

INDEPENDENT STRUCTURAL ADJUSTMENT REVIEW COMMITTEE MEETING #9**17th March 2014 commencing at 9:30 am****Teleconference****FINAL RECORD OF MEETING****Members:**

- ◆ Ian Cartwright (Independent Chair)
- ◆ Sevaly Sen (Independent economist)
- ◆ Mary Lack (Independent fishery manager)

Permanent observers:

- ◆ Andrew Goulstone (Director Commercial Fisheries, NSW DPI)
- ◆ Tricia Beatty (Executive Officer, Professional Fishermans Association)

Executive support:

- ◆ Annette Harrison (Senior Manager, Commercial Fisheries Reform)

Invited guests:

- ◆ Doug Ferrell (Manager, Resource Planning, NSW DPI)

Apologies:

NIL

1. Welcome, apologies and confirmation of agenda

The Chair opened the teleconference meeting at 9:30am and welcomed all. The purpose of this teleconference was for the Department to provide the SARC with an update on progress and receive feedback on the options papers; hence, the SARC noted that no agenda was prepared for this meeting.

2. Review of actions from previous meeting (#8)

All actions completed, see table of on-going actions below.

3. Progress of options papers and consultation updates**SARC Feedback**

- The SARC provided detailed feedback to DPI on the options papers provided to date, including the Ocean Trawl Fishery, Estuary General and Spanner Crab papers. DPI committed to make the changes as recommended.
- The SARC also provided comment on the General Information paper and the presentation of fishery specific summaries.

Update from DPI

- The Commercial Fisheries Newsletter was mailed to all shareholders early March, including key updates such as the revised timeline, the arrival of the ILM, the process and timing for consultation.
- The options papers along with summaries and the ITCALs paper all still remain in development. The first papers will be completed next week at the earliest.
- It is anticipated that papers will be released (mailed to all business holders) and publicised on the DPI website on Monday 7th April 2014. The ITCALs paper will not be mailed out to all business holders, but will be available on the website and hardcopies be available to anyone upon request.
- With the release of the options papers a letter will be sent to all shareholders explaining the reform, the papers they have received and the opportunity to talk with Managers during port visits, along with the date for submissions.

- Targeted letters will also be sent to key stakeholders and departments, including peak recreational fishing organisations.
- The SARC recommend that DPI also considers ways to contact commercial fishers who aren't active and haven't been involved or had much communication to ensure that they understand the process and the options, including through the promotion of the reform process and exit grant in local newspapers.
- The SARC also recommend that during the consultation phase the exit grant should be promoted along with the potential for this to be an optimal time to purchase shares with prices anticipated to be lower than they may be in the future when linkage commences.

Action 1: DPI develop another flyer on the exit grant process, following the release of options papers, outlining how this could work for businesses/shareholders.

- DPI have further investigated the establishment of a stock exchange system to assist in trading of shares during the exit grant process and beyond. Advice from FINNZ, an independent New Zealand based IT service company (providing services to the NZ commercial fishing industry), has highlighted several issues. The issues, along with potential solutions were discussed with the SARC, following which the Department agreed to abandon the first approach and pursue a simpler, internally administered system, also involving a phone line to assist callers with trades by providing information about what shares are available. It was noted that the reform timeline must not be compromised.
- An update on share trading movements and the share trading data was provided to the SARC.

Action 2: DPI to provide a brief outlining the proposed path for establishing a stock exchange system.

- Discussion was held with regard to the various options and industries views on the linkage arrangements.

4. Next meeting date

An additional meeting was scheduled prior to the next planned meeting. Therefore, SARC meetings are now scheduled for:

4th and 5th June 2014,

26th and 27th June 2014, and

28th, 29th and 30th July 2014.

END.

On-going action list carried forward from previous meetings

Meetings # 5 and 6 [September and November 2013], 7, 8 [January and February 2014] and #9 (this meeting).

Meeting number:	Action:	Responsible officer/ organisation:	Status (March 2014):
1	The working group is to oversee a short information and issues paper on cooperatives for consideration by SARC, DPI and the cooperatives association.	DPI	To be completed subject to finalisation of the study.
3	DPI to develop decision rules for setting interim total catch and effort levels in consultation with the SARC and industry.	DPI	Complete.
	Share linkage working groups to provide advice to SARC on the possible advantages and disadvantages of leasing/nominations and the potential implications for the rate of autonomous adjustment.	Share linkage working groups	Complete.
	DPI to contact the consultant [with expertise in assisting fishers adjust to changes] and facilitate a series of support meetings at select locations and periods during the reform program.	DPI	Complete.
5	DPI to provide SARC with a report on the form and number of share trades over the last 12 months.	DPI	Complete.
	DPI to undertake the review of concessional zoning permits as indicated to permit holders in the covering letters sent with previous permits.	DPI	Complete.
	DPI to consider whether additional price data from other sources, if reliable would significantly change GVP for some fisheries and examine the effects on the algorithm.	DPI	Complete.
	DPI to contact Commonwealth experts involved in the GBR adjustment program to seek their advice on the concepts and principles that underpin the algorithm.	DPI	Report received, but discussions pending.
	SARC Chair to write to Commonwealth officials that have reviewed the work done to date and thank them for their valuable advice.	SARC Chair	Complete.
	DPI to draft a short reform program update for circulation to fishers by email.	DPI	Complete.
	DPI to continue to investigate the costs and benefits of setting up a share trading 'stock exchange' system and consult the SARC once further information is available.	DPI	Complete.

6	Item # 3a	DPI to distribute a modified template to SARC and the table to be populated ASAP thereafter – matrix of distortion, compounding issues or risks across each of the share classes and overall traffic light assessment	DPI	Complete. Ongoing.
	3c	Provide industry with information, perhaps through the next reform newsletter and/or the reform website, outlining the situation surrounding the future of Fishing Businesses.	DPI	Complete.
	3f	Cost recovery policy - SARC to consider the legal advice when available.	SARC	Complete.
	3g	Marine Parks - Provide industry with this information, perhaps through the next reform newsletter and/or the reform website.	MPA	Complete.
	3h	DPI to provide revised timeline to SARC and industry as soon as possible.	DPI	Complete.
	3i	Next SARC meeting - Wed 8 & Thu 9 January – Sydney.	DPI	Complete.
	4	Add to next reform newsletter the process for reviewing new linkage proposals.	DPI	Complete.
	6	Co-op study: - SARC to be provided with details of the level of financial information that co-ops provided to the consultant. - SARC to provide DPI with comments on draft study which should be kept in draft form until next SARC meeting. - DPI to arrange a teleconference with the consultant, Sevaly, Mary and Andy to discuss the comments and questions directly.	DPI & SARC	Complete.
7	8	The option of using recent participation to remain as an option for discussion by the WGs during the second round of meetings, noting that it should only be considered as an option in well justified cases and noting that a full consideration of the pros/cons would be needed before considering the proposal further.	DPI	Complete.
	Action # 1	Include examples of potential streamlining options in the options papers along with <i>principles</i> for streamlining, so that consultation can be done on the basis of the principles that should apply.	DPI	In progress
	2	SARC to compile and send any further feedback on the draft co-op report to DPI.	SARC	Complete.
	3	Information about the exit grant process and how this will work, timelines etc. is needed to improve fishers understanding of the process. This should be a priority for inclusion in newsletters, PFA newsletters, DPI website etc. or could go out ahead of the newsletter. A plain English flyer on the process should be mailed to all fishers.	DPI	Complete.
	4	SARC to consider the new draft principles prepared by DPI for setting ITCALs, and make necessary adjustments to form recommended principles.	SARC	Complete.
	5	Proposal from the Region 2 group be discussed with the relevant Share Linkage Working Group.	DPI & EG Working Group	Complete.
8	6	SARC members to review revised draft and provide final detailed comments to DPI to pass on to the GHD consultant.	SARC	Complete.
	1	The SARC Chair, Ian, to send comments on draft minutes to DPI (Annette)		
	2	Ian to brief coastal MPs on the revised timeline, on the process and what is being done to alleviate the financial burden on fishers. This has been scheduled for 27 th February, 2014.	SARC Chair	Complete.
	3	DPI advise Working Groups that they will receive the Summary of Submissions prior to it	DPI	Complete.

		being made publically available, for any final comment.		
	4	DPI to provide all fisheries specific options papers to Working Group Chairs prior to the SARC, to ensure that the papers are reflective of WG discussions.	DPI	Complete.
	5	DPI to provide the SARC with a summary of at least one fisheries specific paper for comment asap. The SARC to provide comment on pitch, content etc.	DPI	Complete.
	6	DPI to provide the general information paper to SARC by 7 th March, prior to the next update meeting.	DPI	Complete.
	7	SARC to provide comments back to DPI on the first fisheries specific options paper as soon as possible.	SARC	Complete.
	8	DPI produce a one page information sheet acknowledging hardship, the range of consideration being given to minimising financial burden, and recognising the future benefits of the reform to the industry as a whole, including secured rights (the commercial share) to a portion of resources.	DPI	Complete. One-pager was developed (& sent) to assist support staff in understanding the situation.
	9	DPI to include support services flyer with the next edition of the Commercial Fisheries Newsletter that is to be mailed to all shareholders.	DPI	Complete.
9	1	DPI develop another flyer on the exit grant process, following the release of options papers, outlining how this could work for businesses/shareholders.	DPI	
	2	DPI to provide a brief outlining the proposed path for establishing a stock exchange system.	DPI	