

## ESTUARY GENERAL TRAPPING SHARE LINKAGE WORKING GROUP

# Final outcomes meeting 1, St George Rowing Club, Sydney

20 June 2013

### Attendees

Andrew Sanger (Chairperson), Troy Billen, Geoff Blackburn, Paul Cheers, Glenn Dawson, Ross Fidden, Greg Golby, John Hine, Dallas Johnson, Richard Nicholson, Paul Stanford, John Verdich, Claudio Zarrella, Darren Reynolds (DPI), Doug Ferrell (DPI), Ian Stockton (DPI), Darren Hale (DPI).

### Apologies

Nil.

### Purpose of meeting

Introduction to the 'share linkage' component of the industry reform program, including the identification of current controls for review and discussion on linkage options for further consideration by the working group and, ultimately, shareholders, the Structural Adjustment Review Committee (SARC) and the Government.

### General discussion

Throughout the introductory presentation there was discussion on a range of topical issues including taking care with the removal of controls including the removal of Fishing Businesses as a management control and relaxation of the share transfer rules, securing the industry a stronger 'social licence', the origin of the reform program, how the exit grant program might work, the role of the working group and it not being a decision making body, the SARC and its independence, the need for some fishers to invest (and \$15.5M adjustment fund contribution) to transition to the new arrangements, the potential cost of the various linkage options and future cost recovery policies.

### Input controls that affect viability

The working group identified a number of controls that they think should be reviewed as part of the reform program, acknowledging that opportunity to remove or rationalise these controls will in some cases be dependent on the form and strength of the linkage pursued. It was noted that any controls proposed to be removed/rationalised will be referred to shareholders for comment along with the short-listed linkage options, require Ministerial approval and be implemented at the same time as the preferred linkage approach.

- Review restrictions on the species that may be retained in crab and fish traps.
- Review identified closures (excluding RFHs and Marine Parks) that apply to the use of crab, fish and eel traps.
- Review trap marking and description requirements.
- Investigate the opportunity for fishers to be able to use crew under different arrangements than those that apply currently.

## Linkage options for further investigation

The working group worked through the linkage hierarchy recommended in the Independent Review Report (i.e. catch quota followed by effort quota and endorsement numbers), identified various options to model for further investigation and identified some of issues that must be considered with each.

**NOTE:** The proposed modelling of the various approaches below is a 'work-in-progress' and the list of pros, cons and issues is likely to grow as a result of further consideration by the working group, fishers and DPI etc.

The following table lists the linkage options to model for further investigation

Model	Pros, cons and issues to consider
Catch quota scenario for eels, mud crabs and blue swimmer crabs. Do both body count and kg quota.	<p><b>Pros:</b></p> <p>Shareholder can choose to upscale/downscale.</p> <p><b>Cons:</b></p> <p>High catch operators will probably need to acquire shares. Species are caught by other sectors (e.g. meshing, recreational). Availability of shares within a region to increase quota holding. If leasing of quota is permitted, there may be risk of "quota barons".</p> <p><b>Issues:</b></p> <p>How will the total catch levels be set and allocated initially and how responsive is it to fluctuations in abundance from year to year. State-wide or region specific quotas. Costs of implementation, enforcement &amp; monitoring.</p>
Days	<p><b>Pros:</b></p> <p>Shareholder can choose to upscale/downscale.</p> <p><b>Cons:</b></p> <p>High effort operators will probably need to acquire shares.</p> <p><b>Issues:</b></p> <p>How the total number of days will be set and be allocated initially. Costs of implementation, enforcement &amp; monitoring.</p>
Trap numbers	<p><b>Pros:</b></p> <p>Shareholder can choose to upscale/downscale.</p> <p><b>Cons:</b></p> <p>High effort operators will probably need to acquire shares.</p> <p><b>Issues:</b></p> <p>May need to tag traps or have alternative marking arrangements. What would happen when a trap is lost/found? Different trap number restrictions between regions that currently apply. Costs of implementation, enforcement &amp; monitoring.</p>
Minimum share holding scheme (No. of endorsements) using both mandatory and tiered structure.	<p><b>Pros:</b></p> <p>Tiered structure allows fishers to gain additional advantage (e.g. additional traps) for holding over a certain number of shares (As an example only: at 125 shares - fishers could use 10 traps, between 125 and 200 shares – fishers could use 15 traps, etc).</p> <p><b>Cons:</b></p>

Model	Pros, cons and issues to consider
	<p>High effort operators will probably need to acquire shares.</p> <p>Must reach minimum shareholding to have endorsement under mandatory structure.</p> <p>Minimum shareholding would apply to all operators – no scope to upscale/downscale.</p> <p><b>Issues:</b></p> <p>Cost relative to other models.</p>

## Information/data requirements for next meeting

Need to work out the detail of how the options would be implemented and monitored (e.g. how would a 'day' be defined, pre-fish reporting requirements, minimum and maximum shareholdings etc). Also have to consider the implications of certain linkage schemes across fisheries and regions (i.e. any interactions that may exist between share classes within and between fisheries).

End.

## More information

[www.dpi.nsw.gov.au/fisheries](http://www.dpi.nsw.gov.au/fisheries)

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Published by the Department of Primary Industries.