



ESTUARY PRAWN TRAWL SHARE LINKAGE WORKING GROUP

Final outcomes meeting 1, Newcastle Fishermen's Cooperative

27 June 2013

Attendees

Brigid Kerrigan (Chairperson) Don Johnson, Bruce Knevett, Jim Drinkwater, Charles Hutchen, Gary Howard, Dane Van Der Neut, Jason Davidson (observer), Andrew Goulstone (DPI) and Darren Hale (DPI).

Apologies

Nil.

Purpose of meeting

Introduction to the 'share linkage' component of the industry reform program, including the identification of current controls for review and discussion on linkage options for further consideration by the working group and, ultimately, shareholders, the Structural Adjustment Review Committee (SARC) and the government.

General discussion

Throughout the introductory presentation there was discussion on a range of topical issues including taking care with the removal of controls including the removal of Fishing Businesses as a management control and relaxation of the share transfer rules, securing the industry a stronger 'social licence', the origin of the reform program, how the exit grant program might work, the role of the working group and it not being a decision making body, the SARC and its independence, the need for fishers to invest (and \$15.5M adjustment fund contribution) to transition to the new arrangements, the potential cost of the various linkage options and future cost recovery policies.

Action 1: DPI to insert a new link under the 'Commercial fishing homepage' on the DPI website (next to the general shareholding data) that points to the fishery specific information/data under the 'Reform program homepage' – to make it easier for shareholders to locate that information.

Action 2: DPI to extract data to help the working group understand the other fisheries that businesses with an EPT endorsement are active in (and numbers that are not active at all etc.)

Input controls that affect viability

The working group identified a number of controls that they think should be reviewed as part of the reform program, acknowledging that opportunity to remove or rationalise these controls will in some cases be dependent on the form and strength of the linkage pursued. It was noted that any controls proposed to be removed/rationalised will be referred to shareholders for comment along with the short-listed linkage options, require Ministerial approval and implemented at the same time as the preferred linkage approach.

Fishery wide

- Review restrictions on retaining bycatch of fish taken incidentally – and consider whether trip/bag limits would be required to prevent targeting or to minimise adverse public reactions. Also consider the risk of compliance/enforcement issues such as landing a species in multiple fisheries using different gear types (e.g. I caught them in a meshing net...).
- Review gear restrictions that may be inhibiting operational efficiency including headline length and numbers of nets – noting the linkage option below to link shares to headline length.

Clarence

- Rationalise the controls (gear/ICRs/prawn counts/closures) currently used to manage bycatch and the harvesting of small prawns.

Hunter

- Review the seasonal arrangements (including opening and closing times) to enable fishers to harvest prawns when prawn prices are higher¹.

Hawkesbury

- Review the weekend closure applying to Broken Bay, noting various options tabled in recent years including at night time only etc.
- Review the need for some of the spatial closures in the Hawkesbury once the linkages are in place.

Action 3: Industry representatives to identify the species of fish to be considered for addition to the EPT byproduct species lists.

Action 4: Industry representatives to identify the specific closures to be reviewed and justify the benefits and consider any likely issues that could be expected to arise – Cowan Creek (up to Jerusalem Bay) may be one to consider.

Linkage options for further investigation

The working group worked through the linkage hierarchy recommended in the Independent Review Report (i.e. catch quota followed by effort quota followed by endorsement numbers) and identified various options to model for further consideration along with a range of pros and cons likely to be associated with each.

NOTE: Please note that the proposed modelling of the various approaches below is ‘work-in-progress’ and that the list of advantages and disadvantages will grow as a result of further consideration by the working group, fishers and DPI etc.

¹ Hunter River participants noted that the weekend & public holiday closure applying to that river is generally supported.

² NSW Department of Primary Industries, July 2013

Model	Pros	Cons
<p>Model a catch quota scenario using school prawns in the Clarence River as an example.</p> <p>If time permits:</p> <p>Do the same for the Hunter & Hawkesbury; and</p> <p>Consider squid v prawn in the Hawkesbury.</p>	<p>Shareholder can choose to upscale/downscale.</p>	<p>High catch operators will probably need to acquire shares.</p> <p>Setting a TAC may be difficult given that prawn abundance can fluctuate significantly year-to-year and if not dynamic (or regularly adjusted) in relation to prawn abundance could result in catch not being maximised from year to year.</p>
		<p>May need to cap other harvest sectors (EG prawning, OT prawn trawl).</p> <p>Shared resource with Queensland which manages through input controls.</p>
		<p>If leasing of quota is permitted, there may be risk of "quota barons", although it was noted that the risk of this is low.</p>
		<p>Potentially high implementation & ongoing costs (low value fishery).</p>
<p>Model the following effort quota scenarios for each estuary:</p> <p>Days</p> <p>Head line length</p> <p>Days + headline length combined.</p>	<p>Shareholder can choose to upscale/downscale.</p>	<p>High effort operators will probably need to acquire shares.</p>
<p>Model a minimum share holding scheme (No. of endorsements) for each share class/estuary.</p>		<p>Shareholders forced to invest from time to time – significant impact on low catch/effort fishers.</p> <p>Minimum shareholding apply to all operators – no scope to upscale/downscale.</p>

NB. For the next meeting, members need to consider some of the detail of how the options would be implemented and monitored (e.g. how would a 'day' be defined, consider steaming time, pre-fish reporting requirements, maximum shareholdings etc).

Action 5: DPI to model the above scenarios for consideration at the next meeting (date to be determined).

End.

More information

www.dpi.nsw.gov.au/fisheries

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