

Commercial Marine Scalefish Fishery Reform Advisory Committee

Meeting #4 – 23 & 24 July 2019

The fourth meeting of the Commercial Marine Scalefish Fishery Reform Committee (the “Committee”) was held on 23 and 24 July 2019

The Committee noted progress on action items since the May 2019 meeting including the outcome of the Industry Forum held by the Marine Fisher's Association on 3 July which discussed further development of reform design principles and options for removing licences (rationalization), as well as the development of a draft discussion paper for industry consultation by the PIRSA and SARDI. There has also been further catch and effort analysis work done by SARDI based on the preferred regional management scenarios from the May meeting.

It was agreed at the meeting that the design principles developed by the MFA Industry Forum and collated by Dr Ian Knuckey would be a sound basis for the ongoing development of policy advice relating to the reform package. These will be included in the consultation paper that goes to industry in August 2019, and are attached to this report for information. The Committee discussed how the reform proposal and additional information could be provided to industry to be more easily understandable during the consultation process.

The Committee noted that the Executive Director of Fisheries and Aquaculture had responded to the Chair's request to establish a Licence Rationalization (Reduction) Advisory Panel by engaging an independent consultant (BDO EconSearch) to conduct a valuation study on commercial line and net licences. Preliminary findings from this study were presented to the Committee and a final report will be made available to PIRSA by the end of July.

The Committee was advised that PIRSA and the MFA were still planning to progress matters with the rock lobster, pilchard, Lakes and Coorong and prawn fisheries' associations to develop concomitant arrangements for these sectors to ensure the integrity of the ultimate reform package that is recommended to the Minister and Government in October 2019. This is

expected to progress faster now as the regional framework and species total allowable catch management regime proposed for the marine scalefish fishery becomes clearer.

The Committee considered catch and effort information provided by SARDI for two regional scenarios and further discussed the placement of regional boundaries and the relative merit in either:

- a) retaining a State-wide licence with regional management based on biological stock; or
- b) having separate licences for each management zone(s)

The Committee identified a further regional option which it considers aligns boundaries more closely with the biological stocks of principal species, particularly Snapper and King George Whiting while still reflecting geographic “communities of interest” among the fishing fleet. This will be included as the preferred option in the consultation paper.

The Committee considered that the preferred regional option would support a management regime that retained marine scalefish licences as a State-wide access licence with each region to have separate Total Allowable Commercial Catch (TACC) arrangements for each principal species (i.e. King George whiting, snapper, garfish and calamari).

In terms of the highly managed (“Primary”) species (i.e Snapper, King George Whiting, Southern Garfish and Southern Calamari), the Committee believed that TACC arrangements would be needed to be applied state-wide. Secondary and tertiary species could also be considered for TACC management under a decision rule framework which incorporates several parameters weighted towards the level of exploitation relative to maximum sustainable yield, as well as resource sharing issues.

An ecological sustainable development (ESD) assessment was conducted by the Committee on the principal management mechanism that could be applied to the fishery to achieve target TACC limits including individual transferable catch quotas (ITQs – species based), individual transferable effort quotas (ITEs – both species based and generic), and both weekly and seasonal catch quota limits (species based) as proposed previously by the Southern Yorke Peninsula Professional Fishers Association and the West Coast Professional Fishers Association. The Committee noted that this assessment indicated that ITQ management best met the overall ecological, social, economic and business development objectives under an ESD framework.

The Committee received a presentation from PIRSA Regional Compliance Manager, Mr Randel Donovan, on compliance issues that will need to be addressed under an ITQ or ITE management regime. More work will need to be done to fully cost compliance arrangements now that we have narrowed management options for consideration by industry and government. Importantly, this will include comparison of upfront and ongoing costs associated with both paper and digital based catch disposal record platforms.

Dr Julian Morrison provided a presentation on work that his organisation (BDO EconSearch) had completed to estimate how many licences would need to be removed from each region to generate a positive economic rent in the fishery. This was informed by both previous economic assessments conducted by EconSearch and information provided by SARDI on maximum

sustainable yields (MSYs) for the principal species. Further analysis will be conducted on the number of licences that will need to be removed to achieve positive economic rents of up to 10% using potential operating efficiency gains flowing from the reform. This information will be critical in preparing a case for the quantum of government funding of the reform process that will be needed to achieve regional economic development, business viability, fish stock sustainability and social/wellbeing targets.

The Committee discussed the proposed regional port meetings to be held in September 2019 and how these would be conducted. It was agreed that it would be beneficial for Jon Presser and Dr. Michael Steer to visit the regions prior to the Committee conducting its regional forums and hold information sessions to assist industry members understand what is being proposed.

Based on the outcomes of the 4th meeting of the Committee, PIRSA and SARDI will continue work on developing a final draft of the Consultation Paper to be provided to the Minister. It is anticipated the Consultation Paper will be released to industry in mid-August 2019. It will also be important to provide industry with a concise and easy to understand summary of proposed reforms in advance of the regional meetings which should include information that would enable licence holders to get a clear idea of what access (regions and quota) they are likely to get under proposed management options and what it will likely cost them to continue on in the fishery. It was stressed that while definitive figures could not be provided it is a clear policy requirement that the transitional and ongoing costs of reform should be affordable for industry members.

It is anticipated that an MFA Industry Forum will be held in early October 2019 to consider responses from the consultation process and to provide advice to the Committee before their next meeting.

The next meeting of the Committee will be held on 23 October 2019.

Attachment: *The Marine Fishers Association (MFA) Principles of Reform*