

From Archie Bayvel in a town where millionaires seem like ten-a penny



The Mayor: Peter Davies

PORT LINCOLN: A blazing example of a community that manages its resources to create astounding wealth

Compared to scores of country towns Port Lincoln is one to die for. While other communities lose their stores, their banks, the post office, and finally their young people, the two main streets alone in this little port of only 15,000 people have 27 banks, financial planners, lawyers and real estate agents. Plus a disproportionately signposted branch of the South Australian Department for Correctional Services!

Admittedly a lot of its young people do leave town but mostly to go on extended world holidays, visiting faraway cities in style and hurrying back to Port Lincoln ASAP.

It has the highest ratio of millionaires per 1000 head of population in Australia. Many of the millionaires' club work only 40 or 50 days a year although a handful of the mega-millionaires would put in a good 400 days a year if they could.

The Port aspect of Lincoln consists of twin but very dissimilar operations. The seaport is operated by Flinders Ports and centres on the town's Brennan's Jetty. Flinders' senior executive in town is The Pilot, one Captain Robert J Cobban who guides an average of 130 vessels a year to its 11 berths.

Visiting ships range from Japanese tuna boats to panamax and small cape-size grain and fuel bulk carriers; all of which can berth comfortably in 15 metres of water. While a lot of high-value fish leave Lincoln by air large quantities of tuna and prawns go out by sea.

Before fishing made its breakthrough it was grain from the Eyre Peninsula's 700+ farms that sustained Port Lincoln. Today the bright green grain loader stretches Brennan's wharf almost a kilometer into Boston Bay and can handle up to 3 million tonnes of grain a year although this

drought season it is expected to be well below 1 million tonnes.

But it is at the specially-constructed nearby fishing port, The Marina, that the big fishing action has its base and where more than 100 fishing boats tie up at privately-owned berths.

At a time when fish catches are declining and fishermen worldwide are battling to earn a living Port Lincoln is Australia's leading fishing port and a blazing example of a community that has learned to manage its natural resources to create astounding wealth for its fishing families.

For example: A tuna fishing quota would trade for around \$200,000 a ton, an abalone quota sold only a few weeks ago for \$7.2 million, and a prawn licence sold last year for close on \$8million. Then there's rock lobsters, oysters, crabs, kingfish, mullocky and goodness knows what else on top of that. This story has no figures for the entry prices to these areas. There is no need because the message is already clear: Port Lincoln is thriving like no other township since the goldrush.

But there's no apparent rush, no haste about it. The town has comfortably grown into being the poster boy of the Australian Bureau of Statistics. From the ranks of its ordinary multi-millionaires has emerged a handful of men whose vision, entrepreneurial ability, bush engineering skills - and ability to work together - created it all.

The most colorful of them is pioneering world-influencing aquaculture systems for tuna and other deep sea fish and will soon break through the sustainability barriers that have seen the end of many of the world's great fishing fleets. Of that, more later.

It's fashionable in Port Lincoln to say, usually about someone who counts their assets in hundreds of millions of dollars, that: "Twenty-five years ago they had nothing."



The Tuna fleet at North Quay



The grain silos and Brennan's Jetty dominate the foreshore

The mega successful include a small handful of mostly Croatia-born tuna fishermen such as Tony Santic (of Makybe Diva fame), Dinko Lukin (father of the tuna industry and also of Dean, the olympic gold-medallist weightlifter), Sime Sarin, and Joe Puglisi. They are the men who showed the way and today the Sarin Group is still doing that by building a seven-storey luxury hotel at the north end of the CBD.

A fifth member of the super-club is Hagen Stehr. As flamboyant and out-there as his colleagues are reclusively conservative, he's also every bit as wealthy and looks like becoming bigger and wealthier than them all when his grand plan is complete.

He is considered by many to be the man of the future with his Clean Seas companies putting multi-million-dollar new ideas into practice. Ideas that doomsayers said would never work just as they said the same all these years ago when Dinko Lukin suggested wrangling bluefin tuna into floating feedlots just as cowboys corralled cattle.

"Ridiculous," they said, "it would take a week to tow a shoal of living fish into calm water so they could be fed and fattened." In fact it takes almost a month and is now common practice. Thousands of tuna are hand-fed in floating fishpens to almost double their weight in three months. So a 500-tonne quota is rapidly converted into a 1000-tonne asset with no further depletion

of the wild stock and for an average market price of \$20 - \$25 per kilo off the boat.

Now Hagen Stehr's new company, Clean Seas Tuna Limited, is well on the way to freeing the southern bluefin tuna wildstock and its dependent industry forever from its 5265-tonne annual quota and to introduce a new aquaculture to the world. It has already broken through to establish a parallel commercial fish crop consisting of yellowtail kingfish and mulloway.

They fetch only \$9 per kilo but world demand is insatiable and Clean Seas' supply of them virtually inexhaustible through breeding from wild-caught bloodstock then nursing them through their spawning and larval stages in land tanks. The fingerlings are then grown in floating feedlots anchored in the cold, nutrient-rich waters of the Spencer Gulf.

It is accepted as a breakthrough, the so-called new tuna that can be grilled, barbecued, or made into sushi or sashimi just like traditional tuna. Kingfish – the Japanese call it hiramasa – and mulloway, suzuki, bred and farmed in this way have no impact on the wild stock or the environment and chefs love them. All feeding is free of antibiotics, genetic modification, and free of land animal product.

In a time of shrinking fishery quotas and growing environmental concerns, hiramasa and suzuki offer a practical alternative 52 weeks a year. Quite apart from its tuna quota Clean Seas' exports this year

included 1500 tonnes of kingfish and 210 tonnes of mulloway with next year's figures planned to double.

Clean Seas is now the leading kingfish and hatchery company following its takeover of South Australian Aquaculture Management in July.

All that is up and happening and has made the Stehr Group famous in fishing circles around the world. But its biggest coup is yet to come. It is the commercial on-shore breeding of southern bluefin tuna, the closing of the tuna's life cycle using what is believed to be the world's only captive broodstock. When it succeeds it could double the southern bluefin tuna catch in a decade without impacting on wild tuna stocks.

Clean Seas Tuna Limited, a Stehr Group company floated last year specifically to help finance the project operates a high-security 400-acre aquaculture enterprise at Arno Bay, 200km north of Port Lincoln. Just where it is at in the critical process of persuading captive tuna to breed in land tanks is a closely guarded secret. An army of scientists and technicians are working on it and company shares launched at 50 cents currently hover around 64 cents. Where they will go when the first test-tube tuna fingerling wiggles its way round a tank can only be a long way north.

It might be just one small wiggle for a fish but for the tuna industry it will be an event to rival that in 1967 when a

trawl fisherman from NSW called Roger Howlett came to town looking for prawns. People had been searching for them around Port Lincoln for 60 years without luck and he didn't have any either. Until the last day of his stay in the gulf when he trawled on into the night. When he pulled up his gear it was full of prawns.

That's when they discovered that to catch prawns you had to fish at night. All previous attempts to find prawns had failed for lack of that breakthrough knowledge. The darker the better and today The Dark, when there is no moon, is when it all happens.

The Port Lincoln prawn industry today is a masterpiece of planning and co-operation between the South Australian government and the owners of the 36 boats allowed to fish there.

Whole areas of the Spencer Gulf are closed off to fishing so young prawns can grow. The number of boats in the entire Spencer Gulf and west coast of the Eyre Peninsula is limited to 39 and the season is limited to between 50 and 60 nights a year.

The boats themselves are standardised so no one crew has an advantage over others. Vessel size is limited to 22 metres overall length, engine horsepower is pegged at 365 hp, and gear configuration is limited to a two-net double rig with net and mesh sizes strictly defined.

With fishing thus restricted an industry that was almost immediately under threat became protected and has been so well managed by the fishermen themselves that today it is sustainable indefinitely. It is worth about \$35 - \$40 million a year now off-the-boat but support services factor that up to around \$80 - \$90 million to the community.

Barry Evans, president since 1994 of the all-powerful Spencer Gulf and West Coast Prawn Fishermen's Association, says: "Now we do three surveys a year to find where the mature prawns are and calculate sustainability. This enables areas with larger prawns to be targeted while other areas identified as important nurseries are closed off.

"The boats go out for 10 - 14 days at a time. The starting date was November 17 this year and the fleet stayed out until the last quarter of the moon, around November 28.

"They return to port throughout the full moon and will put to sea again for the dark of the moon and the new moon from about December 13 - 21. And so the cycle will go on until the fleet has logged its number of days for the year.

"There are no quotas. It's all based on areas and number of nights fished. Generally there's little difference in the amount each boat catches. The long-term average is 1800 - 2000 tonnes a year, about 50 tonnes a boat.

A few years ago this was worth \$1 million a boat but it's more like \$600,000 now due to imported aquaculture prawns from South East Asia and the price of the A\$."

Each boat is a mini-processing factory where the skipper and three crew cook or snap-freeze the catch on board before packing it in 10, 5, and 3 kilo boxes ready to be trucked to Adelaide, Melbourne, or Sydney for national and international distribution. The crew gets paid a percentage of the catch ranging from 6 - 12 per cent.

Barry Evans has his own boat and his son skippers it. Cost to build a boat today is at least \$2.5 million and Millennium III, owned and skippered by Greg Palmer, the fleet's co-ordinator, would be worth substantially more. It not only has double cabins for the crew, hot showers, TV, and a kitchen fridge ... It also has a dishwasher!! As if that isn't decadence enough the skipper's seat on the bridge is an armchair big and plush enough for a throne.

The bridge itself is an array of electronic equipment and boat controls. There is, however, no wheel. Nothing to lash a man to in a storm, nothing to twirl for admiring visitors. Instead there is a small joystick of similar size to those snatched by cross mothers from the hands of video-game playing children. Times have changed since Roger Howlett hit the jackpot!

THEN THERE IS ABALONE FISHING, a lonely affair by comparison with only a single diver and his crewman to keep him alive; together in a tinny somewhere out on the gulf. If you went to Narrabeen High School in the early 1980s, had a mate called Bill Ford and wondered what happened to him, here is his story...

Today he's part of a family mini-empire founded on an abalone licence his dad bought in 1986 for \$180,000. It includes one of Port Lincoln's three vineyards - with 16 acres of vines, producing Boston Bay wines, a function centre, tasting rooms, and a full restaurant kitchen.

It also includes a share in Western Abalone, a super-modern processing plant owned by a group of divers including Bill Ford. It's basically a complex of sheds and hi-tech freezers fronted by an office suite that would do justice to a small bank. The lot situated on a huge block of land

Altogether the Ford enterprises employ Bill, his brother, his sister, his brother-in-law, his father and god-alone knows who else. His father was a commercial diver in Sydney when he sold the family home



Diver, Bill Ford, his abalone boat and the vineyard tractor

and borrowed the rest to buy his abalone licence at Port Lincoln. Last week an identical licence sold for \$7.2 million. And that's without the factory share and the winery! Oh, and three racehorses and several family homes.

There are only 23 abalone licenses in town and their holders share equally in a wildcatch quota system that allows them to take 3300kilos of meat weight for greenlip abalone and 4250 kilos of blacklip from one of the two fishing zones. Another 600 kilos of mixed species are allowed from the other zone. Divers have to keep a catch data record that is filled out on the beach after each trip and confirmed at the process plant weigh-in.

One of the surprises is how big greenlip abalone are. Nothing like those cute little soap-holder shells one sees in specialty shops but whacking great creatures as big as a giant fillet of beef!

Bill dives in a hot water wet suit from a \$150,000, 21ft aluminium boat that contains a motor whose manifold heats the water pumped down to his wetsuit, an air compressor, a hydraulic system to steer and drive his underwater shark cage, a winch and a rudimentary wheelhouse. It also contains his brother who as crewman holds Bill's life in his hands. The whole shebang is driven by twin 115hp outboards.

Almost half the divers do not use shark cages but a couple of them have daughters entering the business and have bought a cage for them although the dads continue to dive without one.

Abalone farming as distinct from diving looks very good on paper and the number of farms is increasing and techniques are improving. The seed farms are cultured under green shadecloth that is visible as one comes in to land at the airport. Most are owned by investment syndicates but it is a very different market with much smaller shellfish and the traditional divers warn grimly of the risk of disease. The true situation has yet to unfold.

THERE ARE ORDINARY PEOPLE TOO IN PORT LINCOLN; not everyone is driven by fish and fortune. One of these exceptions is The Mayor, the guiding hand on what has to be a candidate for Australia's model community.

It's his town and a few kilometres offshore lies Boston Island, which is his private principality. Some 7 kms long and about 3 kms wide, it protects the town from the Spencer Gulf's worst weather and dominates the huge bay between Pont Boston and Cape Donnington that he



THE FUTURE: Hagen Stehr, of Clean Seas

describes as South Australia's super-port.

"It's a bloody sight bigger than Sydney Harbor," he says. "Five times the size, and Port Lincoln's jetty is two kilometers long. It's the second-largest natural harbor in the world next to Buenos Aires and ..."

And that's not all His Worship Peter Davies, Port Lincoln's outspoken mayor, has to say but in many ways it sums up the man his constituents pretend to hate. Not that they really hate him because everyone waves to him in the street and he majestically returns the compliments. He has just been elected to office unopposed for a third term on the trot and at the end of this term he will become the town's longest serving mayor.

But were one to check the statistics he quotes for strict accuracy you'd be at it all day and face many disappointments. He proclaims himself to be an expert on Matthew Flinders, the explorer. Asked the name of Flinder's cat he drew a quick breath and gave the correct answer: "Trim." Then: "Why do you ask?" – "Just testing." And the bluest and most piercing eyes on any harbor in the world (with the possible exception, of course, of Buenos Aires) blaze for a moment. Then he plunges back into his favorite topic: The civic and economic wonders of his town and its people.

By now, however, these have been well established elsewhere in this report and we can concentrate on the philosophies of the

town's first citizen. We meet in the carpark of the Town Jetty while he is en route to his island where he has worked and lived, read extensively and politicked shrewdly since he left St Peters school, Adelaide, 45 years ago at the age of 16. The eldest son of a major pastoralist he radiates the amiable aura of someone who has been able to do exactly as he likes for all of his life.

Our conversation begins in his very ordinary ute and ends in his boat, tied up and waiting at the jetty. It is called the Investigator and in a town of breathtaking trawlers and big hi-tech seagoing vessels the ancient Investigator has much in common with his ute. On his feet is a battered pair of the open-style plastic shoes known as cros. While fashionable they don't look new but those who know him well say they were comparative formalwear for him. The Mayor frequently goes barefoot, they claim.

His Worship is politely startled on being told I had never heard of him before. Apparently he has hit past headlines with controversial statements on race relations and multi-culturalism. The details are not repeatable here but he expresses them freely and everyone in his multi-cultural, multi-racial town knows all about them.

He tells how one of the town's ethnic multi-millionaires – and there are many– once addressed a public meeting to protest about The Mayor's views and said (Here His



The Mayor and his boat

Worship assumes a voice easily identified as being southern European if not millionaire): “Peter you my friend for 20 year how you can say such things?” The unsurprising answer appears to be: “Easily.” They remain friends to this day and the mayor was elected unopposed at the recent elections. That’s Port Lincoln, that’s its mayor!

As you would expect from a man given to serious reading and contemplation, Peter Davies is also a philosopher. Asked what he thinks about global warming he replies: “There’s nothing very precious to nature in mankind. Nature creates aberrations all the time ... (Being re-elected so often, for example?) ... and if nature decides on a change it will happen. It wouldn’t have wept when the dinosaurs went, why for mankind? Port Lincoln has been under water before. There are cliffs on my island with a layer of seashells higher than my head. Nature doesn’t give a hoot about us.”

On that note our meeting concludes. “Goodbye, Craig,” he says and he climbs aboard his faithful Investigator, fires up its single old engine and heads into a strong and very chilly sou-easter to cross 5 kms of open water in the world’s second-biggest natural harbor after Buenos Aires. Behind him lies his town, his island lies ahead.

THE LOCAL REAL ESTATE MARKET, without which no report would

be complete, is strong like everything else in this most prosperous of townships.

Stephen Kemp runs the real estate agency founded by his father in the town centre and he has spent his entire life in Port Lincoln apart from two years in Fremantle when he crewed on one of the Americas Cup yachts.

“Port Lincoln retain its young people,” Stephen says. “We have very low unemployment and if you want to work it’s here for you and you can buy an entry-level home for \$200,000 or a waterfront palace for \$2.5 million. Residential is now steady but has been booming. Current median house price is \$253,000.

“Land sales are going gangbusters with 80 rural blocks sold since May for an average price of \$140,000 per hectare on the perimeter of the city. They have town power but no water. Town lots of 800 – 1000 sq metres have an entry level of around \$90,000 rising through \$350,000 to \$500,000. Waterfronts vary from \$700,000 to \$1 million.

“Buyers are former residents returning, retirees, the town’s own baby boomers, and a few Asian and British investors who heard of the town through Makybe Diva or the fish industry and bought off the internet sight unseen!

“The commercial market here is hot with prices up to \$1000 sq metre for office and retail. There also been a huge surge in industrial property in the past five years and it is now \$60 - \$70 sq m for land only.

“A sub division called Point Boston is due for national release this week. It consists of 700 lots ranging from \$135,000 - \$450,000 and waterfronts ranging from \$330 - \$450,000.”

IF CAPTAIN COBBAN IS THE PILOT, His Worship Peter Davies The Mayor and Dinko Lukin The Legend, then Hagen Stehr has to be The Future. Larger than life, busier than is humanly possible, a terror to some, adorable to many more, “a bloody Prussian” in his own words...

Just exactly where Hagen came from and what he got up to in his youth is a book in itself but his own brief version of his life story includes three nights in an Edinburgh lockup for nicking tulips from Princess Street Gardens, an officer cadetship on the Pamir square rigger which was lost at sea on her first voyage after he left, jumping ship in Rio, a few years in the French Foreign Legion (which he correctly calls by its true name *Le Légion Étrangère*) until 1960 when he went back to sea again, and ... and god-knows what else.

What everyone does know is that he arrived in Port Lincoln in 1961, created a fishing empire that has achieved world fame for its innovation, and we ain’t seen nothin’ yet! Today his lavish office on Port Lincoln’s North Quay is only metres from the boats he worked on for so long, most days he’d have to step over gear to get into his car and every fisherman on the quay knows him and he knows them.

When he’s not on or near the action he could be anywhere in the world telling the Clean Seas story and sometimes astounding and/or shocking people from ambassadors to TV crews. In a recent moment of folly he told a TV interviewer that women were good only “for bed and the kitchen.”

Shockwaves from that little jest reverberated even to Paris where he dined recently with the ambassador. His Excellency and staff were seriously taken by the vapors when they realised that their guest not only said such a thing but laughed at the ensuing criticism.

Hagen can afford to laugh because he has the credentials to demonstrate his true attitude: He was in fact the first owner to accept women in his tuna boats and

his own daughter served enough sea time to skipper one of them. His female staff all call him "Hagen" and are cheerfully confident people; the cadet reporter from the local newspaper gets escorted out from her interview by the great man himself and departs cheerily shouting "Bye Hagen."

CATCHING TUNA IS ONLY THE START OF IT. The process from there on is a very complex business with Port Lincoln's 11 farmers and their 80 boats owning 90 per cent of the Australian quota and leasing 9 per cent of the rest. Quotas are fully transferable at about \$200,000 a tonne so you could buy a 1000-tonne quota for \$200 million if you could find one for sale.

The tuna school around the age of two from December – January and spotter planes locate them. The catcher boats throw a seine net around the school and divers shepherd the fish into cages, several thousand to a cage, and they are towed to the farming area just on the ocean side of Peter Davies' Boston Island.

There the fish are transferred to circular pens each containing from 1000 to 2000 fish. Their average size is 20 – 30 kilos and about a metre long. After two - three months of feed that's free of antibiotics, free of genetic modification, and free of land animal products they are ready to harvest at the end of March. This part of the harvest is airfreighted to overseas markets.

Prize tuna are not so much killed as a precisely executed by a certified Japanese process called ikijimi. Every fish is individually and humanely killed by a spike to its brain. Then a wire is forced down its spinal canal to prevent post-mortem muscle spasm or death throes that would release stress hormones and affect the taste of its meat. Kingfish and mullet get it easier, being killed by a single blow that is politely referred to as the percussion method.

At the processing factory in Port Lincoln every fish is examined and weighed under supervision of Japanese technicians who fly in specially for the harvest season.

They monitor the condition of the fish and grade individual's fat content, color, and conformation and communicate the details direct to their special re-sellers and customers in Japan. The classified fish are then flown from Adelaide to Japan and are on the Tokyo auction market within 48 hours.

There is a second harvest in June and July when large freezer boats come from Japan and load fish direct from the pens. The fish are killed and gutted, transferred to the freezer boats where they are weighed and immediately put into freezers at minus 60 deg Centigrade.

Another tuna season is about to begin and from a warm hotel overlooking a stormy Boston Bay one sees a familiar white dot that is the Investigator once again battling into wild seas. One feels that like Port Lincoln itself she'll be right with ole blue eyes at the helm. ▲

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