Commercial Marine Scalefish Fishery Reform Advisory Committee

Meeting #3 – 28 May 2019

The third meeting of the Commercial Marine Scalefish Fishery Reform Advisory Committee (the “Committee”) was held on 28 May 2019.

The Committee noted progress on action items since the March meeting including the outcome of regional industry visits by the Mr. Jon Presser of PIRSA, and the Marine Fishers Association (MFA) Industry Forum held on 15 May, as well as the analysis and work done by SARDI and the FRDC Project Technical Working Group.

The acting rock lobster industry representative advised that discussions with PIRSA and the MFA were ongoing regarding the integration of the rock lobster fishery with the reform process. The Committee was advised that PIRSA are planning to progress matters with the sardine, Lakes and Coorong and prawn fisheries’ associations to develop draft positions regarding access to shared stocks prior to the next meeting.

There was discussion around the industry (MFA) position (that supports the Committee’s stance) that for the necessary reform to occur significant government assistance would be needed to buy-back licences on a voluntary basis at a fair value and co-invest with industry to assist with further adjustment and investments by licence holders remaining in the industry after restructuring.

The Committee discussed the need to develop a compelling case for investment by Government in the proposed reform including close parallels with the current Federal Government funded buy-out of water quota in the Murray Darling Basin Plan that is needed to minimize financial hardship while promoting ecological sustainability threatened by historical over extraction. To build such a case the Committee needs to be mindful of the requirement that any reform package must be ecologically sound, economically optimal, socially just and politically palatable. This will include meeting clear criteria such as providing a level of surety
that future economic rent will be maximized, ecological guidelines will be met and individual fish stocks will no longer be subject to overfishing through commercial extraction.

The Committee noted feedback from Mr Presser from his regional port visits including a clear preference expressed by fishers at the meetings for licences to be zoned. There was discussion around the zones being defined by natural fishing boundaries, especially for the west coast region. There was also considerable concern expressed to Mr Presser about the ability of licence holders to be able to afford to continue after rationalization if associated costs were too high.

A draft communication and consultation plan was discussed and suggested amendments made. This process will revolve around the release of a discussion paper to industry and selected stakeholder groups in August 2019 and regional port meetings to discuss the paper with the Committee in September 2019. PIRSA and SARDI will be working on developing a draft of the discussion paper for the 24 July meeting of the Committee and this will include further economic analysis to inform both sustainable catch limits and the optimal number of line and net licences in each proposed region.

The Committee received a presentation from Dr Mike Steer of SARDI relating to a logical process for decision making relating to zoning, rationalizing and unitizing the fishery. This included a preliminary analysis of catch and effort in each zone under 4 different regional zoning scenarios. The Committee decided that two regional scenarios should be analysed further by SARDI and the FRDC Project Working Group and that these should be included in the discussion paper for consideration by industry.

Finally the Committee received a presentation from the independent economist Mr Roger Edwards relating to potential rationalization pathways should the fishery be unitised. The Committee considered the range of different options that could apply to a quota (catch or effort) rationalization process and indicated a preference that such a process be –

a) Voluntary on the part of industry; and

b) Initiated by the voluntary buy-out of the target number of licences by government prior to any allocation of quota units

To progress this matter further and develop an independent process to assess licence value the Committee recommended that PIRSA establish a Licence Rationalization Advisory Panel as soon as practicable with Terms of Reference to be endorsed out of session by the Committee.

It is anticipated that an MFA Forum will be held in June following further analysis of regional management arrangements.

**The next meeting of the Committee will be held on 24 July 2019.**

Committee members are:
Independent Chair: David Hall
Independent Economist: Roger Edwards
PIRSA: Jon Presser (Manager, Fisheries Reform)
PIRSA: Jonathan McPhail (Committee Support Officer)
SARDI: Dr. Michael Steer (Senior Research Scientist, Finfish Fisheries)
MSF Industry Representatives: Bart Butson, Craig Fletcher, Johnny Kouvaris, Gary Lloyd, Neil Schmucker, Amanda Wheeler
Rock Lobster Industry Representative: Joel Redman (meeting #3 proxy Nathan Kimber)
Recreational Fishing Representative: Wally Lamont

David Hall
Independent Chair