

NSW Lobster Industry Working Group meeting 21 May 2019 - Outcomes

OUT19/7370

Agenda Item	Summary and Outcome
<p>1. Welcome, apologies and introductory remarks</p>	<p>Meeting start 09:30am</p> <p><u>Attendance:</u> Lee Monin (Industry), Daniel Stewart (Industry), Scott Westley (Industry), Peter Offner (Industry), Oly Wady (Recreational), Nicholas Giles (DPI Commercial Management), Geoff Liggins (DPI Science & Research), Joseph Wright (DPI Compliance), Matt Cartwright (DPI Compliance)</p> <p><u>Apologies:</u> Noel Gogerly, Allan Blake</p> <p><u>Observers:</u> Mark Horne, Steve Burt</p>
<p>2. Confirmation of final minutes of the previous meeting</p>	<p>Summary</p> <p>The NSW Lobster Industry Working Group members confirmed the final minutes from the Lobster Industry Working Group meeting held on 1 May 2018, and outcomes of the September 2018 Harvest Strategy and Real time reporting workshop as being a true and accurate records.</p>
<p>3. Lobster Industry Working Group membership update</p>	<p>Summary</p> <p>All member appointments expire on 15 June 2019, following extension of Region 2, 4 & 5 appointments during 2018 to support continued work and participation for harvest strategy and real time reporting development. The working group Terms of Reference (ToR) are also due for 3 yearly review.</p> <p>Consultation is now open for the new draft ToR. Once completed, expressions of interest will be invited for Region 2 & 5, Recreational, Aboriginal and Conservation members. Region 1, 3, and 4 members have agreed to extension to regain staggered nominations.</p> <p>Outcome</p> <p>Noted and discussed.</p> <p>Members discussed the draft ToR, providing comments to support:</p> <ul style="list-style-type: none"> • investor shareholders being eligible for nomination with preference to be given to actively fishing shareholders, • industry vote to support nominee selection,

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	<ul style="list-style-type: none"> a formal chair not being required to reduce operational costs recovered through the management charge. <p>Comments will be considered as part of the ToR consultation.</p>
<p>4. Update on the Total Allowable Catch Setting and Review Committee (TAC Committee) program for 2019/20</p>	<p>Summary</p> <p>The TAC meeting will be held on 22 May 2019. Reports have been submitted to the Total Allowable Fishing Committee from Management, Research and Compliance branches of DPI. A public call for submissions was advertised on the DPI website and offices on 11 April 2019, with notification to all Lobster Fishery Shareholders for the advertisement and the dates for the Industry and TAC meetings.</p> <p>The Lobster Industry Working Group was provided with presentations from DPI on information submitted to the Committee as follows:</p> <p>Management – Nick Giles (Fisheries Manager) Research – Geoff Liggins (Manager, Scientific Services) Compliance – Joseph Wright (DFO Investigator North)</p> <p>Outcome</p> <p>For information. A TAC determination will be made by the Committee for the 2019/20 fishing period.</p>
<p>5. Lobster Harvest Strategy</p>	<p>Summary</p> <p>The TAF Committee has recommended developing a harvest strategy with targets that will provide clarity and guidance on management decisions in relation to TACC setting, stock rebuilding and maximising harvest benefits.</p> <p>The Committee has also recommended for a number of years that the collection of economic data is necessary to support the TACC setting process and ensure that TACC's are set that maximise returns from the fishery to both industry and the NSW community.</p> <p>The working group and DPI agreed on key principles to support the development of a draft Harvest Strategy (including economic strategy) for the NSW lobster fishery at a September 2018 workshop (further background and outcomes available at https://www.dpi.nsw.gov.au/fishing/commercial/fisheries/lobster-fishery/nsw-lobster-industry-working-group).</p> <p>Development is underway, with a focus on assessing appropriate reference points to meet agreed objectives. Further</p>

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	<p>working group and wider consultation will be important and undertaken once the draft strategy is available.</p> <p>Outcome</p> <p>Noted and discussed. Current members will be provided opportunity to comment on the initial draft if not reappointed for a subsequent term.</p>
<p>6. Online reporting development</p>	<p>Summary</p> <p>Online reporting was partially implemented in December 2017, with validated weights being reported through FisherMobile. The working group and DPI agreed on reporting amendments for development and wider consultation at a September 2018 workshop (further background and outcomes available at https://www.dpi.nsw.gov.au/fishing/commercial/fisheries/lobster-fishery/nsw-lobster-industry-working-group).</p> <p>Development is underway, with functionality anticipated to be available for out of session working group review late 2019.</p> <p>Outcome</p> <p>Noted and discussed.</p>
<p>7. Management charges for the 2019/20 financial year</p>	<p>Summary</p> <p>A draft budget was supplied to industry members for comment, including a proposed Management Charge of \$62.55 per share. The proposed management charge is an increase of \$3.57 per share from the previous year, with increase attributable to funding the September 2018 Harvest Strategy and Real time reporting workshop, CPI increase and redetermination of savings, carryover, and FRDC contribution components.</p> <p>Outcome</p> <p>The draft budget and proposed management charge was supported by the Working Group, with industry comments that cost recovery under the management charge is considered inequitable with cost recovery arrangements for other NSW commercial fisheries.</p> <p>DPI noted that industry contributions focus on supporting a dedicated lobster fishery research program and that a wider Cost Recovery Policy is being developed to determine future cost recovery arrangements.</p> <p>The management charge is currently being finalised and invoices will be provided with normal payment terms.</p>

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8. Tags for the 2019/20 fishing period	<p>Summary</p> <p>Tenders for supply of lobster tags for a 3 year contract period were finalised in March 2019. Mega Fortris Australia Pty Ltd has been engaged as the successful tenderer at the same supply price as the previous contract of \$165/100 tags + GST.</p> <p>A total of 250,000 tags were ordered for the 2018/19 fishing period TACC of 170 tons.</p> <p>2019/20 tags will be yellow with laser engraved black text and a red NSW waratah.</p> <p>The cost of tags is recovered from industry, and forms a component of the management charge. The department minimises the cost (number of tags ordered) as much as possible, however relies on industry to assist by only requesting tags they reasonable expect to be used.</p> <p>Outcome</p> <p>Noted and supported by the Working Group.</p>
9. Administrative sanction review	<p>Summary</p> <p>Consultation has been undertaken with industry and CommFish NSW to support a proposed new Penalty Demerit Scheme to apply across commercial fisheries. Implementation is currently being pursued.</p> <p>Outcome</p> <p>Noted and discussed.</p>
10. Reporting of quota and share trading price	<p>Summary</p> <p>Average quota and share trading prices are key economic indicators used to track changes in the lobster fishery over time. Reporting of price is not compulsory, however is strongly encouraged by the Department and the TAC Committee to support the TAC assessment process and track changes in fishery values over time.</p> <p>In the 2018/19 fishing period, approximately 42% of share trades (down from 100% for 17/18) and 38% of quota trades (up from 27% for 17/18) included price information. Share trade reporting price remains undesirably low, DPI has followed up traders to request information to improve data.</p>

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	<p>Outcome</p> <p>Noted by the Working Group. The Working Group supported the importance of reporting price information for share and quota trades. Members to discuss and encourage fishers in their region to report price.</p>
<p>11. Shareholder submissions to Working Group</p>	<p>Summary</p> <p>A shareholder made submissions to the Working Group for consideration of proposals to carry unused quota forward to the next fishing period, and to borrow quota from the next fishing period.</p> <p>Outcome</p> <p>The submissions and associated issues were discussed at length. The proposals would risk introducing additional uncertainty to the total limited catch and assessment processes that underpin fishery assessment and sustainability, and incur additional systems development and administrative costs. Operational provisions are available to assist shareholders, including fee free quota transfers in real time, and repayment mechanisms for shareholders who may exceed quota by minor amounts. The working group did not consider that the benefits would be significant, or outweigh associated costs.</p> <p>A response with further detail will be provided out of session.</p>
<p>12. Vessel Monitoring</p>	<p>Summary</p> <p>Industry has raised potential use of Vessel Monitoring Systems (VMS) for the Lobster Fishery to promote voluntary compliance and assist compliance investigations.</p> <p>Four VMS units (two 'Spot Trace' and two 'Y3Bi') were sourced and trialled by DPI and industry during 2018/19. The trial highlighted the potential value of VMS, the importance of appropriate installation and operational support, and the value of effective systems to access data in real time.</p> <p>DPI concurrently investigated potential supply and support models, noting the potential benefits and preference for the AFMA model and services to ensure unit and data integrity, usability and support. Relative costs vary according to supply scales, with lesser costs per unit/boat where numbers are larger.</p> <p>The working group considered value to the lobster fishery would be improved if VMS were operational across all fisheries operating in the same waters. Implementing VMS is supported in principle; however cost is noted as a potential issue.</p>

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	<p>Outcome</p> <p>DPI agreed to provide scaled cost model examples to the working group.</p>
<p>13. Measuring oversize lobsters</p>	<p>Summary</p> <p>A shareholder was invited to present information and questions to confirm measurement of lobsters against minimum and maximum size limits. A prototype oversize measure was also presented for discussion. The working group discussed the requirements and practice.</p> <p>Outcome</p> <p>Lobster sizes are determined from the length of the carapace. The length of the carapace is measured along the straight line from the point of union of the second antennae to the centre of the posterior margin of the carapace (ignoring any hairs attached to the carapace). The 'point of union of the second antennae' is the point where the two antennae 'join' at the front of the carapace, being the middle point between the two antennae (rather than the points where each antennae joins the carapace).</p> <p>Compliance Officers are trained in measurement for fish species, and routinely induct new fishers and provide education and assistance to ensure consistent application.</p> <p>The prototype has been provided to DPI to consider production of a recreational maximum measure. Most commercial fishers produce their own metal measures, often with a tolerance above minimum or below maximum size limits. Industry will investigate manufacture of metal measures for industry distribution.</p>
<p>14. Stock migration</p>	<p>Summary</p> <p>A shareholder was invited to present information and discussion regarding concerns for local catches and stock migration on an area of the mid-north coast.</p> <p>Outcome</p> <p>Assessment data is showing that the overall stock is in good condition, and in particular has increased above the limit reference point with confidence. Catches on the mid-north coast can be variable, however catch trends in the identified area warrant further investigation. Tag recapture releases have been conducted in several locations on the NSW coast, with return data providing information on migration habits. DPI proposes to support additional tagging to provide further</p>

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	<p>information on migration and recapture relevant to the identified area. All fishers are encouraged to report recapture information, as this provides valuable information on stock movements.</p>
<p>15. Native title</p>	<p>Summary</p> <p>A working group member raised for discussion the potential for additional lobster harvest to be undertaken under native title rights, including potential harvest for illegal sales.</p> <p>Outcome</p> <p>DPI Fisheries manages the State's fisheries resources on behalf of, and for the benefit of, all of the people of NSW. The management of this resource observes the objects and provisions of the Fisheries Management Act 1994, the Marine Estate Management Act 2014, and other applicable fisheries related legislation. Native Title holders' rights related to fishing are recognised and supported in the course of managing the State's fisheries resources with the understanding that native title holders are not bound by all of the State's fisheries laws when exercising their native title right to fish and gather resources for non-commercial use. Commercial access to the wild fisheries resources is managed in line with the State's statutory commercial fishery framework. There are no exemptions to these rules being applied. Native title commercial rights that have been recognised are subject to management in line with the commercial fishery framework.</p>
<p>16. Other business</p>	<p>Working Group members raised additional issues through discussions:</p> <ul style="list-style-type: none"> • 350 shareholding maximum limit <p>Working group members have previously raised amendment of the maximum shareholding limit with suggestion that it should be raised to a higher level; however no firm agreement is available on an appropriate limit. The limit is viewed to be ineffective as shares can be held in additional names, effectively controlled by the same shareholder.</p> <p>Outcome</p> <p>Wider consultation is required to determine an appropriate limit. Potential amendment and consultation will be considered as part of the upcoming regulation review.</p> <ul style="list-style-type: none"> • Quota transfer limit <p>A quota transfer limit of 2 x the initial allocation has been in place since commencement of the Fisheries Management (Lobster Share Management Plan) Regulation 2000. The limit is designed to encourage autonomous restructure and</p>

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	<p>consolidation of shares to larger (and more efficient) shareholdings, in particular encouraging historical shareholders holding less than the minimum to acquire more shares in order to increase their fishing capacity rather than leasing large amounts of quota. The working group considers that restructure has largely occurred, and the limit could be removed entirely.</p> <p>Outcome</p> <p>Removing the transfer limit could increase localised harvest and depletion if large amounts of quota are aggregated and caught, however quota availability in current conditions is likely to be a higher restraint and no businesses reached the transfer limit in 2017/18. Potential amendment and consultation will be considered as part of the upcoming regulation review.</p>
Meeting Close	The Department thanked all participants for attending the meeting and closed the meeting at 17:05pm.