NSW Commercial Fisheries Reform

Agenda Item 6: SARC feedback

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Reform timeline

Advice:

SARC **recommends** consideration of a modified timeframe for development of the linkage options, total catch and effort levels and details surrounding the exit grant process, to provide sufficient opportunity for consultation.

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Diversification

Advice:

The SARC *recommends* that fishers be reassured that the reduction of diversification is not a specific objective of the programme.

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Staged approach

Advice:

SARC *recommends* that staged implementation of share linkage, with reliance in the short-term on increasing minimum shareholdings, should continue to be investigated by the working groups as an option in exceptional circumstances and where it can clearly be justified. The SARC notes this option may drive up the prices of shares in those share classes and will lengthen the period of uncertainty for operators.

New classes of shares

Advice:

SARC *recommends* that allocation of new species or effort share classes should continue to be investigated by the working groups as an option in exceptional circumstances and where it can clearly be justified.

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Use of recent participation

Advice:

The SARC **recommends** that DPI seek legal advice on the implications of including recent participation in the share linkage process and that the working groups be advised as soon as possible whether recent participation is a factor that will be considered in any new allocation process.

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Approaches to allocation for any new class of share

Advice:

The SARC **recommends** that the working groups continue to explore these approaches*. In particular, the SARC notes that some eligibility criteria (based on past activity) would be needed to determine if a shareholder can nominate any existing shares to a species share. This would be necessary to ensure that shareholders could not simply speculate on the expected future value of shares at the expense of fishers who would rely on those shares.

* See next slide

Novel allocation approaches:

- Once-off <u>nomination of existing shares</u> towards an allocation of any new species quota shares*

- <u>Monetary tender</u> for allocation of any new species quota shares (proceeds to DPI to help offset management costs)

- <u>Monetary tender</u> for allocation of any new species quota shares (proceeds used to directly compensate other shareholders for loss of access to the species)

Deferring commencement of ITCALS

Advice:

In order to provide additional time for operators to arrange their finances and accumulate any additional shares required, the SARC recommends that consideration be given to delaying the application of ITCALs that will apply to share linkages based on catch or effort, until 1 January 2016 rather than the proposed 1 January 2015.

This arrangement would not necessarily be applied across the board, but only for share classes where it be well justified.

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