



OCEAN TRAP & LINE SCHOOL AND GUMMY SHARK
SHARE LINKAGE WORKING GROUP

Final outcomes meeting 1, Bermagui Fisherman's Co-operative, Bermagui

17 July 2013

Attendees

Dallas D'Silva (Chair, DPI), Shannon Fanthom, Steven Hartley, Wayne Smith, Michael Ballantyne, Jamie Puglisi, Ben McCulloch, Keiran Ubrihien, Dominic Puglisi, Matt O'Sullivan, Ian Loughnan, Veronica Silberschneider (DPI), Matt Richardson (DPI), Matt Creek (Line east shareholder, Observer), Rocky Lagana (Bermagui Co-op Manager, Observer).

Apologies

Alan Broadhurst, Gary Braithwaite.

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

The chair opened the meeting and thanked shareholders for their attendance. All shareholders were invited to attend the meeting by DPI. Approximately, 60% of shareholders attended the meeting. Another 20% provided their initial thoughts verbally on share linkage options. DPI outlined the broad aims of the reform program and the proposed timelines. There was a detailed discussion on the exit grant program. There is no support amongst the shareholders present at the meeting for a change in Offshore Constitutional Settlement arrangements. That is, fishers present at the meeting would like NSW to continue to manage the fishery with no change in State boundaries or control. There are no sustainability issues at present for gummy sharks. School sharks are listed as overfished and they are a small component of the fishery.

Review of fishery specific information

There is significant latent effort in the fishery with a large number of shareholders contributing little or no catch. (Refer to attached presentation for a summary of catch, effort and shareholder information). The NSW reported catch is minor (approx. 17-24 tonnes per year from 2009/10 to 2011/12) compared to the Commonwealth TACC of approximately 1700 tonnes.

At present, 2 of the 20 endorsement holders produce approx. 80% of the catch. There is scope for catch to significantly if all endorsement holders become active. There was general agreement that the long standing prohibition on the use of mesh nets in NSW coastal waters should continue because of bycatch and threatened endangered and protected species (TEP) interactions.

Given the level of high latent effort in this share class, an equal allocation of catch (kgs) or effort (days) per share class would have extreme financial impacts for the small number of high catch, efficient operators.

Feedback from shareholders

The high catch fishers believe share linkage should not be implemented in a way that forces them to exit the industry as the reform is about industry viability. They recognise there is a value in shares regardless of how active they are and believe some form of recent catch history should be recognised as part of the share linkage process.

The allocation issue is a major driver in fostering support amongst high catch fishers for a strong linkage approach, in the form of an Individual Transferable Quota (ITQ) system. There was broad industry support to remove the restriction on the number of maximum number of hooks if the fishery was to become managed under a system of ITQs.

These fishers believe a base allocation of catch or effort per share, plus an allocation for the 4 high catch fishers should be adopted. DPI agreed to model this alternate approach (20%/80%, 25%/75%, 33%/67% and 50%/50% base allocation/catch history) in addition to the equal allocation per share models presented at the meeting out of session and circulated to all shareholders in the discussion paper.

Action: DPI to model this alternate approach out of session (20%/80%, 25%/75%, 33%/67% and 50%/50% base allocation/catch history) and circulate this to all shareholders in the discussion paper.

Less active fishers did not express a view on how share linkage should occur. (e.g. – equal allocation per share or development of a new approach that incorporates some form of recent catch history). Whilst the independent review noted that the use of catch history is problematic, DPI has advised all options are open for consideration and the pros and cons of each option should be carefully documented for the SARC's consideration.

Recognising the high level of latent effort, some fishers felt that the current number of operators in the fishery could ideally be reduced by about 50%. There was no support amongst fishers present to increase minimum share holdings to achieve this as fishers would have to reinvest but still not have a secure property right.

There were differing views on what an appropriate total gummy shark catch or effort level for NSW could be set at. Some fishers suggested current catch levels are not sufficient as the NSW catch could be significantly increased if all endorsements became active. Some fishers suggested the TAC be set in a way that would result in an over allocation of gummy shark catch quota. DPI advised that no such over allocation would occur as this would simply transfer the current latent effort problem to another form.

There are concerns over the accuracy of catch reporting and industry believes the true catch is likely to be higher than the logbook figures presented by DPI. This is a concern to managers and industry is reminded that they are required by law to report their catch accurately. Industry suggested the logbook data could be validated by other means such as cooperative sales returns. DPI agreed to consider this approach if it could be verified through an audited process.

Action: Industry to review the use of other supporting documentation such as cooperative sales returns to validate logbook catch data.

DPI advised there would be consultation with the Commonwealth over the setting of interim total catch levels for jointly managed species such as gummy sharks.

Consideration of changes to input controls

- There was broad industry support to remove the restriction on the maximum number of hooks if the fishery was to become managed under a system of ITQs.
- A review of the non-offset hook regulation.

Next steps

DPI to contact all shareholders regarding the need for a further meeting once it has modelled the various share linkage options (e.g. base allocation/catch history and equal allocation per share). This information

will be sent to all shareholders for initial comment, noting it will be circulated in a discussion paper (along with all other share linkage options) for industry consultation.

Meeting close

The chair thanked shareholders for their input and closed the meeting at 5.15pm.

End.

More information

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Published by the Department of Primary Industries