

Appendix 6. Provisional recommendations on restructuring actions

The following recommendations are based on the principles outlined in Section 3.6.7 and recommended as a starting point for consultation with shareholders.

Share class	Issues	Linkage	Other suggested actions and observations
Estuary General			
Handline and hauling	Currently ineffective effort measure; shares granted to the vast majority of EG shareholders at start of SMF scheme.	N/A.	• Cancel all shares and authorise all endorsement holders in the EG fishery to use handlines and operate as crew (Cat 1 and 2 Hauling, Prawning). • Alleviates requirement to invest in handlining and hauling crew shares and removes seven share classes
Meshing	Differences between regions/waterways in net characteristics required for efficient operation. Endorsement authorises use of multiple net types.	Effort units – net length days (potentially for each net type).	Will allow businesses to tailor operations. Compliance issues, but will substantially reduce incentive for fishers to work unlawfully.
Category I Hauling	Endorsement authorises use of multiple net types (Overlap between Cat 1 and Cat 2 shares.	Effort units – net length days (potentially for each net type).	Maximum net length could be increased within reasonable limits subject to environmental, social and sustainability objectives.

Share class	Issues	Linkage	Other suggested actions and observations
Category 2 Hauling (Garfish and bait net)	As per Category 1 Hauling. Various species of garfish and some other species with populations likely to be estuary specific.	Consider species quota for garfish [otherwise effort units – net length days (potentially for each net type)].	Regional TACs would add additional protection against future overfishing of garfish, but cost and complexity of regional based quota management would need to be considered.
Prawning	Endorsement authorises use of multiple net types and different nets in different estuaries. Excess fishing effort applied during productive seasons eroding viability of full-time fishers.	Number of endorsements.	• A crude approach may be appropriate due to the large range of gears and relatively robust characteristics of prawn species. A secondary consideration is that the system of linkage would ideally establish some form of tradable rights between estuaries (small prawns) and the ocean fishery (larger, more valuable prawns). NB This option may be impractical at least in the foreseeable future. • To provide additional adjustment incentive, priority (where relevant) could be determined based on shares held.
Crab Trapping	Significant compliance problems, exacerbated by value of product and large black market.	Quota for mud crabs/Effort units – trap number days.	• Consider consolidation with Trapping (fish) share class to form new ‘Estuary Trapping’ share class, Should allow for a reduction in the complexity and inefficiency caused by existing rules and hence reduction in enforcement costs. • If share classes were consolidated, there would be a reduction in the number of share classes.
General Trapping (fish and blue swimmer crabs)	Different species targeted in different areas; gear not fully selective.	Effort units – trap number days.	• Consider consolidation with Mud Crab Trapping share class to form new ‘Estuary Trapping’ share class. • If share classes were consolidated, there would be a reduction in the number of share classes.
Eel Trapping	Evidence of non-compliance with existing measures to maintain viability.	Quota.	As per Mud Crab Trapping. Particular compliance issues due to remote operations in remote locations (tributaries). Vulnerable life history and species under some stress. Quota would help address these issues.

Share class	Issues	Linkage	Other suggested actions and observations
Hand Gathering	Reduction in landings of some species, particularly pipis. Multiple species with significant spatial variation in targeting in some cases.	Quota.	To stimulate early adjustment, consideration could be given to the implementation of temporal (e.g. daily, weekly etc.) species-specific quotas. Quota will assist those species under pressure.
Ocean Haul			
General Ocean Hauling (crew)	See below.	See below.	See below.
Hauling Net (General Purpose)	In some regions (e.g. region 7) there is a shortage of endorsed crew and there are reported instances of Skippers (holding Hauling GP shares) being 'held to ransom'.	Ability to use additional crew.	• Significant consideration will need to be given to the differences between regions in terms of latent and active effort and types of operation. • Where latent effort is a problem, consideration should be given to increasing the minimum shareholding. • Provides scope for skippers to invest in order to have greater control over who they employ within a crew, thereby increasing potential viability. • Outcome is equivalent to a 'block licence' i.e. a specified shareholding would entitle a skipper to use a certain number of unlicensed crew.
Garfish Net Hauling	Significant overfishing concerns.	Quota.	• Recovery Program changes may drive other changes/adjustments in this share class. Some potential for tradability across fisheries once recovery assured. • Will allow more efficient operations with removal of net, personnel/crew, regional and time restrictions.
Pilchard, Anchovy and Bait Net		Number of endorsements.	• Use of minimum shareholdings likely to be more important for this share class. • Department committed to reviewing bait for Commonwealth tuna fishing issue and use of bait nets/purse seines; the outcome of this review may have implications for this and the purse seines share classes.

Share class	Issues	Linkage	Other suggested actions and observations
Purse seine	Seemingly intractable issue regarding the distortion between catch history and share allocation (arising from an arbitrary decision by Government).	Quota, subject to cost benefit analysis.	May be possible to arrive at an agreed allocation of quota through compromise/negotiation, addressing the equity issues within the fishery.
Ocean Trap and Line			
Line Fishing (Eastern Zone)	Moving to link shares, even at the end of the structural adjustment period may cause considerable hardship for some operators. Current maximum number of hooks restricting some operations. Clear links with Commonwealth fishery (SESS).	Quota or effort units – e.g. hook numbers), based on catch/ shareholding distortion.	• Additional use of minimum shareholdings and other mechanisms (cost recovery, restructuring levy) will be necessary to reduce endorsements. • Eventual move to quota would be helpful in resource sharing with the Commonwealth.
Line Fishing (Western Zone)	Large number of potential methods with very different gears and hook numbers. High level of latency due to number of endorsements issued.	Number of endorsements.	• Additional use of minimum shareholdings and other mechanisms (cost recovery, restructuring levy) will be necessary to reduce endorsements. • Number of hooks not a meaningful control; management by the gear level not appropriate.
Demersal Fish Trap		Effort units – trap number days.	
School and Gummy Shark	High level of latency. School shark fishery marginal, species overfished. Now a very minor fishery.	Quota (catch cap).	Quota would align with Commonwealth.
Spanner Crab (Northern Zone)	Ministerial approval already granted - quota strongly supported by the Review Team.	Quota.	• Consider immediate consolidation with spanner crab (southern zone), subject to cost benefit analysis. Undertake joint spanner crab assessments with Queensland prior to setting a global TAC with the NSW allocation distributed in proportion to shareholding. • Note complications arising from different methods of allocation between the northern and southern zones and relative catch levels will preclude a direct allocation of quota based on shareholdings.

Share class	Issues	Linkage	Other suggested actions and observations
Spanner Crab (Southern Zone)	Quota strongly supported by the Review Team. Benefits in adopting an approach consistent with northern sector.	Quota, subject to cost benefit analysis.	See above.
Ocean Trawl			
Inshore Prawn	High level of latency.	Number of endorsements.	• Continue to develop the Ocean Trawl Reform Package (boat upgrade provisions, minimum shareholdings & relax input controls etc.). • Considerable success in rationalisation (reduction in latent effort) with increase in minimum shareholding. • Potential to move to a days-based linkage (e.g. net length days) across all ocean trawl sectors, but need to consider if cost-effective/necessary. • Consideration of quota for the management of school whiting in this sector, Offshore Prawn and Fish Trawl Northern Zone.
Offshore Prawn	Horsepower restrictions now constraining ability of operators to arrange input costs (fuel major cost) to improve efficiency.	Number of endorsements.	• Continue to develop the Ocean Trawl Reform Package (boat upgrade provisions, minimum shareholdings & relax input controls etc.). • Considerable success in rationalisation (reduction in latent effort) with increase in minimum shareholding.
Deepwater Prawn	Very few participants at present, low GVP and many shareholders below the minimum. Some potential remains for expansion if and when improved markets identified.	Number of endorsements.	• Continue to develop the Ocean Trawl Reform Package (boat upgrade provisions, minimum shareholdings & rationalising input controls etc.). • Considerable success in adjustment (reduction in endorsements) so far with increases in minimum shareholding.
Northern Fish Trawl	Mixed species fishery, with whiting and flathead key species.	Number of endorsements.	• Continue to develop the Ocean Trawl Reform Package (boat upgrade provisions, minimum shareholdings & rationalising input controls etc.). • Considerable success in adjustment (reduction in endorsements) so far with increase in minimum shareholding.

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<i>Southern fish trawl (restricted fishery)</i>	Potential for fishery to be merged into the adjacent Commonwealth SESSF. Funding allocated under suggested restructuring package to facilitate such an approach.	N/A.	See Section 3.3.3 of this Review.
Estuary Prawn Trawl			
Clarence	High level of latency – 90 endorsements. High potential if harvesting rationalised (size of prawns, number of vessels participating).	Number of endorsements.	Suggest that a maximum of vessels should be endorsed, based the number that the river could reasonably support, on average.
Hawkesbury	High level of latency – 56 endorsements. Good market access; economics of this share class not directly compatible with Clarence / Hunter share classes.	Number of endorsements.	Suggest that a maximum of vessels should be endorsed, based the number that the river could reasonably support, on average.
Hunter	Moderate level of latency – 27 endorsements.	Number of endorsements.	Suggest that a maximum of vessels should be endorsed, based the number that the river could reasonably support, on average.