

Issues for consideration by the SARC identified at a meeting of the Estuary Prawn Trawl Working Group held 7 August 2015

Important note: *The issues below were raised by members of the WG as expert individual views for consideration by SARC. They are not considered to be the representative view of any particular group of fishers or shareholders. The issues raised will be considered by SARC in formulating the final recommendations on linkages that will be provided to the Minister for his consideration.*

Comments on linkage recommendations

General issues:

- Concern that industry promotion has not been part of the reform and there has not been any suggestion that promotion of sustainable, quality seafood/ fisheries should be a priority activity associated with the reform.
- The economic survey included a sample of 4% of fishers within the industry, which industry consider was insufficient to draw conclusions from. It was also noted that some fishers were reluctant to provide financial information as part of this survey as they were concerned that it would be used against them in other ways in the future. The SARC indicated that the economic survey was one of a number of considerations (including share class and FB level assessments) looked at in forming the draft recommendations.
- The current recommendations appeared to include a proposal to allow fishing 24 hours a day. The confusion/uncertainty about this has made it difficult for fishers to make business decisions. The SARC clarified that for each of the three estuaries there are daily operating hours in each 24 hour period and there are no SARC recommendations to change these.
- Concern were raised about log book data that included:
 - Inconsistency in the measures used for recording fishing activity - in estuary general the net length is recorded, in others the number of shots is records, and in EPT the hours fished.
 - Days are only recorded on market days by some and if the catch is small (morning test shots, including following a 'fresh') it's not recorded. Weights (kg) recorded in log books are more likely to be accurate.
 - The issue with days recorded influences (overestimates) CPUE and the integrity of the data that is used to monitor stock and substantiate the viability of the fishery.
- There was some support provided for future pre-fishing reporting whether or not a day's management regime is implemented.
- The dollar value that local MPs are quoting in local media is not reflective of what fishers actually need to spend in achieving the adjustment and maintain current activity.
- General concern within EPT that there are larger market issues (and environmental issues) that dictate profitability, regardless of what management arrangements are in place:
 - Catch is determined by environmental factors, such as a large freshwater event coming through the river system.
 - Catches of the same prawns are also taken in other sectors (ocean).
 - Both factors mean that the EPT fishers are price takers not price makers – it's a market issue for Hunter & Clarence in particular. Because of this, restricting fishers won't solve all the issues, no matter how well the fishery is managed.

Enforce the current minimum shareholding:

Generally fishers were in favour of removing some effort, through a bump in minimum shares. All estuaries agree in general that if there is an acceptance of the need to remove some excess capacity but that this must not impact on active fishers. An indication was provided that if the fishery could adjust to 60 holdings of shares (working boats) instead of 100 that would be good.

- i) **Hunter** –
 - Would like to see minimum shareholding rise, over the period up to 2018 (or up to 2020). There was a suggestion that it could be bumped by 25 shares per year until an acceptable number of boats were achieved. No support was provided for implementing a net length days regime.
 - In Hunter River, can bring down from 28 to 19 fishers without any linkages, as they've already bought up the shares. Only 13 worked last year, and this seemed to be the right number of boats to achieve a good profitability. Less fishers/boats involved gives remaining fishers more catch, a better chance of having useful discussions, becoming viable and coordinated. This will translate into businesses/shares that are more valuable to own.
 - In the Hunter, additional fishing effort flows into the fishery when conditions are good, this reduces the 'portion of the pie'.
 - Multi-endorsed full time fishers are ok, but don't want guys who come in after their non-fishing day job to cash in on peaks in abundance and reduce the income of those fishers who rely on fishing as a primary source of income.
 - Others want people with money to come in when they want to retire and buy them out at some point in the future. So this means they want to make the business more viable now before retirement.
- ii) **Clarence** – would support 150 shares. However, if further bumps (in minimum shareholdings) were proposed, one WG member would like to see any associated proposal come back to industry for comment/discussion before being finalised, and that if any increase is proposed for it to be introduced slowly. If the increase was around 25 shares, and there was minimal impact on active fishers this might be ok. Fishers like the current gear rules, so don't want to see any changes to those. No support provided for net length days.
- iii) **Hawkesbury** – don't support enforcing current minimum shareholdings. Only 2 boats that are under the minimum are latent. No support for net length days (based on log book data).

Remove requirement for licencing for boats <10m:

- i) **Hunter** – Yes, remove.
- ii) **Clarence** – Keep them, they are an asset. But varied views (50/50).
- iii) **Hawkesbury** – Yes remove licencing requirement for boats under 10m in length.

Net length days:

- i) **Hunter – net length days**
 - Concern that the net length days proposal is extremely costly.
 - Concern that any move to a 24 hours day will create an OH&S issue, as some fishers will work the full 24 hours if restricted (NB the SARC clarification above that there is no recommendation under consideration that would see a change to the current permissible working hours applied to each EPT fishery).
 - Compliance regarding net regulation is a problem; they can be checked and then changed in a very short time without the change being detected by compliance officers i.e. very difficult

to police. Conversely, if fishers damage a net and then replace it with a larger one (if this is the only other net on board) so as to not lose the day, this could result in compliance action which would be unwarranted.

- Fishing when profitable – late Sept through till the end of December is the peak period in Hunter EPT, then crashes and rises again in April-May, but closure comes in. So when prawn numbers increase, fishers need to have access. The same applies when prices are good and there's a demand.
- Some fishers are multi-endorsed, and haven't finished doing other fishing activities, so don't want grounds open until they are ready. Need a decision on access times that is best for the fishery.

ii) Hawkesbury – net length days

- One view was that within the Hawkesbury was that there's no activation of non-fishers, and that activating excess capacity (~13 boats) in the Hawkesbury would be a good thing.
 - The coop is unsuccessful owing to loss of operators. Therefore coop currently operates as a depot (and goes to market floor), rather than coop. If the coop was to get more boats, this would improve sales and marketing and returns to the coop. Point being that more boats could increase profitability to fishers in terms of the coop margins that go back to fishers.
 - The reduction of boats won't work as they are used in other fisheries – and so we need to keep the number of boats that are multi-endorsed. For these boats, it's the net size that is the control; this stops the bigger boats from operating in estuaries.
- Another view was that only 15% of product passes through the Hawkesbury coop owing to distance to be travelled etc. So, did not think that activating more boats would make fishers more profitable, they would prefer a greater share and the profit for themselves, and so need fewer fishers who are able to take advantage of the stock and be more profitable.
- During fresh water events fishing is good for some EPT fishers. These are hard to predict. If the product isn't caught in the estuary, the stock goes to the ocean (is lost from the estuary catch) and it's caught there - and the ocean fishers rather than EPT fishers. Because of this a days regime isn't good, we can't know what day we should go fishing, and may miss the product – and so profitability isn't improved at all under this scenario. Also, there's a big difference between estuaries and what might work on another estuary might not work in the Hawkesbury River fishery.
- Concern that the proposed additional effort control will create additional burden, when there are so many controls on fishing already, e.g. weather, net size, seasonality, tides, closures, other factors such as environmental flows being taken from the river and reallocated to urban growth, dams that limit water flow, and floods, all of which influence productivity. Such factors should also be considered when working out ITCALs.
- View generally that allocation of days isn't fair, as some got a bigger allocation than what they fished, and others won't get enough.
- Concern that fishers can't increase profitability by taking larger prawns. Prawns are generally sold at a fixed price all year in the Hawkesbury, and the size limit is set in all estuaries, so we can't increase size. Also, in the Hawkesbury if the prawns aren't taken when they are in the estuaries, they will end up in ocean and the product is gone, so we can't increase profitability either (But in Hunter, this isn't the case. They can catch larger prawns with reduced risk they will be lost to the OT fishery).
- Noted that individuals in Clarence/Hawkesbury would like to be consulted over future matters and the revised SARC recommendations before they released as final.

iii) Clarence – net length days

- Some indication that in the Clarence (and Hunter) there has been industry restructuring for 20 years (in terms of a reduction of boats through time, and reduced by-catch), and fishers want this to be recognised. There's been no reward for the things that have been done. Essentially fishers feel that they are on a days' regime already, and there are less than 100 fishers.
- Concern that the net length days proposal won't increase viability or social licence. There's concern over efficiently towing larger nets, this requires a bigger boat (more obvious to the community), or if for example fishers tow two (shorter) nets this is also viewed unfavourably by the community. How does this improve social licence without promotion to the community? Most fishers are happy with net size that they are towing now.
- Concern that log book data is not accurate, and so the day's regime is seen as an unreliable measure/allocation.
- Concern that setting the Total Allowable Effort (TAE) doesn't increase certainty, fishers need shares for access, but no one knows what access/effort will be allowed after 2020, also there is still potential for Marine Parks and recreational fishing havens, so some can't see the long-term certainty to access. Fishers need security now.
- Use of ITCALs is unacceptable, it doesn't provide certainty in the interim and as such contradicts the reform objectives. You can't forecast future catches (i.e. appropriate annual effort levels) on an annual basis (which is how fishers think it would work). We rely on rainfall for productivity. The main threat to the fishery is the health of the estuary not the number of fishers.
- Overall, fishers viewed the net length restriction as the means of controlling bigger boats coming in.

Other fisheries management issues raised for consideration by DPI

- A suggestion was made that no leasing should be permitted when shareholdings are below the minimum, this may encourage inactive FBs to sell shares. But leasing is needed for those who need to get shares to keep working actively.
- EPT Clarence indicated that specific guidelines about how the net length days would work – in terms of rules are needed. Also, is the current restriction of 15m of net being changed? There are no details about management arrangements – we like the rules that we have now, that we have about 40 boats working, not 100.
- The SARC clarified that there is no proposal to change the maximum net lengths applying to each estuary. This does not mean that such issues cannot be discussed in the future.

Exit Grant issues

- Concern over what to bid to make sure a bid is successful. Need a number of fishers in the fishery to sustain a fishery so how will the exit grant make sure that enough fishers stay in, and shares don't all go to individuals who have all the money who may not be able to sustain the fishery (and infrastructure).
- Concern that share barons may end up with too many shares; we want to put shares into the hands of the original /current producers.
- Concern that the process can't be a bidding war. We want more certainty that real fishers won't simply be outbid by people with money.
- Couple of suggestions that a maximum number (limit) of shares that can be acquired by any one fisher/fishing business be applied (within share classes).
- Happy that buyers and sellers are now in the mix.
- Concern that share prices may be manipulated.
- Like fixed price for FBs being set.