ESTUARY GENERAL HAND GATHERING SHARE LINKAGE WORKING GROUP

Final outcomes meeting 1, St George Rowing Club, Sydney

11 July 2013

Attendees

Andy Bodsworth (Chairperson), Younes Ali-Melhem, Alex Bricevski, Peter Cameron, Tony Forster, David Mitchell, John Hine, Mario Puglisi, Darren Reynolds (DPI), Doug Ferrell (DPI), Matthew Richardson (DPI), Miriam Vandenberg (DPI).

Apologies

Charles Hutchen.

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 some fishers to invest (and $15.5M adjustment fund contribution) to transition to the new arrangements, the potential cost of the various linkage options, issues with catch and effort reporting and future cost recovery policies.

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.

- Review the species list that applies to hand gathering.
- Review the need for specific closures (excluding RFHs and Marine Parks) that apply to hand gathering.
- Investigate the opportunity for fishers to be able to use crew under different arrangements than those that apply currently.

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 and endorsement numbers), identified various options to model for further investigation and identified some of issues that must be considered with each.

NOTE: The proposed modelling of the various approaches below is a 'work-in-progress' and the list of pros, cons and issues is likely to grow as a result of further consideration by the working group, fishers and DPI etc.

The following table lists the linkage options to model for further investigation

Model	Pros, cons and issues to consider
Catch quota scenario for all species (kg and body count).	**Pros:** Shareholders can choose to upscale/downscale. Quota can be traded or leased. Flexibility around when to work to catch quota. **Cons:** High catch operators will probably need to acquire shares. Species are caught by the other sectors. Availability of shares within a region to increase quota holding. Complexities that exist with the different species that are targeted in the different regions. **Issues:** How the total catch levels will be set and allocated initially and how responsive is it to fluctuations in abundance from year to year. The information that is needed to be able to set catch levels. Whether to allocate state-wide or region specific quotas. Whether to allow quota to be traded between the regions. Costs of implementation, enforcement & monitoring. May be possible to nominate the proportion of current shareholding that is allocated to each species.
Days with or without trip limits. Trigger limit on total catch.	**Pros:** Shareholders can choose to upscale/downscale. May lower impact on high catch operators. **Cons:** High catch operators will probably need to acquire shares. **Issues:** How the total number of days will be set and be allocated. Whether to allow days to be traded between the regions. How much effort could be expended in a day. Costs of implementation, enforcement & monitoring.
Daily limits with a trigger limit on total catch.	**Pros:** Shareholder can choose to upscale/downscale. May lower impact on high catch operators. **Cons:** High effort operators will probably need to acquire shares. **Issues:** Costs of implementation, enforcement & monitoring.

Model	Pros, cons and issues to consider
Minimum share holding scheme (No. of endorsements) using 95, 80 and 75% of GVP as examples.	**Cons:** High effort operators will probably need to acquire shares. Minimum shareholding would apply to all operators under a mandatory scheme – no scope to upscale/downscale. May need to retain certain input controls. **Issues:** Costs relative to other models.

Information/data requirements for next meeting

Need to work out some of the detail of how the options would be implemented and monitored (e.g. how would a 'day' be defined, any reporting requirements, minimum and maximum shareholdings etc). Also have to consider the implications of certain linkage schemes across fisheries and regions (i.e. any interactions that may exist between share classes within and between fisheries).

End.

More information

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