

MSF REFORM

Submissions (n=69) received to 28 September 2020

to

Stage 1 Information Release – 23 June 2020

Stage 2 Information Release – 13 August 2020

Information for fishers on the calculation of indicative individual transferable quota (ITQ) entitlements for priority species in the Marine Scalefish Fishery –
18 September 2020

Presser, Jon (PIRSA)

From: [REDACTED]
Sent: Monday, 22 June 2020 1:33 AM
To: PIRSA:MSF Reform
Subject: [REDACTED] - MSF Reform

Follow Up Flag: Follow up
Flag Status: Flagged

Sent from my iPhone

Begin forwarded message:

From: [REDACTED]
Date: 2 June 2020 at 12:01:22 pm ACST
To: Gary Morgan [REDACTED]
Subject: Re: [REDACTED]

Thank you Gary

Sent from my iPhone

On 2 Jun 2020, at 6:15 am, Gary Morgan [REDACTED] wrote:

Thanks [REDACTED] for your suggestion - much appreciated. I'll make sure that the suggestion gets to the Minister and PIRSA as part of working through the details of the reform package
Gary

From: [REDACTED]
Sent: 31 May 2020 16:13
To: [REDACTED]
Subject: [REDACTED]
Hi Gary

In regards to the ITQ system I think that the fairest way to do this is going by catch history as people that have just bought licences or haven't really used the licence, should be the ones handing their licences back to the Government, because it's not fair for the Fisherman that have raised the allocation to be set with licences that haven't been used.

Also the Snapper closure should be from 1 November till the end of January.

Kind regards

[REDACTED]

Sent from my iPhone

Presser, Jon (PIRSA)

From: [REDACTED]
Sent: Tuesday, 23 June 2020 11:34 AM
To: PIRSA:MSF Reform
Cc: [REDACTED]
Subject: RE: Marine Scalefish Fishery reform - new information available

The voluntary buy back is a joke, I paid 355k for amalgamating two licences.

So I now have leased out [REDACTED] to my son [REDACTED]

Kind Regards

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

South Australia

[REDACTED]
[REDACTED]

Sent from my Samsung Mobile on the Telstra Mobile Network

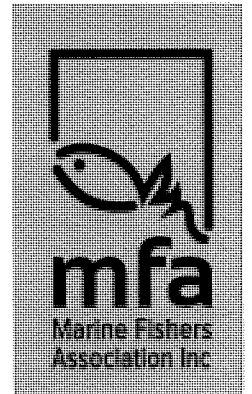
----- Original message -----

From: Primary Industries and Regions SA
Date: 23/6/20 11:20 am (GMT+09:30)
To: [REDACTED]
Subject: Marine Scalefish Fishery reform - new information available

[View this email in your browser](#)

PIRSA **news**

Quality Fish, Local fishers since 1836



Hon. Tim Whetstone
Minister for Primary Industries and Regional Development
Level 10, 1 King William St;
ADELAIDE SA, 5000

24th June 2020

Dear Minister,

Re: Industry Views on the Issue of 'Owner/Operator' in the Marine Scalefish Fishery

Thank you for the opportunity for the MFA to provide you with recommendations and suggestions on this issue, as part of the Government's Reform Process of the Marine Scalefish sector.

The views contained in our submission (attached) are the result of wide consultation with all licence holders and represent a consensus view on the issue from the industry.

We look forward to continuing to work with you and your Department on other aspects of this reform process.

Yours sincerely,

Dr. Gary Morgan
Executive Officer
Marine Fishers Association

eo@mfasa.org.au

Tel| 0419 010132

MARINE SCALEFISH INDUSTRY VIEW ON THE ISSUE OF 'OWNER-OPERATOR'

Marine Fishers Association (MFA)

June 23rd, 2020

Summary:

The MFA has consulted extensively with licence holders on the owner/operator issue of the MSF reform process. The MFA has also drawn on the experiences of other countries who have introduced an Individual Transferable Quota (ITQ) system and have incorporated the lessons learnt from those countries, as well as licence holder feedback, into the following recommendations and suggestions. These recommendations take into account the Government's desire to reduce 'red tape' and therefore are designed to be simple but effective.

1. 89% of licence holders support maintaining the MSF as an owner/operator fishery.
2. Their main concern is the 'corporatisation' of the industry with a small number of operators eventually owning most of the quota – this concern is justified given the experience in other countries and in Australian Commonwealth fisheries.
3. The Minister has advised that the TACC for quoted species would be set annually. There is broad agreement with this, providing the TACCs (a) are set by a Government/Industry Management Advisory Committee (MAC) and (b) include consideration of other sectors (e.g. recreational fishers, other commercial fishing sectors) that have access to marine scalefish species.
4. Suggestions, based on licence holder experience and lessons from Australia and other countries, for restricting quota trading to maintain the owner/operator status of the fishery are:
 - a) Quota/ITQ only to be allocated to MSF licence holders
 - b) Quota/licence holder must be (i) a South Australian resident (ii) must own a fishing vessel in survey (iii) must have a marine qualification (e.g. Coxswain's certificate) and (iv) must have an MSF licence. In other words, an owner-on-board, or "boots-on-deck", provision.
 - c) Quota or licences cannot be held by third party interests unless it is a recognised banking or financial institution.
 - d) No more than one licence to be held by any single individual or corporate entity. If an individual wants to buy a second license to

increase unit holdings then yes, they can, but it merges into one license and the second is removed from the system.

- e) ITQ holders must not lease out more than 50% of any quota units held - must personally fish 50% of quota units.
 - f) Impose a cap on quota aggregation by any single entity or beneficial owner of 10% of the TACC. It is recognised that this can be avoided through corporate structures, but it should deter excessive aggregation.
 - g) Allow one registered master only for fishing on each licence and a master can only be on one licence (stops a registered master using multiple licences) – this would provide an 'apprenticeship' for new entrants to the fishery.
 - h) Relief masters restricted to 4 x one-week blocks annually (Relief masters only – no hired skippers!).
5. To assist new entrants into the fishery, the Government should only allocate 90% of quota annually, leaving the remaining 10% in a 'quota bank' which can be made available, on (annual) application by new entrants to the fishery, at a discount to commercially-available quota. If the 'quota bank' is not fully utilized by new entrants, then the remaining balance to be offered through a competitive tender/auction to existing licence/ITQ holders
-

Introduction:

A key part of the ongoing reform process for the marine scalefish fishery (MSF) is the introduction of total allowable commercial catch (TACC) for 4 key species and the allocation of that quota to individual licence holders as an Individual Transferable Quota (ITQ). These ITQs would, as the name suggests, be tradeable on the open market.

In general, setting TACCs and ITQs is seen as an efficient mechanism to allow fishers to arrange their fishing operations so that they can take their quota at the least possible cost while meeting a range of legislated biological, economic, and social objectives.

However, the introduction of TACCs and ITQs in a multi-species fishery such as the MSF is, based on experience in other States and countries, fraught with difficulties. This issue will be elaborated on in a further communication.

Limiting Transfer of Quota – the issue of owner/operator

While freely traded ITQ's can be expected to deliver greater economic efficiency and hence economic benefit, variations on completely transferable quota can, and have been considered to achieve economic, social, and/or administrative objectives. In South Australia, for example it has been recognised that *"Valuing fisheries more broadly than in terms of economic contributions and economic viability has merit with regard to small-scale fisheries"*.

Some countries take the view that Government's obligation is to provide a framework that provides for the achievement of economic efficiency and generally avoids mechanisms that act as subsidies or protection and interfere with the operation of the market.

However there are often good reasons to modify this approach and many countries with experience in ITQ management are moving to some sort of restriction on quota trading. This is in recognition that addressing social or other objectives (such as restricting foreign ownership, ensuring the continuance of small regional fisheries etc) is important although this may mean a reduction in the direct economic benefits being generated by the fishery. In Canada, for example, there was concern that *"Quota management in Canada has driven social change as trade systems centralise holdings and small coastal communities lose components of fishing practice and communities"*ⁱⁱ. As a result, Canada has decisively moved to restrict quota trading.

One such reason, and often the main reason, for Government intervention in the proposed ITQ market is that of preserving owner-operator arrangements to ensure the continuance of small, community-based fisheries.

The MSF is South Australia's oldest fishery (apart from whaling) and was established as a distinct fishery by 1836. Licence holders are generally sole operators and operate out of ports across regional South Australia, supplying local fish to local markets.

Licence holders are an essential part of their communities. In 2018/19, MSF licence holders, as a whole, spent a minimum of approximately 4,928 hours per month on community-support activities, such as Marine Rescue and Recovery and volunteering for the CFSⁱⁱⁱ.

The average of licence holders in the fishery is 59 years and, in 2020, the number of years that individual licence holders in the MSF had owned fishing licences ranged from 1 year to 60 years, with an average length of ownership by individual licence holders of 26 years. Several fishing families have had family members working in commercial fishing for a number of generations. The number of generations involved in commercial fishing ranged from 1 to 6, with the average 2^{iv}.

In summary, the MSF is, and has been for many years, an owner-operator fishery, and an integral part of, and contributor to, the culture and economy of local coastal communities in the State.

Experiences from other countries/States

Not surprisingly, there have been many examples of experiences with ITQ management, both as a 'pure' (i.e. freely-traded quota) ITQ management arrangement and also with 'restrained' quota trading to achieve social or other objectives.

In general, the experiences have shown:

- Quota aggregation will almost certainly occur under a freely-traded quota system. Some countries have regulated aggregation limits, while other have relied on non-fisheries commercial law such as federal antitrust laws in the United States For example:
 - In Iceland, the amount of quota owned by their 24 biggest firms increased from 25% to 50% over a 10-year period
 - In Alaska, the number of Alaskan halibut quota holders decreased by 24% and Alaskan sablefish quota holders by 18% over 18 months
 - In New Zealand's inshore multi-species fishery, the number of quota holders decreased by 24-26% over 10 years, depending on area^v. This has resulted in a community backlash, petitioning the Government to buy back quota¹.

¹ A program called RescueFish. The idea behind RescueFish is for the New Zealand Government to buy the fishing quotas back so the Government and the New Zealand public regains control over the fishing stock. If this is done, then there should be more freedom to manage the fish stocks and the government could then earn money leasing out parts of the fishing quota to the commercial sector and this would provide funds to do the research needed to better understand our fish stocks. The rationale for this is "Over time, quota has ended

- Northern Zone and Southern Zone rock lobster fisheries in SA have seen considerable quota aggregation since they went to ITQ management^{vi} with foreign investors (from New Zealand, New Caledonia) owning significant amounts of quota.
- In Canada's Pacific Halibut fishery, owner-operators owned and caught 90 percent of the halibut when ITQ arrangements were introduced in 1991. Twenty-five years later, in 2016, owner-operators caught 45 percent of the halibut and owned just 15 percent of the quota. In addition, owner-operators also hold just five of 12 seats set aside for license holders in the advisory committee process. Investors hold the rest^{vii}.

Despite extensive literature searches and inquiries to international fisheries colleagues, I can find no example globally where quota aggregation did not take place when ITQs were introduced and the quota rights became separated from catching rights.

- Investors will increasingly dominate the quota holding and will/may earn income by leasing quota or trading quota. This is a trend that accelerates during a low-interest environment. See, for example Appendix 1. In New Zealand, the trading of quota (Annual Catch Entitlements) is now a bigger business than actually catching the fish. In the New Zealand rock lobster fishery, the trend towards corporate ownership of quota has also resulted in fishers (who either lease quota or work as employees of the corporate quota owner) becoming disengaged from fisheries management forums and less concerned with marine stewardship^{viii}. Unsurprisingly, this empowers quota owners at the expense of fishers^{ix}. In Canada, licence and quota markets "more closely resemble a speculative stock market than a fisheries management tool"^x.
- If the fishery remains sustainable, quota prices will increase as quota trading becomes 'the business', not fishing. This has occurred in all of the countries mentioned above. As a result of this, new entrants to the fishery find it difficult to enter the fishery because of the high cost of quota. New entrants may lack capital or collateral to obtain finance to purchase quotas.
- Quota is increasingly not utilised in full as a result of (i) the difficulty of finding fishers to operate or to lease the quota and (ii) the trading of quota becoming a more significant business than actual fishing in some fisheries. This has occurred in New Zealand, Canada, and the USA
- Foreign investment may become widespread in the fisheries sector. This has already occurred in SA's rock lobster fisheries as well as USA, Canada, Norway, and other countries

up in the hand of only a couple of companies who lease the quotas to fishers. With this, the Government has lost control of the fish stocks.

What other Countries/States have done to address these problems.

Most countries that have introduced unconstrained quota trading have since moved to impose restrictions on quota trading. These include Canada, Alaska, New Zealand, and many other countries. For example, in 2007, Canada's Department of Fisheries and Oceans (DFO) adopted the Policy for Preserving the Independence of the Inshore Fleet in Canada's Atlantic Fisheries (PIIFCAF) to "ensure that [commercial] inshore fish harvesters remain independent, and that the benefits of fishing licences flow to the fisher and to Atlantic coastal communities." New Zealand has enacted similar constraints including providing quota exclusively to local communities (such as the Chatham Islands) rather than having a tradeable quota system.

Views of the MSF Industry on 'Owner-Operator'

The MFA has sought the opinions of licence holders through several approaches, these being:

- A mail-out to all licence holders seeking their views as to whether they want to retain the owner/operator system and, if so, how this could best be done.
- Convening local 'think tanks' of licence holders, hosted by MFA Executives, to 'workshop' the owner/operator issue.

From these licence holder engagements, the following views have been expressed:

1. 89% of licence holders who have so far responded (approx. 55% of the total number of licence holders) support maintaining the MSF as an owner/operator fishery. This only includes all responses to date, which are still coming in, particularly by mail.
2. Their main concern is the 'corporatisation' of the industry with a small number of operators eventually owning most of the quota – this concern is justified given the experience in other countries
3. A small proportion, 11%, of the industry (mainly larger businesses or potential investors) support the free, unrestricted trading of quota.
4. The Minister has advised that the TACC for quoted species would be set annually. There is broad agreement with this, providing the TACCs (a) are set by a Government/Industry Management Advisory Committee (MAC) and (b) include consideration of other sectors (e.g. recreational fishers) that have access to marine scalefish species.
5. Suggestions for restricting quota trading to maintain the owner/operator status of the fishery include:
 - a. Quota/ITQ only to be allocated to MSF licence holders
 - b. Quota/licence holder must be (i) a South Australian resident (ii) must own a fishing vessel in survey (iii) must have a marine qualification (e.g. Coxswain's certificate) and (iv) must have an MSF licence. In other words, an owner-on-board, or "boots-on-deck", provision.

- c. Quota or licences cannot be held by third party interests unless it is a recognised banking or financial institution.
 - d. No more than one licence to be held by any single individual or corporate entity. If an individual wants to buy a second license to increase unit holdings then yes, they can, but it merges into one license and the second is removed from the system.
 - e. Quota owners must not lease out more than 50% of any quota units held - must personally fish 50% of quota units.
 - f. Impose a cap on quota aggregation by any single entity or beneficial owner of 10% of the TACC. It is recognised that this can be avoided through corporate structures, but it should deter excessive aggregation.
 - g. Allow one registered master only for fishing on each licence and a master can only be on one licence (stops a registered master using multiple licences – this would provide an 'apprenticeship' for new entrants to the fishery.
 - h. Relief masters being restricted to 4 x one-week blocks annually (Relief masters only – no hired skippers!).
6. To assist new entrants into the fishery, the Government should only allocate 90% of quota annually, leaving the remaining 10% in a 'quota bank' which can be made available, on (annual) application by new entrants to the fishery, at a discount to commercially-available quota. If the 'quota bank' is not fully utilized by new entrants, then the remaining balance to be offered through a competitive tender/auction to existing licence/ITQ holders.

Appendix 1:

Abstract.

Marine Policy is a major, peer-reviewed journal of fisheries management

Rise of the investor class in the British Columbia Pacific halibut fishery. Marine Policy, 109, pp. 34-46 (2019)

Individual transferable quotas (ITQs) have been promoted as a management approach to address many of the economic and conservation challenges encountered in fisheries. ITQs are expected to improve fishery outcomes based on assumptions about who owns the quota, how ownership is transferred and how ownership incentivizes stewardship. Changes in the ownership profile of the British Columbia Pacific halibut fishery were examined over a 25-year period. This analysis revealed that, despite the halibut fishery traditionally being an owner-operator fishery, with owner-operators owning and catching 90% of the halibut in 1991, owner-operators have been increasingly marginalized in the fishery, catching 45% of the halibut in 2016 while owning 15% of the quota. The original grantees of quota from 1991 continue to own over half of the quota, and original grantees comprised half of the owner-operators active in the fishery in 2016. However, these original grantees have been steadily becoming a new investor class, non-existent in 1991, alongside new investors who have bought into the fishery as a source of income from leasing. A new dynamic has emerged in the fishery, with the separation of quota ownership from fishing operations. This raises questions about the assumptions underpinning the rationale for ITQs as an efficient market-based mechanism for fishery management and as a means to improve stewardship incentives. Also questionable are the equity, the long-term viability, and the objectives this fishery is serving with this new ownership structure.

References:

ⁱ Cartwright, Ian (2014) *Australian fisheries Management forum: Workshop Adelaide, March 2014*. FRDC Occasional Publication 119, Canberra, ACT

ⁱⁱ Stephenson, R. (2014) *The changing landscape of fisheries management: the Canadian experiences*. In L. Joll, I. Cartwright and S. Sloan (Eds), *Australian fisheries Management forum: Workshop Adelaide, March 2014*. FRDC Occasional Publication 119, Canberra, ACT

ⁱⁱⁱ BDO/Econsearch (2020) *Economic and Social Indicators for the SA Marine Scale Fishery, 2018/19*. Page 39

^{iv} BDO/Econsearch (2020) *Economic and Social Indicators for the SA Marine Scale Fishery, 2018/19*. Page 42

^v Edwards, M. (2005) *The Administration of Fisheries Managed by Property Rights*, Food and Agriculture Organisation of the United Nations (FAO). Tech. Paper 473

^{vi} Morgan, G (2007) *Case Studies in the Allocation of Transferable Quota Rights in Fisheries: Initial Allocation of Harvesting Rights in the Fisheries of South Australia*. Food and Agriculture Organisation of the UN (FAO), Fish. Tech. Pap 411, pp 136-43

^{vii} Edwards, D. & E. Pinkerton (2019). *Rise of the investor class in the British Columbia Pacific halibut fishery*. Marine Policy, 109, pp. 34-46.

^{viii} Edwin et al (2006) *Case Studies in Fisheries Self-Governance*. Food and Agriculture Organisation of the UN (FAO), Fish. Tech. Pap 504, pp 303-05

^{ix} Simmons, G. et al (2017). *New Zealand's fisheries quota management system: on an undeserved pedestal*. University of Auckland, The Conversation

^x House of Commons, Canada (2019) *Standing Committee on Fisheries and Oceans calls for changes to British Columbia's Commercial Fisheries Quota Licensing*. News Release, May 7, 2019, Standing Committee on Fisheries and Oceans

Presser, Jon (PIRSA)

From: [REDACTED]
Sent: Tuesday, 30 June 2020 8:57 AM
To: PIRSA:MSF Reform
Cc: Gary Morgan
Subject: Stage 1 info-MSF Reform

Key points in Pirsas Stage 1 Reform info and Minister's accompanying letter....

Letter....." ...too many fishers and too few fish"

....." ...management proposals.....extensive consultation...further refined by expert advice and latest scientific information"

Stage 1 Info..... "RBC levels...maximum level of catch to maximise production while avoiding overfishing"
....."indicative catches informed by latest stock assessments"

I agree with the zone setup proposed

With the figures provided of the RBC and TAAC for the different zones and the 3 yr average of catches across those zones ...the only fishery which is above the RBC is the garfish fishery in both gulfs Even if you go on TAAC figures the only fisheries above 100% are garfish fishery in both gulfs and calamari fishery in St Vincent/K.I.

The west coast K.G.whiting fishery only catches 20% of TAAC and 14% of RBC These figures are clearly reflected across the species/zones....what we are catching is well below what you recommend as the TAAC..."total allowable commercial catch"

I therefore put it to you that we don't need ITQ's to manage those fisheries. which are clearly under both RBC and TAAC The catches can be monitored by Catch and Return data and whatever is currently in place Quota's are expensive to run and administer (with most of the costs borne by the fishers)....this just puts the fishers that are left after the buyback with extra costs and defeats one of the objectives of the Reform....reduced red tape and more economically viable Is Pirsas prepared to wear all the costs of implementing a ITQ??.....when it is clearly not needed.

[REDACTED]

Marine Scale Net Fishermen's Association Inc.

C/- PO Box 1062
CLEARVIEW SA 5085

9 July 2020

Prof. Gavin Begg
Executive Director
PIRSA Fisheries & Aquaculture

BY EMAIL

Dear Gavin

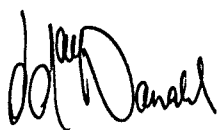
The following information is provided in order to put the MSNFA's position on the process of allocation under the MSF Reform. This is provided in response to the recent "Marine Scalefish Fishery Reform – Stage 1 information" sent to licence holders.

As has previously been conveyed to PIRSA, the position of the Association, as established at licence holder meetings, on any allocation process includes the following:

1. The allocation must reflect the nature of a licence's entitlements and the specialisation that has driven (e.g. inshore haul net and garfish, inshore longline / handline and snapper). This reflects the specialisation of fishers due to the management framework implemented by government over many decades. This reflects the access and rights permitted, such as removing net access to snapper and the depth restrictions on hauling nets limiting the species that can be targeted.
2. Any allocation in the MSF should recognise a component based upon holding a licence in the MSF together with the nature of any access permitted to key species based upon gear type.
3. The catch history of an individual licence should establish the economic dependency of individual rights holders, which must also be recognised through any allocation process.
4. As such, an allocation must collectively recognise the components of a licence and its entitlement (gear type / species access) together with catch history. These values should provide for the basis of the allocation.
5. The above approach should recognise the basis of the access right and catch history at a ratio of 50/50.

As is clear from the above position, the nature of access and rights has been significantly driven by historical fishery management decisions, which has meant that not all licences are not necessarily equal. These decisions have constrained the nature of individual licence holder operations and therefore catch history and as such must be a key driver of the outcome of the allocation process.

Yours sincerely



Executive Officer

CONTACT - Ph: 0409559995 Email: neil@nmac.com.au

SUPPLYING FRESH LOCAL SEAFOOD FOR SOUTH AUSTRALIANS

Introduction

I am thankful for the opportunity to have an input into the owner operator policy. A revitalization of this policy along with the rules review will complement the marine scale fishery reform well and put it in a good place for the fishery to have every success that this great industry deserves. In developing the below, I have incorporated as many shared concepts as I could from those whom I have spoken with.

History of owner operator

The owner operator policy has been in the past and up to the present time an integral component of the marine scale fishery's effort control management system for the last few decades. As is currently the case the policy is a key component to an effort-based input-controlled fishery with the policy's intention to couple the fishing license with the owner having to be present on each and every fishing trip that is utilized by the license owner. There is some exception to this general principle.

One being that the license is allowed to employ the service of one relief master annually with the individual relief master at this time, sensibly being allowed to be employed on only one license per year with a maximum of twenty-eight days of effort allowed to be expended by the license in blocks of no less than one week per relief period. Over time this particular policy of the twenty-eight relief master days has had some different variations as the government has had the need to alter this arrangement when this scheme was not working as it was originally intended.

Another variation to the general principal is that if a license owner possesses multiple licenses, than the owner is permitted to employ replacement masters for those other licenses, other than the one license that the owner operates themselves as the owner is physically not possible to be aboard another vessel working the other license at the same time. This is a responsible exception to be in place at this point in time although in my opinion this should be altered into the future.

Further back in time, far enough in the past that I can only recall broad details without researching archaic documentation there were, more relaxed policies in place for owners of fishing licenses and the personnel working for the owners of the fishing licenses. At the time of the beginning of my fathers' fishing career during the late 1960s he worked as an agent under from my grandfather's fishing license. At that time the owners were allowed to employ agents on the license thus allowing the employees of a fishing license owner to work on a separate fishing vessel, essentially under the authority of the fishing license owner. I am sure that there would have been conditions to this provision like number of agents, type of fishing gear allowed etc.

This provision has been changed over time as the government realized that reducing fishing effort was required to manage fish stocks effectively.

As we now know all of the above was/and is not as successful as it could be. Accordingly, there is a need for an overhaul of this policy along with the restructuring that our whole fishing industry sector desperately requires.

The future of the owner operator policy

It is essential that into the future we have an owner operator policy that enables the correct balance for the growth, prosperity, fish stock sustainability and importantly the sustainability of South Australia's oldest and most visibly accessible fishery. We can achieve this comfortably at this moment in time as we are embarking on the biggest restructure in our beloved industry's history, therefore opening the pathway of opportunity and positive change.

The fact that we are shifting from a fishery that is currently baring the burden of being constrained by ever increasing input control mechanisms to a modern output (ITQ) managed fishery will make the task of relaxing the owner operator policy achievable.

Eventual renewal of the personnel of our current owner operators is a key issue within the reform process as to ensure the success of this industries future. This is because the average age of license holders is well into the high fifties so it is imperative that we provide a pathway from deckhand to master to eventual license holder for our younger fishers progressing through the industry before the majority of the fleets owners are too old to go to sea any more.

It is also vital that in time we have some measured outside investment into our current stagnated industry to bring fresh ideas and approaches to things like marketing, business efficiencies and community stewardship.

It is important that the balance of eventual new owners through investment and existing fishers remaining in the industry will be considered and balanced and this position paper attempts to achieve that.

The steps forward

master arrangement

- The arrangement where a license can have one permanent master other than the owner who rightly has unlimited use to the access granted by the license. The master must be a verified employee of the business, ideally for stewardship purposes the owner's regular crew and that master for stewardship purposes is only allowed to master one license per year.
- Registration of the master is required annually upon license renewal.
- Masters can only be varied through the year by application to the government under certain more permanent circumstances i.e. redundancy, ill health etc.
- Provision be made for a relief master in addition to the licenses regular master.
- The relief master position would be time limited and these conditions can be examined later but could be something in the nature of a maximum three months taken in minimum fourteen-day blocks.
- Relief masters are required to be limited to one license per year and registered with the government at license renewal time and the relief master is permitted to be registered to only one license per year.
- The relief master would be required to pre report the permitted fishing time block period by notification through electronic means to PIRSA fisheries.
- Operatorship of the license's registered fishing vessel would be recorded daily before or during departure by means of electronic reporting for compliance purposes.

The above position is a balance between the pre and post reform periods and strikes a position of freeing the current restrictive policy and completely opening up in a more unlimited setting that may be the case in other less socially competitive fishing industry sectors.

The above position has given strong consideration to the marine scale fish industries social stewardship and therefore it may weigh more conservative because of that than would be usually expected in an ITQ fishery.

The above essentially frees the owner to work on making the small business better in any way that is appropriate, for example industry promotion and representation, marketing and or developing new technologies and innovations. While the owner is doing the fore mentioned activities, the master is catching fish to provide the stock in which the business must have to trade. The replacement master can be used if the regular master wants to have a break from work and would hopefully be the businesses usual deckhand. This system would be a great benefit for succession planning and that is something that is lacking in the marine scale fishing industry.

This position will need to be reviewed in a time period that government considers relevant and it should be considered that the above concepts could be altered as the reformed industry takes shape into the future.

ownership arrangement

- Ownership of SA marine scale fish licenses are to be available for any Australian citizen or entity only and not to be made available to non-Australian residents or entities.
- Quota and license trading to be temporarily restricted to those owners of marine scale licenses current at the time of commencement of the reformed fisheries beginning for an appropriate period of time (two to three years or to be determined) to enable trading between the current at that time, fishery participants to allow for a balancing or repositioning of their business and family needs and also to meet the fishers expectations of quota ownership.
- Ownership is to remain less than twenty percent of any single quota species and or marine scale licenses in a management region.
- A SA marine scale license must be possessed by a person or business entity to own or trade quota unless a participant of another SA fishing sector i.e. rock lobster, with those other sectors being limited to transfers of quota between their own industry sector and within their own sectors original quota allocation.
- The condition of ownership of marine scale fish quota within the fishing sectors within SA that are not marine scale M licenses should in the appropriate timing (three to five years) be required to merge with the marine scale fishing industry sector to become one united M licence industry.
- Quota amounts can be traded permanently without restriction, provided the receiver does not breach the twenty percent ownership rule.
- Leased or temporary quota transfers to be traded in parcels of adequate amounts (kilograms/tonnes to be determined) to ensure that it is transferred to fishing businesses of appropriate scale.
- Quota can be traded permanently or leased annually without restrictions of the amount traded provided the maximum twenty percent rule ownership is not breached regardless of the amount of quota remaining with the licence that the quota was transferred from even if that value is zero.
- A marine scale fish license that does not have any quota of a key species registered to it at the start of a license year period will not be permitted to participate in the marine scale fishery to target secondary or other SA fish species.
- It needs to be determined what minimum amount of quota of a key species that needs to be registered on a license for that license to be able to participate in the fishery.
- Licenses are permitted to have as little as zero quota endorsed at any point in the licensing year although they will not be permitted to fish until the recommended amount of quota is acquired and will incur an appropriate management fee for administration.

The above positions will need to be reviewed in a time period that government considers appropriate and should be considered that there may be the need for alteration as the reformed industry improves into the future.

Large scale corporate ownership is a myth created and proliferated by those that are afraid of, or are fundamentally opposed to change. It is fact that all involved in this momentous reform of our industry share to some degree a level of anxiousness linked to transformation. There is no reason to overburden a reformed itq managed marine scale fishery with barriers to artificially constrain ownership.

This fishery is struggling at present and will for some time into the future and it can be expected to take a reasonable amount of time for it to be transformed into a highly profitable, sustainable and socially viable industry. Corporate investors will not be concerned with speculating on an industry that is facing the challenges that are coming to this fishery, Although I predict this will be the case there are sensible provisions placed into the steps forward part of this document that will give time for readjustment by the current industry participants. Especially as this fishing industry will be operationally constrained by methods of harvest that are socially and ecologically sound and that is how it must be, that will also be a deterrent for large corporate ownership to take control of this fishing industry sector. Given that this is the case it is vital to encourage a regeneration with a steady timely flow of new entrants/investment into the fishery responsibly. In due time if the constraints to ownership are balanced well the industry will raise its collective intelligence and knowhow and that is greatly needed by this small fishery.

summary

The positions in this brief document are not final and there are many issues of timing, values and other details that need to be further advanced. The ideas within this paper are at a point for government and industry to improve upon. That said I firmly believe at this point in time that the details raised within this documents content provides for a realistic and achievable beginning for renewal of the owner operator policy.

Written by

██████████



Peter
TRELOAR MP
Member for Flinders



2020/0104

Hon Tim Whetstone
Minister for Primary Industries
GPO Box 1671
ADELAIDE 5001 SA

Dear Minister

Tim,

I write on behalf of my constituent [REDACTED] who has sought my assistance with a fisheries matter. [REDACTED] has a cockle endorsement attached to his Marine Scale Fishing Licence, and pays licence fees for both.

Despite having access rights to both fisheries, current regulations prevent him from fishing finfish and cockles concurrently. [REDACTED] would like to retain both licences, but detach them from the one overall licence to allow for flexibility in his business operations.

Given that fisheries reform is currently being undertaken, I believe it a timely request for consideration. Indeed, other licence holders are investigating ways to apply their licences more flexibly.

I thank you for your time and look forward to your response.

Yours Sincerely

PETER TRELOAR MP
Member for Flinders

14 / 7 / 2020

Presser, Jon (PIRSA)

From: Begg, Gavin (PIRSA-SARDI)
Sent: Friday, 7 August 2020 1:11 PM
To: Presser, Jon (PIRSA)
Subject: FW: Letter of response regarding Vongole tagged containers

Categories: MSF Reform submission

Hi Jon – feedback to include

From: [REDACTED]
Sent: Friday, 7 August 2020 11:51 AM
To: Smith, Tina (PIRSA) [REDACTED]
Cc: Shanks, Steve (PIRSA) [REDACTED]; Begg, Gavin (PIRSA-SARDI) [REDACTED]
Subject: Re: Letter of response regarding Vongole tagged containers

Hello Tina

Thank you for your response and I'm happy and I fully appreciate Of all theTime And hard work That's gone into this To get us to factory weight for Vongole
But I just like to say that beach weight /factory weight for other species (Squid/whiting/garfish) going to quota will be unworkable Because of ice/water in Eskis just my thoughts of a fisherman of 26 year and been apart of 3 quota managed fisheries

Thanks again for our factory weight for Vongole
[REDACTED]

Sent from my iPhone

On 7 Aug 2020, at 10:28 am, Smith, Tina (PIRSA) [REDACTED] wrote:

Dear [REDACTED]

Please find a letter of response from the Executive Director.

Regards, Tina

Tina Smith | Coordinator Business Support
Fisheries and Aquaculture | **Primary Industries and Regions SA - PIRSA**
Government of South Australia | 2 Hamra Avenue, West Beach
GPO Box 1671 Adelaide SA 5001

[REDACTED]
pir.sa.gov.au

<image001.png>

<image002.png>

<image003.png>

<image004.png>

<image005.png>

<image006.png>

**Service | Professionalism | Trust | Respect | Collaboration & Engagement | Honesty & Integrity
| Courage & Tenacity | Sustainability**

Disclaimer: The information in this e-mail may be confidential and/or legally privileged. Use or disclosure of the information by anyone other than the intended recipient is prohibited and may be unlawful.

<Letter to [REDACTED] re tagged container system.pdf>

14 August 2020,

To PIRSA,

We have a number of concerns in regards to the historical catch history that has been recommended for use in allocating ITQ for the GSV Snapper fishery in particular. The recommendation is for the 2010-2016 seasons to be averaged over the 5 best years and a share will be allocated.

There are a number of complexities that have been overlooked by the independent panel.

Firstly, the snapper catch history prior to 2010 for GSV has traditionally been low, under 75 tonnes most seasons leading up to the boom. The 6 years between 2010-2016 we had record snapper catches and a huge influx of fisherman cashing in on easy fishing, resulting in 500 tonne catches yearly. This increase in activity is a huge factor in why we currently are banned from catching snapper.

In recent years the fishery has reduced back down to only a few operators targeting snapper in GSV, total yearly figures are down to around 120 tonne. Mainly due to the fish being harder to catch, and a majority of fisherman have returned to targeting the species they had prior to the snapper boom years.

Adhering to the current recommendations on ITQ, a fisherman that caught 30 tonne of snapper in 2013, but has not targeted snapper in the last 5 years will qualify for snapper ITQ allocation, the fisherman who have continued to target snapper since that period all the way through to 2020 will also qualify but will be competing with someone who has no recent activity, which defies logic if we are trying to reduce pressure on the snapper stock and make it a viable business.

In 2012 there were around 30 commercial boats targeting snapper heavily in GSV, most of these operators will now be entitled to snapper ITQ allocation even if they have no recent snapper fishing activity, ie: last 3 years. This is a ridiculous oversight to say the least.

PIRSA sent an investment warning and catch history advice letter out to licence holders in 2016, up holding this letter is ludicrous. It is now history that has no relevance in our current fishery. If 30 operators are allocated ITQ entitlements for the 2010-2016 period it will be unviable for any of them to make a living. We will have a TACC of around 100 tonnes if lucky in GSV, splitting that up between 30 licence holders equates to 10 days fishing at our previous daily limit of 350 kg. With estimated licence fees around \$10,000 in the future, it's not hard to do the maths.

We feel as a group that to be eligible for catch history at all you must have some relevant catch history or fishing activity for the targeted species in the most recent 3 years, 2017-2019. It may be possible to apply a split of 20% for history prior to 2016, 60% for current history 2017 to 2019 and the remaining 20% equal share to all licence holders. It may complicate the allocation more, but will be a more accurate way of allocating current operators the quota we need across all the 4 key species. While keeping current fisherman who have been actively targeting these species at the top of the agenda, which is important moving forward. This will allow Operators who are currently catching a majority of the yearly catch the ability to continue to do so, without too much financial burden on buying quota from old history entitlements.

This will reward the fisherman who have continued through the tough times and continued to target one species predominantly. It will also stay inline with how other species moved to quota, like gummy shark which was the 3 most recent years and averaged out for those 3 years, Seems like a sensible and reasonable way of doing it.

Using 10 year old catch history is a far cry from sensible, the independent panel have not been brought up to speed on how quickly operators chop and change from species to species in our fishery. We can understand using older history if all those fisherman continued on and were engaged in snapper fishing right up until the current ban, but as it stands dozens of quota entitlements will be handed out to fisherman who haven't targeted snapper in almost half a decade or longer. This seems like a massive oversight and needs to be addressed by PIRSA.

We all rely heavily on snapper to make our living, almost 95% of our catch history is snapper alone, if we have to compete with operators that jumped in and out in the boom years this seems unjust and will completely ruin our chances to return to a viable snapper fishery.

Yours sincerely,

A solid black rectangular box used to redact the signature of the sender.

Presser, Jon (PIRSA)

From: [REDACTED]
Sent: Friday, 14 August 2020 2:11 PM
To: PIRSA:MSF Reform
Subject: Re: You're invited to provide feedback on fishing reform proposals

no one listens to us fisherman thet tell us wat they gonna do itys just public relations effort all said no quotas 100 per cent at meetings they took no notice of us an doing quotas ita all about the rich good luk eating carp thats all you will get recs will hav ball selling their fish while they policing quotas cant even catch them told stay away from ramps because of tourism an caravan parks owned by councils wat joke our pollies really are and mob criminals feathering their own greed yselves

----- Original Message -----

From: "Primary Industries and Regions SA"

[REDACTED]
Sent: Friday, 14 Aug, 2020 At 10:27 AM

Subject: You're invited to provide feedback on fishing reform proposals

[View this email in your browser](#)

Presser, Jon (PIRSA)

From: [REDACTED]
Sent: Friday, 14 August 2020 1:12 PM
To: PIRSA:MSF Reform
Subject: MSF reform

Dear Sir reading the proposed reform for marine scale fishery I have come up with these comments. First of all I think Lobster Fisherman should not have any access to King George whiting as they did not target them do not catch them as a bycatch and there isn't huge numbers down in the south east they make huge income from lobster .we can't bring in a lobster. Next point it is impossible to weigh king George whiting at a processor if u fish late or at night we have a processing licence so can we weigh our catch? The state should be open to fish in any area like if ceduna season ends we should be able to fish port turton or the south east. we already fill in fish returns every month so why change this. Also my licence is in my name so I have to ring up take a 7 day block if [REDACTED] goes without me we fish together this is ridiculous. Now on ITQ we amalgamated two licences last year so have no catch history although we fished every season with my Dad doing an apprenticeship for 8 years and leased a licence for 12 months so will we get enough quoto to make a living. thank you for taking my thoughts into account yours sincerely [REDACTED]

Watkins, Amy (PIRSA)

From: [REDACTED]
Sent: Tuesday, 18 August 2020 10:06 AM
To: PIRSA:Minister Basham
Subject: FW: Fishery Reform

From: [REDACTED]
Sent: Tuesday, 18 August 2020 9:45 AM
To: Finnis EO
Subject: Fishery Reform

Dear Hon. David Basham,

I write to you as a full time marine scale fisher of 15 years.

Myself and my family would sincerely like to thank you on your decision to allocate the fishery in the way you have. I understand that this is only a recommendation and we are now going thru a consultation period.

Without the 80/20 decision and the upholding of the investment warning myself and alot of other full time fishers in small rural communities were facing certain collapse.

This decision gave me and alot of other fishing families who rely completely upon fishing a platform to build on, and remain doing what we have dedicated our lives to do, catch fish..

I'm sure you will get alot of negativity towards this decision on how the ITQ has been proposed to be rolled out, but if you were to look into these fishers in depth you will see they have either been profiting from illegal leasing of their license, a part time fisher working a full time job, or a new entrant who has bought in after the investment warning, hoping to cash in on the hard work of others.

All of the above haven't relied on fishing to earn a living which shows in their lack of historical catch. Unfortunately this is the majority of the fishery these days, and why it was in need of restructuring.

I believe that the IAAP have done a fantastic job of compiling all the information gathered over the last 6 years this process has taken and has made the correct decision.

At the start of this process I was a member of the MFA committee that was trying to sort out all the issues fishers were facing, which in turn bought us to reforming the fishery, so it has been a very long road, thru two governments to get us here.

I'm glad it seems to be shaping into a profitable and sustainable fishery for the full time fishers who rely on it for 100% of their income, and hasn't been turned into an investor run fishery as an even split of allocation would have done.

Once again, I thank you..

Regards,
[REDACTED]
[REDACTED]

Sent from my Samsung Galaxy smartphone.

Presser, Jon (PIRSA)

From: [REDACTED]
Sent: Wednesday, 19 August 2020 4:54 PM
To: PIRSA:MSF Reform
Cc: [REDACTED]
Subject: Phase 2 Reform

Importance: High

To Whom it May Concern,

After receiving the phase 2 reform information on August 13, 2020 and analysing it, we were satisfied that all the recommendations for the reform fishery best benefited the health of the industry and voiced this opinion to the MFA. We were well aware of the Do Not Invest Order of 2016 and based our business accordingly and were also made aware that no history will be taken into account after 2016. It has come to our attention that the MFA, which is suppose to be our representative, is not representing us fisherman who followed the rules laid out and instead, is working with a select few who haven't met this criteria and is using this small percentage of license holders who entered the industry after being advised not to invest, as a majority voice which is certainly not the case.

It is of great concern to me, after working so hard and meeting all the criteria, to have the MFA undermining the phase 2 paperwork that we were happy with and in turn causing a delay to what has already been a very stressful process. We understand that in this process, there will be winners and losers, but we cannot keep adjusting the reform process to make everyone happy. If this was the case no change would ever occur.

As I feel that the MFA is not voicing my opinion to you, I will be directing my future correspondence with you and the Director of Fisheries.

In closing, I believe that the phase 2 reform is exactly what the fishery needs to stay sustainable and viable and the only way to do this is by reducing the licenses by 150 and allocating ITQ for the key species based on the history of the fisherman from 2010-2016.

Id appreciate a further opportunity to chat to you and will be available at any time on [REDACTED] or via this email address.

Kind Regards,

[REDACTED]

Presser, Jon (PIRSA)

From: [REDACTED]
Sent: Thursday, 20 August 2020 8:35 AM
To: PIRSA:MSF Reform
Subject: Re: You're invited to provide feedback on fishing reform proposals

ok
i need to know why half licences are only getting half quota if so why have I been paying full licence fees
I bought my licence before the amalgamation scheme for full price
since then I have been kicked out of netting coffins bay
I started sharking
quota for shark came in
fees were too much to warrant keeping fishing
so I sold my quota
net buyback
I sold my nets
the south Australian shark permit fees were ridiculous
I handed it back
I went dabbing gar
marine parks
I went crabbing like many others
so many as such it became unviable price crashed due to flooded markets
I went longlining bronzes
the LL rules changed
I went squidding
restructure
please mister
can you now tell me why im getting half the [REDACTED] quota
yours sincerely
[REDACTED]

On Friday, 14 August 2020, 10:27:47 am ACST, Primary Industries and Regions SA wrote:

[View this email in your browser](#)

PIRSA news

Watkins, Amy (PIRSA)

From: [REDACTED]
Sent: Saturday, 22 August 2020 10:02 AM
To: PIRSA:Minister Basham
Cc: Peter Treloar; Tim Whetstone
Subject: Marine scale
Attachments: image.jpg; ATT00001.txt

Hello Hon Mr Basham

I write to you with great concern with the proposed allocation of quota to the marine scale fishery. I am a fisherman of 26 years and have been through 3 quota allocation processes. I find it very strange that PIRSA would not let the allocation panel meet fishermen first before making up their mind as all other allocation processes have so they get the true picture of the industry not just PIRSA's side. Like that panel didn't acknowledge the 2010 snapper investment warning this would be the first time in a fishery history that new entrants get all the catch history after a legal investment warning. I believe this is legally questionable. I also like to point out that the 2016 Reform investment warning never got published till December 2017. I believe it must be December 2017 as there is a group of fishers that had no knowledge or warning from PIRSA of the warning until a year later. Even to today PIRSA aren't informing people that is a warning. I would like to suggest a compromise for all fishers. Use catch history and a base allocation as well. Then with all the history from all licenses that are removed through the buyback that history goes into a third pool called the top up pool which is spread across all the licenses from the bottom of the Allocation list up. Some might get a little some might get more doing this will build up all small allocation closer to what's called an equal split or an even allocation without taking one kilo off any remaining fisherman. This is a fair compromise. I believe if PIRSA push their plan it will end up in court and stall the reform for years which industry can't wait for. I am 100% behind the reform. Regards [REDACTED]

It must not be used in packing area, the packed shall not be taken home. The contents shall be taken to the nearest disposal point or the contents of the container shall be taken to the nearest disposal point.

If you have any question or comments about the project, please contact your industry representative, who will be providing guidance to you and the Fisheries Officer.

Investment warnings

Strategic Management arrangements are not to be interpreted. However, please be advised that if any Strategic Management arrangements require a specific condition to be followed, only the following will be considered: 2010 will be considered. Should the condition which is used for Strategic Management, it will be consistent with the approach set out below.

Catch history is the amount of fish taken by a person holder pursuant to a license issued under the Fisheries Management Act 2007. In some fisheries, when management arrangements have changed, catch history has been used as one of the relevant criteria when allocating access to resources. It is important to note that it is not policy in South Australia to recognise the transfer of catch history from one license holder to another where a license is sold or transferred.

In fact, it is policy in the assumption that catch history remains with the original license holder. That person may have their catch history recognised when re-entering the fishery with a license purchase, however:

- Catch history will only be recognised for species which can be legally taken pursuant to the new license, and
- Catch history will only be recognised for years during which the person had the license.

You are strongly encouraged not to invest in gear modifications/technology and gear efficiency (e.g. automated harvesters, droppers or trawlers, and automated sorting machines) as the gear permitted will be considered in both the Strategic Review and the Gear Review, and further limits on the gear operation may be introduced. Should any management changes consider historical fishing activity, only gear purchased prior to 21 December 2010 will be considered.

PIRSA will circulate further information for consideration by industry during the next few months. Please contact Michelle Doney, Fisheries Manager, on 8216 9966, if you have any questions regarding the review or the investment warnings.

Yours sincerely



Prof. Mehdi Doney
EXECUTIVE DIRECTOR, FISHERIES AND AQUACULTURE

Sunday, 23 August 2020

Peter Treloar MP
36 Washington Street
PORT LINCOLN SA 5606

David Basham MP
71 Victoria Street
VICTOR HARBOR SA 5211

Dear David Basham MP and Peter Treloar MP,

RE: MARINE SCALE FISHERY REFORM

I am writing to you both regarding the current Marine scale fish reform.

First, I would like to explain a bit to you both about myself. I am 38 years old and have a wife and [REDACTED] children. I have always wanted to be a fisherman since I could remember. I finished my year 12 schooling at [REDACTED] on Yorke Peninsula in 1999 and by December 1999, I had moved to Port Lincoln to follow my childhood dreams of becoming a fisherman. I worked as a deckhand on the family cray boat with my uncle [REDACTED] until the end of 2006. In this time, I had gained all the skills necessary to become a skipper of a boat myself. At the end of 2006 I had taken the chance to become a skipper for a local cray fisherman [REDACTED]. Twelve months later, he sold the boat and licence to [REDACTED] who currently owns the vessel which I still skipper. In this time, I have taught his son who has also become a skipper of another vessel they now own.

I have always wanted to own my own fishing licence, but with craypots becoming so expensive and the industry becoming more of an investor fishery this became out of reach. In July 2016, my wife [REDACTED] and myself decided to buy a marine scale licence as I had been using the 'option c' from the rock lobster licence for about ten years during the off season of cray fishing. This was going to provide us with a supplementary income from cray fishing and would fit in with the off season. I have dreams to one day do this as a full-time job as being away all summer cray fishing with young children is not ideal as I feel I have missed so much of their upbringing.

The marine scale fishing has been good to me and am growing to love this more and more. I aspire of being able to employ people and becoming a provider of fresh South Australian seafood for the general public who are unable to fish for themselves for years to come.

The first I learnt of any major changes to the marine scale sector was when I was sent a 'Notice To Fishers' dated December 28, 2017 being an investment warning (see attached document). The stage two which has just been sent out states that this investment warning

came out in 2016 which I believe is wrong. The problem is that myself and many people who purchased after the cut-off date which was stated in the reform package, are set to be disadvantaged by not having any prior catch history. If they were to consider the December 2017 date this would still be hard for some of us as we have only a few months of history in the fishery.

In my time in the fishery I put my hand up and was selected to be on the MFA forum group which I attended meetings in Adelaide with members from all stake holders in the fishery. Over a period of meetings, we had all put forward our points of view on how things could be done with minimal hurt and pain to all people within the sector. I put my hand up to do this job and sacrificed fishing days in order to get a fair outcome for all people who owned a licence, in particular for the new entrants who like myself were disadvantaged by not being in the game for long enough.

As I see it, we are the future fishermen and I believe that all licence holders pay the same fee to access the fish. So why should the people who have not had the chance to take yet or are winding back on their fishing career because of age etc, be disadvantaged in the way that is being suggested by the independent allocation panel. They are suggesting that 80% of the allocation should be based on catch history and 20% should be based on even allocation. I see many problems with this as it is rewarding people for exploiting the stocks and disadvantages the people who have not.

I have had certain individuals tell me they have been falsifying their catch returns for years just in case this was to happen as some people believe that quota of the cockles was unfairly distributed. Others have told me that they were running twice as many hooks as allowed to for catching snapper in gulf St Vincent giving them a higher catch history. I for the life of me cannot understand why an independent panel would reward people for cheating the system when all pay the right to access the fish.

I feel all the MFA forum groups meetings viewpoints, which I attended have not been considered by the independent allocation panel as there seems to be minimal, if any of our suggestions in their stage 2 information report.

I also have concerns on the projected licence fee structure, and this alone will send everyone broke. You will need a large quota to even remain in the game as you will be forced out by fees otherwise.

In the MFA forum group, we had a term of reference which states that this process was meant to allow fishers to be able to leave the fishery with dignity. I do not see the dignity in this. If I were to choose to leave, I would be set to lose 20-25 years of fishing that I have left in me. I would lose \$15,000 dollars on what I paid for my licence and would be left with about \$[REDACTED] worth of stranded assets.

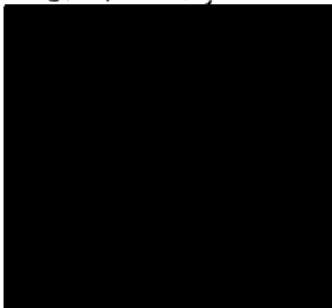
Furthermore, if I hang around which I really hope I can, the appeals process which is stated in the stage two time frame says that it starts after the closure of the buyback. So, if I stay around to have my case heard and I am unsuccessful, I will no longer be able to get \$140,000 buyback they are offering.

Older fishermen who are still fit enough and want to hang around who have been paying their fees for years but for some reason don't have high catch history in those time frames, are also going to be disadvantaged by this process. Why should an older fisherman have to sell to the buyback if they are set to receive a small amount of quota because they never fished hard in those periods. I do not see how this above is allowing fisherman to leave with dignity!

I believe that each licence should receive the same amount as they all have the same potential to fish the same and we all pay the same for the access. An even split is the fairest for all parties involved and gives the new entrant (future fishermen) the even chance to build their business up and allows the older fishermen to wind down with dignity. If they wish to stay, they also can build their business up. The people who have had enough can take the buy back. There should be no time frame for the buy back, government should be the only ones who can buy out licences until the desired number is reached and the only thing fishermen can trade is the quota units to build their businesses.

There is only one other option that I see and that is like how the Northern Zone Rock Lobster industry did it. They decided on giving a higher percentage to the base allocation to all licences evenly. Then a smaller percentage on top to the high catchers for a period of only three years to allow them to continue to maintain their way of fishing and build their businesses back up. Then after the three year period was up, the smaller percentage got redistributed back to all the licences evenly. This allowed people to readjust their business and provided a more even chance of survival within the industry.

Regards, concerned fishermen





Government of South Australia
Primary Industries and Regions SA

28 December 2017

FISHERIES & AQUACULTURE
Level 14
25 Grenfell Street
Adelaide SA 5000
GPO Box 1625
Adelaide SA 5001
DX 210
Tel (08) 8226 0900
Fax (08) 8226 0330
www.pir.sa.gov.au

NOTICE TO FISHERS – INVESTMENT WARNING

To: Holders of Marine Scalefish Fishery, Restricted Marine Scalefish Fishery, Northern and Southern Zone Rock Lobster Fishery and Lakes and Coorong Fishery Licences.

Dear Licence Holder

I write following the comprehensive review process undertaken by the Marine Scalefish Fishery Strategic Review Working Group and in response to the request from the Marine Fishers Association (MFA) for government assistance to reform the fishery.

The Minister for Agriculture, Food and Fisheries has considered the recommendations of the Strategic Review Working Group and the request from the MFA. On 27 December 2017, the Minister announced a package of measures to secure the sustainable future of the fishery.

Investment Warning

I am writing to provide you with formal notice of significant changes to the management arrangements of the Marine Scalefish Fishery in the near future. You should therefore give careful consideration to any current rights or interests and/or any future investment in the fishery pending completion of the process to reform and restructure the Marine Scalefish Fishery.

This letter is to provide an investment warning for those who have an interest in a licence with access to the Marine Scalefish Fishery and may be considering investing in the fishery including any gear modifications, technology or gear efficiencies (e.g. set lines, fish nets, fish traps). Should any management changes consider historical fishing activity, only activities prior to **30 June 2016** will be considered.

Strategic Review of the Marine Scalefish Fishery

Primary Industries and Regions SA (PIRSA) has worked with the MFA and industry over the last two years through the *Marine Scalefish Fishery Strategic Review Working Group*. This review process has been undertaken to enable industry to establish a renewed and more strategic management direction for the fishery. On 20 October 2017 the MFA presented its

position to Government on the future management direction and reform for the Marine Scalefish Fishery.

Reform of the Marine Scalefish Fishery

In response, the Minister for Agriculture, Food and Fisheries has announced a \$20 million package of measures to support restructuring the fishery. Key features include:

- Removing 100 commercial Marine Scalefish Fishery licences with a voluntary buy-back scheme – 80 longline licences and 20 net licences.
- Introducing zones and quotas for the fishery to improve economic viability and fish stock sustainability.
- The commencement date for the buy back will be July 2019, to enable sufficient time for the Government to work through the required detail with the industry.
- After commencement in July 2019, the reform process will be undertaken through a staged approach over a four year period.
- As part of the reform package, funding has been included to maintain commercial licences fees during the staged restructure process, commencing in July 2019.
- As requested by the MFA, funding for the buy back will be on a 2:1 basis, between government (2) and industry (1). A separate industry levy arrangement will be established for the industry to repay its share. This industry levy will commence in July 2020.

Catch History

The detailed future management arrangements for the Marine Scalefish Fishery are yet to be determined and will require further industry consultation. However, please note that if any management changes require a specific allocation process to be followed, only fishing prior to **30 June 2016** will be considered, which aligns with the date of the discussion paper entitled *SA Marine Scalefish Fishery Strategic Review Proposals*, circulated to all licence holders in June 2016. This is also consistent with the letter and information contained on page 10 of the *Report of the SA Marine Scalefish Fishery Strategic Review* provided to licence holders in July 2017.

A standard PIRSA process for allocation would include the establishment of an independent allocation advisory panel to determine the most appropriate allocation method, and industry input would be considered during this process. If historical activity (catch history) is to be used for allocating future access, it would be consistent with the approach set out below.

Catch history is the amount of fish that had been taken by a licence holder pursuant to a licence issued under the *Fisheries Management Act 2007* before the specified dates. In some fisheries, when management arrangements have changed, catch history has been used as one of the relevant criteria when allocating future access to specific aquatic resources. It is important to note that it has not been the policy in South Australia to recognise the transfer of catch history from one licence holder to another when a licence is sold or transferred.

Implicit in this policy is the assumption that catch history remains with the original licence holder. That person may have their catch history recognised when re-entering the fishery with a licence purchase, however:

- Catch history will only be recognised for species which can be legally taken pursuant to the new licence; and
- Catch history will only be recognised for years during which the person held the licence.

PIRSA will consult further with industry about the details of the reform process during 2018, through the Marine Fishers Association and with licence holders. For any questions relating to this investment warning, please contact Mr Jon Presser, General Manager, Fisheries Policy and Management Unit on (08) 8226 0900 or via email: jon.presser@sa.gov.au

Yours sincerely



Peter Dietman
**A/EXECUTIVE DIRECTOR
FISHERIES AND AQUACULTURE**

Presser, Jon (PIRSA)

From:

Sent:

Sunday, 23 August 2020 7:54 PM

To:

Subject:

Reform Marine Scale Consultation Meeting, Stage 2

As a new Licence Holder and owner of [REDACTED]

I understand buying in post 2016 there was an investor warning regarding reform and quota.

I understand the proposal of 80% catch history 20% quota allocation to licence owners has been brought forward in Stage 2 proposal.

If this is how the reform and quota allocation is handed out large investors will buy out the fishery and the majority of licence owners will then have a small base quota to use then have to lease in most of their quota to catch enough to be viable annually and consequently de-valuing their licences to near nothing. Not reasonable.

This may well be the intentions of PIRSA and investors.

My licence as all Licence holders buying in at any time are doing so with the long term goal of fishing for a living with a passion for what they do, and supplying quality seafoods to the Australian market.

My licence has been used for many years fishing continually as many others and **needs a far greater recognition and quota allocation** than with the current stage 2 proposal.

I have five key points I wish to convey to **Jon Pressor & PIRSA** at this point in time to bring forward fairer and more reasonable terms.

1. 60% quota allocation as a base allocation to all Licences. 40% to catch history operators.
2. All base quotas that are allocated to each licence be exempt from any quota reduction at any point in the future, so as to retain the value of a licence with its quota as a complete package to be then be a viable business to the licence owner.
3. No investors able to buy any quota for the first 3 years, **only** other SA marine Scale licence owners actively fishing in SA.
NOT investors holding licences to add quota to once a minority of licence holders receive their catch history quota.
4. Licence fees kept to viable rates not as in current proposal..
5. Investors and or investor pool to carry the greater portion of quota fees costing to cover annual PIRSA costs.

I am not opposed to investors buying quota, but I believe Licence owner / operators should be given sufficient fair and reasonable opportunity to position themselves to be viable before the investors swoop into buy out and control this fishery.

Regards

[REDACTED]



David Speirs MP

Member for Black



Hon David Basham MP
Minister for Primary Industries and Regional Development
GPO Box 1671
ADELAIDE SA 5001

24 August 2020

Dear Minister, *David*

Reform of Marine Scale Fishery Allocation for Commercial Fishers

I write in relation to concerns raised with me by my constituent, [REDACTED] regarding the current reform to the Marine Scale Fishery allocation.

[REDACTED] advises me that the current proposal seeks to allocate a sustainable quota to each of the licences and is to be distributed by allocating 20% to each licence and allocating the remaining 80% of the quota based on catch history data from 2010-2016. [REDACTED] informs me that from his understanding the allocation is based on catch history with the intent to allocate quotas to where it is being utilised.

[REDACTED] argues that the current proposal for the allocations has the potential to allow the more established fleets with larger assets, to have access to bigger allocations which could negatively impact the industry. [REDACTED] states that using catch data from 2010-2016 may not reflect the current catch data and there could be changes over that time that will not be analysed and used for the proposed changes. [REDACTED] believes that if the catch data is used then potentially the current fleet will be made unviable very quickly as result of these changes. [REDACTED] further argues that these changes could discourage those that have already invested in the fishery industry and those who are not passionate about preserving it for the long term.

[REDACTED] is concerned that these reforms to the marine scale fishery allocation could favour the large enterprises at the expense of smaller ones as well as the long-term longevity of the industry.

Your comments and advice in relation to this matter would be appreciated.

Yours sincerely,

[Signature]
DAVID SPEIRS MP
Member for Black



7 Sturt Road, Brighton SA 5048



(08) 8296 9833



facebook.com/DavidSpeirsMP



black@parliament.sa.gov.au



www.davidspeirs.com.au



PO Box 121, Brighton SA 5048

My name is [REDACTED]

I am a commercial net fisher from Pt Wakefield and have been an inshore net fisherman in St Vincent's Gulf for 52 years. I want to emphasize INSHORE NET FISHER!

For those of you that would like to know, our fishing area in St Vincent's Gulf has been reduced considerably with the implementation of Marine Parks. We also have to contend with the Proof & Experimental Establishment, who can close the whole gulf down for as long as they like, at any time to test ammunition. Not only those restrictions, but also only being able to fish in waters 5 mtrs or under.

How are we the Commercial Net Fishers expected to survive with the added pressure of Recreational Fishers also wanting their share of the fish stocks. Remember Recreational fishers are exactly that RECREATIONAL. They do not supply the wonderful South Australian fresh fish to the public legally.

'THE PUBLIC DESERVE THE RIGHT TO FRESH AFFORDABLE FISH'

I have only ever fished in St Vincent's Gulf but do realize that every gulf would have their own issues and similarities and now the government, in such a trying time with a MAJOR PANDEMIC that is putting every one of us under massive pressure is trying to implement this proposed reform! I believe that there are many flaws with this proposed reform and that the time line should be extended until 2021 AT LEAST!

Here are just some of my major concerns:

- 1 - The reform is based on removing 150 licenses from the Commercial Net & Line Fishery. Until that achieved I believe this whole exercise is a failure.
- 2 - You are creating a situation of considerable fish waste if quota is applied to Commercial Net Fishers. Has there been any thoughts regarding this situation?
- 3 - I have had a 18 point license since the points systems inception. Why should my license not be worth the maximum pay out, not the insulting figure of \$180,000. Remember not many years ago it was valued at \$240,000 - \$300,000??
- 4 - The way PIRSA intends policing quota is excessive considering there would only be 15 net fishers left in the industry. DO PIRSA INTEND TO POLICE RECREATIONAL FISHERS IN THE SAME MANNER??
- 5 - One of the most important factors effecting the fish stock in St Vincent's Gulf is POLLUTION which does not appear to being addressed by anyone!
- 6 - The proposed reform is not an easy fix and needs time to be worked through.
- 7 - Management of our industry should be a lot more accountable for our situation!

Signed:

[REDACTED]

Watkins, Amy (PIRSA)

From: [REDACTED]
Sent: Monday, 24 August 2020 3:06 PM
To: DPC:Premier
Subject: buy back scheme for commercial fisherman

Hi Mr Marshall, here on Kangaroo Island we are very concerned regarding the buy back scheme i am trying to out our case across and thought i would keep you in the loop cheers [REDACTED]

Hi David i am writing you regarding the buyback of commercial fishing licences, we on Kangaroo Island are in a unique position when we first started our business, [REDACTED] we aimed to highlight all that the island has to offer caught from the pristine waters around K,I when the marine parks came in we lost many of our local fisherman and at that time we had 2 fish processing businesses here , [REDACTED]

[REDACTED] so the fisherman had only us to sell their catch to or freight it to Safcol. We have on our books 10 commercial fisherman, 2 are net fisherman that supply us with whiting, snook, garfish, Australian Herring, and Salmon Trout most of which is mainly caught by net apart from King George Whiting and Snook. we have 5 full time hook fisherman, and 3 very casual hook fisherman, one of these full time fisherman have already put in for the buy back.

With several more considering it due to the licence increases and the great unknown of how much quota they will get. At the moment the fisherman tend to think there may be only 2 fisherman left for the Island which directly effects our business. We do not purchase S.A fish from safcol as we rely on local supply. We have been in business for 15 years and have worked very hard to supply locally caught seafood to hotels on and off the Island, as well as B&Bs , Cafes and restaurants as well as our own cafe where the public can see the fish being filleted and then cooked. We have won numerous awards throughout the years and just recently been placed in the top 10 world wide by Travellers Choice and enabled us to employ 8 full time staff, of which if this buy back turns out like we anticipate we will have to lay off several staff, and if the local seafood becomes unavailable we will loose our wholesale part of the business as well. We are only a small part of the big picture but we are the only seafood processor and retail outlet for marine scale fish, and have prided ourselves on showcasing the best that South Australia has to offer and built the business to a \$1.4 million turnover.

We also have great concerns for our local fisherman for most of them fishing is all they know, and there is little opportunity for them on the Island to do anything else, these fisherman have lost so much over the past years and most are at breaking point.

So i know i am probably wasting my time, but i feel very passionate about our business and all the individuals that help us be what we are today. There must be some common ground to this buy back as if we loose our fisherman the whole Island looses and the Island economy.

Yours Truly

[REDACTED]



TO:

The Honourable David Basham MP

71 Victoria Street

VICTOR HARBOR SA 5211

RE: Reform of Marine Scale Fishery

Dear Mr Basham,

I write to you as a concerned Marine Scale Fishing licence holder.

Firstly, I would like to provide you with some information about myself and family. I am [REDACTED]
[REDACTED] I moved to Port Lincoln to begin my childhood dream career as a fisherman in 2005 when I was 19 years old, studying at TAFE and then working as a deckhand of a cray boat. I quickly gained the qualifications to become the skipper of a cray boat and did so up until 2017.

I then began fishing full time on my Marine Scale Fishing Licence which we had purchased in August 2016. I have successfully worked the Marine Scale Fishing Licence full time up until November 2019 when I took a deckhand job on a prawn trawler, due to the uncertainty surrounding reform and the future structure of the Marine Scale Fishing industry.

I am also actively contributing to the MSF as:

- [REDACTED]
- [REDACTED]
- [REDACTED]

[REDACTED] my wife, in addition to being involved in our family business is an active member of the community:

- [REDACTED]
- [REDACTED]

-
-
-
-



My wife's strong dedication and active participation in our community is in part facilitated by the flexibility our industry provides.

We are hard working South Australians who believe in:

- strong community values
- being involved
- work-life balance
- fairness and equality
- passing on knowledge

We aspire to build a business that is sustainable, profitable and that gives back to the community. That includes, in addition to the endless flow on effects of small business, direct employment opportunities for 1 or 2 part time deckhands and 4-5 part time positions processing our fish.

The South Australian Marine Scale Fishery is an artisanal industry that's value to South Australia is hard to quantify into dollar terms alone. It goes far beyond its relatively small GVP of around \$24 million. It is part of the fabric that adds to the overall charm and appeal of South Australia for over a century. The path reform is taking is set to lose these benefits forever, I urge you to consider this deeply.

Reform concerns:

- Sustainability of fish stocks has not been put first.
- Despite a reformed commercial sector, the MSF as a whole will continue to be unsustainable due to inadequate understanding and therefore inadequate management of the recreational sector.
- Reform has not been focussed on fairness and equality.
- Current reform will lead to a largely investor based fishery, that focusses largely on profit and not on sustainability or community. Small businesses will be squeezed out of the industry.
- Proposed allocation method is nowhere near fair (80/20) and is only going to benefit those ready to retire and that have substantial catch history.
- Young fishers will be forced to leave the industry before they have even had a chance to become established because their licenses have been unviable.
- Reform has largely been influenced by a small group set to benefit largely.
- Compliance and research costs are too high and not relevant to GVP. Proposed costs are between 18 and 24% of GVP, recognised worldwide industry standard is below 6% GVP.
- Compliance and research are disproportionately paid for by the commercial sector.

Reform concerns (Continued):

- Currently there has been seemingly little or no consideration given to industry input from:
 - recommendations from MFA industry forum
 - recommendations from the CMSFRAC
 - PIRSA industry feedback surveys
- Valuation of marine scale licenses was not accurate.
- Reform so far has only managed to further fracture an industry that historically has struggled with cohesion.

Suggestions to improve reform and maintain the essence of the MSF:

- Focus on the large issues first that will see a united effort in reforming the MSF:
 - sustainable fish stocks
 - inclusion of all stake holders
 - retaining MSF as a cottage based industry
 - maximising state resource (does not necessarily mean taking the maximum sustainable yield in the most efficient way)
 - improving profitability
- Allocate quota evenly. Follow method used in Northern Zone Rock Lobster industry where catch history and base allocation were used with a 3 year transition period to even allocation.
- Strengthen owner operator policy.
- Cap on quota holding – reduces the risk of potential monopoly.
- Pay a fair amount to those fishers wishing to exit the fishery. Rationalisation is key to successful reform.

I am not looking for any privilege or preference, just a fair chance to succeed in an industry I love and see so much potential in, not only for me personally as an industry member but for South Australia as a whole.

Thank you for taking the time to read and consider my concerns and suggestions.

Kind regards,



Presser, Jon (PIRSA)

From: [REDACTED]
Sent: Wednesday, 26 August 2020 11:44 AM
To: PIRSA:MSF Reform
Subject: ATT: Jon Pressor

Hi Jon,

My name is [REDACTED], licence # [REDACTED]. I recently contacted you regarding the unfairness in 80/20 split for my situation and probably many others. My family has been in this fishery for 55 years. The current licence I have has been in our family name for 40 or so years. I purchased the licence from my uncle Even about 12 years ago as a family transfer and put it in my father's name so he could do what he always loved as he had made a bad decision in selling his licence years earlier. My father was 70 when I purchased the licence and it was just something to keep him going until it was my time to go into the fishing business. 5 years ago I began building a house in [REDACTED] which was to be my base in my fishing career. In 2016 I told my father it was my time, so we transferred the licence and so started [REDACTED]. I have invested heavily in this career and intend on handing it down to my son. As it stands, this 80/20 split is going to destroy my family business. I love this job and was born for it. My catch history and days worked will verify this, so how can you tell me that it doesn't count for nothing. This is extremely unfair.

[REDACTED]

Watkins, Amy (PIRSA)

From: [REDACTED]
Sent: Wednesday, 26 August 2020 1:59 PM
To: PIRSA:Minister Basham
Subject: Mad reforms

Dear Mr Basham I am a 5th generation [REDACTED] who has just attended the information session in Ceduna with Pirsra to discuss the proposed reforms. The meeting was very emotional for us fishers we all voted 100 percent last year on quoto. The buyback is a good idea I agree but quota and proposed licence fee increases is ridiculous. Can you fly to Ceduna and meet us the fisherman here our stories . This is about our livelihood and our future and our children's future. Quota will no work in the king George whiting fishery. We up here have a sustainable fisher we look after it. We have a lot of variables such as weather wind clear water that affect our day to day fishing. we fish with 2 hooks and a sinker on a hand line we do not net nor want net boats up here. I did a ten year apprenticeship with my Dad who at 82 is still fishing. [REDACTED] and I did our coxswain s bought boat trailer motor got boat surveyed etc bought a property up here. We were encouraged by pirsra to amalgamated 2 licences to make one we finally reached our goal our dream. Now we have no catch history only with Dad between [REDACTED] how much quoto will we get will we have to buy more. Why not just have a total allowable quoto it's worked before. A lot of the fisherman up here are at breaking point please as the new fisheries minister can u listen and help us, thank you yours sincerely [REDACTED]

Watkins, Amy (PIRSA)

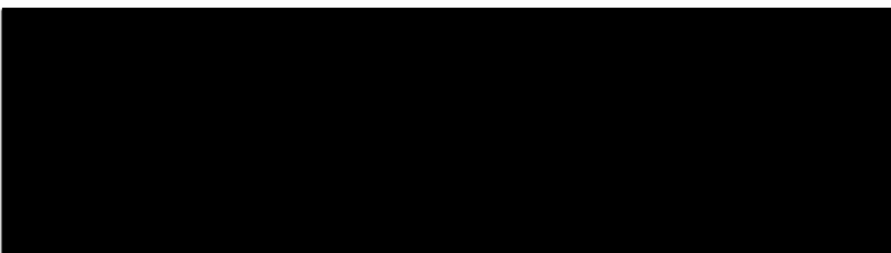
From: [REDACTED]
Sent: Wednesday, 26 August 2020 2:12 PM
To: DPC:Premier
Subject: MSF Reforms

Dear Mr Marshal I am writing to you to ask for your help. I am a professional marine scale fisherman I fish at [REDACTED] have just attended a consultation meeting with PIRSA. The meeting was emotional and fiery. The fisherman who attended did and do not want quota. Last year 50 fisherman voted 100percent to no quota. Also the proposed licence fee increases absolutely frightening. We are just small business trying to make a living handed down from generations. I Myself are a 5th generation fisherman. my dad is 82 and still fishing my son is wanting to fish it's in our blood. I did a 10year apprenticeship with my Dad learning the trade. I did my coxswain s with [REDACTED] in the group bought a boat trailer motor got boat surveyed bought a property in [REDACTED] and finally amalgamated two licences to buy a full licence witch was endorsed by pirsa. So now I have no catch history only with [REDACTED] How much quota will I get How much will it cost to buy? all these questions unanswered. Please can u help us stand up for us We Do Not want quota it won't work in our small king George fishery Do not force us out we don't want out we want to fish. thank you yours sincerely [REDACTED]

Watkins, Amy (PIRSA)

From: Finniss EO [REDACTED]
Sent: Wednesday, 26 August 2020 4:18 PM
To: PIRSA:Minister Basham
Subject: FW: Our business

Follow Up Flag: Follow up
Flag Status: Completed



From: [REDACTED]
Sent: Monday, 24 August 2020 2:41 PM
To: Finniss EO [REDACTED]
Subject: Our business

Hi David i am writing you regarding the buyback of commercial fishing licences, we on Kangaroo Island are in a unique position when we first started our business, [REDACTED] we aimed to highlight all that the island has to offer caught from the pristine waters around K,I when the marine parks came in we lost many of our local fisherman and at that time we had 2 fish processing businesses here , [REDACTED]

[REDACTED] so the fisherman had only us to sell their catch to or freight it to Safcol. We have on our books 10 commercial fisherman, 2 are net fisherman that supply us with whiting, snook, garfish, Australian Herring, and Salmon Trout most of which is mainly caught by net apart from King George Whiting and Snook. we have 5 full time hook fisherman, and 3 very casual hook fisherman, one of these full time fisherman have already put in for the buy back.

With several more considering it due to the licence increases and the great unknown of how much quota they will get. At the moment the fisherman tend to think there may be only 2 fisherman left for the Island which directly effects our business. We do not purchase S.A fish from safcol as we rely on local supply. We have been in business for 15 years and have worked very hard to supply locally caught seafood to hotels on and off the Island, as well as B&Bs , Cafes and restaurants as well as our own cafe where the public can see the fish being filleted and then cooked. We have won numerous awards throughout the years and just recently been placed in the top 10 world wide by Travellers Choice and enabled us to employ 8 full time staff, of which if this buy back turns out like we anticipate we will have to lay off several staff, and if the local seafood becomes unavailable we will loose our wholesale part of the business as well. We are only a small part of the big picture but we are the only seafood processor and retail outlet for marine scale fish, and have prided ourselves on showcasing the best that South Australia has to offer and built the business to a \$1.4 million turnover.

We also have great concerns for our local fisherman for most of them fishing is all they know, and there is little opportunity for them on the Island to do anything else, these fisherman have lost so much over the past years and most are at breaking point.

So i know i am probably wasting my time, but i feel very passionate about our business and all the individuals that help us be what we are today. There must be some common ground to this buy back as if we loose our fisherman the whole Island looses and the Island economy.

Yours Truly



The information in this e-mail may be confidential and/or legally privileged. If you are not the intended recipient, access to it is unauthorised and any disclosure, copying, distribution or action taken or omitted to be taken in reliance on it is prohibited and may be unlawful.

Watkins, Amy (PIRSA)

From: Finniss EO [REDACTED]
Sent: Wednesday, 26 August 2020 12:04 PM
To: PIRSA:Minister Basham
Subject: FW: Phase 2 Fishing Reform Feedback 26/8/20

Importance: High

-----Original Message-----

From: [REDACTED]
Sent: Wednesday, 26 August 2020 11:39 AM
To: Finniss EO [REDACTED]
[REDACTED]
Subject: Phase 2 Fishing Reform Feedback 26/8/20
Importance: High

Dear Hon David Basham,

I am writing to you today to voice my opinion on the proposed fishing reform process. I'll begin by telling you a little about myself and my family and our place in the fishing industry. My father started fishing at [REDACTED] on the west coast in 1962 and during the 1980s moved and fished mainly for southern calamari or squid as it was called back then with the licence number [REDACTED]. As children, we (my brother and I) were brought into the business. We would help at any opportunity and when we were old enough we both went out on our own, acquiring our own licences with me with [REDACTED] and my brother [REDACTED]. During all our time fishing, we have developed the skills and knowledge to catch consistent amounts and make a living fishing full time approx 300+ days a year working the coast of metro Adelaide during summer and Yorke peninsular during winter. We have sacrificed a lot, missing out on time with our families and children. But we knew if we put in the hard work we could secure a future for ourselves.

We were brought up to respect the sea and taught to not over fish because we needed to be sustainable into the future. Over the years we have witnessed other species go to quota in the marine scale fishery like the blue crab, gummy shark and vongoli but because they were not the species we were targeting we were not given any allocation. Fast forward to now and we are currently going through this reform process and the species we fish (Calamari) is going to quota. We have followed all the rules and regulations and we have met all the criteria set out in the phase 2 of the reform process including following a do not invest after 2016. In this process we knew that there was only going to be consideration of catch history which was going to be between the years of 2010 and 2016 which as a full time fisherman is ok for [REDACTED] and myself.

My father is now 76 years old and is left with very few options with his licence. Not only was he unable to lease it due to the 5 year transfer rule, but he also didn't have any chance of selling it because he was outside the window with the do not invest order set by Fisheries. Even if someone was interested no bank would ever lend them the money. As a result he has been working the licence to the best of his ability for his age so he could continue to pay his licence fees. His history before 2010 is good but in the years between [REDACTED], there is not so much. With this in mind, it is likely his licence won't be viable to keep and will have to be surrendered now. This provides you an example of how the decision to go history based is not good for everyone, but we understand this is why the buyback is available.

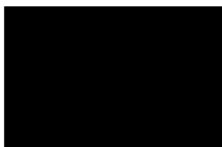
I believe that history based quota from 2010 to 2016 like what is suggested in the reform and which has been communicated to us for a number of years now, is the only way for a fair outcome moving forward. Specifically history should only be based on the species of fish each fisherman has caught and targeted during this time period

of time i.e. Calamari fisherman get calamari allocation and snapper fisherman get snapper etc. Even the 20% base rate is too high as this has never been offered before when other species were allocated quota. I understand however, that this is a way to keep some people without the full history on their feet and we accept that. However we don't believe any other criteria should come into play. This history based method has been adapted in other states within Australia successfully and would work the same here in South Australia. New entrants were warned not to enter the fishery multiple times as we entered the reform process but continued to do so at their own risk. We also have all agreed that things need to change to continue a sustainable fishery therefore I stress again the way that the phase 2 has been set out (80% history 20% entitlement) is the best way to achieve all of this. Sure there will always be people not happy with the outcome but it's not possible to keep everybody happy.

In closing I would like to stress that the MFA represents a small group of fisherman's opinions and not the majority. In fact I believe myself personally has been misrepresented by them as they are communicating only one side of a story to you. It will always be the people who don't meet the criteria that will be trying to change things to suit their best interest and if the reform was going to keep everyone happy then no changes would be made.

I appreciate your time and would be available to chat through any further details with you at any time.

Kind Regards,



The information in this e-mail may be confidential and/or legally privileged. If you are not the intended recipient, access to it is unauthorised and any disclosure, copying, distribution or action taken or omitted to be taken in reliance on it is prohibited and may be unlawful.

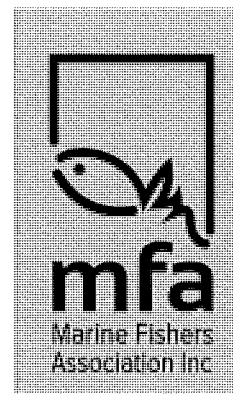
Quality Fish, Local fishers since 1836

28th August 2020

Hon. David Basham
Minister for Primary Industries and Regional Development
Level 10, 1 King William Street
Adelaide SA 5000

Dear Minister,

Re: The Consultation Period - Marine Scalefish Sector Reform



As I am sure you are aware, the Stage 2 Reform package has generated a significant amount of discussion from within the Industry. The MFA is responding to a number of member comments, questions and suggestions and, once collated, will be providing you with a detailed submission of member feedback. However, at this time one issue stands out. Many licence holders are concerned about the limited timeframe in which to provide you with feedback and make what is for many a once-in-a-lifetime decision as to whether to leave the Industry or not.

Considering the complexities involved in this sector reform, it is not surprising that there has already been some slippage in the original timeframes for the various reform components, including an approximate one-month delay in the release of the Stage 2 information document.

As a result of this delay in providing information to licence holders, the MFA asks, on behalf of its members, that you consider some amendments to the current schedules for (1) providing feedback on the Stage 2 document (currently 18th September), and (2) the relative timing of the end of the voluntary licence surrender period and the closure of applications for 'exceptional circumstances'. Should the timetable outlined in the Stage 2 Information package remain otherwise unaffected, the MFA proposes the following amendments:

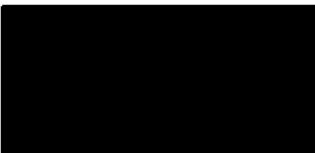
1. Extending the date for providing feedback on the Stage 2 information package from the 18th September to 15th October 2020. This extension would give the MFA the time to receive feedback from all its members and prepare a detailed submission to you. Especially impacted are the approximately 100 MFA licence holders (or one-third of its members) who do not have email access. Relying on the country postal service to receive requests for their views and then respond means that the current date of 18th September risks them being disenfranchised because of lack of time to respond.
2. Extending both the closing date for offers of voluntary licence surrender (currently 13th November) and the closure date for applications for 'exceptional circumstances' (currently 30th November) to 11th December 2020. In addition to this, allowing licence holders who have submitted an 'exceptional circumstances' application another week, from the time of receiving a determination on their application, in which to decide whether to surrender their licence or not. These changes would give licence holders the time to consider whether to make an 'exceptional circumstances' application and, once the results of that application are known, the time to consider surrendering their licence. Under the current timeframes, licence holders are forced to make their decision without knowing the result of any 'exceptional circumstances' application, a process that is clearly unfair.

I look forward to your early agreement on these important member concerns.

Yours sincerely,



Dr. Gary Morgan
Executive Officer



RE: Fishing licence quota

To whom it may concern,

As a result of the meeting today with Manager Fisheries Reform, Jon Presser and Assistant Executive Director Fisheries and Aquaculture Professor Gavin Begg, we have been asked to make this request in writing.

Fishermen [REDACTED] and [REDACTED] have been working in their family business for more than 20 years. They have worked one fishing boat since ... 1998, and as such, they have been halving their commercial catch with their monthly fish returns. Their purpose in doing this was to ensure the sustainability and longevity of fish stocks in their area.

Moving forward, [REDACTED] is considering handing in licence [REDACTED] and if this goes ahead, is requesting that the full quota for that licence is instead allocated to licence [REDACTED]. This would allow the current level of fishing activity in their area to be maintained, and for the business to continue operation at its current viability.

Thank you for consideration of this request, we look forward to hearing the outcome.

Kind Regards



Presser, Jon (PIRSA)

From: [REDACTED]
Sent: Wednesday, 2 September 2020 8:09 PM
To: PIRSA:MSF Reform
Cc: [REDACTED]
Subject: Exceptional Circumstances

Good Morning,

I write seeking some information on how to apply for exceptional circumstances in the process of quota allocation for the NSF reform . I would like apply now rather than leaving it until next month.

If you could please provide me with the relevant information or direct me to where I can find it, that would be greatly appreciated.

Kindest Regards
[REDACTED]

Sent from my iPhone

Presser, Jon (PIRSA)

From: Begg, Gavin (PIRSA-SARDI)
Sent: Wednesday, 2 September 2020 4:23 PM
To: Presser, Jon (PIRSA); Fistr, Alice (PIRSA); Rowling, Keith (PIRSA); McGrath-Steer, Belinda (PIRSA)
Subject: FW: 15 Sep 1945 - WHY ARE FISH SO SCARCE IN ADELAIDE ? - Trove
Categories: MSF Reform submission

Hi All
Please note below.
Jon/Alice – please include as part of reform submission.
Regards
Gavin

From: Begg, Gavin (PIRSA-SARDI)
Sent: Wednesday, 2 September 2020 4:22 PM
To: [REDACTED]
Subject: RE: 15 Sep 1945 - WHY ARE FISH SO SCARCE IN ADELAIDE ? - Trove

Thanks [REDACTED] – suggest you pick up some of your comments in red tape working group.
I will also forward to the team as part of reform submission process.
Regards
Gavin

From: [REDACTED]
Sent: Wednesday, 2 September 2020 11:37 AM
To: Begg, Gavin (PIRSA-SARDI) [REDACTED]
Subject: Re: 15 Sep 1945 - WHY ARE FISH SO SCARCE IN ADELAIDE ? - Trove

Yes great to show you the area ,sorry about the raving on,minimal time to explain a complex situation and please have patience with others such as [REDACTED] and others who are anxious / Agro re their situation as you can understand they are generational fishermen not supporting ITQ.

Very concerned about a few things

Firstly how can we not include coffin bay farm beach king George whiting in west coast whiting stock as it is well known that biologically they intergrate with fish from Venus/ Baird bay?

Are we looking at social reasons for regions or biological stock ?The west coast region should have been west of 136" west not the current dog leg up near cap island / Tungatta.Isnt the whole reform objective to be based on science and very important for future research?

I won't go on I realise a lot on your plate but is very important that the MAC group MUST have fishermen of both line and net representation to advise on issues and practicalities of msf .

[REDACTED] must collate this information and can't do it herself , in covid 19 times could zoom meet with these fishermen possibly 2 from each region (8 in total)to gather advice for benefit of the fishery,as I have constantly said different regions are at different ends of spectrum of stock classification.

In fact after all the whole reform was triggered by gulf garfish and gulf snapper fishery demise which is nothing to do with us on west coast.

Please consider

Regards
[REDACTED]

Sent from my iPad

On 31 Aug 2020, at 4:29 pm, Begg, Gavin (PIRSA-SARDI) [REDACTED] wrote:

[REDACTED] -- good to catch up last week

Regards
Gavin

From: [REDACTED]
Sent: Sunday, 30 August 2020 10:18 AM
To: Begg, Gavin (PIRSA-SARDI) [REDACTED]
Subject: Fwd: 15 Sep 1945 - WHY ARE FISH SO SCARCE IN ADELAIDE ? - Trove

Sent from my iPad

Begin forwarded message:

From: [REDACTED]
Date: 30 August 2020 at 10:15:30 am ACST
[REDACTED]
Subject: 15 Sep 1945 - WHY ARE FISH SO SCARCE IN ADELAIDE ? - Trove

Hi Rob

Here's a snippet of years gone by of issues of net fishing in our local area and should be read as it is relevant to today's situation we are in.

Sincerely [REDACTED]

<https://trove.nla.gov.au/newspaper/article/57482062?searchTerm=Baird%20bay%20net%20fishing>

Sent from my iPad

2 September 2020

The Hon David Basham MP
Minister for Primary Industries and Regional Development
GPO Box 1671
Adelaide SA 5001

Minister.Basham@sa.gov.au

Dear Minister

I write to you in regard to the Marine Scalefish Fishery reform currently being undertaken to provide licence holders to voluntarily surrender their whole licence, including associated registrations and entitlements.

This has become a very contentious regional issue. Licensees and community leaders have been contacting RDAEP to register their concerns. Dismay has been expressed about various aspects of the reform including lack of transparency in the process, provision of incomplete information on which to base life decisions, disingenuous consultation, potential closure and loss of processors, future of the industry and so forth. Anxiety and serious mental health issues are also apparent. Calls for an independent review of the entire process are being mooted.

Due to the extent of these concerns being raised within the community, it was resolved at a recent Board Meeting of Regional Development Australia Eyre Peninsula (RDAEP):

That RDAEP write to the Minister for Primary Industries and Regional Development requesting that he and his CEO attend an RDA sponsored meeting on the Eyre Peninsula to discuss the Marine Scalefish Fishery reform which has not been explained satisfactorily to the fishing industry and may well have broader economic ramifications.

In accordance with this resolution, I respectfully request that a mutually convenient meeting time be arranged at your earliest convenience please. For further information please do not hesitate to contact me.

Yours sincerely



Dion Dorward
Chief Executive Officer
Director Regional Development

Cc Peter Treloar MP, Member for Flinders flinders.portlincoln@parliament.sa.gov.au



Presser, Jon (PIRSA)

From: [REDACTED]
Sent: Thursday, 3 September 2020 7:50 AM
To: PIRSA:MSF Reform
Subject: Quota allocation

Dear Minister/Reform member,

I write to request information regarding the quota allocation as part of the MSF reform package. I believe there may be exceptional circumstances that need clarification and explanation in regards to the possible allocation to my MSF License [REDACTED]

In [REDACTED] 2016 I leased the use of my license [REDACTED] as part of the 5 year rule, this lease is due to end [REDACTED] 2021. Prior to the lease I fished my license and accrued a catch history under my name as owner and registered master during the 2010-2016 period for catch history recognition. As would be evident from recent returns [REDACTED] has ceased activities on my license. Prior to the reform being announced I intended to return to being the registered master of my license and to commence fishing my license at the end of the 5 year lease period ([REDACTED] 2021).

With the stage 2 announcement the wording suggests that due to the lease arrangement, my license [REDACTED] may not receive an allocation based on catch history. As I did fish during the 2010-2016 period and have the associated catch history for this time I would seek that this catch history be recognised, and appropriate consideration be given to allocate the appropriate percentage share based on my catch history (as the reform recommends).

Could this please be given due consideration as an exceptional circumstance, I await a reply and updated indicative quota allocation if possible.

[REDACTED]

Presser, Jon (PIRSA)

From: [REDACTED]
Sent: Saturday, 5 September 2020 10:22 PM
To: PIRSA:MSF Reform
Subject: Quota and rezoning MSF License

To whom it may concern,

I am the owner of a Marine Scale Fishing License.

This license is currently being leased out, its three years into its five year lease period. This five year lease agreement was a requirement by the leasing (fisheries) department.

Prior to leasing this license I was fishing on this license for 10 years, and in the fishing industry for roughly 18 years. Once the lease ends I always intended to resume fishing as my sole income.

When I first decided to lease the license I was able to lease it out periodically, but the rules were revised to a minimum of five year leases. At that time I had committed to interstate work and family commitments so reluctantly leased the license for five years. Now, the proposal to rezone and quota MSF would mean that i would not be able to resume fishing solely on my license as I would not have the 'quota' and potentially i might be zoned out of fishing in my residential zone [REDACTED] as my license is currently leased by a Port Lincoln fisherman,

I would appreciate any feedback regarding this predicament, specifically relating to;

- Will the Quota be granted to the license holder or license owner?
- Will the zoning be granted to the license holder preference of license owner preference?
- If and when are these changes likely to come into effect?
- I require information regarding my rights to have the current lease agreement terminated and my license transferred back into my name, without fulfilling the five year lease term.

Please contact me on

[REDACTED]

Presser, Jon (PIRSA)

From: Begg, Gavin (PIRSA-SARDI)
Sent: Monday, 7 September 2020 7:55 AM

Subject: FW: MFA resignation

Categories: MSF Reform submission

[REDACTED]
Jon – can you please include in submission feedback

Thanks

Gavin

From: [REDACTED]
Sent: Sunday, 6 September 2020 2:37 PM

To: Gary Morgan [REDACTED]

Cc: [REDACTED]

Subject: Re: MFA resignation

[REDACTED]
Much appreciated. Last week I gave feed back on the email about 70/30 split for allocation, also voicing my disgust that there was a comment made about how it worked on NZRL (being a single specie fishery). My father also made comment on that email to which you said it would be put with my notes.

I know that not everyone will come out of a reform happy, but it feels as though the MFA are leaning towards new entrants being made viable at the expense of the grass roots fisherman. This is a major feeling through out this whole area. I for one want the marine scale fishery to be kept as a family run business and a big supporter of owner operator to try and keep investors etc out, but coming up with a 10 percent cap puts me straight out of business. As I targeted one specie and caught [REDACTED] of the total catch In spencer gulf the past few years it seems hardly fair. This is not greed this is just wanting to be something close to what I have historically caught and spent my whole working life refining. My father spoke to you on the phone about this issue and also explained how keeping it owner operator would keep it more in the hands of the fisherman (more feed back).

I understand your position, but I feel the MFA will never truly work. I for one in the future picture each zone having its own association and representatives as each zone faces different issues with different needs and also fishing mostly different stock. As you are well aware what happens on the west coast is almost irrelevant to what happens on upper spencer gulf, so how can this work?

Regards
[REDACTED]

Sent from my iPhone

On 6 Sep 2020, at 1:38 pm, Gary Morgan [REDACTED] wrote:

While I am, of course, disappointed with your decision to resign from the MFA, the MFA Executive has agreed that it be accepted and, as a gesture of goodwill, to provide you with a refund for the remainder of your 2020/21 fees. I will arrange for the refund this coming week with the effective date of your resignation being 6th September.

However, I am intrigued as to why you think you have been misrepresented by MFA. We constantly seek the opinions of all licence holders on issues because we firmly believe that the MFA doesn't have independent 'positions' on policy issues, but rather we see our role as reflecting and responding to the feedback given to us by licence holders and proposing solutions for licence holder consideration.

Looking back, I note that you have never provided us with any feedback on the various policy issues that we have raised with licence holders, apart from your long-standing apparent general dissatisfaction with the MFA. We can only represent your interests if you let us know what those interests, opinions and suggestions are.

My very best wishes for the future and I will make sure that you don't receive any future correspondence from us. Please note that your resignation means that you will also cease to be a member of Seafood Industry Australia (SIA) and Wildcatch Fisheries SA since your MFA membership includes those memberships.

Regards
Gary Morgan
Executive Officer
Marine Fishers Association

From: [REDACTED]
Sent: 06 September 2020 08:50
To: Gary Morgan [REDACTED] Gavin Begg [REDACTED]
Subject: MFA resignation

Hi Garry

[REDACTED] wish to resign from the MFA, please except this as formal notice of my resignation.

For the past twenty years scale fishing has been my heart and soul along with the three generations before me, but in the last 12 months I have never felt so misrepresented.

[REDACTED]

Sent from my iPhone

Presser, Jon (PIRSA)

From: [REDACTED]
Sent: Monday, 7 September 2020 2:19 PM
To: PIRSA:MSF Reform
Subject: [REDACTED] My future in the fishery.

To Jon Pressor, Alice Fistr and the IAAP,

My name is [REDACTED] I am writing this email regarding the reform and how it will affect my future in the industry and most importantly my family.

I purchased my licence about 12 years ago as a family transfer from my uncle. I put the licence in my father's name, who was retired from fishing, so he could continue doing what he loved his whole life.

My family has been in this MSF for approximately 55 years. They started on the West coast in [REDACTED] The licence I currently have has been in my family name for about 40 years. In July 2016, I transferred the licence over to my name and began my full time fishing career. 6 months before that I built a house in [REDACTED] which was to be my base. Once I was settled, I registered my business name, [REDACTED] This is my sole income and I have put my heart in it completely, as my catch history will show. But, unfortunately, my history is not in the years recommended by you.

I understand that you have to draw a line in the sand somewhere, but I also think, that if I have an invoice for every kilo in my catch history, why it could not be considered. My records show that I am here to stay, and would love the opportunity to pass my business down to my son who already has the bug at [REDACTED] years old.

I believe I could be considered a special circumstance, that would require some attention.

[REDACTED]

Presser, Jon (PIRSA)

From: [REDACTED]
Sent: Wednesday, 9 September 2020 9:28 AM
To: PIRSA:MSF Reform
Subject: Marine Scale Option C

To Whom it may concern

As the owner of license numbers [REDACTED] and [REDACTED] I have been fishing for 42 years and have been paying Option C for all this time. The reason why I chose to keep my Option C was so that when we had a bad season I could get through the winter by using my Option C.

I believe the quota should be evenly distributed rather than based on history as we pay one third of all the marine scale fish license fees. Otherwise we should be reimbursed for all the fees we have paid.

Regards

[REDACTED]

COMMERCIAL FISHER

Minister Busham
Minister for Primary Industries and Regional Department
Level 10, 1 King William St
Adelaide SA 5000



9th September 2020

Marine Scale Fishery Reform Points for Consideration 4/9/2020.

Why are we here?

To fix the failures of the past.

- Snapper closed
- Cockles closed
- Garfish closed
- Whiting closed
- Amalgamation scheme failed
- Netting closures failed
- No security of tenure
- No definite number of licences
- Quota allocations way below the average catch before 1990 or since all the reforms and restructures were put in place to make us and the fishery better.

Average catch prior to 1990

- King George Whiting - 550 ton.
- Snapper – 400 ton
- Garfish – 400 ton
- Squid – 180 ton

This 10 year average was achieved when there was 190 net licences and 330 line licences = 420 licences not including 130 restricted licences and the rocklobster fishers.

Where are we now 35 net fishers 250 line fishers and the average catch is ¼ of what it used to be. If we are going to improve or reform this fishery then it has to have realistic goals. Most fishers are fishing at 100% capacity now, if they buy more quota they would not be able to catch it “unless” the rules change.

The minimum quota allocation per licence holder should be no less than what is being caught now in fact it should be more. Our harvest strategies and science are all wrong. Garfish closures are a classic you shut down the fishery when it was at its peak and then measure outside of the period of the catch and tell us there are no garfish, same with closed areas. You cannot harvest apricots and cherries in June/July so why do we harvest garfish and

measure the catch at the wrong time of the year. Just like the fruit it is not there nor is the garfish.

We need goals or at least a goal post we must aim at some finite or definite numbers, areas or gear within the reform it can not be open ended. The amalgamation scheme was to stop when the number of net licences reached 100 and for the line fisher licence 250 it did not happen. It was supposed to make fishers more viable!! "IT DID NOT" "**FAILED**". Yet it is still recommended to remain "WHY?". Netting closures ----- if they worked why did we have more and more, they did not improve the fishery at all. Another "failure" snapper closed / failed management again.

If fishers accept the recommendation as proposed by PIRSA then the fishery is doomed to fail again.

The only section of the Marine Scale Fishery that has survived is the recreational sector it just keeps growing. No mention of a TAC for them so sustainability is never going to be achieved. Precautionary principles and latent effort are just dumb excuses for fishery managers to restrict commercial operators. The so called latent effort in the recreational fishery is horrendous yet it is never ever addressed, in the first management paper I ever read way back in 1970 it was mentioned that the growth of the recreation fishery would have to be closely monitored and regulated. The only thing that came out of that paper was five further netting closures.

There is no mention of how a fisher can expand his business yet he can acquire more quota but how will he be able to catch it no mention of allowing another crew man for line fishers, no mention of extra net for net fishers, no mention of removing closures both temporal and spatial these are the keys to making fishers better not persevering with old fashioned ruled egg owner operator policy, relief masters, seasonal closures etc.

A fishery which is not growing is going backwards we have more than one fishery in this category at the moment. Management "must" change its thinking from restriction to expansion. We import 70% of our fish consumption in this country, it should be the other way around. We have the fish but no fishers or areas in which to fish eg. Net fishers have only 1-2 % of the states waters in which they are allowed to fish. We have more area closed to commercial fishing than areas dedicated as Marine Parks.

The proposed licence fee hikes are ridiculous to say the least, as mentioned earlier there is no guarantee that fishers can catch more fish even if they are given or purchase extra quota. If fishers are already on the low level of economical survival (econ search data hence the low price offered for licence surrender) how could they pay the new fees on an unknown "sustainable" quantity of fish. (supposedly today's catch reduced).

These draconian recommendations are the worst I have ever seen. Yes we want reform but not in the current proposed scheme. PIRSA has once again shown its true colours of how to make fisheries fail. Transparency and trust are not part of their belief. The talk of V.M.S. and prior reporting when we go to quota is high on the compliance agenda yet the

recreationals have quota (bag limit) but not a mention or hint of them having V.M.S. or prior reporting. Science is another area which has failed, we still do not know the biomass of our fish stocks yet we are managing them on guestimations (precautionary principle) lets not take one more step incase we fall of the edge.
PIRSA has failed miserably in maintaining all our fisheries for the benefit of all South Australians.

Regards



10th September 2020

Hon. David Basham
Minister for Primary Industries and Regional Development
Level 10, 1 King William Street
Adelaide SA 5000

Cc: The Hon. Peter Treloar



Dear Sirs,

Re: The Marine Scale Fish Reform Package

The current Marine Scale sector reform is a needed package for the sector and the owners of [REDACTED] support the introduction of a quota-based fishery.

We however are not in favour of the proposed 80% historical, 20% post 2017 split of quota allocation. In our opinion, this proposal has the potential to damage the investment and livelihood of the majority of Marine Scale Fish operators whilst benefiting the minority.

A case in point is the current position of the snapper fishery. It is now in a 3-year period of stock rebuilding due to overfishing pre 2016. However, under the reform proposal, those operators who have achieved the larger snapper catch history (pre 2016) and thus contributed to the overfishing, will be the same ones who are rewarded with a higher snapper quota. How is this an equitable position? Basically, rewarding those who employed the high-pressure fishing methods that have led to these necessary reforms. This rationale could easily be attributed to all the main species that are to be quota-based.

We can think of no other state fishery that has reverted to a quota-based system that has had so much weight put on the historical catch. Industries such as abalone and lobster have moved from the Olympic system to quota, where the quota has been divided equally between the licence holders. Australia's largest fishery by export dollars is the West Australian rock lobster fishery. This fishery also moved from the Olympic style system of catch to a quota-based management, which was divided equally between the stake holders, with no historical catch bias.

The non-recognition of lease through PIRSA is a hangover of the 1970's, in which you are only allowed to hold a licence in one fishery. In all other SA fisheries this rule has been abolished. In our opinion, PIRSA and the marine scale fishery adherence to these rules could be deemed to be a restricted trade practice. No other business in the state of South Australia are there rules that are so anti-competitive, restrictive, and un-workable. As a government the priority should be recognition of ownership, the basic principal of identity and the Westminster system.

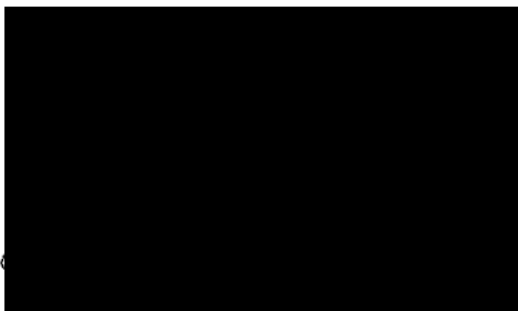
As Background:

[REDACTED] is jointly owned by [REDACTED]. It was purchased on [REDACTED] however, the contract was signed in [REDACTED] 2016 with negotiations taking place for 3 months prior.

We bought this licence as it was required to hold our [REDACTED] cockle quota. Had we not purchased the A-Class licence we would have had to attach our cockle quota to another fisherman's licence. Being the lesser of 2 evils we have purchased the licence to hold our [REDACTED] holding of [REDACTED] cockles. The idea initially was to provide a new entrant with access to cockles combined with an A-Class to provide a permanent and guaranteed income for a fisherman. At present, we can be recognised as cockle owners but not as A-Class owners.

We do recognise that there has been some discussion about the separation of A-Class from the cockles quota. This could assist in the government's licence buy-back scheme. If this did to occur, we would certainly consider the sale of the licence back to the government. However, now, we have had no formal communication from PIRSA regarding this proposal, which forces us to retain the licence to hold the cockle ownership.


The much hyped investment warning in the fishery was not delivered until 2017 and as stated earlier in this letter, we started negotiations in 2016, signed a contract, settled in 2017 leaving us in a no-mans-land of no prior investment warning and no catch history in 2016. If stake holders are to be treated equally in any quota allocation it will overcome hurdles such as the ones that we are facing and any entrants in the fishery 2016/17



Presser, Jon (PIRSA)

From: [REDACTED]
Sent: Friday, 11 September 2020 1:36 PM
To: PIRSA:MSF Reform
Subject: Quota allocation request

Dear Sir I am a commercial fisher in [REDACTED] West coast also do little amount in the south east mainly west coast. I did a 10yr apprentice ship with my father [REDACTED] We put alot of money into doing our coxswains buying boat motor trailer property at [REDACTED] Also amalgamating 2 licences to make one [REDACTED] Now with catch history we have none as we fished with dad. I AM requesting to get more than the 80/20 base quota and we fished with Dad who will get the quota but dosent fish west Coast now but does at [REDACTED] At the age of 82years and keeping well and doing what he lives. Now fishing is in our blood im a 5th generation fisher we have aboriginal ancestors my great grandma . We live to fish so can you consider my request weve done the hard yards we are in this for life and my son wants to continue the family tradition of fishing. Thankyou yours sincerely [REDACTED]



11 September 2020

Dr. Gary Morgan
Executive Officer
Marine Fisher's Association

Via Email: 

cc: 

Dear Gary,

Scale Fish Licence Reforms - Proposed 80/20 Quota

It is clear that the primary purpose of "ongoing sustainability" has been compromised with the recent scale fish quota reforms which have been proposed.

The decisions of the South Australian government over the coming months will not only affect the sustainability of the fish stocks, but also the ongoing viability of an ongoing fishing industry within South Australia for generations to come.

We appreciate that a quota system will form part of a framework moving forward, however we have no doubt that the methodology of which the quota is allocated across the remaining licence holders is going to be significant to the ongoing success of the industry.

The 80/20 quota proposal rewards those in the industry who have removed the most fish stocks throughout the period of 2010 to 2016 ('catch history period'). On the other hand, those who did not 'over fish' during this period, and paid their respective licence fees, will be allocated a small portion of the quota under the new proposal.

The 80/20 quota proposal will unproportionally provide the people who caused the issues, to catch more fish. On the other hand, licence values will be slashed for those who did not overfish throughout the 'catch history period'.

From our point of view, we did not fish on an ongoing basis throughout the 'catch history period' due to other commitments along with the fact that we felt that the extremely low prices of Snapper in 2010/2011 could not financially support basic living expenses nor was it sustainable for ongoing Snapper stocks. We are also aware of veteran commercial Snapper fishermen, who decided that pulling Snapper out of the system when the prices were so low would only lead to an unsustainable Snapper fishery. Therefore, they also did not target Snapper during the 2010 to 2016 period. It seems unjust for them to be penalised after many years of service to the South Australian fishing industry.

The 80/20 quota proposal would have a detrimental financial effect on my family given our significant financial investment into this industry over the past 15 years. Given the minimal fishing we undertook during the 'catch history period', our allocated quota would be very minimal under the proposed scheme, therefore severely affecting the value of our licence.

The significant reduction in value of our licence would result in significant hardship, which will be amplified with the increase in annual licence fees.

Solution

We understand that there are different views on this quota proposal, however we feel that a fair system would protect the value of each individual licence, while providing an economically viable living for commercial fishermen.

In our view, Snapper quota should be allocated as follows;

1. 50% of total quota to be split equally between the remaining licence holders.
2. 20% of total quota split based on catch history.
3. 20% of total quota split based on 'endorsements' allocated to each licence.
This would provide value to the endorsements which are attached to the licence, noting that the licence holder associated value to the endorsements when purchasing the licence.
For example, a 'longline' endorsement might be allocated "L" kgs of quota by the government. Therefore, a licence with 4 longlines would obtain 4 x "L" kgs.
4. 10% of total quota to be held by a governing body' which will be available for licence holders to lease on an annual basis to ensure that they can top up their quota if required. This would reset annually to ensure a fair system across the industry.
5. A central body to regulate and assist the leasing of quota between fishermen to ensure that quota is available to those who require it and those who are not utilising their quota have the ability of leasing to other fishermen, without affecting the value of their licence.

In conclusion, we are hopeful that the government are consulting with industry bodies and commercial fishermen in order to assist with their decisions on these matters. Although, these reforms are complex, it is important that the people within the industry are being heard to ensure that practical decisions are made to secure the future of this iconic industry.

Should you wish to discuss any of the items mentioned above please feel free to contact Joseph on

[REDACTED]

Regards,

[REDACTED]

[REDACTED]

Presser, Jon (PIRSA)

From: Nathan Kimber [REDACTED]
Sent: Thursday, 17 September 2020 9:01 AM
To: PIRSA:MSF Reform
Cc: Presser, Jon (PIRSA)
Subject: Fwd: Licence [REDACTED] - release of stage 2 information package

Good morning,

Please find below an email submission from [REDACTED] regarding Stage 2 of the MSF Reform.

Could you please acknowledge receipt of [REDACTED] submission.

Regards
Nathan

[REDACTED]

Begin forwarded message:

From: [REDACTED]
Date: 11 September 2020 at 2:43:38 pm AEST
To: Nathan Kimber [REDACTED]
Subject: [REDACTED] - release of stage 2 information package

Hi Nathan,

I, [REDACTED] have been fishing for 40 years. I have used my OptionC to get by during the winter for the years where the crayfish catches were low.

In the past years I had [REDACTED]
[REDACTED] which has affected my ability to fish during this period, however this is the period of time that you have taken into consideration.

I find it unreasonable to take the licence from us and to have no allowed quota for something I have been paying for over decades. I have paid my OptionC for this long period of time and believe that it is only fair that I receive some form of compensation.

Please confirm that you have received this email.

Thank you,

[REDACTED]

Presser, Jon (PIRSA)

From: [REDACTED]
Sent: Thursday, 17 September 2020 8:52 AM
To: PIRSA:MSF Reform
Subject: Submission to stage 2

To whom it may concern,

The following email is to be included as my submission to the Marine Scale reform stage 2.

I read with disbelief the assertion that compliance and stock assessment costs would need to double in both cases for the government agencies of Fisheries Compliance and SARDI Aquatic Science Centre to deliver their programs for the proposed quota managed marine scale fishery.

Marine Ccale in 17/18 had a GVP of \$23 mil, management costs of \$2.5 mil equating to a licence fee of \$8,5k.

If 150 licence holders are removed leaving 260, compliance and stock assessment double (which seems to be conservative) and the GVP stays the same the remaining licence holders are looking at a more than doubling of licence fees to \$19k and paying 21% of GVP. Total management costs will be over \$5 mil pa. The \$2.5 mil as per of the package will make up the extra for only 1 year.

If ever there has been a catalyst to give a mandate to take a view from above and ask some fundamental questions about whether the current approach is delivering the most effective and efficient compliance, stock assessment and management it is now.

PIRSA F&A using government agencies to deliver services to small and medium mostly family enterprises and forcing them to pay the full cost with no opportunity to be part of the procurement process and decision, scrutinise any of the costs or services or make any of the financial or service delivery information transparent or readily available is simply not acceptable, equitable nor fair.

Add to this the fact that only one sector of the extractive stakeholders are paying while the other contributes nothing, and actually gets subsidised to take a community resource for free, is verging on mal-administration.

Reading the recently published PIRSA Cost Recovery Policy it appears that PIRSA is more focused on protecting its bottom line (revenue) than delivering an efficient and effective service to those it is forcing to pay. This is likely why these stakeholders being forced to pay were not consulted or so much as even notified as courtesy that the Policy was now public.

PIRSA F&A, despite alleging at the bottom of all emails from the department; **Service I Professionalism I Trust I Respect I Collaboration & Engagement I Honesty & Integrity I Courage & Tenacity I Sustainability** is arguably not behaving and living up to these values. I don't believe a majority of PIRSA F&A staff respect seafood industry members, their families and choice of livelihood, this then undermines the rest of the values.

A serious rethink is required if the industry is to survive. Reform must occur on both sides of the equation. Has any soul searching and reflection actually been done on how and why the situation is what it is?

Yours,

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

EMAIL DISCLAIMER

This email and any files transmitted with it are confidential to the sender and the intended recipient and may be privileged or subject to copyright of the sender or a third party. If you are not the intended recipient please notify the sender immediately via return email. No action should be taken as a consequence of reliance upon the information contained within this email. Whilst we have used appropriate software to alert us to the presence of computer viruses we cannot guarantee that this email or any files transmitted with it are free from them.

Presser, Jon (PIRSA)

From: [REDACTED]
Sent: Thursday, 17 September 2020 9:04 AM
To: PIRSA:MSF Reform
Subject: [REDACTED]

To whom it may concern

My name is [REDACTED]

I have been a owner operator since 1999 and have owned up to 4 marine scale licenses at the same time. I'm writing to you to ask for your consideration of to consider a suggestion I have. For the last 7 years I have targeted [REDACTED] It's not a big fishery but it was one which I looked after knowing that I was and still the only one in SA targeting [REDACTED]. Would you consider if I gave up my rights to target all other species allow me the right with quota to catch [REDACTED].

I will also be happy to give up all my other endorsements but I require these endorsement to successfully fish these species. Mesh nets (size 4 3/4 up to 5 7/8 inches) , fish spears , and possible fish traps. With this in mind I'm happy to surrender all my other rights to any other marine scale fishery.

This will allow other fisherman who stay in the fishery to receive maybe higher quota and allow me to continue and improve the fishery I have been targeting for the past 7 years. To my knowledge I would have been the main [REDACTED] fisher in the state besides the [REDACTED] fisherman.

I don't wish to surrender my licenses but time isn't on my side.

Thanks for taking the time to read this.

I look forward to hearing a response.

Kind regards
[REDACTED]

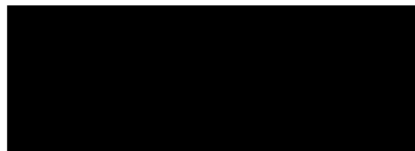
Sent from my iPhone

Presser, Jon (PIRSA)

From: [REDACTED]
Sent: Thursday, 17 September 2020 3:28 PM
To: PIRSA:MSF Reform
Subject: Survey

Att Jon

I am writing this letter because the survey form is too hard and too many big words that I don't understand.
I am not happy at all about the Olympic quota on school and gummy shark
We have never been notified at all about this.
I found out just before I was about to start fishing that the quota is about to run out.
We won't have a chance to catch any or many before quota runs out
We are a C class licence
We only want a feed, so my Suggestion is ..10 shark per drop line and longline.
That won't effect the stock level too much and it would be our quota system



Sent from my iPhone

Sent from my iPhone

Presser, Jon (PIRSA)

From: [REDACTED]
Sent: Thursday, 17 September 2020 5:38 PM
To: PIRSA:MSF Reform; Presser, Jon (PIRSA)
Subject: FW: Gummy & Shark Quota

From: [REDACTED]
Sent: Wednesday, 16 September 2020 3:10 PM
To: Presser, Jon (PIRSA) [REDACTED]
Subject: Gummy & Shark Quota

Attention John Presser,

I am writing this letter as there is a few issues I would like to discuss which is the catch share of School and Gummy shark.

I would like to know how you can calculate the percentage of explicit catch share?
I have also heard the catch will be run out in October/November we at this time will still be Rock Lobster fishing. we are paying for our option c fee and not getting any use out of it. The time we do use it is when we have finished our Rock lobster quota.

I am also concerned that over the last two or three years you also have been taking Knife Jaw and Gurnet off our option c when there is no quota on them, you have taken these off our license and there has been no change to the total we pay each year.

I do not understand why you are punishing us in the Lower South East when we pay full amount for option c and what shark we catch is for our own consumption. Do you realise more shark is taken out of Port MacDonnell from amateurs than option c holders catch? Amateurs are allowed to bring in as many as they want, they are allowed to take six shark with three on the vessel and they pay NO licence fees. Are they getting a reduction as well and are they given a time limit when the quota runs out??

The Olympic system that you have now encourages the fisherman to go out and catch as much as they can as they know they are going to run out of time. I feel this would be better spread out over a longer period of time.

I have seen it dramatically improve, in the last 6 to 7 years there have been records that the school and gummy shark have increased. My opinion would be to give the fisherman 10 shark per drop line and longline per season.

If these rules come into our licence or it gets too expensive on our licence fees, we should be allowed to sell it or sell on a buy back system.

Regards



Watkins, Amy (PIRSA)

From: [REDACTED]
Sent: Friday, 18 September 2020 11:41 AM
To: PIRSA:Minister Basham
Cc: [REDACTED]
Subject: Re: Letter regarding the proposed changes to the commercial fishing sector
Attachments: [REDACTED]

Follow Up Flag: Follow up
Flag Status: Flagged

Dear Mr basham and others

Please find enclosed a letter from [REDACTED] regarding the proposed changes to commercial fishing sector, which [REDACTED] is a participant in. Im sure you are going to look favourably on [REDACTED] submission.

Regards

On Fri, Sep 18, 2020 at 11:36 AM [REDACTED] wrote:

Dear Mr Basham

Please find enclosed a letter from [REDACTED] regarding the proposed changes to commercial fishing sector, which [REDACTED] is a participant in. Im sure you are going to look favourably on [REDACTED] submission.

Regards

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

To David Basham MP, Minister for Primary Industries and others

Re : Marine Scale Reform Agenda

Hi my names [REDACTED] I am a 33 year old fisherman

I am writing to you in regards to the marine scale reform that is currently being discussed. I have some major concerns with the reform package for my fishing licence. I purchased my licence in [REDACTED] 2018, and had to work under the pervious licence holders name, until the [REDACTED] 2019, to satisfy the govts five year rule, before I could run independently. In this time, I worked minimal hours fishing, as I fixed up my boat, long line winch gear and all other equipment. Therefore, I only fished for 9 months for snapper, which was the majority of my catch, and what my boat and equipment was designed for, as a snapper ban for there years was introduced in Nov 2019. I have invested significant capital into my fishing business. I have a marine scale fishing licence, \$ [REDACTED]k boat, \$ [REDACTED]k boat, \$ [REDACTED]k shed, \$ [REDACTED]k ice marine, and thousands of dollar's of equipment. All these assets where financed against my family home.

The proposed marine scale reform package designed by the govt, is going to have detrimental effect on me as a fisherman, and the industry as whole. We have three instruments which will create havoc in the marine scale industry, first there is a buyback, the second is a quota system and third is different fishing zones. It seems strange why three different major reforms would be implemented, all at the same time, when its aboundly clear only one reform is needed in the industry. I believe a buyback would be more than enough, as this will create less pressure on fish stocks, and keep existing licences holders viable. With the introduction of a quota system, and the allocation 80 % / 20 % catch history, all that is going to do is reward fisherman who have done all the damage to fish stocks, and put us into this situation of reform. I believe they have all made their money in the industry, and believe this is extremely unfair, as it once again rewards them for no reason at all, except they have caught fish in the past. I believe that to be fair on all fisherman's, if a quota system is to be adopted, then it needs to be split fairly between fisherman, with each fisherman getting allocated the same quota, and the fisherman sorting out quotas between them, there after. The current proposal gives existing fisherman with catch history, a significant financial gain for no reason at all, and all it would do, is create an environment whereby countless fisherman would litigate against the govt for being unfair to them. Something that the govt wants to avoid, no doubt. Under the current proposal, I would be required to buy significant and extremely expensive quota just to fish and make my licence viable. Where as before nov 2019, the licence was viable, catching [REDACTED]kg snapper a day. If the govt was to drop the quota to 150 to 200kg a day of snapper, that in itself would improve the fishery.

To use catch history between 2010 to 2016 is totally unfair, as any licence holder like me, that got into the industry after 2016, is significantly disadvantaged. Who wrote these rules? No one knew this until a couple months ago. Nothing has been transparent. Which is extremely disappointing

There have been 51 licences bought back by the govt, its only fair the govt release who they are and where they fished

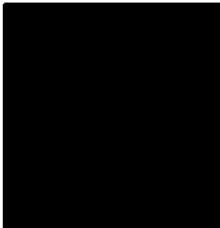
As a young fisherman I am at a loss on what I should do. I bought my licence envisaging that I would have a 30 year career in the industry, and with a strike of a pen, all my investment, livelihood and career could be gone.

So please revisit the reform program and make changes to it, to make it fair level playing field to all fisherman. I trust you will look favourable on my proposals, and being the new minister for primary industry, you are going to form your own opinion and do the right thing by the industry.

Please don't hesitate to contact me on email

Without prejudice

Yours faithfully



Presser, Jon (PIRSA)

From: [REDACTED]
Sent: Friday, 18 September 2020 12:05 PM
To: PIRSA:MSF Reform
Cc: Gary Morgan

Phase 2 comments

I think that most of what is proposed in this paper will lead to the destruction of the MSF.....it is probably one of the worst proposals re this fishery imaginable

Independent Allocation Advisory Panel.....I totally disagree with what they are proposing Allocations are wrong...should be 70/30 or at least 50/50 NOT 20/80 All licences should have equal share.....no 1/2 for unamalgamated lic I don't believe that quotas are necessary in most areas of the fishery (actual catch rate is less than TAAC) and will place unnecessary costs on fishers to administer

Indicative Allocations.....where are they????

These are over 6 wks behind being issued.....how can anyone make informed/rational decisions on their businesses without this info

Compliance Program.....totally disagree.....far too expensive Also no detail has been provided as to what will actually apply Total fees for the fishery should NOT exceed 5% of GVP of the fishery

Stock Assessment.....disagree.....again too expensive I have no confidence in SARDI being able to provide any credible data If fishers have to pay for this we should be able to choose our own credited researcher

Co Management.....dont agree

There are not enough MSF fishers on the committee

Red Tape reduction.....agree

I think that this is essential to improving the fishery

Owner Operator.....partially agree

Think that there needs to be provision for a master

Licence Amalgamation.....totally disagree.....scrap it This was one of the original intentions when the reform was first proposed

One In 5 Yr Transfer.....agree.....scrap it

Temporary Licence Freeze.....totally disagree This is a restriction of trade

Zones/ State Access.....agree.....state access

Other Fisheries Access.....disagree

NO access to other fisheries

MY Proposal

No quotas.....use other methods of managing catch...IF required Increase the value of the buyback.....\$140K for unamalgamated lic.....\$230K for amalgamated lic.....\$300K for net lic This would allow more fishers to get out at a fair and reasonable price.....thus reducing the no of fishers which is the primary object Cap all licence fees to 5% of GVP of the fishery Separate off fisheries that already operate under quota system (pilchard/vongoli/blue crabs) and allow those fishers to exit MSF and be part of the buyback if they so desire....this will help reduce the no of fishers

left in MSF by some more By reducing the no of licences in the fishery this will already have the effect of rationalising the fishery without the devastating economic effects that quotas will place on the fishery

This MSF Reform (Phase 2 especially) hasn't taken into account any of the wishes of the fishers....It is not addressing the daily logistics of what actually happens when you are a fisher The original intent of the reform was..... Sustainability.....most of the fishery is fully sustainable and what is not can be managed by other input controls other than quota Economic Viability.....what phase 2 is proposing all send lots of fishers broke.....not a good thing in current climate with job losses etc re Covid

I think you should start again on this reform....and LISTEN to the fishers whose lives and livelihoods you seem to want to destroy

[REDACTED]

Presser, Jon (PIRSA)

From: [REDACTED]
Sent: Friday, 18 September 2020 5:04 PM
To: PIRSA:MSF Reform
Subject: Consultation Reform Stage 2

Hi

I had difficulty with the questionnaire downloading so my submission is by email.

We are a father and son fishing family running [REDACTED]. The licence has been put in my son's name as I am transition into retirement. Under PIRSA's reform all my catch history is gone and [REDACTED] a new entrant to the fishery will be left with minimalistic quota and forced out of the industry. Totally unfair allocation at 80 / 20. Allocation should be fair and equitable 50/50 for 3 years then equal allocation over the licences left in the fishery. This allows the younger new entrants to start their fishing career with enough units to make it viable to operate.

PIRSA's time frame to comment, receive information and process the information is unrealistic. How can fishers make one of their biggest financial and emotional decisions of their lives when the information is not transparent...eg allocation method and costing of ITQ's? An extension of time is needed for the buyback so fishers can make a rational decision and not rushed into staying or exiting because PIRSA has not been transparent with allocation and costs.

I attended Ceduna Port meetingPIRSA could not tell me what the amount TAC's would be, how much a kg it will cost us to operate....two very important issues at hand.

I believe the quota managed fisheries of Vongole and Sardine should become miscellaneous fishery totally separate to Marine Scale and those licence could then exit the fishery.

Thanks for allowing consultation and feedback I hope it doesn't fall on deaf ears because the issues outlined above are common concerns for every fisher I have talked to.

regards [REDACTED]

PREFERRED ALLOCATION MODEL – A SUMMARY

Rationale and Background

The proposed allocation formula for ITQ allocation is based on the formula that catch history prior to 2016 be taken into account as well as allocating a 'base' amount, by species, to licence holders. The proposed weightings of these two factors is 80% catch history and 20% 'base' allocation.

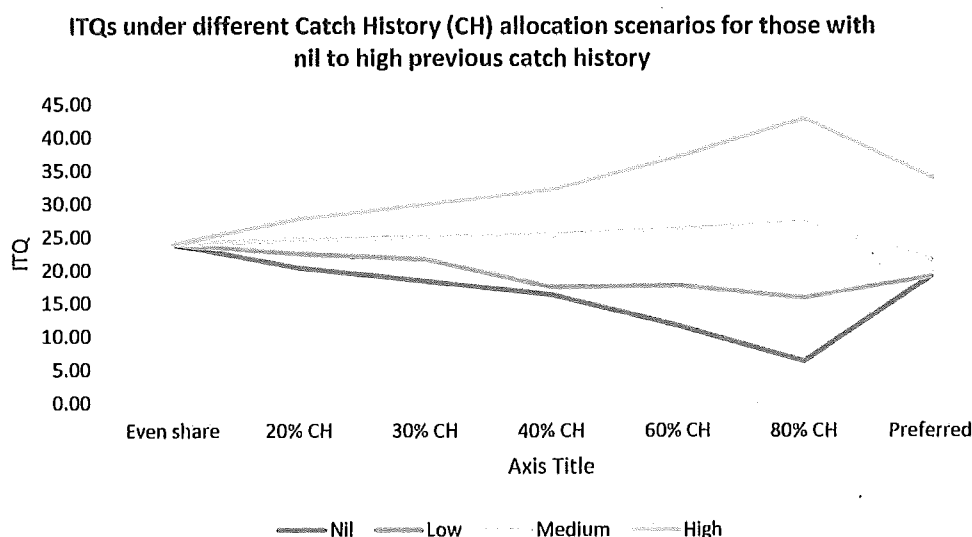
This proposal has caused division within the industry with those with pre-2016 catch history supporting the 80:20 allocation while those without such history opposing it and wanting more of an even share.

The MFA has undertaken preliminary modelling to investigate the impact of an allocation procedure where individual licence holders select their preferred method of allocation, instead of using a Government-determined allocation 'formula'. This total of all these individual selections is then scaled back to the required overall TACC to arrive at individual ITQs.

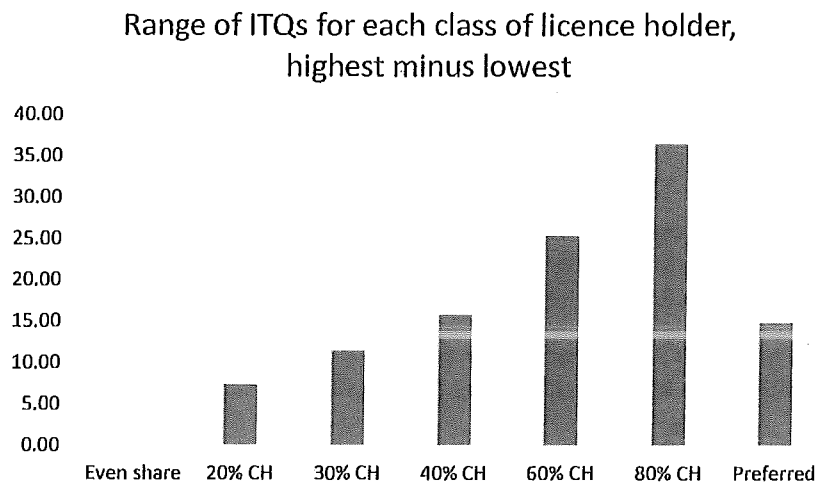
Preliminary Results

Modelling of a hypothetical 300 licence holders was carried out, with 20% having no catch history, 36% having 'low' catch, 14% having 'medium' catch history and the remainder (30%) having 'high' catch history. ITQs were calculated based on a hypothetical 7200t TACC and on the assumption that each licence holder selected the allocation (even share, 20% - 80% catch history, or the 'preferred' option) that best suited their individual circumstances.

The graph below shows the results:

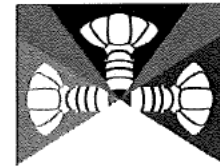


As expected, the range of ITQs between the various levels of catch history increases as the 'formula' moves towards a greater dependence on catch history (see graph below). However, if licence holders select the 'formula' that best suits them, the range decreases substantially.



Further work on applying the modelling to actual licence holder data is needed.

However, it may offer an alternative formula where individual licence holders make the decision as to what formula best suits their particular circumstances while, at the same time, reducing the gap in ITQs between those with catch history and those without.



SARLAC
South Australian
Rock Lobster Advisory Council Inc

ABN: 57 503 715 396

PO Box 395

GLENELG SA 5045

Mobile: 0417 838 459

Email: nathan@kimberconsulting.com.au

Web: www.sarlac.com.au

18 September 2020

Prof. Gavin Begg
A/Executive Director, Fisheries & Aquaculture
Primary Industries and Regions SA

Via Email: msf.reform@sa.gov.au

Cc: [REDACTED]

RE: SARLAC Submission – MSF Reform Stage 2 Information Release

Dear Prof. Begg

This correspondence serves as a formal submission from the South Australian Rock Lobster Advisory Council Inc (SARLAC), regarding the reform of the Marine Scalefish Fishery (MSF), specifically the information released by PIRSA, on Stage 2 of the process.

The Rock Lobster Fishery (RLF) in South Australia remains an integral part of the MSF with access secured through licence condition on either a Northern Zone or Southern Zone Rock Lobster Fishery licence. Our submission, for the fair and equitable inclusion of the RLF, within the MSF reform and allocation processes is underpinned by the following principles:

1. In recognition of a responsible history of access coupled with the significant financial contribution made by the RLF to the management of the MSF over a long period of time, there should be the option through this reform process for RLF Licence Holders with Option C to relinquish their access and be compensated accordingly.
2. As an absolute minimum, the transferability of ITQs, both permanent and temporary, for the RLF's allocation of Tier 1 species should enable transfer to another RLF Licence with Option C access.
3. The RLF's access to all current Tier 2 and Tier 3 MSF species is unaffected and should any of these species be elevated to Tier 1 status, the rights and rules associated with the allocation of these species are consistent, regardless of the accessing authority.
4. The costs associated with the future management of the MSF should be commensurate to the level of access, including the ability or otherwise to

catch the higher-valued Tier 1 species. Therefore, we strongly support the apportioning of MSF fees to ITQ units.

5. All current bait, by-catch, and by-product access held within the RLF is maintained.
6. All current gear endorsements held within the RLF that enable access to the MSF are maintained.

BACKGROUND:

The RLF in South Australia has had access to the MSF through various legislative instruments, throughout history. Initially, there was 'equal' access (dependent on device), facilitated through a common, South Australian A-class Commercial Fishing Licence. A secondary measure was later introduced to lobster fishers by which fishers were restricted by the boundaries of the lobster fishery they were licence holders within.

In the 1990's, PIRSA developed and implemented a Policy, which provided all RLF licence holders with the opportunity to select a level of access to the MSF, facilitated through three options (A, B or C). Currently, access (Option A, B or C) to the MSF is secured through licence condition on either a Northern Zone or Southern Zone licence, with costs proportionate to the level of access. A description of the each of the options is provided below:

Option A: Allows the take of Southern Rock lobster, Octopus and Giant Crab for trade and business. Incidental bycatch in the rock lobster pot of permitted species (MSF species) for bait purposes (onboard use and current only – no landing allowed). All devices except rock lobster pots are removed from the licence when selecting this option, and only rock lobster pots are allowed onboard the vessel. There is no additional fee applied to a Rock Lobster Licence with Option A.

Option B: Allows the take of Southern Rock lobster, Octopus and Giant Crab for trade and business. Allows the take of permitted species (MSF Species) for bait purposes only i.e. means for use as bait in a licence holder's own fishing operations and does not involve selling or transferring those fish. All devices except rock lobster pots and bait nets are removed from the licence when selecting this option. The 2020-21 cost for Option B access is \$500

Option C: Allows the take of Southern Rock lobster, Octopus and Giant Crab for trade and business as well as the take of permitted species (MSF Species) for trade and business. Permitted to use all devices endorsed on the licence subject to regulations and conditions. The 2020-21 cost for Option C access is \$2,632

Currently there are 208 RLF Licences with Option C access to the MSF and a further 11 RLF Licences with Option B access, contributing approximately 20% towards the annual MSF Cost-recovery Program.

DISCUSSION:

In this part of our submission, we have interrogated the Stage 2 Information released by PIRSA and provided responses under a number of key themes. Information taken

from the PIRSA document, *Marine Scalefish Fishery Reform – Stage 2 Information (August 2020)* has been presented in *italics* below.

Key Theme: Restructure and Rationalisation

In recognition of a responsible history of access coupled with the significant financial contribution made by the RLF to the management of the MSF over a long period of time, it remains SARLAC's strong recommendation that there should be the option through this reform process for RLF Licence Holders with Option C to relinquish their access and be compensated accordingly. It would seem like a considerable oversight and missed opportunity for PIRSA, the MSF and the RLF not to utilise this reform process to rationalise the access and latent effort held within the RLF. By excluding this option, it seems like 'the problem' is simply being kicked down the road until we get to next restructure and/or allocation process when the next set of MSF species move to ITQ management.

Since this process began, and right throughout the convening of the Minister's Commercial Marine Scalefish Fishery Reform Advisory Committee, it has been SARLAC's continually stated position that for a relatively small investment by government, a major portion of those RLF licence holders with Option C would relinquish this access and fall back to Option B or similar with a level of by-catch ability. This position has underpinned the RLF's contribution and negotiations to the reform processes since their inception.

Despite being told that none of the \$24.5m committed to the reform process (Minister Whetstone's Media Release – 8th May 2020) would be spent facilitating rationalisation of the RLF's access to the MSF, we remain open to negotiating this possibility. Either, as a part of this process, especially if the \$24.5 committed is underspent come November 15th, 2020, or into the future.

Key Theme: Allocation

Recommendation 10: ITQs for priority species should be allocated to Option C endorsed licence holders in the rock lobster fisheries on catch history only above a minimum catch of 50 kg using the same reference period as MSF licences.

Those licence holders in the rock lobster fisheries (with Option C) with catch of 50 kg or more of any individual quota species using the same reference period would receive an ITQ allocation based on their individual catch history only, from within the rock lobster fisheries' proportional shares formally allocated by the Management Plan for the South Australian Commercial MSF.

The RLF acknowledges that the current (2013) MSF Management Plan allocates commercial sector shares (in percentages) of the four priority species between the MSF the rock lobster, prawn and Lakes and Coorong fisheries (P.32). Throughout the Reform process, the RLF has accepted that these catch shares, would likely form the basis for allocation of these species to Option C holders, despite historical financial contributions to the MSF far exceeding this level of access. Noting that there will be regional management arrangements in place for key species, the RLF requests that PIRSA and SARDI appropriately and thoroughly interrogate historical catch data to translate the statewide sector catch shares to regional sector catch shares when allocating TACCs. For example, whilst the prescribed Southern Zone RLF catch share for snapper is 1.45% (1.79% of the commercial share) of the

statewide total, throughout the years 2010 – 2016 this equated to approximately 15% (average across the 6 years) of the catch taken in the Marine Fishing Areas (MFAs) that make up the south east management region under the new MSF regime.

Regarding Recommendation 10 (above) from the IAAP Report, there is a range of opinions about whether 'catch history' or 'base allocation' or a combination of both is the most appropriate allocation methodology for the RLF. Given this submission is on behalf of all RLF licence holders, we have chosen not to preference one methodology over another. Rather, we have openly encouraged individuals or groups who share similar views about allocation methods to make their own submissions regarding this issue.

Key Theme: Transferability

It is proposed any future transfers of quota entitlements are only permitted to be made to MSF licences. This would mean licence holders in the rock lobster fisheries who are allocated ITQs for priority species could take those catches using their ITQs and Option C entitlements but they would not be able to accumulate any additional quota for these species or transfer the ITQs to other rock lobster fishery licences.

As stated above, the RLF has accepted that the catch shares legislated in the current (2013) MSF Management Plan would likely form the basis for allocation of Tier 1 species to the RLF. In accepting this, the RLF is firmly of the opinion that the transfer and trading rights, amongst RLF licence holders with Option C access, applied to our legislated catch share of these species, should be no different to the rights of other commercial sectors. As such, the transferability of ITQs, both permanent and temporary, for the RLF's allocation of Tier 1 species should enable transfer to another RLF Licence with Option C access, as well as to an MSF licence.

Given the contributions made by the RLF over a long period of time and the likelihood of an ITQ unit based cost-recovery program, there is a strong argument that those with Option C access should have full transfer rights for Tier 1 species i.e. have the ability to trade quota to build operations. This would provide business flexibility to both RLF and MSF operators, whilst promoting the spread of catch to the more remote areas of the newly formed MSF management zones. As an example, enabling the transfer of ITQs for snapper in the south east to RLF licence holders, would spread a greater portion of the catch south and away from the more populated and heavily fished areas of Victor Harbor, Cape Jervis etc.

The RLF supports the further refinement of PIRSA's eCatch quota transfer system to enable more efficient and cost-effective transfers, particularly as the demand for such a service will increase significantly as MSF species move to ITQ management.

Key Theme: Governance and Co-Management

It is proposed a MSF Management Advisory Committee (MSF MAC) will be implemented from 1 July 2021 with the following membership:

- o Independent Chair*
- o Independent economist with expertise related to fisheries management*
- o Independent fisheries scientist*
- o Two representatives from the recreational fishing sector*
- o Representative of the charter boat fishery*
- o Representative of the rock lobster industry*

- o Two representative of the MSF*
- o Representative of Aboriginal Traditional fishers*
- o PIRSA fisheries management expert*
- o SARDI fisheries science expert*

A Red Tape Reduction Working Group has been established to support the identification of potential amendments to regulations, licence conditions and management arrangements under the Fisheries Management Act 2007.

The RLF supports the proposal to implement a MSF Management Advisory Committee, which will include membership of a representative from the RLF. Should the MFA or PIRSA seek guidance on the establishment of such an advisory committee, including operating procedures, membership selection criteria etc. then SARLAC would only be pleased to assist.

The RLF supports the establishment of a Red Tape Reduction Working Group to identify potential amendments to regulations, licence conditions and management arrangements. The Working Group's charter should include issues associated with the RLF's access to the MSF through Option C. A key issue which the RLF has endeavoured to address through previous programs (Rules Review) but without success, is a change to the definition of a rock lobster pot, which has implications on MSF by-catch ability.

Key Theme: Tiered Management Framework

The Industry Consultation paper provided to licence holders in September 2019, introduced a three-tiered management framework for managing the four priority species: snapper, King George whiting, southern calamari, and southern garfish.

Tier 1 - highly regulated ITQ system managed within a TACC

Tier 2 - management arrangements designed to constrain the total catch within a Recommended Biological Catch (RBC) limit

Tier 3 - monitored against prescribed performance indicators

A PIRSA working group is developing a simple decision-making framework as a tool for the MSF MAC to support consideration of whether a species in a zone should move from a Tier 3 to Tier 2, or Tier 2 to Tier 1.

RLF licence holders with Option C must retain access to all current Tier 2 and Tier 3 MSF species in perpetuity, under the proposed management regime. Should any of these species be elevated to Tier 1 status in a given management zone, the rights and rules associated with the allocation of these species must be applied consistently regardless of the accessing authority i.e. a licence holder in the RLF with Option C access is treated the same as a licence holder in the MSF. In support of this, there are currently no formal catch shares apportioned to sectors for species other than King George Whiting, Snapper, Garfish and Calamari in any current government legislation.

Further to the above, all current rights to bait, by-product (octopus), and by-catch (King Crab, Velvet Crab, Commonwealth species e.g. shark, Nannygai etc.) are maintained by the RLF, in perpetuity. Endorsements and arrangements for by-product access to octopus and Australian Salmon are not only maintained in full but can be expanded to include gear transfer and gear diversification should these fisheries be developed.

To facilitate ongoing access to the MSF all current gear endorsements held by RLF licence holders with Option C or B are maintained, in perpetuity.

Key Theme: Cost-recovery

Table 2: Current and estimate of future annual licence fees (note these figures are not apportioned by base fee or quota units).

	20/21	21/22	22/23	23/24	24/25
Line base fee	\$2,886	\$2,958	\$3,032	\$8,659	\$12,593
Net fee*	\$5,196	\$5,326	\$5,459	\$9,595	\$22,283

The above estimate in table 2 also assumes the number of Rock Lobster Fishery Option C licences remain the same in the fishery. If a number of these licences are surrendered from the fishery, then fees will increase further.

In 2020-21, the RLF is contributing \$552,956 (PIRSA, 2020) or 20% of the fees collected by PIRSA through cost-recovery to manage and administer the MSF.

Historically, the fee paid by RLF licence holders for access to the MSF, through Option C, has been calculated and set at 50% of the base MSF licence fee. The rationale for this calculation being that a RLF licence holder has access equivalent to that of half the access of a MSF licence holder. This rationale assumes that a RLF licence holder is fishing in the RLF for the other six months of the year.

Under the new management regime proposed by PIRSA, the RLF (both zones) will be allocated a total catch share of less than 1% of all Tier 1 species combined (which have historically made up approx. 80% of the GVP of the MSF). And, whilst these catch shares have existed in legislation for some time, they will now be explicitly enforced through ITQ management. The resultant situation being that it is no longer fair and equitable, nor appropriate, to be setting the fee associated with RLF Option C access at 50% of the base MSF fee.

More generally, the costs associated with the future management regime for the MSF should be commensurate to the level of access, including the ability or otherwise to catch the higher-valued Tier 1 species. Therefore, we strongly support the apportioning of a majority of MSF fees to ITQ unit holders, whilst at the same time constraining any increases in the base fee, noting that the fee apportioned to the RLF will likely be based on a derivative of this.

SARLAC would like to thank PIRSA for the opportunity to make a submission on the information released as part of Stage 2 of the MSF Reform process. We would welcome the opportunity to meet with you to discuss the recommendations from this submission in more detail.

Yours sincerely



Nathan Kimber
Executive Officer
South Australian Rock Lobster Advisory Council Inc.

Watkins, Amy (PIRSA)

From: Bray, Sara (PIRSA)
Sent: Monday, 21 September 2020 2:24 PM
To: PIRSA:Minister Basham
Subject: FW: Peter please read attachment re MSF reform view
Attachments: To all Westcoasters and visitors to the West Coast.docx

Sara Bray

Ministerial Adviser – Fisheries and Biosecurity
Office of Hon David Basham MP
Minister for Primary Industries and Regional Development
GPO Box 1671 Adelaide SA 5001 | DX 667
[REDACTED]

The information contained within this email is confidential and may be the subject of legal privilege. This email is intended solely for the addressee, and if you are not the intended recipient you must not disclose, copy, use or distribute this email or any of its attachments. If you have received this email in error, please advise the sender immediately via reply email, delete the message and any attachments from your system, and destroy any copies made. It is the recipient's responsibility to check the email and any attached files for viruses or other defects.

From: Treloar, Peter
Sent: Monday, 21 September 2020 1:38 PM
To: Bray, Sara (PIRSA)
Cc: [REDACTED]
Subject: FW: Peter please read attachment re MSF reform view

[REDACTED]

From: [REDACTED]
Sent: Friday, 18 September 2020 1:34 PM
To: Treloar, Peter [REDACTED]
Subject: Peter please read attachment re MSF reform view

[REDACTED]

From: [REDACTED]
Sent: Friday, 18 September 2020 8:24 AM
To: [REDACTED]
Subject: FW: Updated Post

Hi [REDACTED]

There has been much debate regarding this matter especially with PIRSA but nobody seems to be listening.

I certainly agree with the sentiments of [REDACTED]

How well does Peter understand the issues faced by our community with this proposed reform? It would be great if he could get behind this reasoning for it not to happen.

Regards

[REDACTED]

From: [REDACTED]
Sent: Friday, 18 September 2020 8:17 AM
To: [REDACTED]
Subject: Fwd: Updated Post

----- Forwarded message -----

From: [REDACTED]
Date: Fri, Sep 18, 2020 at 8:14 AM
Subject: Fwd: Updated Post

[REDACTED]

----- Forwarded message -----

From: [REDACTED]
Date: Thu, Sep 17, 2020 at 9:03 PM
Subject: Updated Post
To: [REDACTED]



[REDACTED]

This message is intended for the addressee named and may contain privileged information or confidential information or both. If you are not the intended recipient please delete it and notify the sender.
This message is intended for the addressee named and may contain privileged information or confidential information or both. If you are not the intended recipient please delete it and notify the sender.

The information in this e-mail may be confidential and/or legally privileged. If you are not the intended recipient, access to it is unauthorised and any disclosure, copying, distribution or action taken or omitted to be taken in reliance on it is prohibited and may be unlawful.

To all Westcoasters and visitors to the West Coast. IMPORTANT – PLEASE READ

I don't say much on Facebook, however this is something I feel you all need to know. I have been a local resident of the West Coast for over 30 years. I love my local seafood, and the occasional day of fishing out in the boat.

It is my understanding that PIRSA and the State and Federal government are currently making reforms to the fishing industry for the commercial fishing sector which in turn I believe will have dramatic consequences to the recreation and community sectors of the West Coast region. It will also likely have major ramifications for the whole future of the state fishery.

Changes are being proposed or are already in place to occur on July 1st 2021.

Please read the following dot points carefully-

- A fishing quota system will be put in place for the commercial fishing sector, which I believe will likely result in big commercial enterprises taking over our fishery, with little care for the community or this valuable community asset. It will possibly be open to net fishing or more aggressive types of fishing other than traditional hook/line fishing. These more aggressive methods are detrimental to the fishery and fish ecosystem. This has shown in research interstate and internationally to be an unsustainable management of the fisheries. Examples of this are shown particularly in NSW, New Zealand and the European Union as well as many other parts of the world. All of these are examples of disaster to the fishery and fish stocks.
- With big enterprises coming into our fishery and getting quota, the community has no control over fish stocks (A community asset)
- All operations are likely to bypass West Coast businesses and services. I.e. Transport, Processing, Goods, Fuel etc all being from outside of the West Coast. All are currently based locally.
- Job losses will be significant and cause losses to local business including fish processing (Fish Factories closing) and long-time locals in the professional fishing industry. This has a flow on to town population and local business.
- The quota system opens the fishery to large outside interests who have no or little care for the local community or its fishery, as is the case in examples interstate and internationally. This has proven to cause devastation to fish ecosystems which will reduce fish stocks. With the reduction in fish stocks, the responsibility will go to recreation fishing, and cause major reductions to recreational fishing allowances. Interstate examples back this concern, as the limits in place now in other states for recreational fishing has meant fishing is no longer a desirable or worthwhile activity. This will affect tourism with the flow on significantly affecting caravan parks and motels, tourism operators and local shops and services.
- I feel this is a ploy to sell off our well managed and maintained asset, our beautiful and wonderful fishing area.
- This will also stop the access we currently have to our local fresh seafood, that we currently enjoy. In all likelihood, the seafood we have access to in the future under this proposal would then become imported, mostly from overseas.

In effect, our fishery will be taken from our community, to be sold to the highest bidder (big corporates within Australia and overseas) and the West Coast people and communities get nothing in return.

Anyone who is concerned about this like I personally am, please contact your local member of parliament, and voice your utter objection to this ludicrous plan, which will not only destroy local jobs, tourism, and cause major devastation to our local fishery and marine ecosystem. This fishery, we on the West Coast (both recreational and commercial sectors) have managed to maintain for many, many years and if allowed to continue will continue to maintain healthily and sustainably for years and years to come.

Presser, Jon (PIRSA)

From: [REDACTED]
Sent: Tuesday, 22 September 2020 4:28 PM
To: PIRSA:MSF Reform
Subject: [REDACTED]

Hi , I have just received my indicative individual quota and not at all happy as I didn't own the licence in that time period and the quota is nothing. I need to speck to you regarding this as it won't even cover my Pirsas fees. Can you please contact myself ASAP regarding this matter on [REDACTED]

Sent from my iPhone

Watkins, Amy (PIRSA)

From: [REDACTED]
Sent: Wednesday, 23 September 2020 5:50 PM
To: PIRSA:Minister Basham
Subject: Restructure of SA Marine Scale Fishery

Follow Up Flag: Follow up
Flag Status: Completed

Mr. Basham,

I am writing to you because of my concerns on the restructure of the Marine Scale Fishery, mainly, the introduction of a quota system.

If you look at the Rock Lobster quota, it is being purchased by a French company and two New Zealand companies and others and the price of lobsters has doubled since quota was introduced to the lobster fishery, so normal south aussies can only have lobster on special occasions these days. In the SA Marine Scale fishery some Victorian companies have already purchased several SA fishing licences, ready to buy quota in this fishery.

People have genuinely bought marine scale fishing licences in the past 2,3 and 5 years and most have been operating these as a business, earning a wage for themselves and their family. The quota system will completely disregard these people.

If you sign off on this proposed management strategy, we as a state will eventually lose most of our seafood to outside interests.

So, I believe a buy back alone should go to solving any pressure on our seafood stocks. The buy back is well underway, a quota system would be a DISASTER for the SA Marine Scale fishery.

Lastly, I believe the MFA representing our fishermen was bias on quota, as 90% of fishermen did not agree with the introduction of quota at any of the meetings I attended previously to this proposal.

I would like very much to have a chat with you about this matter. I believe that it is important to many that this management proposal, AS IT STANDS, is detrimental to all South Australians, especially to many of our current fishermen.

Yours sincerely

[REDACTED] Retired Commercial fisherman of 25 years.

[REDACTED]

Postal address [REDACTED]

Residential address [REDACTED]

I am not part of any ongoing campaign, so would appreciate a more direct reply.

[REDACTED]

23/9/2020

To David Basham MP,

I am terribly concerned today after receiving my indicative quota entitlements issued by PIRSA. I have attached a copy for you to have a look over and understand how it is seriously concerning, not only for myself but dozens of other fisherman I have spoken to today who are in a very similar position.

I will explain my position, I first bought a licence in 2014 well before any investment warning. I have targeted snapper in Gulf St Vincent almost exclusively for the last 5 years until it was shut. In the 2019 season catching around [REDACTED] of the total snapper catch for Gulf St Vincent. I was contracted out by SARDI this year to do the snapper sampling in Gulf St Vincent because of my recent catch history. So it is fair to say I am one of the top Gulf St Vincent Snapper fisherman currently, I have [REDACTED] longline boats and [REDACTED] fulltime crew. The buy back is not an option as the \$140,000 for my licence is just the tip of the iceberg, I have \$[REDACTED] of boats, plant and equipment.

If the Independent advisory panel's recommendations of the catch history period 2010-2016 and 80/20 share is upheld I am officially in dire straits and will have no option but to litigate my stance in the courts.

I will explain why, I only have [REDACTED] of catch history out of the 6 that the panel have recommended, and because the panel recommend a five year average my catch history for [REDACTED] is spread out over 5 seasons and a percentage is formulated against the other fisherman's five years of catch. I do not understand how the panel came up with 5 years catch history when it has always been 3 years catch averaged for other species removed to quota in South Australia.

Anyway the short of it is, going on the allocation that PIRSA have sent me through I will have absolutely nothing to catch!! My indicative allocation is around [REDACTED] for snapper in GSV, which will equate to around [REDACTED] kg for the season, and under [REDACTED] for the other 3 key species state wide. I have highlighted these figures on the attached document. This means I will have to travel all over the state to catch less than \$[REDACTED] of fish for the season!!! I am not the only person in this position, dozens of young fisherman are in dire straits.

These numbers are staggering, I have only targeted snapper since 2014 up until the closure and now I am facing bankruptcy, purely because the panel hasn't looked deep enough into the fishery, 5 years of catch history can't work and an 80/20 split is absolutely ridiculous. I know you will read this letter but I hope you can see that this is unfair and unethical, PIRSA should have put a freeze on all licence transfers well before 2016 if this was going to be the outcome and the transparency throughout has been deplorable.

My recommendation would be to have history recognised up until the actual history investment warning which was issued in late Dec 2017, Also instead of 5 years catch it needs to be reduced down to 3 seasons and then averaged and the 80/20 split needs to be made 50/50 split giving everyone a chance to get what they need to make a living moving forward.

Please have a look at the attachment and you will see exactly what I am talking about, I honestly hope you can make some change because this industry is in big trouble if the Panel's recommendations are upheld. The litigation disputing allocation from fisherman will drag this out for years and for me being a snapper fisherman I am already sitting out for 3 years and can barely pay my kids school fees as it stands now.

I thank you for your time.



Regards




Indicative Individual Transferable Quota (ITQ) Allocation

18/09/2020

Licence Holding (Base share)

The IAAP recommends a proportion of the TACC be allocated to all licence holders in the MSF, determined by the relative values of licence types. The base share for your licence type is provided in Table 1.

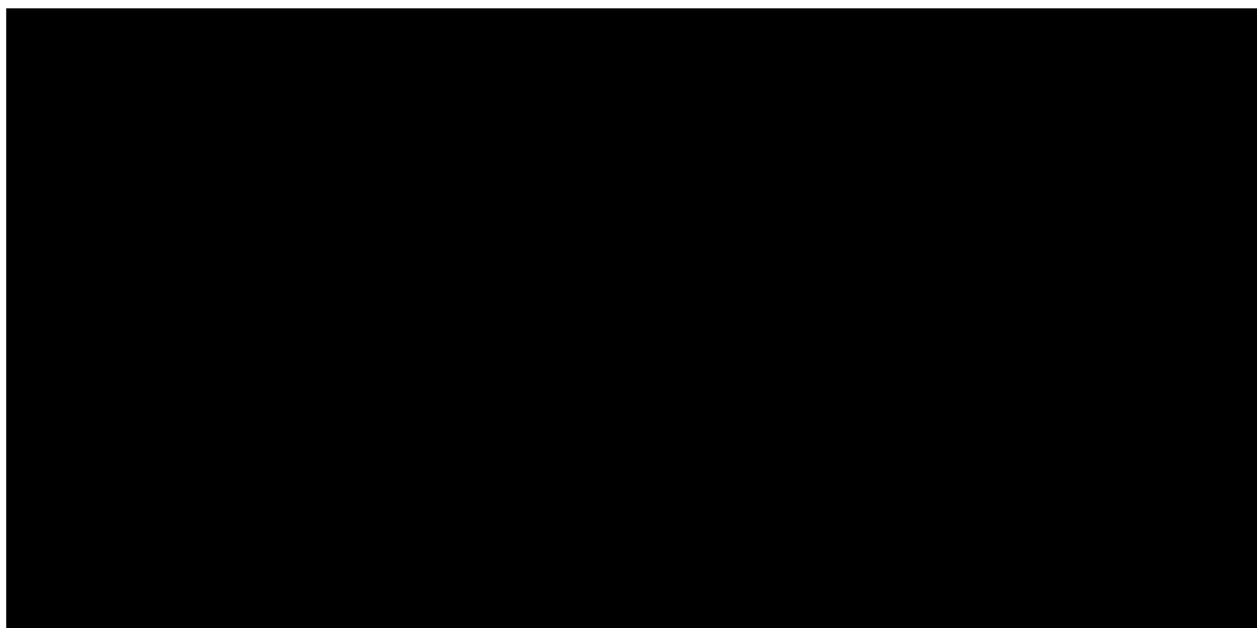
Table 1: Licence details

A large black rectangular box redacting the content of Table 1.

Catch history share

The IAAP recommends a proportion of the TACC be allocated according to the licence holder's proportional share of catch for each species in each zone, based on the sum of the 5 highest years of a 6 year period, 1 July 2010 to 30 June 2016. Your catch history and your catch history shares are provided in Table 2.

Table 2: Catch history summary

A large black rectangular box redacting the content of Table 2.

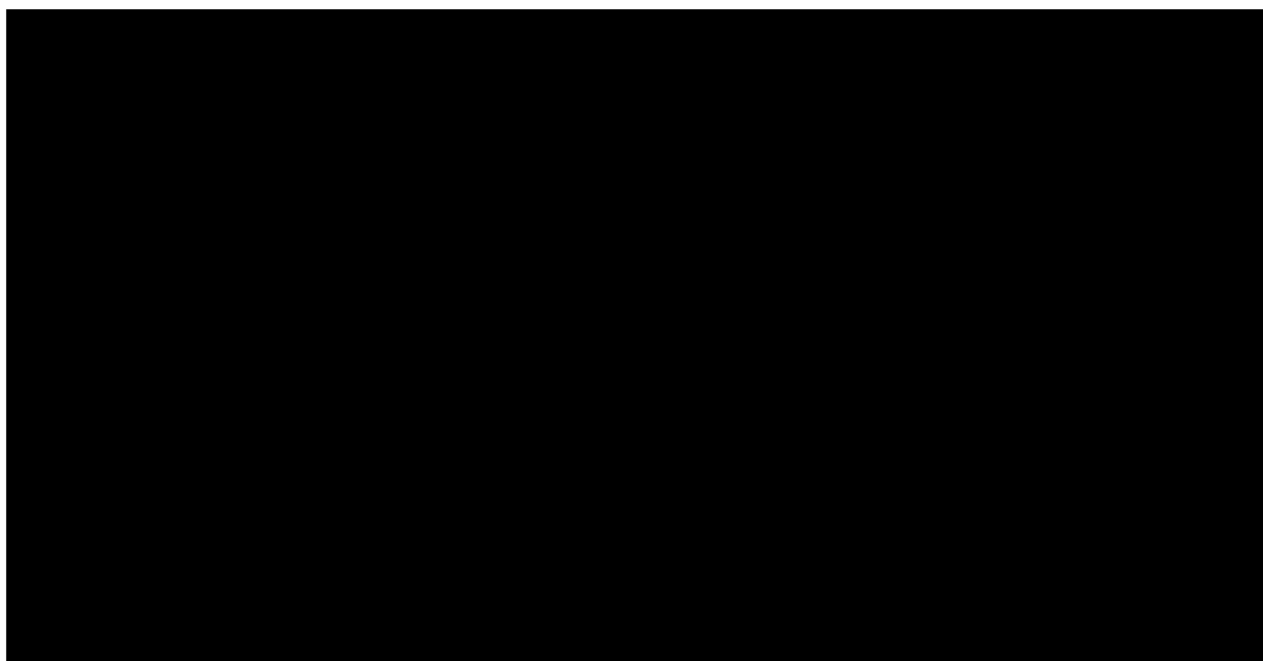
ITQ allocation summary

The IAAP recommends the ITQ allocation formula should be weighted 80% to your catch history share, and 20% to your base share. The formula to calculating your ITQ for each species in each zone is:

$$((0.8 \times \text{catch share}) + (0.2 \times \text{base share})) \times \text{Total Allowable Commercial Catch (TACC)} = \text{ITQ}.$$

The indicative ITQs that would be allocated to you using this formula are provided in Table 3. The Minister for Primary Industries and Regional Development has approved the 2021/22 TACCs for species in each zone included in Table 3.

Table 3: ITQ allocation summary



Disclaimer

The calculations in this document are an example only of possible Individual Transferable Quota (ITQ) for priority species in the Marine Scalefish Fishery that may be allocated to the licence specified based on the proposed quota allocation formula recommended by the Independent Allocation Advisory Panel and numbers of licence holders in the Marine Scalefish Fishery current as at 18 September 2020. It does not of itself represent any final decision on ITQ allocations for this licence. The final decision on allocating ITQs has not yet been made and may differ from the example provided in consideration of further changes that may occur as part of the fishery reform process.

Presser, Jon (PIRSA)

From: [REDACTED]
Sent: Wednesday, 23 September 2020 7:07 PM
To: [REDACTED]
Subject: ITQs Reform M189
Attachments: IMG_0543(1).jpg; IMG_0542(1).jpg; IMG_0541(1).jpg

Hi Jon & Alice

We brought our licence [REDACTED] in [REDACTED] 2009 in the name of the [REDACTED] with share holders [REDACTED] as owners.

In 2009 the licence was put into my name first [REDACTED] when we bought it & the 3 of us worked the licence to [REDACTED] 2011, we fished it for 20 months to [REDACTED] 2011 and then we leased it out to [REDACTED] for 3 years the [REDACTED] came back from [REDACTED] 2014 to start working the licence.

I would like from [REDACTED] 2010 to [REDACTED] 2011 to be added to our catch history as our family has been in the marine scale fishery from my father's licence the he had [REDACTED] from 1970s to 1995 when he passed away and I the took over in 1995 to 2005 when I sold [REDACTED] to government buy back.

The [REDACTED] family are not fly by nighters, we agree in the reform but not to put young fishers out of a job.

1. Our licence has never been sold and is still owned by the [REDACTED] family.
2. Our licence was leased out from [REDACTED] 2011 to [REDACTED] 2014.
3. We should be entitled to our family catch history.
4. When the licence was transferred to [REDACTED] it was a family transfer and no money changed hands as its still owned by all three of us.
5. There where never any lease payments paid.
6. All money made by licence [REDACTED] has gone into the [REDACTED] from 2009 to 2020.
7. We paid [REDACTED]k + stamp duty form our amalgamated licence [REDACTED] and we expect to get our catch history for 2010 to 2011.
8. We will never sell for 180k as we can't afford to lose 175k
9. We also done our part in the marine scale fishery by buying 2 licences to make 1 to reduce effort and we think we are being discriminated against by the reform because of the money we have invested to get back into the industry & something should be put in place for the amalgamated net licences as we have helped reduce effort.

I really hope you can see our point of view.

Kind Regards

[REDACTED]

Please send all correspondence to



Sent from Samsung tablet.

Presser, Jon (PIRSA)

From: [REDACTED]
Sent: Thursday, 24 September 2020 12:13 PM
To: PIRSA:MSF Reform; [REDACTED]
Subject: Indicative quota for license [REDACTED]

To whom it may concern,

After receiving my indicative quota in the mail the other day, I was speechless, devastated, annoyed, furious, emotional and many more

feelings as you might imagine, if someone just destroyed your business and future in which you considered yourself to be a good asset to the industry. Not

ever having a demerit point against your family name, keeping to yourself and avoiding confrontations with other fishers and working your butt off to provide the best for your family.

My last email to Jon Pressor explains my situation and circumstance and my honesty in my returns which I can back up with invoices. I would like my four years in the industry to be considered, and the appropriate quota be made available to me.

This reform has caused my family much grief and sorrow..

Kind regards [REDACTED]

PS..Could you please respond to this email notifying me that you have received it, and the previous one because I didn't hear from anyone on the last one.

Presser, Jon (PIRSA)

From: [REDACTED]
Sent: Thursday, 24 September 2020 3:39 PM
To: PIRSA:MSF Reform
Subject: Transferable Quota Allocation

Dear Jon/Alice,

In preference to telephone communication i have chosen email option instead with regard to quite concerning questions
And queries i have as to how you derived my allocation.

I will start with the period of quota that has been chosen and point out that during this period 2011 to 2016 i was Inactive for a fair period of time as outlined below:

2016 Active [REDACTED]
2015 Active from [REDACTED]
2014 Inactive due to [REDACTED]
2013 Inactive due to [REDACTED]
2012 Inactive due to [REDACTED]
2011 Active [REDACTED]

So on the basis of best 5 out of 6 years during this period this formula cannot possibly apply FAIRLY to myself. Unless You have gone back a further 3 years to give me the "best 5 out of 6" i have been harshly dealt with and do hereby Request an application for a fair allocation under " Exceptional Circumstances" which definitely applies in my case.

My catch history records indicate a far higher allocation than has currently been calculated if you had gone back a further
3 years , but hopefully you have a better or similar fair method.

In closing i would like to emphasize that my request for exceptional circumstances is based on my strong belief in receiving a
Fair and correct allocation.

Kind Regards,

[REDACTED]

Presser, Jon (PIRSA)

From: [REDACTED]
Sent: Thursday, 24 September 2020 5:46 PM
To: PIRSA:MSF Reform
Subject: re transferable quota

I have had a commercial licence since 2009.

My catch history from 2010/2011 to 2015/2016 shows that I caught [REDACTED] ton of snapper [REDACTED] ton of squid [REDACTED] ton of whiting and [REDACTED] ton of garfish which gave me a income of [REDACTED] k average for those years. Now the proposed reform is supposed to make me more profitable but my allocation allows me to make [REDACTED] k how is that fair.

I have a son that has borrowed [REDACTED] k for a licence and gear [REDACTED] in 2016 and has been averaging [REDACTED] k since he started and will be getting the base allocation which will earn him [REDACTED] k you are making us unemployed. With the proposed 80/20 split you are making some people rich and most unemployed

Yours sincerely [REDACTED]

Sent from Mail for Windows 10



South Australian Sardine
Industry Association Inc.

Prof. Gavin Begg
A/Executive Director
Fisheries and Aquaculture
Primary Industries and Regions South Australia (PIRSA)
2 Hamra Avenue
West Beach SA 5024

PO Box 2909
Port Lincoln
SA 5606



24 September 2020

Dear Prof. Begg

The membership of the South Australian Sardine Industry Association Inc. (SASIA) is comprised of 14 Marine Scale (MS) license holders endorsed with a Sardine net "gear entitlement".

Although the Sardine fishery is the main focus of these licensees, our members pay an annual MS license base fee which permits full access to the MS fishery during times when Sardine fishing is inactive. Simultaneous Sardine and MS fishing is not permitted under the current regulations.

The Sardine net fee is fully cost recovered and funded separately, also on an annual basis. It is important to note that almost all of our members licences have been amalgamated and in turn have contributed to the effort reduction of the MS fishery over time.

The current MS reform process provides all MS license holders with the option of voluntarily surrendering their MS license and a compensation package has been made available through provision of a one-off lump sum payment.

The recently released MS fishery reform information pack explains the licence surrender terms and conditions and identifies 13 November 2020 as the closure date for applications from licensees who wish to exit the MS fishery.

Sardine entitled MS licensees are not motivated to consider surrendering their MS license given the Sardine net entitlement and access arrangements are directly coupled to their MS licenses.

Correspondence from SASIA to PIRSA on 13 August raised the concept of developing a stand-alone Sardine fishery as a part of the planned Sardine fishery management plan review and MS fishery reform process.

Discussions around separating MS from the Sardine net entitlement have taken place in the past.

PIRSA understandably raised concerns that separating the MS fishery from Sardines would allow potential activation of "latent" effort back into the MS fishery, compromising the long-term objective of MS effort reduction.

More recently, the MS reform Independent Allocation Advisory Panel has determined that a Total Allowable Commercial Catch (TACC) for the four key MS species (King George Whiting, Southern Garfish, Southern Calamari and Snapper) is recommended as the primary output control for the MS fishery.

This effectively means that the issue of activating latent effort as the rationale to dismiss separation of the two fisheries is no longer valid.

SASIA members unanimously agree that the time is right to re-consider separation of the two fisheries.


Several SASIA members have indicated their interest in participating in the MS license surrender and compensation program but again, have no capacity to do this under the current arrangements without forfeiting their Sardine access.

In Summary:

- SASIA proposes that separation of the Sardine access from MS fishery should be considered closely throughout the 2021 Sardine Fishery Management Plan review/Marine Scale reform.
- The resulting 14 MS licensees should remain qualified for the determined TACC allocations of the four key MS species and/or potential surrender of licenses beyond the closure of the application date of 13 Nov 2020.

This would allow our members the opportunity to consider their future in the MS fishery and provide an equal opportunity to surrender their MS licence under the same terms as all MS licensees.

Yours Sincerely



Paul Watson
Executive Officer
eo@sasardines.com.au
Mob. 0429 830776



Sean Kalling
President
South Australian
Sardine Industry Assoc. Inc.

CC: Hon. David Basham
Minister for Agriculture Food Fisheries Forests and
Regional Development

CC: Prof. Mehdi Doroudi
Deputy Chief Executive
Primary Industries and Regions
South Australia (PIRSA)

CC: Mr Peter Dietman
Director Fisheries and Aquaculture Operations
(PIRSA)

CC: John Presser
Manager Fisheries Reform
PIRSA

CC: Alice Fistr
Senior Adviser Fisheries Reform
PIRSA

Presser, Jon (PIRSA)

From:**Sent:****To:**

Friday, 25 September 2020 8:08 AM

PIRSA:MSF Reform

I am a marine scalefish licence holder. Quota amounts are being sent out. I am out of town so are unable to view my quota yet. But have had other fisherman contact me. How can u set these ridiculously low amounts. Ruin family's and sleep at night. Without the recreational fishing survey u can't set quota till u have all the info. This is not a voluntary buyback. It's is forced in every way. Please explain to me how a fisherman can pay licence fees, expenses plus live off of 83kg of fish a year. Seriously should b ashamed of yourselves. Then to not answer the calls of the fisherman who's lives u have ruined is a new low but does not surprise me. Why won't u go on radio and answer questions from the abc. They been trying but u been hiding. The rest of the state needs to know what you are doing. Us fisherman are human too you know.

Presser, Jon (PIRSA)

From: Begg, Gavin (PIRSA-SARDI)
Sent: Friday, 25 September 2020 8:46 AM
To: Presser, Jon (PIRSA)
Subject: FW: Marine Scalefish Fishery Reform

Follow Up Flag: Follow up
Flag Status: Flagged

Categories: MSF Reform submission

Hi Jon – please include in submission
Thanks
Gavin

From: [REDACTED]
Sent: Friday, 25 September 2020 8:14 AM
To: Begg, Gavin (PIRSA-SARDI) [REDACTED] Presser, Jon (PIRSA) [REDACTED]
Subject: Marine Scalefish Fishery Reform

I hope this email finds you well.

We would like to let you know that we strongly support for the 20:80 allocation!!! as recommended by the independent panel.

We have an unamalgamated license. [REDACTED] at the age of 18yrs (24yrs ago) was advised by his uncle that he would be better off to purchase via family transfer his license rather than buying an amalgamated licence at a slightly cheaper price. It obviously was not the best advice but at the age of 18yrs and super keen to be a fisherman took the advice of his uncle. This decision hasn't had any real negative impacts apart from being valued at a lower amount, but as we have no intention to sell it, it has all been ok until now. However now, we only get half the base allocation in the current recommendation for the reform. We are ok with this if the allocation stays at 20:80. We are really nervous!! that if this ratio changes that we won't only miss out on past catch history but also if the base allocation increases then we lose more there as well. Can you please consider this if there is any change in the allocation ratio?

Other reasons we are happy with the 20:80 ratio.

- Being a multi species fishery presents a lot of challenges. You are more than likely aware as a net fisherman we rely on being able to catch a range of different species to make the days catch a success. We will have days with a mixed bag of Calamari, KG Whiting, Garfish, Yellowfin Whiting, Tommy Ruffs & Leather Jackets but small amounts of each species but together they make the trip worth while. If we had to throw back the King George whiting for example, the the trip is no longer worth while. We have found this with the Garfish closure in the winter months, we used to be able to catch a nice lot of Garfish to top up the trip and this closure has definitely affected our bottom line. So we believe that we need to have an allocation similar to what we catch to maintain our viability.

- We have personally with our own brand & with Fair Fish SA invested a lot of time and money into marketing our species and we would really love to see the success of this effort into the future. As you know continuity of supply is very important, although people are more open to seasonality now, it still presents issues with their daily operations. If our ability to catch certain species was significantly reduced and we lose these markets, it would be heart breaking.

- Every Marine Scale fisherman fishes differently its not like a single species fishery. Some people target garfish, some target snapper etc and need to have larger allocations of those species to keep their businesses running smoothly. If the quota goes evenly across the board or the ratio changes from the 20:80 these fishermen are a high risk of not being able to continue fishing as they won't have the quota they need to be viable.

- We are also really concerned and nervous about the ability to readjust our allocation to represent our current catch. We have no desire to buy up and speculate but we would like to have enough quota to keep our license operating at a similar level as it is today.

- The time and effort needed to find someone who may be keen to trade + to negotiate a fair price + undertake the transaction x that by the number of transactions required to readjust will require a lot of time & money & days missed fishing. There is also the risk that we won't find someone willing to sell us the quota we need to fish efficiently.

- The low value voluntary licence surrender payments doesn't give the full time fishers enough incentive to leave and the government's proposal of 20:80 at least enables those that want to retire enough value in selling their quota to do so.

- Our families have worked hard for a lot of years to try and get some security for our fishery. We have had so much taken from us over the years and it has taken a lot of hard work and investment in readjusting to keep our license profitable. Most decisions in the fishery have gone against the way we operate our business which has been quite devastating at times. We urge you to consider these above examples of why we believe the 20:80 ratio works well.

██████████ is 5th Generation fishermen and has seen & done a lot in the industry and it occupies our heart and sole. We find it extremely frustrating that fishermen who have purchased their licenses after the investment warning and those that are only part time fishers, seem to have a stronger collective voice and say over our long term sustainable focus with the MFA. As a result we have left the MFA along with other fishers as we don't believe we were being fairly represented.

We are strong supporters of the quota system as we are passionate about having a future in the fishery and see it as being the only way to seriously cap the effort and defend ourselves against, the continual recreational political pressure we have faced for YEARS.

I really hope you can see our point of view. We appreciate your efforts to get this reform up and running!!! We know it hasn't been an easy task.

Best Regards

Presser, Jon (PIRSA)

From: [REDACTED]
Sent: Friday, 25 September 2020 1:01 PM
To: PIRSA:MSF Reform
Subject: Reform comments

Hi

As discussed with Jon and Alice, it is disappointing that the consultation period has closed at/prior to the release of the ITQ's.

The ITQ's have been issued much later that was advised.

In my situation where I am looking to take over my father's license [REDACTED] in the next few years this information is critical to allow consideration of the impacts and ultimately a decision for the future.

That said, I am grateful that you have extended an invitation to submit this feedback on the understanding it will be considered.

Comments;
ITQ rebalance.

I believe that the ITQ calculation method is quite reasonable however, when the individual fisherman has only ever fished from one port (which most would be in this category), he does not want the ITQ for other regions.

There needs to be a cost neutral trading platform the allows the redistribution of 'unwanted' quota for 'useable' quota.

IE a fisherman only operating in the Spencer Gulf needs to interchange his West Coast quota (from the statewide allocation) for an equivalent Spencer Gulf quota – at no cost.

If there is a cost for this redistribution I would strongly consider this and unreasonable burden of no making of the fisherman.

Owner operator

I strongly agree with the industry being owner operator based.

This promotes stewardship of the fish stocks within the various zones and limits the opportunistic hammering of seasonal resources.

Ongoing costs

I am of the view that costs need to be linked to the ITQ.

There should be a base fee and then quota based fees.

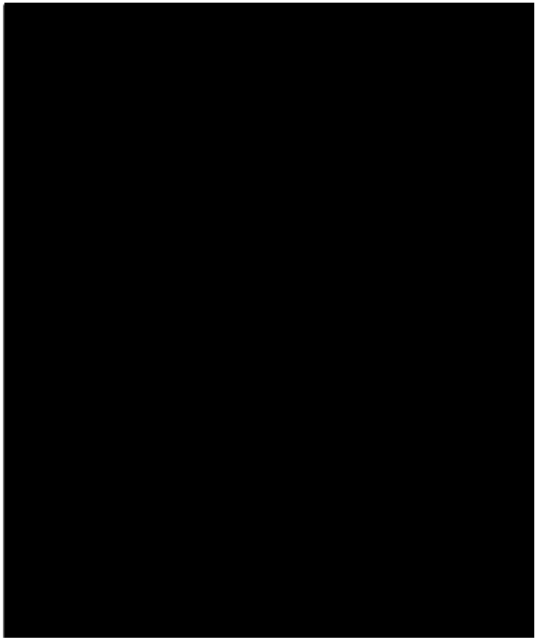
This will allow the smaller fisherman not to be priced out of the industry.

Why should a small fisherman be paying the same fees as someone with 4 or 5 times the quota and hence income?

Thanks again for extending the opportunity to provide feedback.

Regards

[REDACTED]



Privacy & Confidentiality Notice This email and any attachments to it, may contain confidential and privileged information solely for the use of the intended recipient (or person authorised). Any misuse of this email and/or file attachments is strictly prohibited. If this email has been received in error, please notify the sender by return email and delete all copies immediately. No guarantee is given that this email and/or any attachments are free from computer viruses or any other defect or error.

Please consider the environment before printing this email

Presser, Jon (PIRSA)

From: [REDACTED]
Sent: Friday, 25 September 2020 3:41 PM
To: PIRSA:MSF Reform
Cc: Presser, Jon (PIRSA)
Subject: Reform

Categories: MSF Reform submission

Hello laap

I write to you in total disbelief that a person could of held 5 licenses in the allocation period leased them out under the multiple license master system then now sell 4 licenses they still get all 5 catch history this is wrong on all accounts they should loss all history on all licenses sold and only receive the one license still held this is a slap in the face to all other license holders Regards [REDACTED]
[REDACTED]

Sent from my iPhone

Presser, Jon (PIRSA)

From: [REDACTED]
Sent: Friday, 25 September 2020 4:44 PM
To: PIRSA:Minister Basham
Cc: PIRSA:MSF Reform
Subject: Quota for fishing licence [REDACTED]

To Minister David Basham,

My name is [REDACTED] and purchased scale fishing licence in 2015 only fishing for 40 days that year due to full time work commitments .Resulting in low catch history. In 2018 sold my house in [REDACTED] to move to [REDACTED] on Yorke Pensulia to pursue fishing business. I now fish full time and employ my son as a deckhand. I am mainly chasing Southern calamari and garfish. With the I.T.Q I have been given [REDACTED]kg squid and [REDACTED]kg garfish quota. The amount given is only a recreational quota not a commercial quota. For the last 2 1/2 years we are averaging [REDACTED]tonne of mixed fish a year. I feel that the quota should be taken from the last 3 years and not going back to 10 years. So if this does go ahead I will

- not be able to even pay my PIRSA fees for the year
- not have a business for myself and son to fish with
- will have no choice but to sell my home which I have only been in for 2 1/2 years
- will have to sell my boat and licence which I have on a loan for \$ [REDACTED] which I will not be able to pay for.

I am in no possible way of considering surrendering my licence as it is my son and myself livelihood and enjoy our job. The buy back scheme was supposed to be a voluntary buy back not a forced surrender scheme. If I don't get a reasonable quota I am set not only to loose my business but to loose everything. The I.T.Q set up and catch history is a joke only designed to benefit the guys that were on the M.S.F.A at the time. It doesn't make sense to go back on that period of catch. I hope the decision you make will help us not loss everything we have worked so hard to get.

Regards [REDACTED]

Sent from Windows Mail

Watkins, Amy (PIRSA)

From: Treloar, Peter [REDACTED]
Sent: Saturday, 26 September 2020 7:40 AM
To: PIRSA:Minister Basham; Bray, Sara (PIRSA)
Cc: Flinders EO Port Lincoln; Flinders EO Ceduna
Subject: MSF Reform
Attachments: Marien Scale Licnese.doc

Dear Minister Basham/Sara Bray,

Please find attached correspondence form [REDACTED], MSF licence holder from Eyre Peninsula.

Regards,
Peter Treloar MP

The information in this e-mail may be confidential and/or legally privileged. If you are not the intended recipient, access to it is unauthorised and any disclosure, copying, distribution or action taken or omitted to be taken in reliance on it is prohibited and may be unlawful.

Reform of the marine scalefish fishery

We write to express our ongoing concerns with proposed changes and buy backs of the Marine Scale Fishery licenses.

Fundamentally I believe the proposed 80/20 quota distribution is manifestly unfair with the base distribution unviable and doubtful it will even cover license fees! The other issue with this proposed distribution is that it will potentially knock out the younger fisherman from the fishery. With this split it raises questions around Banks and Financial institutions willingness to provide the necessary financial support and backing to many of these people?

With the 70/30 split the ripple effects through-out the wider industry is then questioned. What effect on the wholesale market and wholesalers, fabrication industry that support the fisherman and a number of other niche markets that rely heavily on the Scale Fish industry support? With this split a time frame of three years should be applied as per previous decisions allowing a level playing field and fishery. This will then allow those that want to modify their business operation the time to do so and ultimately provide and equal and equitable quota system. It will also allow these individual license holders to earn more during this time frame and also provide a more robust catch history. When this split was proposed at the recent meeting held at Port Lincoln there was a vote of over 60% of ballot respondent's that voted in favour of this split (70/30).

The original concept was to allow those member and license holders that wanted to fish to have continuity and those that were willing to get out the platform and ability (in a fair and supposedly equitable way) to do so. Given we have payed license fees it would be reasonable to expect that we all have ownership of the fishery. Why then are some of our younger fishers being excluded? They have been of the understanding and acceptance that "quota" forms part of the fishery!

The Investment warning that was issued effective after June 2016 suggested that catch history would not be used. The warning was issued on the basis to support the protection of the fishery and removing the potential of people over-fishing.

In terms of equity and fairness could it be questioned that 20% of license holders will have 80% of the quota? In what way is this fair and equitable? So on this basis can we assume that these 20% are going be charged 80% of the license fees?

As it stands we as a collective will not be accepting of the proposed 80/20 split!

This communication is supported by the license holders below with numerous others in verbal support but unable to be contacted in person prior to this response..

[REDACTED]

[REDACTED]

[REDACTED]

Presser, Jon (PIRSA)

From: [REDACTED]
Sent: Sunday, 27 September 2020 12:07 PM
To: PIRSA:MSF Reform
Subject: ITQ not acceptable
Attachments: Screenshot_20200927-101402_Facebook.jpg; Screenshot_20200927-101411_Facebook.jpg; Screenshot_20200927-101416_Facebook.jpg; Screenshot_20200927-102745_Gallery.jpg; Screenshot_20200927-102747_Gallery.jpg; Screenshot_20200927-102754_Gallery.jpg

Dear Professor Beggs and Jon Presser I recieved my ITQ during the week [REDACTED]kg shock horror .My god do you really think this is fair after investing 10 years and 400k into the industry to be treated like this.This is not acceptable. Even the fishers who received quota say its not fair.We need at least 3000kg to be viable .We are not happy .Please you have to rethink this quota formula. I am not a new entrant yes we only bought a licence after 2016 but we were learning from my Dad doing courses saving to realise our future.How do I tell my son and his children its the end of the road.We will not give up we will not take the buyback .like others that are scared panicking and quite a few suicidal.Thankyou for your time Regards
[REDACTED]

Presser, Jon (PIRSA)

From: [REDACTED]
Sent: Thursday, 8 October 2020 7:42 PM
To: PIRSA:MSF Reform
Cc: [REDACTED]
Subject: RE: YOUR INDICATIVE INDIVIDUAL TRANSFERABLE QUOTA

Follow Up Flag: Follow up
Flag Status: Flagged

8 October 2020

Mr Gavin Begg, Mr John Pressor and Ms Alice Fistr
Delivered via email

Dear Mr Begg

Further to my conversation on 6 October 2020 with Mr Pressor I am formally writing in response to the letter dated 18 September and received on 24 September 2020 regarding our indicative individual transferable quota.

By way of background we purchased licence [REDACTED] and licence [REDACTED] in [REDACTED] 2014. The licences were both purchased to amalgamate in order to be able to obtain the minimum points required for a licence as per your requirements to enter the marine scale fishery. The value of this amalgamated licence using your current formula (Table 1, PIRSA Information for Fishers) equates a .428% share of the total marine scale licence with the value $\$32,720,000 = \$140,000$. We entered the industry as an opportunity to develop a family business within the marine scale fishery whilst endeavouring to fish sustainably and adhere to the regulations and conditions of the time.

The proposed reform in its current state is redefining and changing the primary value of the fishery/licence to quota allocation. In principle we agree with the need and reasoning for this change however, we would like to express our concern with the proposed quota formula for the ITQ. The proposed catch history + base share ratio of 80:20 is unfairly weighted. This proposal instantly devalues our licence to 20% of the current value. We agree that the base share proportion and value is fair and equitable for all, however the 20% weighting is not.

It is proposed that catch history at 80% offsets and replaces the current value of the licence. Catch history has never previously been considered in the value of a licence and as currently proposed at 80% is a clear redistribution of value and wealth within the industry. There are many variables that have not and cannot be accurately considered when allocating quota based on catch history. These include, but not limited to financial capability, business planning, fishery knowledge, family commitments and individual health which we believe need to be considered.

Additionally, we would like to express concern with the suggested catch history period. As outlined in the ITQ allocation summary the catch history share is based on five highest years catch from a six year period (1 July 2010 to 30 June 2016). This eligible catch history is weighted 80% of individual quota share. Licence [REDACTED] was amalgamated in [REDACTED] 2014 therefore there is only [REDACTED] years of catch history available within the recommended period. This proposed catch reference period again severely disadvantages us and provides an unfair and inequitable outcome. As above we purchased the licence in 2014 in good faith and with no indication that we would be disadvantaged for not having a catch history for the period prior to entering the industry.

We ask you to reconsider the proposed ITQ formula. We ask for the base share to be weighted higher to protect the financial value of our asset/Licence. We ask for a review of the period you have used for the catch history and as a minimum the catch history should consider the years in which we operated instead of the NA for the years of no operation. Alternately another catch history formula developed or an exception to provide better equality.

We understand that you have used this period as you believe there was an opportunity to increase catch effort once notified of the pending quota/catch history however, our catch effort and history is consistent with no advantage gained.

I thank you in advance for your consideration and look forward to a fair and equitable outcome. Please contact me [REDACTED] at your earliest convenience to progress this matter further.

Kind Regards

[REDACTED]

Marine Scalefish Fishery Reform – Stage 2 information

SUBMISSION BY THE MARINE FISHER'S ASSOCIATION

Dr. Gary Morgan, Executive Officer on behalf of the MFA

Table of Contents

.....	
1. Introduction:	2
2. Comments on the IAAP recommendations for allocating ITQs among licence holders	2
MFA Recommendations	5
3. Comments on the compliance program to ensure integrity of the quota management system... 5	
MFA Recommendations:	6
4. Comments and recommendations on scientific stock assessment and monitoring program to support ecologically sustainable management of the fishery	6
MFA Recommendations:	8
5. Comments and Recommendation on Co-Management and the proposed membership of the MSF MAC.....	8
MFA Recommendations:	9
6. Comments on proposed owner operator arrangements	9
7. Comments on the licence amalgamation scheme and whether it needs to continue in its current form.....	9
MFA Recommendation:	10
8. Comments on the proposal to remove the one-in-five-year transfer rule from 1 July 2021.	10
9. Temporary licence transfer freeze.....	10
10. Comments on zoned licences or State-wide access	10
MFA Recommendations:	11
11. Comments on the commercial access to the MSF by other fisheries.....	11
12. Comments on the costs of on-going management and licence fees.....	12
MFA Recommendation:	12
Summary of Comments and Recommendations	13

1. Introduction:

The Marine Fisher's Association (MFA) represents the majority of the marine scalefish fishery's (MSF) licence holders across the State.

Following the release of the Government's Phase 2 Reform document in mid-August 2020, the MFA has consulted widely with its members and can provide the following comments and recommendations on the various components of reform that were included in the released information package.

The MFA believes that this reform is a once-in-a-generation opportunity to adequately reform the sector (after a number of less than successful attempts over the past 30 years) so that it can operate on the twin pillars of sustainable fish stocks and a profitable and vibrant industry.

The fishery also is, and always has been, an important part of the social fabric of coastal regional communities around the State and celebrates its 185th anniversary in 2021. We can think of no better birthday gift for the fishers and the people of South Australia than to deliver for them, through this reform process, a sustainable fishery that can carry on delivering local fish, caught by local fishers, to local consumers.

2. Comments on the IAAP recommendations for allocating ITQs among licence holders

Of all the proposed reforms outlined in the Phase 2 Reform document, no issue has created more uncertainty and division within the industry than the allocation formula proposed by the IAAP and the related allocation through this formula of Individual Transferable Quotas (TQs).

The '80:20' allocation formula proposed, by which individual quota allocation is made for each Tier 1 species on the basis of (a) 20% of the Total Allowable Commercial Catch (TACC) being divided equally among those licence holders remaining in the fishery and (b) 80% of the TACC being allocated in accordance with each licence holder's best catch of each species in the 5 years of 6 prior to 30th June 2016, has divided the industry into 'winners' (i.e. those with significant eligible catch history) and 'losers' (i.e. those without).

i. Licence holder opinion:

In polling of all licence holders conducted by the MFA, only 40.5% of the 111 licence holders who responded supported the 80:20 formula. Many who did not support the 80:20 formula (or any other formula except an even allocation) commented along the lines "we have all paid the same fees, so why should there be any preferential treatment for one group?"

Other significant (i.e. more than 30) comments from licence holders, both through the polling and through direct contact with the MFA were (in order of priority):

- The determination date for assessing catch history should be December 28th, 2017 when an 'investment warning' letter was sent to all licence holders, NOT mid-2016.
- Using catch history does not take into account management and other changes such as changes in minimum size regulations (2016) and introduction of marine parks (2013), which impacted some fisher's catch but not all.
- Amalgamated and un-amalgamated licences should be treated the same because they have paid the same licence fees during their time in the fishery
- Leave it at 80:20 because people who entered the fishery after 2016 did so despite the investment warning and should not be rewarded.
- Catch history should not be included at all. Related comments (14 responses) saying 'it's the fishers who have large catch history that have ruined the fishery'.

Many fishers have contacted the MFA, explaining various types of 'exceptional circumstances' as to why they haven't significant catch history (e.g. illness, leased licence for several years etc). The appeals process will therefore likely see a significant number of applications under the current proposals.

ii. MFA opinion:

There are clearly deep divisions among licence holders on the proposed allocation formula which, not surprisingly, is generally along the lines of those with significant relevant catch history and those without. **However, we believe that the currently proposed allocation formula results in such large differences in allocated ITQs between the two groups that the allocation formula needs amendment.**

Two issues are important in understanding the motivations of these two groups.

First, those with significant relevant catch history are generally older¹ fishers who have a long (often multi-generational) history in the fishery. Many of these fishers will be looking to retirement in the near future.

Those with little catch history are (apart from those who claim 'exceptional circumstances') generally younger fishers who have invested in the fishery in the years before December 2017, often taking out loans or mortgaging their houses to do so. Often, they initially leased licences before buying their own licence – however, their catch history while they were leasing is not taken into account because the catch history is attached to the licence owner. We are aware of only a small number of new fishers who have bought into the fishery after December 2017.

¹ Based on our knowledge, not on any analysis

Secondly, the 80:20 formula results in ITQ allocations for many of those without significant history that may not be commercially viable. This is a group that appears to already have a high level of indebtedness and may need to take on additional debt to purchase additional quota².

Such divisions will, in our opinion, remain no matter what ratio of catch history/base allocation is adopted. Any allocation formula based on a Government-mandated process that only includes these two factors will always create 'winners and losers'.

The MFA has been examining ways in which the allocation formula could be modified to avoid these problems and have two suggestions.

- Adopt a system where each licence holder nominates (from a number of alternatives) what formula in terms of catch history/base allocation they want applied to themselves. The total sum of all the calculated quotas under this system is then scaled back to the TACC by applying a weighting factor to each licence holder to arrive at an ITQ. Simple modelling of this system (the 'preferred' system) has been done by the MFA and is shown in Annex 1. **OR**
- Adopt the system that was successfully used in the northern zone rock lobster fishery of adopting an initial formula of catch history/base allocation and then moving to an even share over a period of 3 years.

The first of these options, which is our recommended approach, requires validating by PIRSA by assessing how the proposed system performs when applied to the actual licensee data base. However, it has a number of advantages, including:

- Allowing licence holders to make their own individual choices regarding the allocation formula for calculating their ITQs. This in our opinion is a major advantage.
- From the modelling done to date, appears to result in a 'fairer' allocation in that it significantly reduces the gap between ITQs of those with or without catch history. Those with significant catch history receive 42% more ITQ allocation than they would under an 'even share' approach while those with no catch history receive 20% less. This compares with 79% more and 74% less under the currently proposed '80:20' formula.

² A recent review of a similar fisheries sector reform that was undertaken in NSW about 5 years showed that 60+% of licence holders said they were worse off financially and also highlighted the very large increase in indebtedness of those remaining in the fishery. (Ref: Barclay, S. (Sept 2020): *Economic analysis & Social and Economic monitoring following the NSW Commercial Fisheries Business Adjustment Program*

MFA Recommendations

- i. That the letter to licence holders of 28th December 2017 be taken as the date for an 'investment warning' and that catch history, as part of an allocation formula, be calculated from that date, NOT 2016.
Many licence holders invested in the industry during 2016 and 2017, seemingly unaware of the PIRSA statements. We believe there is considerable doubt as to whether the PIRSA communications regarding an investment warning in 2016 would stand legal scrutiny while there is much more certainty over the investment warning to licence holders in December 2017. Such a change would allow fishers who entered the fishery in 2016 and 2017 to have eligible catch history.
- ii. That PIRSA be requested to test the 'preferred' allocation model (Annex 1) against the actual licence holder database and report the results to the IAAP for consideration. The IAAP should then consider this allocation approach as well as the transition to an even share approach that was used in the northern zone rock lobster fishery.
- iii. That, following the implementation of the reform arrangements on 1st July 2021, subsequent trading of quota be restricted to MSF licence holders. This would allow time for an orderly adjustment of the industry structure while also supporting the owner/operator nature of the fishery (see below).

3. Comments on the compliance program to ensure integrity of the quota management system

The MFA agrees that the details of an appropriate compliance program need to be further developed and refined in consultation with industry.

However, **we do not agree** with the proposed broad arrangements for compliance activities and in particular for the estimated increase in compliance costs of \$800,00 to \$1.3 million per annum.

Such an increase would result, in our estimation, **in licences fees approaching 25% of GVP for the reformed fishery, which would severely impact the commercial viability of the industry**, when **the purpose, and key objective of the reform is to make the industry more economically viable**.

The 'broad arrangements' proposed appear to be based on extreme levels of policing that are inappropriate to the size of the (reformed) fishery. We suggest that alternative arrangements be investigated such as:

- Allowing simple forward and backward transfer of ITQs (up to a pre-determined limit) between years to provide flexibility in quota management. This would not only allow fishers to better align their quota fishing to the market but would also significantly reduce the need for extreme compliance activity to measure every last Kg of quota.
- Adopt a risk management approach to compliance activities rather than a strict 'policing' model
- Remove many spatial closures in the fishery and other unnecessary regulations (as is recommended by the Red Tape Working Group) which would remove the need for electronic surveillance such as VMS, which anyway is totally impractical on small vessels which don't have the facilities (electrical supply and space) to install and operate VMS.

In general, we suggest that compliance activities should be better aligned to, and should support, broad policy objectives for the fishery and not be a stand-alone policing function that is divorced from those objectives.

MFA Recommendations:

- i. That PIRSA compliance re-examine, in consultation with the MFA, the compliance activities that are needed to support the broad policy objectives for the fishery, including the objective of making the fishery more economically viable. This would include considering the outcomes of the Red Tape Reduction Working Group
- ii. That PIRSA investigate the issue of compliance activities being publicly funded (as occurs for Commonwealth fisheries and in some States, such as Tasmania) rather than being funded by commercial licence holders through the cost-recovery process. Such public funding would also reflect the large recreational usage of the resources that comprise the MSF.

4. Comments and recommendations on scientific stock assessment and monitoring program to support ecologically sustainable management of the fishery

Like the proposed compliance program, the supporting scientific monitoring and assessment program should be focussed on achieving the overall policy objectives of the fishery of (a) sustainable fish stocks and (b) improved economic viability of the industry.

The proposed research program delivers on the first policy objective, but not on the second since it envisages a substantial increase in the costs of the supporting research program despite a reduction in the number of licence holders by up to 50%.

It should also be recognised that any scientific program to assess the stocks of species taken by the MSF will also measure the (unknown) impacts of recreational fishing on those stocks. As such, it is inequitable that the full cost of such scientific programs be wholly funded by the commercial sector.

We also consider that the proposed program is inappropriate in its depth and methodology when compared to the risks inherent in the reformed fishery. Some specific comments on the various components of the proposed program are provided below:

- [Catch and effort logbooks completed by fishers for each fishing day](#). With one of the recommendations from the Red Tape Working group being to allow the carriage and use of more than one type of gear on a vessel (so that fishers can take their quota in the most efficient manner), the measurement of fishing effort in the fishery will become increasingly difficult, an issue that is already apparent in the use of 'fisher-days' as a measure of fishing effort³. With a move to quota for key species, the measurement of effort (and commercial CPUE) becomes less important and appropriate in assessing fish stocks since there will inevitably be effort changes that are related to gear efficiency issues with the result that time series of CPUE are unlikely to reflect changes in fish abundance.
- [Age, length, reproductive sampling of 'numerous' species](#). Such detailed data collection support modelling and detailed stock assessments and should be confined to Tier 1 species only.
- [Annual stock assessments and modelling of Tier 1 species](#). OK
- [Annual stock status of Tier 2 and 3 stocks](#). OK depending on the data and methodology used. However, Ecological Risk Assessments (ERAs) should be carried out first to prioritize stocks and identify which species are most at risk from fishing.
- [DEPM surveys for snapper and whiting](#). It is unclear how such surveys, done on a triennial rotation, assist in setting annual ITQs, which is the core reason for doing such assessments.
- [Annual snapper pre-recruit surveys](#). OK
- [Annual fisheries-independent surveys for whiting, garfish, and calamari](#). The current surveys are expensive. More comprehensive, and efficient methodologies should be investigated, particularly acoustic surveys which are

³ Using fisher-days means, for example, that if a fisher goes out once a day, effort is recorded as '1 fisher-day'. But if he goes out twice or more to target different species, it is still recorded as '1 fisher-day'.

commonly used to measure fish biomass for quota-setting purposes. The acoustic technology is now available to measure biomass of both pelagic (e.g. squid) and demersal (e.g. whiting) species.

MFA Recommendations:

The MFA believes that:

1. the supporting scientific program should be clearly focussed on (a) providing information on Tier 1 species to enable setting of annual ITQs and (b) assessing the risks of Tier 2 and 3 species to fishing through an ERA process. Depending on the results of the ERA, stock status reports should be developed for those species identified as being at high risk to the effects of fishing.
2. Costs of the scientific research program should be shared between the commercial sector and the public sector, in recognition of the significant recreational fishing take of MSF species.

Therefore, we recommend:

- i. That SARDI re-examines the proposed scientific program with a view to ensuring that it meets **all** the policy objectives for the management of the reformed MSF fishery
- ii. That SARDI conducts a review of new technology, such as echo-acoustic survey methodology, that is available for measuring fish biomass for quota setting purposes. The MFA can assist with this if required
- iii. That PIRSA re-examines the cost-recovery process for scientific support programs to the MSF (and other) fisheries that have a large recreational fishing component with a view to appropriately allocating costs for advising on fish stock sustainability issues.

5. Comments and Recommendation on Co-Management and the proposed membership of the MSF MAC

The overwhelming feedback from licence holders is that co-management arrangements are not working well, with the perception being that it is often a token gesture. The most common complaint is that PIRSA and SARDI staff “do not understand the industry and the practicalities of fishing and don’t listen”.

There would be significant benefits if this relationship between industry and PIRSA/SARDI could be improved. One of the simplest actions that could be taken (and the one most mentioned by licence holders) is for PIRSA and SARDI staff to spend

some time with licence holders while they on fishing operations. The MFA could assist in facilitating this.

The proposed membership of the MSF MAC is generally supported. However, we consider that rather than an independent economist, this position should include expertise in financial management. This expertise is needed to address one of the key objectives of the reform of improving the profitability of the sector. This is an area that has also been highlighted recently in a review of the NSW reform process where financial issues, including increasing indebtedness of licence holders was apparent after the reform.

MFA Recommendations:

- i. That the MFA work with PIRSA and licence holders to facilitate better interaction between the two groups, including hosting PIRSA/SARDI staff on vessels during fishing operations.
- ii. That, membership of MSF MAC should include an independent person with expertise in natural resources economics and financial planning. This person to replace the proposed "independent economist with expertise in fisheries management issues".

6. Comments on proposed owner operator arrangements

The MFA have previously (23rd June 2020) provided a submission on the owner/operator provisions of the reform, noting that in a poll conducted by the MFA, 89% of licence holders supported an owner/operator arrangement for the industry.

This policy is also being examined by the Red Tape Reduction Committee with a view of maintaining the key elements and objectives of the MFA's submission while achieving these with less regulation.

A further submission, building on the MFA's previous submission, will be provided through the Red Tape Reduction Committee process and its ongoing arrangements.

7. Comments on the licence amalgamation scheme and whether it needs to continue in its current form.

The MFA agrees that the effectiveness of the licence amalgamation scheme has diminished in recent years although, despite that, it may be advantageous to continue the arrangement to further reduce licence numbers.

However, as part of the MFA's proposal on owner/operator provisions, it was suggested that licence removals could also be achieved by restricting the ownership

of licences to one per individual or corporate entity. If a licence holder wanted to buy a second licence to increase quota, that would be permitted only if the second licence was removed. In addition, the Red Tape Reduction Committee is considering this issue.

Our suggestion is to wait until the Red Tape Reduction Committee process has addressed this issue before making a decision.

MFA Recommendation:

- i. That the decision of whether to continue the licence amalgamation scheme wait until the Red Tape Reduction Committee process has considered the issue and made a submission to the Hon. Minister.

8. Comments on the proposal to remove the one-in-five-year transfer rule from 1 July 2021.

We support the proposal to remove the one-in-five-year transfer rule since, under ITQ management, it will be an impediment to efficient trading of licences and quota.

This matter is also being examined through the Red Tape Reduction Committee process.

9. Temporary licence transfer freeze

Feedback from licence holders is that the majority support the freeze although many suggest it should have been earlier in the reform process. The MFA therefore supports the temporary freeze.

10. Comments on zoned licences or State-wide access

While the proposed State-wide licence will provide operational flexibility for fishers, it also raises the issue of encroachment into other fisher's areas. This is potentially a significant issue if the numbers of surrendered licenses (particularly net licenses) are not as expected and fishers cannot operate efficiently in their usual region.

Currently, only a small number of net licences have been surrendered and, unless addressed, will almost certainly result in net fishers, particularly in the two Gulfs, seeking to fish in other regions. This would then have the potential (and, in the recent past, has resulted) in disputes between licence holders. It is clear that the reason that so few net licences have been surrendered is that the Government offer price for a net licence is significantly below the commercial value of that licence.

The MFA has already moved to have local fishermen's association take responsibility for day-to-day issues in their regions. This therefore provides a mechanism for resolving any disputes

We therefore suggest a two-pronged solution to this:

- i. Allow state-wide access to all licence holders but require a licence holder to nominate their "home region". Fishing outside the 'home region' would require the licence holder to notify and to work with the local fishermen's association to resolve any issues. If an agreement cannot be reached, then the matter would only then be referred to PIRSA for adjudication.
- ii. Increase the offer price for the buy back of net licences to attract more licence holders to surrender their licence. The MFA has been working with the Net Fisher's Association to determine what offer price would attract additional licences to be surrendered. As a guide, the last PIRSA buyback of net licences was \$300,000 in the early 2000's, equivalent to around \$450,000 today, a figure that is broadly in line with licences that were bought out as part of the marine parks process. We also understand that, as part of the variations in marine park access currently before Parliament that a value of \$500,000 for net licences has been discussed.

MFA Recommendations:

- i. That state-wide access to all licence holders be granted but require a licence holder to nominate their "home region". Fishing outside the 'home region' would require the licence holder to notify and to work with the local fishermen's association to resolve any issues.
- ii. An increase in the offer price for the buy back of net licences be considered to attract more licence holders to surrender their licence. The increased price to be accommodated within the current buy-back budget with the offer price being closer to the current commercial value of the licence.

11. Comments on the Commercial access to the MSF by other fisheries

Although we consider that access to MSF species by other commercial sectors was initially a temporary measure, we recognise the ongoing access that these other sectors have.

The proposals regarding access are therefore supported since they (a) ensure that rock lobster fishers with Option C access would not be able to accumulate additional quota (b) any future transfers of quota entitlements could only be made to MSF licence holders and (d) quota held by rock lobster Option C holders would be available for purchase by MSF licence holders.

However, like recreational catches, **it is important that those other commercial fisheries that have access to MSF species have a defined allocated share of the resource** (by species) included in the MSF Management Plan so that any changes to those allocated shares can be dealt with under the provisions of the Fisheries Management Act (2007).

12. Comments on the costs of on-going management and licence fees

These issues have been dealt with in previous sections. However, in summary, the proposed costs and resulting licence fees are exorbitant, do not address one of the primary management objectives of the reform process of improving the economic viability of the industry and, if not changed, will make commercial fishing for most participants unviable.

The MFA notes that the current licence fees, at over 12% of GVP are already the highest commercial licence fees of any commercial fishery in Australia, and possibly the World.

We have provided recommendations above as to how some of the major components of the fees can be reduced. However, if this cannot be done, then we would urge for a fixed 'royalty' of 5.5% of GVP be used to establish licence fees in place of the current cost-recovery process. This 'royalty' approach is used successfully in other States such as Western Australia

MFA Recommendation:

- i. That, if management, compliance and research costs cannot be contained in a reformed MSF fishery under a cost-recovery model, then licence fees be based on a 'royalty' for access to a public resource and be set at a level of 5% of GVP.

Summary of Comments and Recommendations

After consideration of the Stage 2 Information document, the MFA has provided detailed comments and recommendations on each component. The MFA recommends that:

1. The letter to licence holders of 28th December 2017 be taken as the date for an 'investment warning' and that catch history, as part of an allocation formula, be calculated from that date, NOT 2016.
2. PIRSA be requested to test the MFA's 'preferred' allocation model (Annex 1) against the actual licence holder database and report the results to the IAAP for consideration. The IAAP should then consider this allocation approach as well as the transition to an even share approach that was used in the northern zone rock lobster fishery.
3. Following the implementation of the reform arrangements on 1st July 2021, subsequent trading of quota be restricted to MSF licence holders. This would allow time for an orderly adjustment of the industry structure while also supporting the owner/operator nature of the fishery.
4. PIRSA compliance re-examine, in consultation with the MFA, the compliance activities that are needed to support the broad policy objectives for the fishery, including the objective of making the fishery more economically viable. This would include considering the outcomes of the Red Tape Reduction Working Group
5. PIRSA investigate the issue of compliance activities being publicly funded (as occurs for Commonwealth fisheries and in some States, such as Tasmania) rather than being funded by commercial licence holders through the cost-recovery process. Such public funding would also reflect the large recreational usage of the resources that comprise the MSF.
6. SARDI re-examines the proposed scientific program with a view to ensuring that it meets **all** the policy objectives for the management of the reformed MSF fishery, including the objective of making the fishery more economically viable.
7. SARDI conducts a review of new, cost-effective technology, such as echo-acoustic survey methodology, that is available for measuring fish biomass for quota setting purposes. The MFA can assist with this if required
8. PIRSA re-examines the cost-recovery process for scientific support programs to the MSF (and other) fisheries that have a large recreational

fishing component with a view to appropriately allocating costs for advising on fish stock sustainability issues.

9. The MFA work with PIRSA and licence holders to facilitate better interaction between the two groups in the spirit of co-management, including hosting PIRSA/SARDI staff on vessels during fishing operations.
 10. Membership of MSF MAC should include an independent person with expertise in natural resources economics and financial planning. This person to replace the proposed "independent economist with expertise in fisheries management issues".
 11. The decision of whether to continue the licence amalgamation scheme wait until the Red Tape Reduction Committee process has considered the issue and made a submission to the Hon. Minister.
 12. State-wide access to all licence holders be granted but require a licence holder to nominate their "home region". Fishing outside the 'home region' would require the licence holder to notify and to work with the local fishermen's association to resolve any issues.
 13. An increase in the offer price for the buy back of net licences be considered to attract more licence holders to surrender their licence. The increased price to be accommodated within the current buy-back budget with the offer price being closer to the current commercial value of the licence.
 14. If management, compliance and research costs cannot be contained in a reformed MSF fishery under a cost-recovery model, then licence fees be based on a 'royalty' for access to a public resource and be set at a level of 5% of GVP.
-

Annex 1:

PREFERRED ALLOCATION MODEL – A SUMMARY

Rationale and Background

The proposed allocation formula for ITQ allocation is based on the formula that catch history prior to 2016 be taken into account as well as allocating a 'base' amount, by species, to licence holders. The proposed weightings of these two factors is 80% catch history and 20% 'base' allocation.

This proposal has caused division within the industry with those with pre-2016 catch history supporting the 80:20 allocation while those without such history opposing it and wanting more of an even share.

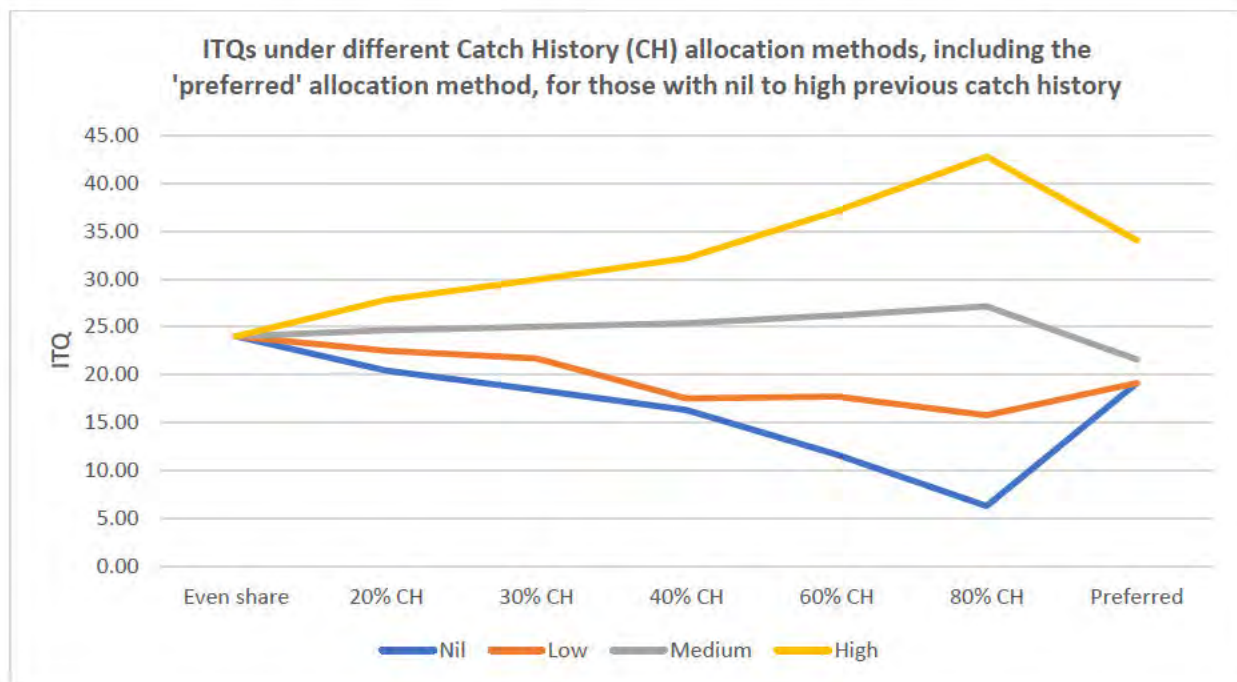
The MFA has undertaken preliminary modelling to investigate the impact of an allocation procedure where individual licence holders select their preferred method of allocation, instead of using a Government-determined allocation 'formula'. This total of all these individual selections is then scaled back to the required overall TACC to arrive at individual ITQs.

Preliminary Results

Modelling of a hypothetical 300 licence holders was carried out, with 20% having no catch history, 36% having 'low' catch, 14% having 'medium' catch history and the remainder (30%) having 'high' catch history. ITQs were calculated based on a hypothetical 7200t TACC and on the assumption that each licence holder selected the allocation (even share, 20% - 80% catch history, or the 'preferred' option) that best suited their individual circumstances.

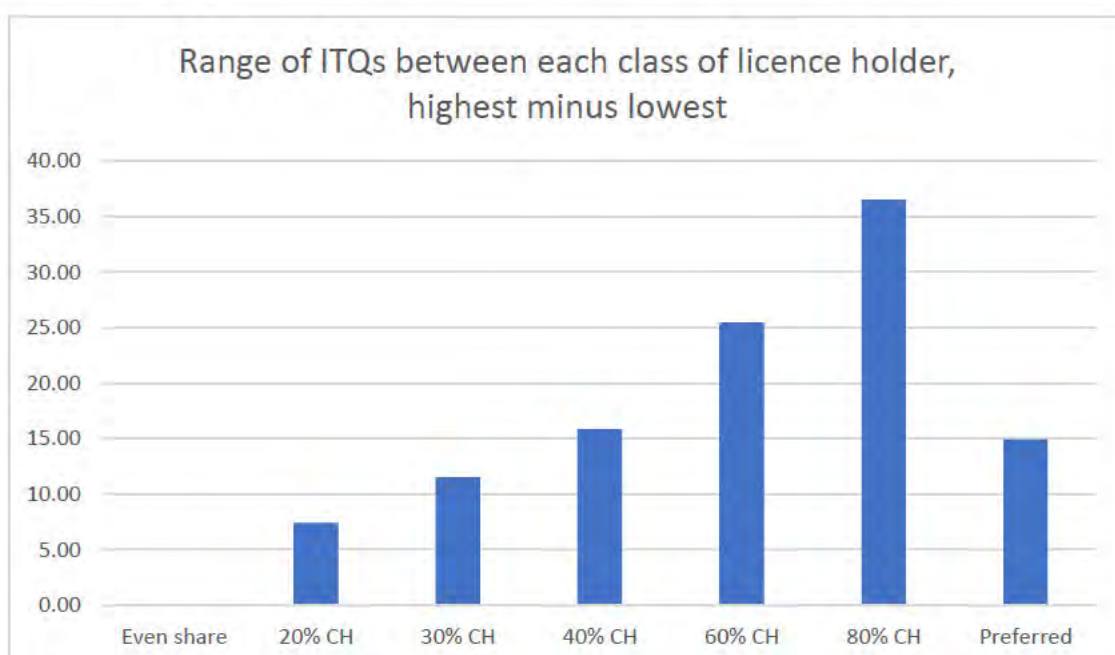
Once individual ITQs were calculated using this method, each ITQ was 'scaled back' proportionally so the total of the ITQs equalled the TACC.

The graph below shows the results:



From the graph, those with significant catch history receive 42% more ITQ allocation under the 'preferred' allocation formula than they would under an 'even share' approach while those with no catch history receive 20% less. This compares with 79% more and 74% less under the currently proposed '80:20' formula.

As expected, the range of ITQs between the various levels of catch history increases as the 'formula' moves towards a greater dependence on catch history (see graph below). However, if licence holders select the 'formula' that best suits them (i.e. the 'preferred' option), the range decreases substantially. The modelling therefore results in what may be a 'fairer' system in that the range of ITQs among licence holders is substantially less than with the proposed 80:20 allocation model.



Further work on applying the modelling to actual licence holder data is needed.

However, it may offer an alternative formula where individual licence holders make the decision as to what formula best suits their particular circumstances while, at the same time, reducing the gap in ITQs between those with catch history and those without.