

OCEAN HAULING NETTING SHARE LINKAGE WORKING GROUP

Draft outcomes meeting 2, Sydney Fish Market

10 December 2013

Items of significance noted by the Chair

- There was plenty of discussion about costs/cost recovery with industry suggesting it is hard for them to make plans without some details about what different linkage options might cost, including any savings that might accrue from removing unnecessary input controls under a new 'linked' regime.
- There was also substantial discussion about setting the ITCALs and desirability of getting them at higher than average levels, given the intention is not to reduce catches.
- Some good discussion was held about industry led closures to certain beaches recognising that some beaches were just too popular/sensitive to support hauling operations; there were related discussions about building community support via public participation in hauling operations.
- The Working Group covered issues with historical logsheet data in detail and suggestion that as much as possible of the last 15 years be used (provided the effort data could be mapped to share classes before 2009/10).
- There was quite a bit of discussion about how a fishing day could be defined and the issues with doing marginal shots, breaking a day up into smaller (8 or 12 hour) blocks.
- Discussion was had about the possibility of including species such as kingfish as a hauling species.

Attendees

Members:

Andy Bodsworth (Chairperson), David Smith (R1), David Pye (R2), Geoff Blackburn (R3), Jim Drinkwater (R4), Ross Fidden (R4), Barry Aish (R6), Andrew Nye (R7), Joshua Foster (DPI) and Matt Richardson (DPI).

Observers:

John Brierley (R7) and Andy Goulstone (DPI)

Welcome and apologies

The Chair welcomed members and observers. The chair confirmed that observers can attend WG meetings provided they follow the newly developed policy/procedure for observers included on the website.

Apologies were noted for Marissa Everson (R1), Phil Byrnes (R4), David Mitchell (R3) and Ted Allan (R5).

The Group noted that Andy Goulstone would record outcomes throughout the day which would be reviewed by the group at the end of the day to ensure it adequately captured the resolutions.

Confirmation of previous meeting outcomes

Josh Foster noted that the draft meeting outcomes from the previous meeting needs to be amended to pick up the modelling of a catch quota for mullet.

The Working Group discussed the issue of costs and the need to have the best information possible about the costs associated with each option, noting that a formal cost recovery policy will be developed with the assistance of the MFAC once formed.

Opportunity for members to raise issues/thoughts since first meeting

Members raised the following issues:

- They were keen to progress streamlining of the existing rules to enable fishers to operate more efficiently.
- Recreational Fishing Havens (RFH) and Marine Park closures have had significant impact on their viability.
- Concerns in industry about the potential impacts of the reform program.

SARC feedback

DPI gave a brief summary of the SARC¹ advice arising from its last meeting noting that the Chair's Summary from that meeting had been made available. The Working Group noted the different approaches the SARC has identified to help minimise any financial burden on shareholders, particularly the high catch fishers operating under flat shareholding structures.

Review of the share linkage options paper

The working group worked through the draft share linkage options paper. These outcomes should be read in conjunction with the draft options paper provided to the working group which can be found here:

www.dpi.nsw.gov.au/__data/assets/pdf_file/0009/497079/agaenda-item-5-hauling-nets.pdf

(a) Major issues facing the OH netting fishery

The Working Group suggested adding in to the "major issues" section the following points:

- Current regulations (like weekend closures) and costs (eg. boat licences) are hampering profitability.
- Key species taken in this fishery are shared with other fisheries.

(b) Option 1: Effort quota (days) regime

After considerable discussion the Working Group suggested:

- Reworking the days ITCAL based on 15 year data given that the days data on the older returns should be able to linked to share classes, and is most likely more representative of days effort levels – (note: there may be some difficulties in lining up ocean zone reporting with regions on the older returns which could make a regional separation of the ITCAL difficult).
- That days have been significantly under-reported on new logbooks, including some fishers reporting one day for a whole month's fishing (no. of shots information definitely not accurate).
- Weather limits the days available to the fishery.

Action 1: Investigate the feasibility of modelling days ITCALs based on 15 year historical data to regions and if feasible use this as the basis for determining and distributing the ITCALs.

Allocation options:

- Allocate days based on shares but remove the regional boundaries so crews can fish that quota anywhere.
- Allocate days based on shares but keep the regional boundaries and allow days to be traded between regions;

¹ Refer to the Reform page on the DPI website for a full record of the SARC Chair's Summary.

- c) Allocate days based on shares but keep the regional boundaries and limit the transfer of days to within each region only.

It was noted that the social management issues which zoning was introduced to resolve were too significant to risk moving away from a zoning scheme all together. However the transfer of days between regions seems to make sense, so option (b) above was most favoured.

The Working Group discussed the difference between using a state-wide versus a regional approach to an allocation of the ITCALS (whether that be for a catch quota or an effort quota). The general consensus was that a regional approach would be necessary to ensure the allocations are directed to where the fishing activity has taken place.

Action 2: Remodel the days ITCALS based on option (b) using a regionally based distribution model.

Defining a day:

A considerable discussion was held around how a day could be defined and Working Group resolved that:

- A 'day' should only be counted when a net is shot; that is, it should not include searching/spotting time.
- The day period should commence at the time the shot is commenced.
- One option to deal with the ability to take a small shot rather than use a whole day could be to divide up a day into smaller blocks (e.g. 8 or 12 hours)

Action 3: Investigate the feasibility of implementing 8-12 hour blocks of time as opposed to full 24 hour period.

Action 4: Investigate the feasibility of using a calendar day versus 24 hour block of time from time the shot is made (and the pre-fish report is logged).

Minimum shareholdings:

The Working Group discussed, in association with the option of a days regime, the minimum shareholding rules. The Group noted that there was an option to leave it as is (ie. 40 share min applies for new entrants, but not for original shareholders, but asserted that the current min shareholding level of 40 shares should apply to all fishers (even original shareholders who currently hold less than that amount).

Action 5: Assess the feasibility of implementing a minimum shareholding of 40 shares across all existing fishing businesses as a complementary adjustment tool.

(c) Option 2: Species quota (kg) regime

The Working Group discussed the option relating to a catch quota regime and concluded that:

- If quota was to be considered, it should be limited to some of the major species taken, including those already on some form of catch control (e.g. mullet, tailor and Australian salmon).
- There are major issues with the key species taken in large volumes in other fisheries, which could cause compliance difficulties – e.g. mullet taken in estuary general fishery. If complementary quota regimes were not implemented, it could undermine the security of a catch quota linkage regime in the Ocean Hauling Fishery.
- Pending accurate costing information, it is highly likely this option will be significantly more costly to implement and run than a days regime in this fishery (ie: greater administration/compliance cost to fishers, especially with the required reporting arrangements that would be needed to support it).
- The catch quota models that have been provided so far don't provide sufficient quantities for the major operators to be viable.

Action 6: Include modelling of a catch quota regime (along with the pros and cons) in the options paper for all shareholders to review and comment on.

(d) Option 3: Minimum shareholding regime

The Working Group discussed the application of new minimum shareholdings as a primary linkage option and resolved that:

Ocean Hauling General Purpose Hauling Net

- Consolidation of shares does not necessarily lead to an extra share of GVP by those remaining.

- Some regions are short of crew and there is no need to encourage further consolidation in those regions.
- The incentive for shareholders to consolidate will come if either of the other options are pursued anyway.

Action 7: Include minimum shareholding option as a complementary adjustment measure for the other primary linkage options, rather than pursue it as a stand-alone option.

Ocean Hauling Pilchard Anchovy and Baitnet (PAB)

- Revised minimum shareholdings (downwards in some cases) could be needed for pilchard anchovy and bait (PAB) net endorsements, noting that this will differ by region.
- A minimum shareholding regime may be suitable as primary linkage tool for this share class type considering the smaller size and value of the sector.

Action 8: Model minimum shareholding linkage regime as a linkage option for PAB fishery.

(e) Option 4: Ocean Hauling General - Crewing

The Working Group discussed the possibilities for linking shares to the entitlement to use crew and resolved that:

- The existing ocean hauling general shares should be left as they are (i.e. a 40 share package allows the person to work as a crew member with a net endorsement holder).
- A net endorsement holder should be able to consolidate ocean hauling general shares to be able to use any commercial fishing licence holder as crew.
- For each net endorsement holder, the first 40 ocean hauling general shares held in the business covers that person, and then each additional 40 ocean hauling general held in the business entitles them to use an additional crew member.
- Overall, the general purpose hauling net shares could link to effort (days), while the ocean hauling general shares could link to the crew.

Examples of how this could work were drawn up on the whiteboard as follows:

Fishing Business A	40 GPHN shares 40 OHGen shares	=> days allocation => allows the skipper to work
Fishing Business B	80 GPHN shares 80 OHGen shares	=> days allocation => allows the skipper to work plus use 1 additional crew member
Fishing Business C	80 GPHN shares 120 OHGen shares	=> days allocation => allows the skipper to work plus use 2 additional crew members

Action 9: Model ocean hauling general (crew) model based on the above proposal.

(f) Refining the current management arrangements

The Working Group had a wide ranging discussion on the present arrangements which impinge on their viability and efficiency and resolved that:

- It supports the range of refinements proposed (ie. those regardless of linkage) that were in the draft options paper.
- The target species list could be expanded to include kingfish and other species that inhabit the areas nearshore to ocean beaches – it was noted that this is particularly an issue if other fisheries were to implement a quota on kingfish.
- Weekend closures are a major imposition that affect viability (given the variable weather and sea conditions) which should be removed where possible and where sensible (noting that some high public use beaches periods should continue to be avoided on weekends).

- Members of the public (unlicensed fishers) should be able to remove fish from the net once the net is landed.

Reforms being considered by other working groups that may affect the OH netting fishery

None identified at this stage.

Consultation with other stakeholders

The group noted the other fisheries and sectors will have an opportunity to comment on the options developed during a public consultation period.

Next meeting

No additional meeting was scheduled.

More information

Josh Foster, Fisheries Manager (02) 6691 9674 or go to <http://www.dpi.nsw.gov.au/fisheries/commercial/consultation/commercial-fisheries-working-groups/ocean-hauling-netting-share-linkage-working-group>

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