



PUBLIC CONSULTATION PAPER:

Reform options for the hand gathering component of the NSW Estuary General Fishery



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Public consultation paper: Reform options for the hand gathering component of the NSW Estuary General Fishery

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More information

<http://www.dpi.nsw.gov.au/fisheries/commercial/reform>

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Disclaimer: The information contained in this publication is based on knowledge and understanding at the time of writing (March 2014). However, because of advances in knowledge, users are reminded of the need to ensure that information upon which they rely is up to date and to check currency of the information with the appropriate officer of the Department of Primary Industries or the user's independent adviser.

Readers guide

This paper includes reform options for comment that are specific to the hand gathering component of the NSW Estuary General Fishery (EGF).

Anyone with an interest in these share classes should read the options presented in this paper and, where possible, provide feedback.

The following provides an overview of the documents available:

General information paper	Provides general information about the reform program and issues applicable to all reform fisheries. A ‘must read’ for everyone to understand the background. The paper is titled “ <i>General information relating to the reform program and reform options for the NSW commercial fisheries</i> ”
Fisheries options papers	These contain information about the options that have been shortlisted for specific fisheries or share classes. They include possible linkages, total catch/effort levels and potential changes to existing restrictions, along with the advantages and disadvantages of each option. A ‘must read’ if you hold shares in, or have an interest in, these fisheries.
This paper you are reading	
Technical paper	A separate paper has been prepared detailing how the proposed total catch/effort levels have been calculated. The paper is titled “ <i>Setting the Interim Total Commercial Access Level (ITCALs)</i> ”.
Submission forms	Submission forms are available for each of the fisheries options papers. Relevant forms will be mailed to all shareholders and will also be available on the reform webpage: www.dpi.nsw.gov.au/fisheries/commercial/reform

Have your say

A key part of the Reform Program is getting valuable feedback and ideas from industry and interested stakeholders. Constructive feedback to help work out the best overall approach will assist in shaping future management arrangements.

The complexity of the options laid out in this paper are acknowledged, as is the difficulty some fishers may have in working through the issues covered. If you require assistance in understanding the options presented or in developing a submission please contact the relevant Fisheries Manager, or the Industry Liaison Manager on the contact details provided below.

DPI staff will be visiting regional ports over the consultation period, during which time commercial fishers will have one-on-one opportunities to discuss questions and issues.

A submission form is available to provide comments. Alternatively, you may submit your comments in another form, such as a letter or summary of your views on each of the reform packages presented in this paper.

Note that submissions may suggest variations to the options presented in the fisheries options papers, provided they are within the broad scope of what the NSW Government approved and announced in November 2012¹ and are consistent with the reform program objectives described below.

However you choose to provide comment, it is important to note that subsequent decisions will be based on merit, rather than numbers for and against particular options.

The closing time for comments is 8am Monday 19th May, 2014.

Send your response to:

Mail: PO Box 4291, Coffs Harbour, NSW, 2450

Fax: (02) 6391 4726

Email: commfish.wg@dpi.nsw.gov.au

Following the closing date, a summary of the submissions will be prepared and made available on the DPI website. In arriving at decisions, the Minister will consider the issues raised in submissions, the views of key stakeholder groups, DPI's advice and final recommendations from the independent Structural Adjustment Review Committee (SARC).

For more information on the NSW Commercial Fisheries Reform Program visit www.dpi.nsw.gov.au/fisheries/commercial/reform

Or contact the Commercial Fisheries Management on (02) 6691 9684.

¹ See www.dpi.nsw.gov.au/_data/assets/pdf_file/0005/448187/Govt-response-to-independent-comm-fisheries-review.pdf

Foreword

The EGF is a diverse multi-species multi-method fishery that may operate in 76 of the NSW's estuarine systems. It is the most diverse commercial fishery in NSW and comprises approximately 600 fishing businesses authorised to utilise 17 types of fishing gear. This fishery is a significant contributor to regional and state economies providing high quality seafood and bait to the community.

The Fishery includes all forms of commercial estuarine fishing (other than estuary prawn trawling which fits within the Estuary Prawn Trawl Fishery) in addition to the gathering of pipis and beachworms from ocean beaches. The most frequently used fishing methods are mesh and haul (fish and prawn) netting. Other methods used include trapping, hand-lining and hand gathering.

Generally, the 10 species that make up over 80% of landings by weight are sea mullet (*Mugil cephalus*) luderick (*Girella tricuspidata*), yellowfin bream (*Acanthopagrus australis*), school prawn (*Metapenaeus macleayi*), blue swimmer crab (*Portunus pelagicus*), dusky flathead (*Platycephalus fuscus*), sand whiting (*Sillago ciliata*), pipi (*Donax deltoides*), mud crab (*Scylla serrata*) and silver biddy (*Gerres subfasciatus*).

The reform options presented in this paper focus on two important components of the broader reform program:

1. creating a stronger link to resource access; and
2. adjusting existing restrictions which have built up over many years and constrain efficiency.

The overarching objectives of the reform program are to:

- improve the long-term viability of the NSW commercial fishing industry;
- improve the strength and value of shareholders' access rights (i.e. shares); and
- provide shareholders with improved opportunities and flexibility to tailor their access.

The reform options in this paper have been developed by DPI having regard to:

- the Commercial Fisheries Reform Program as approved by the NSW Government in 2012 (after consideration of the *Independent Review of NSW Commercial Fisheries Policy, Management and Administration*);
- ideas submitted by shareholders in writing and through discussions with fisheries managers;
- views from hand gathering shareholders and the Hand Gathering Share Linkage Working Group (HGSLWG) put forward at several face-to-face meetings; and
- advice and recommendations of the Structural Adjustment Review Committee (SARC).

The outcomes of meetings of the HGSLWG and the SARC throughout 2013 and early 2014 provide insight into the many options and issues considered in the lead-up to developing the reform options in this paper and are available on the NSW DPI website at:

Share linkage working groups (hand gathering) webpage:

www.dpi.nsw.gov.au/fisheries/commercial/consultation/working-groups/estuary-general-hand-gathering-share-linkage-working-group

SARC webpage: www.dpi.nsw.gov.au/fisheries/commercial/reform/sarc

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Acronyms

DPI	NSW Department of Primary Industries
EGF	Estuary General Fishery
GVP	Gross Value of Production ²
ITCAL	Interim Total Commercial Access Level
ITQ	Individually Transferable Quota
IVR	Integrated Voice Response
SARC	Structural Adjustment Review Committee
TAC	Total Allowable Catch
TACC	Total Allowable Commercial Catch
TACE	Total Allowable Commercial Effort
HGSLWG	Hand Gathering Share Linkage Working Group

² Estimated first point of sale only and calculated using Sydney Fish Market average prices.

Introduction

The hand gathering component of the EGF includes the hand gathering share classes for each of the seven regions within NSW, each with corresponding endorsements.

This paper seeks feedback on three primary reform options for the hand gathering component of the EGF.

Three primary management options presented for feedback include:

- **Option 1:** Managing endorsement numbers (minimum share holdings) involving a two-stage minimum shareholding program designed to stimulate adjustment (i.e. the trading of shares) over the short to medium term.
- **Option 2:** Catch quota regime involving managing the total catch of each species taken by the hand gathering share classes of the fishery. Catch of each species are managed by a consumable Individually Transferable Quota (ITQ) of kilograms allocated to fishing businesses proportional to the number of shares held.
- **Option 3:** Staged implementation of a catch quota regime - interim daily limits with a limit on total catch involving the staged implementation of a catch quota regime. The first stage involves managing the maximum daily catch of each species taken by the hand gathering share classes of the fishery proportional to the number of shares held. The second stage involves the implementation of an ITQ of kilograms allocated to fishing businesses proportional to the number of shares held.

Changing management restrictions to improve business and operational efficiency is a key aspect of the broader reform program. In this document, the potential changes to current restrictions for each linkage option are also presented for consideration.

The ability to implement the potential changes to current restrictions generally increases with the strength of the linkage option, with minimum shareholdings being the weakest form of linkage and catch quota being the strongest (see the general information paper for further information).

To assist in considering the options and providing feedback, a number of advantages and disadvantages have been identified by DPI and the Share Linkage Working Groups (including the HGSLWG) as being associated with the linkage options presented.

It is important that the reform packages are considered within the overall structure of the fishery. Those unfamiliar with the EGF, including shareholders unfamiliar with current numbers of shareholders and endorsements and the distribution of shares in each share class, are encouraged to read the document 'Share & shareholdings – February 2014' located at: www.dpi.nsw.gov.au/fisheries/commercial/reform/program.

Option 1: Managing endorsement numbers (minimum shareholdings)

This option involves actively managing the number of endorsements in the hand gathering share classes of the fishery. The proposal to manage endorsement numbers involves:

1. identifying a **maximum number of endorsements** for each share class, and
2. **increasing the minimum shareholding** requirements in two-stages (60% of the proposed increase to be met by July 2015, and 100% by July 2016) to reduce the number of endorsements in each sector.

Managing endorsement numbers is achieved by applying minimum shareholding requirements that must be satisfied if a shareholder is to remain eligible for an endorsement to fish in the relevant sector. To streamline administration and minimise costs, DPI proposes a consistent approach to implementing this option across all fisheries where it is proposed (e.g. aligning the timing).

Maximum numbers of endorsements and minimum shareholding requirements

The proposed maximum number of endorsements for each relevant share class of the EGF has been determined using the estimated Gross Value of Production (GVP) of each share class. Specifically, the proposed maximum numbers of endorsements are the numbers of endorsements that accounted for 95% of the estimated GVP of each share class over the 4 year time period 2009/10 to 2012/13. This time period was used due to the catch and effort reporting system change in July 2009 that enabled finer scale catch and effort reporting. Specifically, catch previously reported in ocean zones (that did not match EGF regions) was now reported in EGF regions. Further, 2012/13 was included due to catch and effort trends associated with the abundance of pipis.

Table 1 lists the total number of hand gathering shares, numbers of fishing businesses holding shares as of July 2013, proposed maximum number of endorsements and corresponding minimum share holding requirements to be met by 1 July 2015 and 1 July 2016.

Table 1. Proposed hand gathering minimum shareholding requirements to be satisfied by 1 July 2015 and 1 July 2016

Region	Shares	No. of FBs holding shares	Maximum number of endorsements	Minimum shareholding 1 July 2015	Minimum shareholding 1 July 2016
1	1,677	15	8	162	187
2	127	3	1	64	64
3	2,161	26	19	109	109
4	3,729	33	13	210	267
5	100	1	1	51	51
6	1,427	12	7	157	179
7	501	5	5	84	84

Option 2: Catch quota

This option involves managing the total catch of each species taken by the hand gathering share classes of the fishery. Catch of each species would be managed by a consumable ITQ of kilograms allocated to fishing businesses proportional to the number of shares held. A catch quota regime is a direct way of managing catch.

Body count estimates have been included in parentheses in the relevant tables for beachworms and nippers only, based on a beachworm weighing 10 grams and a nipper weighing 5 grams. References to kilograms in this paper should also be taken to be a reference to the body counts in parentheses.

ITCAL determination

An Interim Total Commercial Access Level (ITCAL) is the maximum amount of catch that may be taken over a fishing period – very much like a Total Allowable Commercial Catch (TACC) or the concept of Total Allowable Commercial Effort (TACE). For more information on ITCALs and future transitioning to TACCs and TACEs refer to the technical paper “*Setting the Interim Total Commercial Access Levels (ITCALs)*” available on the DPI website.

It is proposed that the ITCALs for beachworms, cockles and nippers (i.e. the total weight of each species available to each of the hand gathering share classes of the fishery) be taken from the year that had the maximum weight reported as being landed in the 10 year period 2002/03 to 2011/12. This period follows the implementation of 30 Recreational Fishing Havens along the range of the NSW coast line.

Due to recent trends in pipi catch and effort and the implementation of daily catch and possession limits, it is proposed to set the ITCAL for this species at the maximum catch level over the 6 year period 2006/07 to 2011/12.

Given negligible reported landings of both mussels and cuttlefish over the past 5 years it is not proposed to set an ITCAL on these species.

Table 2 lists the proposed ITCALs for each species.

Table 2. Proposed ITCALs for pipis, beachworms, nippers and cockles.

Species	ITCAL kg (no.)
Pipi	123,552
Beachworm	21,583 (2,158,300)
Cockle	30,509
Nipper	8,718 (1,743,600)

Pipi, beachworm cockle and nipper catch quota allocation

It is proposed to allocate catch quota by either one of two methods, noting that catch quota does not have to be allocated by the same method for every species. The first method is to allocate catch quota on a state-wide basis to shareholders equally, taking into account restricted hand gatherers. All shareholders receive an equal allocation of each ITCAL proportional to the number of shares held, but only if they are permitted to take that species. Specifically, shareholders that are restricted by endorsement condition to taking beachworms or beachworms and nippers only, would not receive an allocation of pipis or cockles. The main problem with this allocation method is that there is little chance of the quota allocated to shareholders bearing any resemblance to or relationship with recent catches. This is because certain species have only been reported as being taken in certain regions through time. This method allocates the catch quota of these species taken in those regions equally throughout all regions.

Table 3 lists the ITCAL of each species, the number of eligible shares, the kg (or number) of each species allocated to each eligible hand gathering share and the corresponding kg (or number) of each species allocated per 125 shares.

Table 3. State-wide allocation of pipi, beachworm, cockle and nipper ITCAL to eligible shareholders only

Species	ITCAL (kg)	Shares	Kg (no.)/share	Kg (no.)/125 shares
Pipi	123,552	9,337	13.2	1,654
Beachworm	21,583	9,722	2.2 (222)	278 (27,751)
Cockle	30,509	9,337	3.3	408
Nipper	8,718	9,463	0.9 (184)	115 (23,032)

The second method is to allocate catch quota on a state-wide or regional basis to shareholders based on eligibility criteria, taking into account restricted hand gatherers. Shareholders of each region would be allocated a proportion of the ITCAL of certain species dependent upon (i) eligibility criteria set for each region, and (ii) any current endorsement conditions restricting the species that may be taken. Shareholders would receive an allocation proportional to the number of shares they hold. The main advantage of this allocation method is that it attempts to allocate catch quota to the regions that have historically accounted for the majority of the reported catch.

Due to recent trends in pipi catch and effort and the implementation of daily catch and possession limits, it is proposed to allocate the ITCAL for this species on a state-wide basis only. For beachworms, cockles and nippers, the regional allocations (i.e. regional ITCALs) have been determined using the proportion of the total reported NSW catch of each species that has been reported being taken by each region over the 4 year period 2009/10 to 2012/13.

The proposed eligibility criteria for the allocation of catch quota for each species are set out below.

- i. Shareholders restricted to taking beachworms only or beachworms and nippers only would not be eligible for an allocation of quota for pipis or cockles.
- ii. State-wide and regional allocations of catch quota would be determined using percentages of total catch of each species from 2009/10 to 2012/13, subject to the following:
 - a. Only regions that have reported landing a total of 1,000 kg of pipis between 2009/10 and 2012/13 would be eligible for a portion of the state-wide ITCAL for pipis.
 - b. Only regions that have reported landing a total of 1,000 kg of cockles between 2009/10 and 2012/13 would be eligible for a portion of the state-wide ITCAL for cockles.
 - c. Only share classes that have reported landing a total of 500 kg of beachworms between 2009/10 and 2012/13 would be eligible for a portion of the state-wide ITCAL for beachworms.
 - d. Only share classes that have reported landing a total of 500 kg of nippers between 2009/10 and 2012/13 would be eligible for a portion of the state-wide ITCAL for nippers.

Tables 4 - 7 list the share classes eligible for each species, state-wide and regional ITCALs for each species, number of eligible shares of each class, kilograms (or numbers) per share and kilograms (or numbers) per 100 or 125 shares.

Table 4. State-wide allocation of pipi ITCAL for eligible share classes

Region	ITCAL (kg)	Shares	Kg/share	Kg/125 shares
1	20,153	1,425	14.1	1,768
2	1,796	127	14.1	1,768
3	30,477	2,155	14.1	1,768
4	50,970	3,604	14.1	1,768
5	Ineligible			
6	20,153	1,425	14.1	1,768
7	Ineligible			

Table 5. Regional and state-wide allocation of beachworm ITCAL for eligible share classes

Region	% of total catch	ITCAL (kg)	Shares	Kg (no.)/share	Kg (no.)/125 shares
1	13.2	2,882	1,677	1.7 (172)	215 (21,479)
2	Ineligible				
3	53.9	11,630	2,161	5.4 (538)	673 (67,275)
4	26.0	5,616	3,729	1.5 (151)	188 (18,826)
5	Ineligible				
6	4.2	915	1,427	0.6 (64)	80 (8,016)
7	2.5	540	501	1.1 (108)	135 (13,470)
State-wide allocation	100	21,583	9,495	2.3 (227)	284 (28,414)

Table 6. Regional and state-wide allocation of cockle ITCAL for eligible share classes

Region	% of total catch	ITCAL (kg)	Shares	Kg/share	Kg/125 shares
1	Ineligible				
2	Ineligible				
3	Ineligible				
4	17.4	5,315	3,604	1.5	184
5	Ineligible				
6	36.5	11,140	1,425	7.8	977
7	46.1	14,050	501	28.0	3,506
State-wide allocation	100	30,509	5,530	5.5	690

Table 7. Regional and state-wide allocation of nipper ITCAL for eligible share classes

Region	% of total catch	ITCAL (kg)	Shares	Kg (no.)/share	Kg (no.)/125 shares
1			Ineligible		
2			Ineligible		
3			Ineligible		
4	10.5	911	3,729	0.2 (49)	31 (6,110)
5	40.1	3,497	100	35 (6,995)	3,497 (699,495)*
6	49.4	4,309	1,425	3 (605)	378 (75,599)
7			Ineligible		
State-wide allocation	100	8,718	5,254	1.7 (332)	207 (41,483)

* For region 5 it is the kg (number) per 100 shares

Minimum shareholding requirements

Under a catch quota regime, it is proposed that the minimum shareholding requirement to be eligible for a hand gathering endorsement regions 1, 2, 3, 4, 6 and 7 would be 125 shares. The minimum shareholding requirement for a hand gathering endorsement region 5 would be 100.

Fishing period

An allocation of catch quota (kg) is available to be fished during what is known as a fishing period. It is proposed that a 12 month fishing period commencing on 1 July each year would apply under a catch quota regime.

Transferability of catch quota

It is proposed that the catch quota of each species allocated to the hand gathering share class of a region would not be able to be transferred outside that region initially. This means that shareholders in each region would know exactly what proportion of the catch quota of each species allocated to the region they owned. Catch quota would be able to be transferred within the region only.

How shareholders could use their quota and acquire additional quota

Information on the use of quota and how to acquire additional quota, along with how quota use will be monitored is provided in the general information paper "*General information relating to the reform program and reform options for the NSW commercial fisheries*".

Option 3: Staged implementation of a catch quota regime - interim daily limits with a limit on total catch

This option involves the staged implementation of a catch quota regime using the same eligibility criteria set out under the second method of catch quota allocation above. The first stage would involve managing the maximum daily catch of each species taken by the hand gathering share classes of the fishery. Eligible fishers may take up to a maximum limit of each species on a day proportional to the number of shares they hold. A limit would be set on the total catch of each species that may be taken in the fishing period in each region. If and when that limit is reached, the taking of that species would be prohibited (i.e. the fishery for a species in a region is closed). The first stage would be implemented on 1 July 2015.

The second stage involves the implementation of an ITQ of kilograms allocated to fishing businesses proportional to the number of shares held (as described under Option 2 above). It is proposed that the second stage would be implemented on 1 July 2017.

Pipi, beachworm cockle and nipper daily limits

It is proposed that the maximum daily catch limits would be increased in 25 share increments. Specifically, fishers who acquire 1 to 25 shares above the minimum shareholding requirement can increase their maximum daily catch limit by a set amount of kilograms. Fishers who acquire 26 to 50 shares above the minimum shareholding requirement can increase their maximum daily catch limit by double the set amount of kilograms, and so on. The share classes eligible for each species are listed in tables 5 - 8. The limits on total catch of each species that could be taken in the fishing period are the regional ITCALs that are also listed in tables 4 - 7. The maximum daily limits (kg) and corresponding shareholding to take those maximums for each species are listed in Table 8.

Table 8. Maximum daily limits (kg) for pipis, beachworms, cockles and nippers and corresponding shareholdings required to take those limits

Share holding	Pipis	Beachworms	Cockles	Nippers
125*	40	3.0	40	4.0
126 - 150	48	3.6	48	4.8
151 - 175	56	4.2	56	5.6
176 - 200	64	4.8	64	6.4
201 - 225	72	5.4	72	7.2
226 - 250	80	6.0	80	8.0
251 - 275	88	6.6	88	8.8

* For region 5 the minimum shareholding is 100 shares

Minimum shareholding requirements

Under an interim daily limit regime, it is proposed that the minimum shareholding requirement to be eligible for a hand gathering endorsement in regions 1, 2, 3, 4, 6 and 7 would be 125 shares. The minimum shareholding requirement for a hand gathering endorsement in region 5 would be 100. Minimum shareholding requirements would have to be met by 1 July 2015.

Potential changes to current restrictions

Each of the reform options presented above is coupled with potential changes to current restrictions or controls, forming the overall reform package for consideration. Once linkages are in place, a number of controls can be removed to potentially improve operational efficiency and profitability, and to reduce red tape and associated costs.

Scope to amend or remove the majority of current management arrangements is generally dependent on the form and strength of the linkage arrangements that will be implemented.

The arrangements that currently apply to the EGF have been implemented through time to mitigate the potential environmental and social impacts of EGF operations. Further, many were implemented to offset the possible activation of the excess fishing capacity that exists now or previously existed.

Given that the structure of the EGF will change under the reform options outlined above, EGF shareholders and DPI have identified a suite of potential amendments to existing management arrangements.

Table 9 identifies the potential changes associated with each of the reform options (indicated by ticks). Stronger linkage options (catch quota) include more controls for potential removal than weaker options (minimum shareholdings). A tick associated with a proposal indicates a higher likelihood that the proposal could be implemented. Absence of a tick indicates a lower likelihood that the proposal could be implemented with the reform option indicated.

Table 9. Potential changes to current restrictions

Potential changes to current restrictions for consideration with relevant Reform Options	Option 1	Option 2	Option 3
Maximum shareholdings: The current default maximum shareholding of 40% of the shares in the fishery is ineffective and proposed to be removed on the basis that there is negligible risk of a monopoly in the relatively small scale fisheries in NSW.	✓	✓	✓
Foreign ownership restrictions: Remove the restrictions on foreign ownership of shares on the basis that there is negligible risk of significant foreign ownership of the relatively small scale fisheries in NSW.	✓	✓	✓
Registering 'eligible fishers': The requirement to register 'eligible fishers' against fishing businesses is being removed as part of the development of FishOnline, which will automatically check that nominated fishers are already licensed.	✓	✓	✓
Boat licences: Remove the requirement to licence boats in the EGF, thereby saving on future licence fees.	✓	✓	✓
Closed water permits: Provide for carriage of stowed commercial fishing gear through closed waters (currently authorised via permit).	✓	✓	✓
Pipis: Remove the six month closure.		✓	
Pipis: Remove the 40 kg daily and possession limit (shares would be linked to the daily limit under option 3).		✓	✓
Whelks: This species may be permitted to be taken under the authority of a hand gathering endorsement in the future only when additional information is available on the the species		✓	
Merimbula Lake shellfish fishing closure: Remove hand gathering from the prohibited methods.		✓	✓
Crewing arrangements: Enable a fisher that holds the minimum shareholding requirement to be assisted by any fisher that holds a commercial fishing license. This means that the fisher providing the assistance has to hold a commercial fishing license but does not have to hold a hand gathering endorsement.		✓	

Comparison of reform options

To assist in considering the options and providing feedback, a number of advantages and disadvantages have been identified by DPI and the SLWGs as being associated with the linkage options presented, these are outlined in the tables below (Tables 10, 11 and 12).

Managing endorsement numbers (minimum shareholding regime)

Table 10. Advantages and disadvantages associated with a minimum shareholding regime

Advantages	Disadvantages
A very direct and cost effective way (administratively) to link shares to resource access and thus the cheapest way for the government to link shares to resource access.	The primary control is the maximum number of endorsements (crude management tool) as opposed to a maximum catch or effort control.
A very direct and effective tool for delivering adjustment to the maximum numbers of participants in a share class (i.e. region).	Shareholders may be forced to invest from time to time, rather than autonomously.
Reduces (but does not eliminate) the risk of inactive endorsements eroding the viability of active fishers.	There is no benefit from holding a shareholding above the minimum shareholding requirement.
Relative to current management arrangements there should be improved social licence.	Cost of having to meet minimum shareholding requirement may outweigh the benefit.
	Limited opportunity to customise shareholdings to suit preferred access levels and fee liability.
	Limited control over total catch and effort in the fishery.
	Security of access within the fishery is not as strong as an effort or catch quota regime.
	Opportunity to remove or relax input controls is limited.
	Competition for access to species or race-to-fish incentive in the fishery is maximised.
	Ability to maximise value of catch is not as strong as a catch quota regime due to race-to-fish incentive.
	Additional restrictions may need to be implemented as needed to manage catch or effort.
	Stronger catch or effort controls may need to be pursued in the longer-term dependent upon viability, sustainability and resource sharing issues.

Catch quota regime

Table 11. Advantages and disadvantages associated with a catch quota regime

Advantages	Disadvantages
Shareholders can increase their proportion of allocated catch autonomously by adjusting their shareholdings (subject to any minimum shareholdings that may apply) to suit their preferred level of catch and fee liability.	Likely higher relative costs to implement and manage than Option 1.
Security of access within the fishery is stronger than a minimum shareholding regime. Fishers have the security of knowing the proportion of the allocated catch that they own.	If catch quota of each species is restricted within the regions, fishers in the regions with a limited amount of shares may be unable to increase their catch quota.
Relative to a minimum shareholding there is the best opportunity to remove or relax current restrictions, such as the current 6 month closure and standard daily catch limit.	
Optimum control on commercial catch of each species.	

Advantages	Disadvantages
Catch may be increased or decreased dependent upon catch and effort trends, resource sharing and sustainability issues.	
Race-to-fish incentive is minimised.	
Ability to maximise value of catch is very strong.	

Staged implementation of a catch quota regime - interim daily limits with a limit on total catch

Table 12. Advantages and disadvantages associated with an interim daily limit regime

Advantages	Disadvantages
Shareholders can increase their daily limit autonomously by adjusting their shareholdings (subject to any minimum shareholdings that may apply) to suit their preferred level of catch and fee liability.	Improved control over total catch and effort in the fishery.
Security of access within the fishery is stronger than a minimum shareholding regime.	Security of access within the fishery is not as strong as a catch quota regime until it is implemented.
Relative to a minimum shareholding regime there is a better opportunity to remove or relax current restrictions.	Competition for access to species or race-to-fish incentive remains until a catch quota regime is implemented.
Total commercial catch of each species is capped. When catch quota regime is implemented, total catch of each species may be increased or decreased dependent upon catch and effort trends, resource sharing and sustainability issues.	Until a catch quota regime is implemented the ability to maximise value of catch is not as strong as a catch quota regime due to race-to-fish incentive.
Provides additional time for shareholders to acquire any shares they may need under the catch quota regime.	Likely higher relative costs to implement and manage than Option 1.

Management costs

The costs associated with each of the options are difficult to determine given that a large number of factors will influence them. An indication has been provided of the relative costs of the options in the advantages and disadvantages tables above. Refer to the general information paper for further information about estimating management costs.

Appendix 1: Current structure of the hand gathering component of the EGF

Table 13. Number of fishing businesses that hold hand gathering shares and corresponding shareholding, eligibility for an endorsement and current restrictions by region

Region	Shareholding	No. of Fishing Businesses	Endorsed	Restricted
1	1	1	Yes	Yes – worm only
	1	1	Yes	Yes – worm & nipper only
	100	1	No	n/a
	125	2	Yes	Yes – worm only
	125	9	Yes	No
	200	1	Yes	
2	1	2	No	n/a
	125	1	Yes	No
3	1	2	No	n/a
	1	5	Yes	Yes – worm only
	2	1	Yes	
	125	14	Yes	No
	126	2	Yes	No
	150	1	Yes	
4	1	1	No	n/a
	1	1	Yes	No
	100	1	Yes	
	125	1	Yes	Yes – worms & nipper only
	125	26	Yes	No
	126	2	Yes	
5	100	1	Yes	No
6	1	2	Yes	Yes – worm only
	50	1	No	n/a
	125	6	Yes	
	250	1	Yes	No
	375	1	Yes	
7	1	1	Yes	Yes – worm & nipper only
	125	4	Yes	No