

## INDUSTRY CONSULTATION | BUSINESS ADJUSTMENT PROGRAM

### 1. Regulations to support redefinition proposals

Feedback was sought on the arrangements that would apply to any fishery redefinition proposals. A total of 27 submissions were received, including one from the Professional Fishermen's Association.

#### Defining 'majority support'

Views were sought on how 'majority support' should be determined.

Many submissions suggested 'majority support' should be at least a 60/40 or more shareholder majority.

#### DPI Proposal

Define 'majority support' as a 60/40 majority.

#### Shareholders who fail to vote

Views were sought on how shareholders who fail to vote should be treated when determining if a redefinition proposal has majority support.

Some submissions suggested that shareholders that fail to vote should be disregarded from the poll and other submissions suggested that a phone call should be made to those that fail to vote.

#### DPI Proposal

Shareholders that fail to vote will be disregarded from the poll.

#### Weighting votes based on shareholdings

Views were sought on whether votes should be weighted based on shareholdings and if so, how they should be weighted.

Many submissions suggested that votes should not be weighted and there should be one vote per shareholder. Some submissions suggested that votes should be weighted based on shareholding.

#### DPI Proposal

One shareholder will be entitled to one vote irrespective of their shareholding.

#### Conduct of polls

Views were sought on a poll should be conducted.

Many submissions suggested that a phone poll should be done. Others suggested that polls should be conducted by writing to relevant shareholders.

#### DPI Proposal

For practicality, and to assist to ensure integrity and cost saving, polls will be done in writing.

### 2. Transfer rules for new species shares

Views were sought on the two options regarding new transfer rules for the new species shares. Specifically, whether to allow transfer of the new species shares to any person (as applies in the Abalone and Lobster fisheries) or restrict the transfer of the new species shares to owners of an existing NSW fishing business (other than a Lobster, Abalone, Sea Urchin and Turban Shell or Inland fishing business).

A total of 10 submissions were received, including one from the Professional Fishermen's Association. Most submissions supported restricting transfer of the new species shares to owners of an existing NSW fishing business.

#### DPI Proposal

Optimum flexibility is delivered by allowing the transfer of new species shares to any person. In the future, when Fishery Harvest Strategies and the Total Allowable Fishing Committee guide the management of NSW's commercial fisheries, it may be appropriate to be more flexible and allow the transfer to any person. In the interim, it is proposed that the fishing business transfer rules will remain and the transfer of

the new species shares will be restricted to owners of an existing NSW fishing business (other than a Lobster, Abalone, Sea Urchin and Turban Shell or Inland fishing business).

### 3. Transfer rules for new quotas

Feedback was sought on the new transfer rules for catch and effort quotas. A total of 10 submissions were received, including one from the Professional Fishermen's Association.

Most submissions supported the proposal that only holders of the relevant new species shares or a share class that is subject to quota be allowed to hold the relevant quota.

#### DPI Proposal

Only holders of the relevant new species shares or a share class that is subject to quota be allowed to hold the relevant quota.

### 4. Criteria for the allocation of new effort shares in the Ocean Prawn Trawl fishery

Feedback was sought on arrangements that would apply to the allocation of new effort shares in the Ocean Prawn Trawl fishery. A total of 3 submissions were received, including one from the Professional Fishermen's Association.

#### Determining the 'snapshot date'

One submission suggested a snapshot date immediately after the subsidised share trading market in 2017 another suggested 2018 is preferable to provide shareholders as much time as possible to acquire shares.

#### DPI Proposal

Have a snapshot date around mid-2018. Under the *Fisheries Management Act 1994* new shares must be allocated on the basis of criteria provided for by the management plan for the fishery concerned. Amendments to the management plan are scheduled for 2018 and the criteria cannot be applied retrospectively (i.e. it cannot be applied on a date prior to the criteria being published). A 2018 snapshot date will provide time for fishers to acquire shares or new [unitised] boat licences if needed.

#### Identifying the licensed fishing boat owned and used

Two submissions supported all three criteria proposed for identifying the license or boat to take the hull units from to allocate the new effort shares. The other suggested that it should be the boat that was identified to the Fishing Business and shares.

#### DPI Proposal

Apply all 3 criteria. Since 2007 boat licences have not been linked to fishing businesses or shares.

#### Determining the hull units to use to allocate "effort shares"

One submission supported the proposals to (where relevant) use the 'maximum hull units' recorded on boat licences, use the 'maximum hull units' that were temporarily surrendered and calculate the hull units of the non-unitised small inshore prawn only boats.

The other submission suggested using the same scenario used in the early 1990's to allocate hull units, and advised that there exists some exceptions and those fishers should not be discriminated against in the allocation of the new effort shares.

#### DPI Proposal

Use the following for determining the hull units to be used to allocate the new effort shares:

**Offshore prawn trawlers:** use the 'maximum hull units' recorded on the boat licence

**Offshore prawn trawl units temporarily surrendered:** use the 'maximum hull units' that were surrendered. The 'alternate approach' is not supported given that it would be unfair to the bulk of the shareholders in the fishery who have complied with the offshore prawn trawl boat replacement rules over many years.

**Inshore only prawn trawlers not previously unitised:** calculate the hull units of the boat

## 5. Additional dillies - Spanner crab north

Feedback was sought on increasing the maximum number of dillies permitted in the spanner crab northern zone to 40. A total of 3 submissions were received, including one from the Professional Fishermen's Association. All submissions supported the proposal.

### DPI Proposal

Increase the maximum number of dillies permitted in the spanner crab northern zone to 40.

## 6. Crew in the Estuary General fishery

### Unendorsed crew – category one and two hauling, meshing and prawning

Feedback was sought on the conditions that would apply to category one and two hauling, meshing and prawning endorsement holders when being assisted by unendorsed crew. A total of 17 submissions were received, including one from the Professional Fishermen's Association. The proposed conditions were generally supported by most of the submissions. Some submissions suggested that Estuary General netting and/or trapping endorsement holders be limited to one unendorsed crew member.

### DPI Proposal

Implement the endorsement conditions as proposed. Catch and effort quotas will be the primary mechanisms by which the Estuary General netting and trapping fisheries are managed. The ability to use unendorsed crew delivers benefits to fishing business owners.

### Unendorsed crew – trapping share classes

Feedback was sought on the use of unendorsed crew when trapping for fish, crabs and eels. A total of 15 submissions were received with most supporting the use of unendorsed crew by eel trapping, mud crab trapping and trapping endorsement holders. Some submissions suggested that only one unendorsed crew member be able to assist an endorsement holder.

### DPI Proposal

Similar to the crewing arrangements that apply in many other fisheries, it is proposed to allow the use of an unlimited number of unendorsed crew by the various trapping endorsement holders. Catch and effort quotas will be the primary mechanisms by which the eel trapping, mud crab trapping and trapping fisheries are managed.

### Unendorsed crew requiring a commercial fishing licence

Feedback was sought on the requirement of unendorsed crew to hold a commercial fishing licence. A total of 18 submissions were received, including one from the Professional Fishermen's Association. Most supporting the requirement for crew to hold a licence.

### DPI Proposal

As is the case in most fisheries currently, optimum flexibility and cost saving is delivered by not requiring unendorsed crew to hold a commercial fishing licence. Further, rather than cancelling a commercial fishing licence as a consequence of illegal fishing activity, there are other ways to prevent individuals from participating in the NSW commercial fishing industry. Ultimately all responsibility for commercial fishing operations, including the employment and assistance given by crew members, should be borne by shareholders and/or endorsement holders.

The requirement for unendorsed crew members to hold a commercial fishing licence is not an effective effort control. It is a cost burden on shareholders that want to employ crew. Catch and effort will be primarily managed by catch and effort quotas.

In the future it may be beneficial for individuals to have done some type of induction or hold an industry accreditation in order to be a NSW commercial fisher. In addition it is likely that the cost of a licence in the future will not be as high as the amount charged currently. In the interim, unendorsed crew will not be required to hold a commercial fishing licence.

## 7. Net length for general purpose hauling nets in the Ocean Hauling fishery

Feedback was sought on applying a maximum net length of 400 metres to general purpose hauling nets used in the Ocean Hauling Fishery from 1 August to 28 February the following year. This means a 400 metre maximum net length would apply all year.

A total of 3 submissions were received, including one from the Professional Fishermen's Association. All submissions supported the proposal.

#### DPI Proposal

Apply a maximum net length of 400 metres to general purpose hauling nets used in the Ocean Hauling Fishery from 1 August to 28 February the following year.

### 8. Deterring unlawful participation in prawn ballots

To assist industry to manage their own prawn ballots, feedback was sought on the creation of an offence provision that makes it unlawful for a person to participate in a prawn ballot if the person does not hold a prawning endorsement for the waters concerned.

A total of 4 submissions were received, including one from the Professional Fishermen's Association. All submissions supported the proposal.

#### DPI Proposal

Create an offence provision that makes it unlawful for a person to participate in a prawn ballot if the person does not hold a prawning endorsement for the waters concerned.

### 9. Crew in the Ocean Hauling fishery

Feedback was sought on the linkage of Ocean Hauling – hauling net (general purpose) and general shares to the use of unendorsed crew and the requirement of unendorsed crew to hold a commercial fishing licence. A total of 6 submissions were received, including one from the Professional Fishermen's Association. Most submissions supported the linkage proposals and not requiring unendorsed crew to hold a commercial fishing licence.

#### DPI Proposal

Implement the Ocean Hauling – hauling net (general purpose) and general share linkage arrangements as proposed and not require unendorsed crew to hold a commercial fishing licence.

The same rationale applies in the Ocean Hauling fishery regarding not requiring unendorsed crew to hold a commercial fishing licence as applies in other fisheries including the Estuary General fishery.

### 10. Managing catches of quota species in non-quota fisheries

Feedback was sought on the implementation of trip limits and prohibiting the take of the species that will be the subject of catch quotas from December 2017. A total of 18 submissions were received, including one from the Professional Fishermen's Association. Most submissions suggested increasing the trip limit for blue swimmer crab. The proposed arrangements for mud crabs and eels were generally supported. Some submissions suggested that the required amount of catch quota should be held by any endorsement holder in order for them to be able to retain any amount of the relevant species.

#### DPI Proposal

To assist to ensure the integrity of the new catch quota regimes, implement the arrangements as proposed. The trip limits are not exceeded in the vast majority of relevant fishing events.

### 11. Marking requirements for commercial fishing boats

Feedback was sought on 3 issues; marking boats that are no longer need to be licensed, marking boats that will need to remain licensed and removing the boat licensing requirements for some additional share classes. A total of 4 submissions were received, including one from the Professional Fishermen's Association. All submissions supported the proposal other than one that did not support the marking proposal of boats that no longer need to be licensed.

#### DPI Proposal

Implement the arrangements as proposed.

## 12. Marking requirements for commercial set fishing gear

Feedback was sought on new requirements that apply to the marking of commercial set fishing gear. A total of 7 submissions were received, including one from the Professional Fishermen's Association. All submissions generally supported the proposals.

### DPI Proposal

Implement the arrangements as proposed. In some share classes (e.g. mud crab trapping) there are problems with illegal fishing, including interference with set gear and theft of gear and product. DPI encourages industry-initiated proposals that will assist to resolve these problems while maintaining the integrity of the management framework.

## 13. Minimum crew numbers - Estuary General and Ocean Hauling fisheries

Given that endorsement holders in the Estuary General and Ocean Hauling fisheries will be able to use unendorsed crew, feedback was sought on the minimum number of endorsement holders to operate nets and hold priority. A total of 17 submissions were received, including one from the Professional Fishermen's Association. Some submissions supported the proposals to remove the current rules while others wanted the rules to be retained for one or more gear types. Some submissions suggested that the minimum number of endorsement holders should change to a minimum number of commercial fishers (e.g. one endorsement holder and one crew member) to facilitate the use of unendorsed crew.

### DPI Proposal

Remove the current rules and change the minimum number of Estuary General and Ocean Hauling endorsement holders that must operate a hauling net (general purpose) to a minimum number of commercial fishers (i.e. one endorsement holder and one crew member) to facilitate the use of unendorsed crew. Similarly, the minimum crew number to hold priority on an ocean beach will change from 4 endorsement holders to 4 commercial fishers.

## 14. Real time quota reporting - Estuary General

Feedback was sought on the real time quota reporting arrangements for catch and effort quotas in the Estuary General fishery. A total of 25 submissions were received, including one from the Professional Fishermen's Association. Some submissions supported the proposed arrangements. Other suggestions included that (i) the pre-fish report for all net types should be done just prior to shooting the net, (ii) the post-land report to deduct catch quota should not have to be done until the catch is weighed in at a fish receiver and (iii) all crabs should have to be tagged. Other issues raised included fishers not having phones or scales, using a mobile device in wet weather and the practicality of having to weigh the catch within 50 metres of the point of landing.

### DPI Proposal

Implement the arrangements as proposed with the following change. For the catch quota post-land report, increase the distance from 25 metres to 50 metres from the point of landing. This is consistent with the current rule that applies to abalone and sea urchin fishers to weigh their catch prior to moving more than 50 metres from the point of landing.

Catch and effort quota reporting using mobile devices is a very cost efficient way to monitor fisheries in real time and the requirement for business owners to use one is not a major impost. Further, technologies such as portable scales and waterproof phone covers exist to assist fishers weigh and report catches outdoors.

The proposed arrangements attempt to maximise the integrity of the catch quota management regime and protect the value of fisher's shares while also being workable. The weakening of the proposed arrangements by providing more time from the point of landing prior to a fisher having to deduct their catch quota or allowing meshing endorsement holders to be on the water for any amount of time prior to having to deduct their day, significantly increases the risk of quota evasion.

The utility and cost/benefit of requiring fishers to tag crabs will be investigated.

## 15. Real time quota reporting - Ocean Hauling garfish

Feedback was sought on the real time quota reporting arrangements for the sea garfish component of the Ocean Hauling fishery. One submission was received that suggested that the pre-fish report is unnecessary and having to remain in possession of fish until post-land report is made is impractical.

### DPI Proposal

Implement the arrangements as proposed with the following change. Similar to the arrangements that are proposed for the catch quota post-land report in the Estuary General fishery above, increase the distance from 25 metres to 50 metres from the point of landing.

The proposed arrangements attempt to maximise the integrity of the catch quota management regime and protect the value of fisher's shares while also being as practical as possible. Any weakening of the arrangements by providing more time from the point of landing prior to a fisher having to deduct their quota, significantly increases the risk of quota evasion.

## 16. Real time quota reporting - Spanner crab

Feedback was sought on the real time quota reporting arrangements for the spanner crab component of the Ocean Trap and Line fishery. One submission was received that suggested more time is required between the pre- and post-land reports.

### DPI Proposal

Implement the arrangements as proposed. Currently a pre-land report must be made at least 30 minutes prior to landing spanner crabs. Changing when a pre-land report has to be made to within 30 minutes of landing provides more time for fishers to process the catch prior to having to make a post-land report while maintaining the integrity of the catch quota system.

## 17. Real time quota reporting - Lobster

Feedback was sought on the real time quota reporting arrangements for Lobster fishery. A total of 10 submissions were received and a range of views were expressed. Real time quota reporting was discussed at the recent Lobster Working Group meeting where the following views were raised (i) inappropriate system design (ii) the estimated weight in pre-land report serves no purpose, (iii) the pre-land report should be called a landing report, (iv) fishers should have to do a pre-fish report, and (v) effort and discard information should be recorded earlier.

### DPI Proposal

*FisherMobile* is the system that will be implemented to monitor quota usage in all fisheries in real time. The requirement to enhance the system is inevitable as real time quota reporting is implemented throughout the state and fisheries adjust through time. The logistics and costs of any proposals to implement alternative systems will need to be discussed with shareholders on a case-by-case basis.

The proposed arrangements attempt to maximise the integrity of the catch quota management regime and protect the value of fisher's shares while also being as practical as possible. DPI will continue to work with the Lobster Working Group to finalise the real time reporting arrangements that will be implemented.

## 18. Real time quota reporting - Abalone

Feedback was sought on the real time quota reporting arrangements for the Abalone fishery. No written submissions were received. Discussions with Abalone Association NSW have been had regarding general support for the proposals and the ability for fishers to report hung abalone by numbers.

### DPI Proposal

Implement the arrangements as proposed and continue to work with shareholders on possible enhancements to *FisherMobile* that facilitate the ability for fishers to report hung abalone by numbers and other industry-initiated proposals such as secure bin tags.

## 19. Real time quota reporting - SUTs

Feedback was sought on the real time quota reporting arrangements for the Sea Urchin and Turban Shell fishery. One submission was received that generally supported the arrangements as proposed. An issue raised was the requirement to do a post-land report within 50 metres from the point of landing.

### DPI Proposal

Implement the arrangements as proposed. Fishers currently have to weigh their catch and report within 50 metres of the point of landing. Any weakening of the arrangements by providing more time from the point of landing prior to a fisher having to deduct their quota, significantly increases the risk of quota evasion.