

**LOBSTER INDUSTRY WORKING GROUP MEETING  
AGENDA**

**14 OCTOBER 2010**

**09:00 AM to 4:30 PM**

**Cronulla Fisheries Research Centre of Excellence  
202 Nicholson Pde, Cronulla NSW 2230**

Ref: OUT10/15413  
10/6842

**Chairperson**

Alan Dodds

**Management Advisory Committee Representatives**

Noel Gogerly	Industry Representative
Lee Monin	Industry Representative
Daniel Stewart	Industry Representative
Scott Westley	Industry Representative
Peter Offner	Industry Representative

**Observers**

Paul O'Connor	I&I NSW: Principal Director, Fisheries & Compliance
Peter Turnell	I&I NSW: Director, Fisheries Resource Management
Tony Andrews	I&I NSW: Manager, Special Operations
Anthony Chen	I&I NSW: Snr Fisheries Investigator Statewide
Geoff Liggins	I&I NSW: Manager – Scientific Services
Alice Gleeson	I&I NSW: A/Fisheries Manager
Amy Priestly	I&I NSW: Fisheries Management Officer

**Presenters**

Peter Brown	I&I NSW: Manager Systems Reform
Graeme White	I&I NSW: Manager Fisheries Information & Protected Areas

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Agenda items	Responsibility
1. Welcome, Apologies and Introductory remarks	Chairperson
2. Correspondence received and sent	Chairperson
3. Business arising from previous meetings	Chairperson
4. Management Charges and Cost Recovery	I&I NSW
5. Recommendations from the 2010/11 TACC Report & Determination	I&I NSW
6. Lobster quota season dates and quota carry-over	I&I NSW
7. Marine Park update	Graeme White, I&I NSW
8. Updates: (a) Research (b) Management (c) Compliance (d) Industry	Research, Management, Compliance, and Committee Representatives
9. Fish Online update	Peter Brown, I&I NSW
10. Other Business	Chairperson

**Appendices**

A.	Copy of the proposed lobster budget for the 2010/11 fishing period
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**Agenda Item 1****Chairperson**

Welcome, apologies and introductory remarks

**Background**

I&I NSW welcomes all the representatives and observers to the first Lobster Industry Working Group (LIWG) meeting for 2010.

**Outcomes**

For information

**Agenda Item 2****Chairperson**

Correspondence received and sent

**Background**

All LobMAC correspondence received and sent since the last LobMAC meeting held in March 2010.

<b>Date</b>	<b>From</b>	<b>Issue</b>	<b>To</b>
26/03/2010	Amy Priestly I&I NSW	Extension to comment on the consultation paper	LobMAC Members
26/03/2010	Amy Priestly I&I NSW	Areas for Further Assessment for the East Marine Region	LobMAC Members
15/04/2010	Amy Priestly I&I NSW	Invitation to Systems Reform Meeting	LobMAC Members
20/04/2010	Amy Priestly I&I NSW	Marine Bioregional Planning update	LobMAC Members
28/04/2010	Amy Priestly I&I NSW	Invasive Colonial Sea Squirt public update	LobMAC Members
29/04/2010	Amy Priestly I&I NSW	Outcomes from the FishOnline meeting	LobMAC Members
7/05/2010	Amy Priestly I&I NSW	Draft Outcomes from LobMAC meeting for Comment	LobMAC Members
27/05/2010	Alice Gleeson I&I NSW	Out of Session Agenda Item - 2010/11 Fishing fees and Charges	LobMAC Members
31/05/2010	Darren Reynolds I&I NSW	Public Exhibition of the Fisheries Management (General) Regulation 2010 and the RIS	LobMAC Members
16/06/2010	Steve Kennelly, I&I NSW	Update of Research Priorities for fisheries, aquatic ecosystems & aquaculture	Alan Dodds, Chair of LobMAC
18/06/2010	Alice Gleeson I&I NSW	Future Directions of the NSW Commercial Fishing Industry	LobMAC Members
30/06/2010	The Hon Steve Whan MP, NSW DPI	Ministerial Letter to Arthur Dye re resignation	Arthur Dye, NCC representative
1/07/2010	Alice Gleeson I&I NSW	2010/11 Lobster TACC Announcement	LobMAC Members
2/07/2010	Alice Gleeson I&I NSW	Media Announcement re Abalone and Lobster	LobMAC Members
7/07/2010	Alice Gleeson I&I NSW	Review of Commercial Fishing Closures	LobMAC Members
21/07/2010	Amy Priestly I&I NSW	Out of Session Agenda Item - 2010/11 Lobster Share Management Fishery Budget	LobMAC Members
4/08/2010	Alice Gleeson I&I NSW	Share Trading Notice Board	LobMAC Members
27/08/2010	Alice Gleeson I&I NSW	Draft Marine Safety (Commercial Vessels) Regulation 2010	LobMAC Members

**Outcomes**

For noting.

### Agenda item 3

Chairperson

#### Issue

Business arising from previous meetings

Action	Date Raised	Responsibility	Status
1. I&I NSW to amend Lobster Share Management Plan to include revised objectives, Performance Indicators and Trigger points, as well as the transmission of shares and maximum shareholding aggregation limit (to 40%). Proposed Regulation Amendments – objectives, performance indicators and trigger points in LobSMP to be considered out of session.	28 March 07  27 Feb 08	I&I NSW  I&I NSW/LobMAC	Pending. To be included in the statutory review of the Lobster SMP (Agenda item 8).
2. LobMAC to consult with shareholders with the aim of mapping grounds. LobMAC and/or shareholders to develop communication lines with local Trawl Operators to resolve conflict issues regarding habitat protection and the impacts of trawling.	27 Feb 08	LobMAC representatives	Ongoing.
3. I&I NSW to investigate the establishment of a public register of shareholders' quota allocations, including any legal, logistics and costing issues that might arise in making such information public.	30 March 2009	I&I NSW	<i>FishOnline</i> is being developed as part of the I&I NSW CFSA Systems Reform Program. Version 1 of the system is scheduled to be completed in November 2010. It is scheduled to go live in Mar-June 2011 (TBC).
4. LobMAC to pursue meetings with local Ports Authority to discuss the pathways of large cargo vessels entering their respective ports	30 March 2009	LobMAC representatives	Ongoing.
5. LobMAC Industry representatives to consider requirements of the proposed Interactive Voice Response system	30 September 2009	LobMAC industry representatives	Completed. LobMAC met with I&I NSW on 23/4/10 to discuss the proposed IVR system.
6. I&I NSW to provide an update on the development of the CFSA system at the next LobMAC meeting	30 September 2009	I&I NSW	Completed. An update was provided at the 23 March 2010 LobMAC meeting.
7. LobMAC to approach FRDC for direction on a scoping study for an economic assessment on the lobster fishery	30 September 2009	LobMAC representatives	
8. I&I NSW to advise LobMAC on; a) The level of overheads payable elsewhere in the Department. b) What reductions in cost would occur where managers are pooled? c) What are the cost or efficiency benefits in having a strategic	23 March 2010	I&I NSW	Pending. Responses to questions a) to d) were provided to LobMAC out of session on 21/7/10. I&I NSW will discuss the level of corporate overheads at the meeting (Agenda item 4).

<p>planner for lobster compliance instead of a single dedicated compliance officer?</p> <p>d) Where 23.35% of on costs are distributed.</p> <p>e) Where 48% of overheads are distributed.</p>			
<p>9. I&amp;I to look into additional arrangements for invoicing. If the budget brief sign-off is delayed, I&amp;I management is to speak with Head Office to look into issuing nominal invoices in late August. Any required adjustments can be made later in the season.</p>	23 March 2010	I&I NSW	LobMAC rejected the draft budget that was sent out of session on 21/7/10. As a result, I&I NSW is making arrangements to issue nominal invoices in the interim (to be discussed at the meeting, Agenda item 4)
<p>10. I&amp;I to investigate the current rewards system and any impediments in implementing such a rewards system.</p>	23 March 2010	I&I NSW Compliance	Pending. Update to be provided at the meeting.
<p>11. LobMAC to seek advice from the TACC on their recommendations for an economic survey.</p>	23 March 2010	LobMAC representatives	Completed. Recommendations regarding an economic assessment of the lobster industry were provided in the 2010/11 TACC Report & Determination. For discussion at the meeting (Agenda item 5).
<p>12. LobMAC voted unanimously that objections to Issue 7 be recorded in the minutes and the Consultation Paper submission log.</p>	23 March 2010	I&I NSW	Completed.
<p>13. LobMAC voted unanimously that objections to Issue 15 be recorded in the minutes and in the Consultation Paper submission log.</p>	23 March 2010	I&I NSW	Completed.
<p>14. I&amp;I acknowledges the issues raised in regards to potential factors beyond a fishers control affecting their ability to comply with 'FishOnline', I&amp;I will look in to how these issues can be addressed without imposing unfair penalties.</p>	23 March 2010	I&I NSW	Pending.
<p>17. LobMAC to lodge a submission to the consultation paper.</p>	23 March 2010	I&I NSW	Completed. A submission from LobMAC was received by I&I NSW on 30/4/10.
<p>18. I&amp;I compliance to advise its compliance squad and maintain a local presence to reinforce the applicable rules and regulations. Additionally, I&amp;I compliance to contact ACORF to advise on this issue.</p>	23 March 2010	I&I NSW Compliance	Pending. Fisheries Mobile Squad will attend the 2011 Port Stephens Interclub Gamefishing tournament, to inform tournament fishers of offshore lobster head gear.

**Issue**

Management Charges and Cost Recovery

**Background**

A proposed management charge and expenditure budget for 2010/11 was sent to LobMAC out of session on 21/7/10, for comment. LobMAC industry representatives verbally indicated that they do not support the proposed management charge.

The current management charge is based on:

- Salary costs for staff directly providing administration services to the commercial fishery as well as those conducting the policy development, research and compliance needed for effective management of the fishery.
- Operating costs associated with these fishery management services.
- Contribution towards corporate overheads (estimated as 48% of base salary costs).

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- An “efficiency” discount of 30% on the corporate overheads contribution.
- An “efficiency” discount of 20% on total salary costs.
- A further discount of 14.7% for the indirect benefit to recreational fishers.
- A further discount of 5% to offset the increase in shareholder costs due to the cancellation of shares in marine park buyouts.

Any surplus or deficit from expenditure of the management charges collected in the previous season is also carried forward, along with a credit for funds collected via quota transaction fees during the previous season. A revised draft budget, that includes final expenditure figures from the 2009/10 season, is provided in **Appendix A**. The proposed management charge required to recover the costs of essential management services is \$55.25 per share. This is a decrease of \$1.96 per share (3.42%) from the previous fishing period, largely attributable to the carry over of funds which were not expended due to staffing vacancies.

A history of the previous management charges and detailed calculation of the various discount factors is provided below.

**Historical Lobster Management Charges**

Fishing period	Mgmt charge (\$/share)	Amount recovered	Total mgmt cost	Reported catch (t)	Av beach price (\$/kg)	GVP (\$m)	Mgmt charge/GVP (%)	Mgmt charge/catch (\$/kg)
2000/01	\$58	\$593,572	\$958,277	102	\$42.98	\$4.4	13.5%	\$5.82
2001/02	\$58	\$593,572	\$846,467	102	\$46.33	\$4.7	12.6%	\$5.82
2002/03	\$59.70	\$610,970	\$806,993	121.3	\$44.77	\$5.4	11.3%	\$5.04
2003/04	\$61.70	\$620,147	\$808,380	107.9	\$38.83	\$4.2	14.8%	\$5.75
2004/05	\$58.60	\$588,989	\$719,451	98.1	\$38.30	\$3.8	15.7%	\$6.00
2005/06	\$56.43	\$567,178	\$801,797	100.5	\$41.30	\$4.2	13.7%	\$5.64
2006/07	\$55.20	\$553,490	\$860,063	109.4	\$47.46	\$5.2	10.7%	\$5.06
2007/08	\$50.89	\$495,007	\$853,479	121.58	\$45.81	\$5.57	8.9%	\$4.07
2008/09	\$56.73	\$551,813	\$877,990	121.6	\$54.70	\$6.65	8.3%	\$4.54
2009/10	\$57.21	\$556,501	\$853,588	121.95	\$55.37	\$6.75	8.5%	\$4.69
2010/11	\$55.25	\$537,426	\$858,625					

Key I&I NSW staff will attend the meeting to discuss the budget and cost recovery policy.

**Outcomes**

For discussion

**Issue**

Recommendations from the Total Allowable Catch Committee (TAC Committee) Report & Determination for 2010/11.

**Background**

In addition to setting the annual TAC for the fishery, the TAC Committee often makes suggestions and recommendations on management of the lobster fishery in its annual Report & Determination. Below are TAC Committee's recommendations from the 2010/11 Report & Determination, for discussion:

- ***The committee recommends that I&I NSW assess the options for providing more timely information on the availability of quota for lease. LobMAC is ideally placed to provide advice to the Department on this issue.***

*I&I NSW response:* Version 1 of the FishOnline project (a component of the I&I NSW Commercial Fisheries Structural Adjustment Systems Reform Program) is due to be finalised in November 2010. An online bulletin board will be provided to allow FishOnline users to advertise fishing entitlements, including quota, "for sale" or "wanted" online.

Version 2 of the FishOnline project will provide an option for all quota managed fisheries to transfer quota online. Online quota transfers are expected to deliver significant savings to industry and I&I NSW as they will not incur a transaction charge. Paper based quota transfers will continue to be subject to a transaction charge. The online system will also offer immediate quota transfers, as opposed to the time delays associated with paper based transactions.

- ***The committee recommends that I&I NSW and the industry conclude discussions on pre-fishing, pre-landing and post-landing IVR reporting and implement processes that will manage compliance costs and assist in reducing over quota fishing.***

*I&I NSW response:* Following the release of the *Commercial Fishing Reforms – The 'Pyrmont Pact' & 'FishOnline'* consultation paper, LobMAC industry members met with I&I NSW on 23/4/10 to discuss the proposed IVR system in detail. A report from this meeting was submitted to I&I NSW, as a formal submission to the consultation paper.

Further information will be provided at the meeting.

- ***The committee recommends the development of a research program to determine the extent of the recreational rock lobster catch in NSW as a priority.***

*I&I NSW response:* The National Recreational and Indigenous Fishing Survey data are the only available, well replicated, statewide estimates of recreational effort and catch for both freshwater and saltwater fisheries in NSW. However, these estimates are approximately 10 years old and it is recognised that updated measures of recreational catch and effort is now needed.

Recognizing this need, I&I NSW is currently hosting a series of workshops to design a statistically robust and cost-effective statewide survey of recreational fishing to meet the data needs in NSW. It is likely that the survey methodology will involve a combination of an off-site phone survey (following the model of the modified National Survey design that

has recently been used in South Australia and Tasmania) and a regional on-site validation study to validate the results of phone/diary method to ensure accuracy.

▪ ***The Committee recommends the development of improved lobster catch estimates as part of the implementation program of new cultural fishing arrangements.***

*I&I NSW response:* Noted. The *Fisheries Management Act 1994* was recently amended to establish an Aboriginal Fishing Advisory Council (AFAC). AFAC will be the peak advisory group to the Minister for Primary Industries on issues affecting Aboriginal fishing interests and will play an important part in the future development of cultural fishing policy i.e. streamlining procedures with regard to cultural fishing permits.

A new lobster tag has recently been developed for use with section 37 permits issued for Aboriginal cultural and ceremonial fishing. The new tags are neon green with a red insert, so as not to be confused with commercial lobster tags or compliance tags, and will be labelled with "Lobster not for sale". The new tags were developed as a tool for compliance to closely monitor the lobster catch under the current cultural fishing arrangements.

▪ ***The Committee recommends that I&I NSW and industry work to develop a harvest strategy, including target reference points relating to maximising economic yield, to provide guidance on TACC decisions in relation to stock rebuilding.***

For discussion.

▪ ***The Committee recommends that a survey of the costs of fishing be undertaken to inform both: (i) the process through which the TACC is set in order to maximise profits from lobster fishing; and (ii) the process for setting the community contribution charge. This survey should commence as soon as possible and should be conducted every three years.***

For discussion.

▪ ***The Committee also recommends that the issue of funding for the cost survey, (governments, industry or some combination), should be resolved as a matter of urgency.***

For discussion.

▪ ***The Committee recommends that the Department and LobMAC encourage fishers to make further efforts to report price information for quota transfers.***

For discussion.

▪ ***The Committee recommends that the estimate of illegal and unreported removals from the rock lobster fishery be refined and that a joint industry/I&I NSW working group be established.***

For discussion.

## **Outcomes**

For discussion/recommendation

**Issue**

Lobster quota season dates and quota carry-over

**Background**

In the weeks leading up to the end of the 2009/10 lobster fishing season (30 June), the Department received information from some mid and north coast lobster fishers about the difficulties they were experiencing in retrieving their deep water traps, before the close of the season.

Strong ocean currents and unfavourable weather patterns are often persistent on the NSW north coast between March and July 2010. Under these weather conditions, it is extremely difficult for fishers to locate and retrieve their traps because the strong currents hold down the head gear.

The winter months are important fishing months on the mid/north coast, and many of the lobster fishers catch the majority of their quota during this time. Due to the prevailing weather conditions, several fishers were concerned that they would not be able to retrieve their traps by the end of the 2009/10 season. At the time, requests were made to the Department to either extend the fishing season or permit quota carry-over for those fishers who were experiencing the difficulties in retrieving their gear.

However, under the current regulations, carry-over of lobster quota from the current fishing period to a future fishing period is not permitted.

Under cl 14(2) of the *Fisheries Management (Lobster Share Management Plan) Regulation 2000*, the lobster *fishing period* means a period of 12 months commencing on 1 July and ending on 30 June, or such other period as the Minister may determine after consultation with the Lobster Management Advisory Committee (LobMAC).

The Department was notified of the issue in insufficient time to effectively consult with LobMAC prior to the end of the 2009/10 fishing season. Accordingly, an extension to the 2009/10 lobster fishing period could not be given to any NSW lobster fishers.

An update on this issue will be provided at the meeting.

**Outcomes**

For discussion

**Agenda item 7****Graeme White I&I NSW****Issue**

Marine Parks Update

**Background**

Graeme White, Manager Fisheries Information and Protected Areas, will provide an update on Marine Parks issues.

**Outcomes**

For information

**Agenda Item 8****I&I NSW/LIWG****Issue**

Research, Management, Compliance, and Industry member updates

**Background****(a) Research**

A verbal update will be provided at the meeting.

**(b) Management*****i) 2009/10 Lobster season reconciliation***

- Quota usage = 95% of TACC (122t)
- Average beach price (Sydney Fish Markets) = \$55.37
- Gross Value of Production (GVP) = \$6.75 Million
- Share transfers = 6
- Average share price = \$1953.70 per share
- Quota transfers = 76

***ii) Statutory Review of Lobster Share Management Plan***

A statutory review of the Lobster SMP will soon be progressed. A working group will be established (including representatives of the LobMAC and any other relevant recreational or commercial fishing industry bodies) to assist in the conduct of the review.

Further information on this process will be provided at the meeting.

***iii) Payment for lobster taken in excess of quota allocation***

It is an offence under the *Fisheries Management (Lobster Share Management Plan) Regulation 2000* for shareholders to exceed their quota allocation during the relevant fishing period. In addition Section 81 of the *Fisheries Management Act 1994* requires any shareholder who exceeds their quota allocation to pay the Director General the value of the excess fish. Subsection 81(5) provides some discretion to reduce the amount payable if it is established that the shareholder did not intend to exceed their quota allocation.

Exceeding quota undermines the integrity of the quota management system and, if convicted, is a share forfeiture offence under the Plan. At the end of the 2009/10 lobster fishing period, nine fishers had negative quota balances (three of which exceeded 5kgs).

For further discussion at the meeting.

**(c) Compliance**

A verbal update will be provided at the meeting.

**Outcomes**

For information

**Agenda item 9****Peter Brown, I&I NSW****Issue**

FishOnline Update

**Background**

Peter Brown will provide a progress report on the FishOnline project including an update on progress with the proposed IVR system and a demonstration of the FisherDirect web site designed for use by fishers.

**Outcomes**

For information

**Agenda item 10****Chairperson****Issue**

Other business

