

**STRUCTURAL
ADJUSTMENT REVIEW
COMMITTEE**

**Industry consultation on draft
recommendations**

Estuary General- Trapping

Facilitator: Catherine Cooper

Welcome

- Introductions
- Emergency procedures
- Details on how to claim for sitting fees, travel costs etc. will be provided at the end of the meeting
- Copies of documentation available

Roles of Participants

- **Industry members** (expertise based) are invited to provide comment on the Draft Recommendations.
- **SARC members** will provide a presentation on the Draft Recommendations sent to shareholders and wish to get industry views on improvements and refinements to the recommendations
- **Fisheries manager** - available for specific management details or to help clarify previous working group deliberations.
- **Support staff** –
 - Annette will record key issues
 - Chad will listen in to ensure an understanding of industry perspectives

Order of Proceedings

- Background to the Reform/Business Adjustment Program and Draft Recommendations
- 3 Sessions:
 - Estuary General– Trapping
 - Estuary General– Eel Trapping
 - Estuary General– Mud Crab Trapping
- At the end of each discussion, I will seek feedback on Draft Recommendations and generate a summary of key messages. Please hold your comments until the end of the presentation
- Brief presentation of Exit Grant Program – noting that this is not the focus of today's meeting

Working Group Guidelines

- Please maintain a respectful and professional environment
- Comply with the direction of the facilitator
- Please indicate to the facilitator when you wish to make a comment
- No electronic recording permitted (to ensure full and frank discussions)
- 7 day period to finalise key points raised

Fisheries reform/business adjustment package OVERVIEW

Ian Cartwright
SARC Chair

History

- Reform not something new: three reviews 2005-2012 all suggested structural adjustment and some investment in shares has occurred
- Steven's review the last – accepted by Government
- Govt. clearly stated in a media release in November 2012 that the following would happen:
 - share linkages
 - management costs based on access
 - exit grant to assist restructure (\$16 million)
 - review of input controls.

Objectives of the Reform

- Improve the long term viability of the NSW commercial fishing industry
- Improve the strength and value of shareholders' access rights (i.e. shares)
- Provide shareholders with improved opportunities and flexibility to tailor their access (and associated management charges)
- Improve management and the public's perception of the NSW commercial fishing industry.

SARC's key roles

- Provide advice on share linkages and other issues relating to the reform
- Provide oversight of the reform programme

In short, the SARC is providing advice to the NSW Government in the implementation of fisheries policy

Consultation

- Working groups helped develop options
- Options circulated for consultation
- Large number of submissions, many of which simply rejected the government decisions concerning reform and questioned the need for change
- Strong message: too far too fast
- Clear significant misunderstandings present
- Following submissions, SARC requested more time and two studies
 - Economic analysis of the NSW Reform Package
 - Review of proposed exit grant

Linkages - what did SARC consider

- The initial allocation of shares
- findings of the independent economic study
- Suggestions made on linkage options in the public submissions
- The level of 'distortion'
- Estimates of economic impact on FBs and at the share class level
- Use of the exit grant to mitigate impacts for both buyers and sellers of shares and to target share classes where the economic impact is greatest
- Sustainability concerns for some species
- Risks of undesirable share consolidation
- Relative management costs of linkage options
- Cost-effectiveness of linkage

Next Steps

- SARC will consider feedback from WGs, other meetings and submissions
- Refine recommendations where appropriate
- Linkage recommendations to Minister by end September
- Linkage announced
- Finalisation of details of exit grant process
- Run exit grant process

DRAFT RECOMMENDATIONS

ESTUARY GENERAL TRAPPING WORKING GROUP

1. Trapping
2. Discussion
3. Eel Trapping
4. Discussion
5. Mud Crab Trapping
6. Discussion

DRAFT RECOMMENDATIONS

ESTUARY GENERAL TRAPPING

Key share class issues considered

- 31 (of 165) Fishing Businesses (FBs) account for @80% of the recorded catch value
- 50 (of 157) endorsed FBs have not reported any fishing
- Illegal mud crab fishing threatening the viability of lawful fishers.
- Friction between full time and part time commercial fishers and with recreational fishers in some areas (e.g. Wallis Lakes)

Draft Recommendations

July 2016

- Enforcement of the current minimum shareholdings (125 shares) authorising the use of 15 traps
- Each 10 shares held above 125 shares authorises the use of 1 additional fish trap.
- Remove requirement for boats under 10m to be licensed
- New species shares (catch quota) for blue swimmer crabs allocated proportional to shares held and freely traded state-wide.

	Kg per trapping share	Kg per 125 trapping shares
1	0.03	3.9
2	0.1	8.8
3	2.8	353.2
4	12.3	1,532.0
5	0.2	25.4
6	0.9	107.9
7	0.2	26.5

Draft Recommendations

July 2018

- Quota transfers (leasing) not permitted.
- Allow blue swimmer crabs to be kept if caught by any relevant method, provided catch quota is held to cover the catch
- Allow mud crabs to be kept if caught in a fish trap provided quota is held

July 2020 onwards

- ITCALS replaced with TAC
- Quota transfers (leasing) permitted.

Outcomes

- Removes some excess capacity and reduces the potential risk of activation of that capacity
- Catch quotas:
 - are the strongest form of access right
 - provide shareholders with access to a secure share of the stock
 - encourage economic efficiency
 - provide a direct control on catch through the TAC to address any resource sharing or sustainability concerns
 - Quota monitoring may deter illegal catches
- Allows greater operational flexibility
- Reduces administrative burden and cost by relaxing licensing/net registration
- Contributes to stronger social licence

Discussion

DRAFT RECOMMENDATIONS

ESTUARY GENERAL EEL TRAPPING

Key share class issues considered

- 28 (of 158) Fishing Businesses (FBs) account for @80% of the recorded catch value
- 73 (of 153) FBs endorsed have not reported any fishing
- Illegal fishing in closed waters
- Risk of dormant/occasional fishers threatening the viability of regular fishers.
- Recent concerning trends in catch and effort.

Draft Recommendations

July 2016

- Enforcement of the current minimum shareholdings (125 shares) authorising the use of 10 eel traps
- Each 10 shares held above 125 shares authorises the use of 1 additional eel trap (regional transfers only).
- Combined catch quota for eels allocated proportional to shares held and freely traded state-wide.

Kg per share	Kg per 125 shares
6.4	803

- Remove requirement for licensed boats < 10m

Draft Recommendations

July 2018

- Catch quota implemented
- Quota transfers (leasing) not permitted.
- Allow eels to be kept if caught by any relevant method, provided quota is held to cover the catch

July 2020 onwards

- ITCALS replaced with TAC
- Quota transfers (leasing) permitted.

ITCALS to TAE/TAC

- Regional ITCALS for short and long finned eels calculated on maximum recorded catch over the 10 year period 2002/03 to 2011/12
- Recommendations on TAC by TAC Committee by 2020
- TAC will be based on the best available science/data

Outcomes

- Enforcing minimum shareholdings will reduce a small proportion of the excess capacity
- Catch quotas:
 - are the strongest form of access right
 - provide shareholders with access to a secure share of the stock
 - encourage economic efficiency
 - provide a direct control on catch through the TAC to address any resource sharing or sustainability concerns
 - Quota monitoring may deter illegal catches
- Improves operational flexibility
- Reduces administrative burden and cost by relaxing boat licensing requirement
- Stronger management will provide higher level of community confidence that fishery is managed responsibly.

DRAFT RECOMMENDATIONS

ESTUARY GENERAL MUD CRAB TRAPPING

Key share class issues considered

- 63 (of 206) Fishing Businesses (FBs) account for @80% of the recorded catch value
- 45 (of 202) endorsed FBs don't report any fishing
- High levels of illegal activity including crab and trap theft and interference with traps
- Complaints about dormant/occasional fishers threatening the viability of regular fishers especially as high value product.

Draft Recommendations

July 2016

- Enforcement of the current minimum shareholdings (125 shares) authorising the use of 10 traps
- Each 10 shares held above 125 shares authorises the use of 1 additional trap (regional transfers only).
- New species shares (catch quota) for mud crabs allocated proportional to shares held and freely traded state-wide.

	Kg per mud crab trap share	Kg per 125 mud crab trap shares
1	8.6	1,080.2
2	4.3	541.0
3	8.6	1,076.9
4	3.9	489.8
5	0.7	84.9
6	0.04	5.0
7	0.1	16.0

- Remove requirement for licensed boats <10m

Draft recommendations

July 2018

- Catch quota implemented
- Quota transfers (leasing) not permitted.
- Allow mud crabs to be kept if caught by any relevant method, provided quota is held to cover the catch
- Allow fish to be kept if caught in a mud crab trap

July 2020 onwards

- ITCAL replaced with TAC
- Quota transfers (leasing) permitted.

ITCALs to TAE/TAC

- Regional ITCALS for mud crabs calculated on maximum recorded catch over the 10 year period 2002/03 to 2011/12.
- Recommendations on TAC by TAC Committee by 2020
- TAC will be based on the best available science/data

Outcomes

- Enforcing minimum shareholdings will reduce a small proportion of the excess capacity
- Catch quotas:
 - are the strongest form of access right
 - provide shareholders with access to a secure share of the stock
 - encourage economic efficiency
 - provide a direct control on catch through the TAC to address any resource sharing or sustainability concerns
 - Quota monitoring may deter illegal catches
- Improved operational flexibility
- Reduces administrative burden and cost by removing boat license requirement
- Stronger management will provide higher level of community confidence that fishery is managed responsibly.

Discussion

Recommendations on exit grant

Feature	Revised Proposal
Who?	Sellers and buyers
Direct subsidy	Targeted to the share classes where linkage likely to have the greatest impact
How?	Centralised, computerised, anonymous exchange
Price information	Multiple rounds to allow for price discovery and an opportunity to revise bids if they wish
Fishing Businesses	Fixed price to be determined for empty fishing businesses
Time needed to trade shares	Immediately following completion of the <u>final</u> bidding round
Flexibility	Any shareholder can make a combinations of bids, multiple bids and both buy and sell bids

Administrative Matters

Close

- Closing remarks - SARC Chair
 - NB Submissions invited
- Close of session - Facilitator