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

[Signature]

Peter Dietman
A/EXECUTIVE DIRECTOR
FISHERIES AND AQUACULTURE