Tasmanian ITQ fisheries (2020/21)
Industry analyses cited in submission

Key message — The evidence indicates Tasmania's divergence from comparable jurisdictions is driven less by stock status and more by legacy input-style constraints and uncertainty that suppress efficiency, ITQ tradability and bank confidence.

Key recommendations (summary)

A targeted reform package to restore investment confidence, lift productivity and support regional opportunity — predominantly facilitative and low- or no-cost to government.

#	Recommendation headline
1	Remove the **200-unit quota holding cap** to encourage capital inflow and improve ITQ market liquidity.
2	Remove the **20-tonne vessel catch limit** and remove (or substantially increase) the **60-pot vessel limit** to unlock economies of scale.
3	Remove restrictions on landing Tasmanian lobster at **mainland ports** to access higher beach prices.
4	Accelerate completion of the formal **Rock Lobster Harvest Strategy** by the end of **2026** to provide a clear pathway for science-based TACC increases (supported by current high CPUE).
5	Pursue full **MSC certification**, establish a market research and branding program, and implement harvest-to-plate traceability and product provenance systems.
6	Commission a comprehensive corporate governance review of the **TRLC** and adopt the recommendations to lift and maintain high standards.
7	Establish a sector-led **Rock Lobster Ministerial Advisory Committee** (or strengthen CFAC to equivalent standards) with independent Chair, professional secretariat and clear peak-body leadership.

1. Introduction and Support for the Strategy

The Sustainable Seafood Op Co Pty Ltd & QSFT Pty Ltd welcomes the opportunity to contribute to the Economic Diversification and Investment Strategy Consultation Draft. We strongly support the Strategy's vision of "a thriving and dynamic Tasmanian economy that creates opportunity for every region and every generation" and its commitment to protect and promote traditional strengths while seizing new opportunities.

The southern rock lobster fishery is a premium wild-caught product that commands international recognition, supports regional communities along the Tasmanian coast, and has been managed under a best-practice Individual Transferable Quota (ITQ) system that has delivered both sustainability and efficiency gains.

The Strategy correctly identifies that future prosperity depends on stronger private investment, higher productivity, and broader participation across all regions. The rock lobster sector is ready to contribute to that path, provided the regulatory and policy settings that currently deter investment are addressed through targeted, facilitative reform rather than significant public subsidy.

Scope of this paper — This report summarises the industry's evidence on the investment and confidence crisis, maps issues and solutions to Strategy Priorities 1, 2 and 3, and proposes a focused package of predominantly low- or no-cost reforms to restore ITQ market confidence while remaining fully consistent with sustainable management.

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2. The Tasmanian Rock Lobster Fishery as a Comparative Advantage

2.1 Biological and operational performance (IMAS May 2026)

According to the Institute for Marine and Antarctic Studies (IMAS) 2025/26 Tasmanian Southern Rock Lobster Commercial Logbook Data Summary (May 2026), the commercial Total Allowable Commercial Catch (TACC) has been stable at **1,050.7 tonnes** for the last twelve years and has been fully caught in almost every season over the last fifteen years (with the 2019/20 exception attributed to COVID and export market disruption). CPUE rose substantially over the last decade, reaching a multi-decadal high in 2022/23, and remains high by historical standards (noting subsequent declines in 2024/25 and 2025/26).

Vessel numbers landing catch have declined to approximately **130 vessels** in 2025/26 (from well over 250 in the late 1990s/early 2000s), consistent with productivity gains and reduced effort required to catch the TACC.

Near-record CPUE
IMAS reports a multi-decadal high in 2022/23 and CPUE remaining high in 2025/26 by historical standards, supporting confidence in biological performance and a pathway for science-based management settings.

Productivity + footprint
Reduced effort and fewer active vessels have delivered efficiency gains and lower environmental impact, while also highlighting the importance of functioning ITQ markets for orderly structural adjustment and investment.

2.2 Economic contribution and the capital value of the ITQ system

Industry analyses cited in the submission indicate that Tasmania's five ITQ-managed wild-catch fisheries together generated an estimated **$170 million** in Gross Value of Production (2020/21) and supported about **700** full-time equivalent jobs across harvest, processing and export. The capitalised value of all Tasmanian ITQ fisheries was approximately **$1.6 billion** in 2020/21, and by 2024 the capitalised value of abalone and lobster ITQs alone exceeded **$1.3 billion** (about 82% of the total).

Economic indicator (as cited)	Figure
Gross Value of Production (GVP), five ITQ wild-catch fisheries (2020/21)	**$170 million**
Employment supported across harvest, processing and export	**~700 FTEs**
Capitalised value of Tasmanian ITQ fisheries (2020/21)	**~$1.6 billion**
Capitalised value of abalone + lobster ITQs (2024)	**>$1.3 billion**

2.3 Best-practice ITQ management and the Productivity Commission

The Productivity Commission's 2016 Inquiry Report on Marine Fisheries and Aquaculture (Report No. 81) identifies ITQs as the default best-practice approach for commercial wild-catch fisheries, noting that output controls impose fewer constraints on methods of catching fish, enable ongoing efficiency improvement, and facilitate orderly structural adjustment. The industry's position in this paper is that Tasmania's intended ITQ benefits are being undermined by residual, legacy input-style constraints and uncertainty that suppress investment confidence and market function.

3. The Current Investment and Confidence Crisis — Detailed Evidence

Key finding — Comparative market indicators presented in industry briefings to Minister Pearce (July 2026) show a stark divergence between Tasmania and South Australia's Southern Zone, particularly following the lifting of the China ban. The submission argues these gaps are not explained by stock status and instead reflect differences in regulatory settings, efficiency pathways, and investor/bank confidence in ITQ asset value.

3.1 Comparative market performance — Tasmania vs South Australia Southern Zone

Indicator (approx.)	Tasmania	South Australia (Southern Zone)
ITQ lease rates ($/kg)	**$30–36/kg** (plateauing in recent seasons)	**~$65/kg** (risen sharply; nearly double)
ITQ unit values ($ per unit)	**~$60,000** (down from peak near $72,000)	**~$97,500** (higher and rising; from ~ $85,000)
Catch cycle / efficiency	**~1,000 tonnes** in **12 months**	**1,320 tonnes** in **6 months**
Recent start-of-season beach price	**~$90/kg**	**~$130/kg** (mainland)
Market transparency	Only Tasmanian quota (lobster and abalone) is listed for lease on Beachprice.com; no other Australian lobster fishery leases quota via the internet (as stated in the submission).	

Evidence note — The submission frames the Tasmania vs SA divergence as an investment-signal problem: subdued lease rates and falling unit values, combined with slower catch efficiency and restricted market access, weaken ITQ tradability and bankability.

3.2 Documented impacts of market dysfunction

- **Documented impacts (as stated)**
  Loss of industry confidence
  Collapse in ITQ values
  ITQs are not trading
  Banks losing confidence in ITQs as security

Observed consequence
When ITQs cease to trade and banks lose confidence in them as security, financing for vessel upgrades, intergenerational transfer and structural adjustment is impaired; capital seeks better risk-adjusted returns elsewhere.

3.3 Legacy regulatory constraints that undermine the ITQ system

The submission identifies a set of legacy rules and uncertainties that reintroduce input-style constraints inside an output-controlled fishery, reducing the efficiency and investment benefits ITQs are designed to deliver. Key constraints highlighted include the **200-unit quota holding cap**, the **20-tonne vessel catch limit**, the **60-pot vessel limit**, and restrictions on landing Tasmanian lobster at mainland ports (limiting access to higher beach prices).

Current setting (as cited)	Why it matters (submission logic)	Expected outcome if reformed
200-unit quota holding cap	Constrains capital inflow and suppresses ITQ market liquidity.	Improved tradability, more efficient structural adjustment, stronger investment signal.
20-tonne vessel catch limit	Restricts the most efficient operators; undermines economies of scale within an output-control system.	Higher productivity and returns; stronger lease and unit value signals.
60-pot vessel limit	Limits efficient scale and increases regulatory drag.	Economies of scale and improved overall sector productivity.
Restrictions on mainland unloading	Prevents access to higher beach prices (e.g., ~**$90/kg** Tasmania vs ~**$130/kg** mainland) and weakens competition and returns.	Improved market access, stronger price signals, narrower lease–beach price gap; compliance support via existing tracking and deployable real-time cameras.

3.4 Peak-body governance and the industry–government interface

The submission highlights the need for effective industry–government partnership to support investment attraction, regulatory reform and diversification. It notes long-standing governance concerns raised in the May 2024 joint submission regarding Seafood Industry Tasmania (SIT) and calls for stronger governance arrangements and a clear primacy of sector groups on fishery-specific policy matters. It also proposes establishing (or strengthening to equivalent standards) a sector-led Rock Lobster Ministerial Advisory Committee operating under best-practice procedures, including an independent Chair, professional secretariat support, formal agendas circulated in advance, timely minutes, a maintained register of interests, and regular scheduled meetings with clear peak-body leadership representation.

4. Alignment with the Economic Diversification and Investment Strategy

The issues and solutions set out in this submission map directly onto the Strategy's Vision, Goals, decision-making principles, and Strategic Priorities — particularly **Priority 1 (Unlocking private investment)**, **Priority 2 (Accelerating growth and innovation)**, and **Priority 3 (Lifting productivity)**.

Priority 1 — Unlocking private investment
Restoring ITQ tradability and bankability by removing key barriers (e.g., 20-tonne limit; market access constraints) aligns with the Strategy's focus on clearer, faster, more competitive investment pathways and barrier removal.

Priority 2 — Accelerating growth and innovation
Traceability/provenance systems, certification, and industry–research partnerships (including IMAS-linked domains such as sensing and monitoring) are positioned as practical innovation pathways once investment confidence is restored.

Priority 3 — Lifting productivity
Removing legacy input-style constraints in an output-controlled fishery targets regulatory drag and enables efficient operators to realise scale benefits, improving sector productivity.

Decision-making principles (submission framing) — The proposed reforms build on a proven comparative advantage, use public resources strategically through facilitative regulation (rather than subsidy), and focus on measurable outcomes (lease rates, unit values, trading volumes, bank lending against ITQs, fleet capital expenditure and entry).

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5. Recommendations

We recommend the following package of measures. Each is predominantly facilitative or regulatory, low- or no-cost to government, and aligned with the Strategy's priorities of unlocking private investment, lifting productivity, accelerating growth and innovation, and activating regional opportunity.

Recommendation framework (four reform pillars)

01 — Investment & ITQ market	02 — Science-based management
• **Remove** the 200-unit quota holding cap **Remove** the 20-tonne vessel catch limit **Remove/increase** the 60-pot vessel limit **Allow** landing at mainland ports	• **Complete** the formal Rock Lobster Harvest Strategy in 2026 to provide a clear science-based pathway for TACC settings
03 — Market value & sustainability	**04 — Governance & partnership**
• **Pursue** full MSC certification **Establish** market research and branding program **Implement** harvest-to-plate traceability and provenance	• **Commission** independent TRLC governance review and adopt recommendations **Establish/strengthen** a sector-led Rock Lobster Ministerial Advisory Committee (or CFAC to equivalent standard)

5.1 Unlocking private investment and restoring ITQ market confidence

1. Remove the **200-unit quota holding cap** to encourage capital inflow and improve ITQ market liquidity.
2. Remove the **20-tonne per vessel / per season catch limit** to unlock efficient operator scale and improve productivity signals.
3. Remove (or substantially increase) the **60-pot vessel limit** to reduce regulatory drag and enable economies of scale.
4. Allow landing of Tasmanian rock lobster at **mainland ports** (Victoria and South Australia) to access higher beach prices (submission cites ~**$90/kg** Tasmania vs ~**$130/kg** mainland) and improve returns and competition, supported by robust compliance (existing tracking systems and deployable real-time cameras).

Rationale and expected outcomes (submission) — These measures will restore ITQ tradability, rebuild bank confidence in ITQs as security, reverse the outflow of investment from the wild-caught sector, and attract new capital into Tasmania, with changes progressed through existing fisheries management instruments and regulations.

5.2 Science-based management and a clear pathway for TACC settings

1. Accelerate completion of the formal **Rock Lobster Harvest Strategy** with an explicit target of finalisation by the end of **2026**, providing long-term certainty and a clear science-based pathway for TACC adjustments, supported by current high and near-record CPUE (IMAS May 2026).

5.3 Market development, sustainability credentials and product value

1. Pursue full **Marine Stewardship Council (MSC)** certification to strengthen sustainability credentials and access high-end markets with strict provenance requirements.
2. Establish a dedicated **market research, branding and marketing program** across domestic and international markets, including social media and in-market activity.
3. Implement **harvest-to-plate traceability** and product provenance systems aligned to branding, supporting buyer requirements, Brand Tasmania, and price premiums; aligned with Strategy Priority 2 domains (traceability/provenance, sensing/monitoring).

5.4 Strengthening industry governance and the industry–government interface

1. Commission an independent comprehensive corporate governance review of the **Tasmanian Rock Lobster Council (TRLC)** and adopt recommendations to lift and maintain high governance standards.
2. Establish (or formally strengthen to equivalent standards) a sector-led **Rock Lobster Ministerial Advisory Committee** (or CFAC) operating under approved Fishery Advisory Committee Procedures, including independent Chair, professional secretariat, advance agendas, timely minutes, register of interests, regular meetings, and clear peak-body leadership representation.

6. Opportunities for Diversification and Innovation within the Sector

The submission identifies a practical set of diversification and innovation opportunities that build on the fishery's premium positioning and align with the Strategy's innovation and productivity agenda, particularly where restored investment confidence enables technology uptake and collaboration.

Diversification and innovation value chain (editorial synthesis of submission themes)

Sustainable resource	Harvest	Landing & processing	Premium markets	Regional returns
Science-based settings supported by IMAS (May 2026) and strong CPUE signals.	Efficient operators and fleet investment enabled by functioning ITQ markets.	Flexible logistics, value-adding and compliance systems (tracking/cameras).	Brand, provenance, credentials and market diversification to lift value.	Jobs, local supply chains, tourism linkages and succession pathways.

- **Opportunities highlighted**
  Value-adding and product differentiation (live, cooked, further processed formats)
  Provenance, traceability and sustainability certification technologies
  Collaborative R&D with IMAS (autonomous marine systems, underwater monitoring/sensing, data-driven tools)
  Tourism and experiential linkages (provenance storytelling, regional food and tourism offerings)

- **Enablers**
  Restored investment confidence and ITQ market function
  Port and digital infrastructure for efficient landing, handling and logistics (including potential mainland unloading)
  Skills and succession pathways for coastal communities
  Governance and a strong industry–government advisory interface

7. Conclusion and Commitment to Partnership

The Tasmanian rock lobster industry is a high-performing, sustainably managed traditional strength that already contributes to the Strategy's goals of private investment, productivity and regional opportunity. The submission argues the current crisis is not one of stock health or fundamental industry structure; it is a crisis of investment confidence driven by regulatory settings and policy uncertainty that can be addressed through targeted, low-cost reform.

By removing the **200-unit quota holding cap**, the **20-tonne vessel catch limit** and the **60-pot vessel limit**, enabling **mainland unloading**, accelerating a formal **Harvest Strategy** to the end of **2026**, pursuing **MSC certification** together with market research, branding and harvest-to-plate traceability, strengthening TRLC governance, and establishing a properly constituted sector-led Ministerial Advisory Committee, the Tasmanian Government can unlock private capital, support coastal regional economies, and demonstrate the Strategy's commitment to protecting and promoting traditional strengths while creating conditions for further innovation and diversification.

These measures require no large public expenditure; they require regulatory clarity, policy certainty and a willingness to treat the rock lobster industry as a constructive partner in Tasmania's economic future. The industry stands ready to work with the Department of State Growth, the Department of Natural Resources and Environment, the Minister and stakeholders on detailed design and implementation.

Commitment — We look forward to continued engagement and partnership to progress reforms that restore confidence, improve productivity and secure long-term regional opportunity from this premium, export-oriented fishery.

Key Data Sources and References

- **IMAS (May 2026).** 2025/26 Tasmanian Southern Rock Lobster Commercial Logbook Data Summary.
- **Industry briefing to Minister Pearce (July 2026).** "Tasmania's wildcaught sector" — comparative analysis of SA Southern Zone vs Tasmania ITQ lease rates, unit values, catch efficiency and impacts (as cited in the submission).
- **Productivity Commission (2016).** Marine Fisheries and Aquaculture, Inquiry Report No. 81.

- **Joint TACL/TRLFA submission (May 2024).** Governance issues within Seafood Industry Tasmania (SIT) — economic data and governance concerns (as referenced in the submission).
- **Tasmanian Government (2025/26).** Economic Diversification and Investment Strategy — Consultation Draft.
- **Department of Primary Industries, Parks, Water & Environment (December 2015).** Fishery Advisory Committees — Establishment and Procedures (approved by Minister Rockliff).