



SURVEYED CHARTER BOAT OWNERS & OPERATORS  
ASSOCIATION OF SOUTH AUSTRALIA INC.

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Email: [neil@nmac.com.au](mailto:neil@nmac.com.au)

29 August 2019

Hon T Whetstone MP  
Minister for Primary Industries and Regional Development  
[Minister.Whetstone@sa.gov.au](mailto:Minister.Whetstone@sa.gov.au)



Dear Minister Whetstone

The Surveyed Charter Boat Owners and Operators Association of SA (SCBOOASA) provides the following feedback on the review of the current management arrangements for South Australia's snapper fishery, including the management scenarios contained in the PIRSA consultation paper "*Management scenarios for snapper in South Australia*" dated August 2019.

The fishery's contribution to the economy is highly focussed on service to regional tourism regions with an estimated 45% of clients being overnight visitors. The Charter Industry is valued by Econsearch at \$3.7m.<sup>1</sup> Flow on benefits through downstream activities and services adds a further \$6.4m and the total contribution to the Gross State Product adds a further \$13.3m to the industry's economic contribution to the State. Despite declining activity over the preceding years the industry still provides employment for up to 99 FTEs throughout the State, largely in regional areas.

While snapper is the second highest caught fish by clients it is the target species for the majority of clients, although they may not be able to achieve their desire to catch a snapper. At present there is little value placed on other species by clients, and species such as King George whiting are highly variable during summer months and do not drive client demand.

For some years the consequences of management interventions on the industry have grown through imposition of increased snapper management actions and to a lesser degree management of King George whiting. These interventions have provided little benefit to the industry and have largely been impediments to development and securing resource sustainability due to poor management processes.

The most recent Econsearch report<sup>1</sup> underpins the continuing decline in the industry's economic performance based on the following assessment of Management Plan objectives.

**Table ES-1 Charter Boat Fishery performance indicators**

Performance Indicator	3 Year Trend
1. Gross Value of Production (GVP)	Decreasing trend

<sup>1</sup> Economic Indicators for the SA Charter Boat Fishery 2016/17, Econsearch, June 2018



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Decreasing trend	Real GVP decreased by 16% from 2013/14 to 2016/17.
3. Licence value Decreasing trend Real licence value almost halved between 2013/14 to 2016/17.	Decreasing trend Real licence value almost halved between 2013/14 to 2016/17.
4. Return on capital Decreasing trend Rate of return to total boat capital decreased from 2.2% in 2013/14 to -12.2% in 2016/17.	Decreasing trend Rate of return to total boat cap
5. Economic contribution of the fishery Decreasing trend in real output and contribution to GSP (each down 20% from 2013/14 to 2016/17) and employment (down 22%)	Decreasing trend in real output and contribution to GSP (each down 20% from 2013/14 to 2016/17) and employment (down 22%)
6. Number of active fishing licences Decreasing trend	The number of active licences fell from 74 in 2013/ 14 to 59 in 2016/17.

This decline will be further exacerbated by any decision to close the charter boat sector's access to snapper over the next 1 – 3 years.

**Management Scenario A**

**1. The SCBOOASA strongly disagrees with Option A. Our key concerns are -**

- Option A would result in devastation of the charter sector as the majority of clients wish to target snapper and unlike other stakeholders the charter sector has little flexibility to shift to other species and will find it impossible to carry on their business with no access to snapper.
- The charter fishery has recently taken a bag limit reduction which minimises its impact on snapper stocks.
- The overall take of snapper by the charter fishery is minimal compared to other sectors and is tightly regulated.



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- The charter fishery provides a unique fishing platform for recreational fishers and tourists.
- The short lead time for the implementation of the proposals has not allowed charter businesses to plan for this decision. We have received advice from 18 operators that over the past two years they have spent approximately \$2.5 million on their business operations.
- Bookings have been taken well in advance of the upcoming season on the assumption of being able to target snapper. Eighteen operators have advised that 2230 persons from interstate/overseas have made bookings for the coming season.
- Deposits and full payments have been made by clients, including airfare and accommodation bookings. Eighteen charter operators recently advised that they have taken \$183,000 in deposits for the coming season.
- Many operators have already put the advance payments into the ongoing operation of their businesses and do not have the finances to refund clients (it is expected many clients will not proceed with bookings if they cannot take snapper). With the recent announcements, bookings are already being cancelled on the expectation that no snapper catch will be permitted.
- Many charter fishing vouchers have been issued and clients will, in many cases, want refunds if they cannot target snapper. Eighteen charter operators recently advised that they have \$115,000 in outstanding vouchers.
- Businesses have built client bases over many years and cutting off access to snapper even for one season, let alone three, will likely ruin these established relationships with customers as they seek similar experiences in other states/overseas.
- The charter fishery provides significant flow on effects to regional economies with an estimated coastal town spend of \$2.7 million for the coming season.
- Implementation of either Option A or B will cause significant mental health issues for charter operators who have limited capacity to diversify their operations due to client demand.

#### Management Scenario B

#### 2. The SCBOOASA strongly disagrees with Option B. Our key concerns are -

- Option B is not workable for the majority of the charter sector as operationally they are not set up for fishing in this area because -
  - The area is prone to much rougher seas and safety is a major concern;



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- The logistics of moving operations from other areas of the state is not feasible;
- Operators do not have knowledge to effectively operate in this area; and
- Existing boats may not be suitable or be permitted to work in this area.

**3. The consequences of either option A or B for the charter industry –**

- A closure for even one year will be significant to operators whose client base will be eroded. Based on past experience with the changing of timing of the snapper closures many of those clients will be lost permanently, especially interstate visitors.
- Many operators would be forced to shut down their business during any closure period regardless of it being for 1 or 3 years. Any closure will see operators forced to maintain their boats and facilities in the expectation that there may be a business to return to in the next year or more. The closures will impose significant costs on operators with reduced, or no income, to support their fixed costs.

**4. The SCBOOASA supports the proposed research and management projects stated in a) to i) in the consultation paper and provides the following comments –**

- Industry is concerned that the scientific results from egg surveys are inaccurate due to the methodology used, including failing to undertake the full sampling program adding to a high level of error. This is not a good base on which to make such a significant decision.
- There is currently no proper process in place to consider management arrangements for the snapper fishery. The ad hoc arrangements in place are having devastating impacts on the charter fishery.
- The harvest strategy in the management plan is not being used as it depends on the snapper model (SnapEst) which is not reliable due to recent changes in management arrangements for the commercial sector.
- An independent review to consider the needs of a new harvest strategy, management framework and research program must be immediately developed.
- Funding for snapper research identified must be met, at least in part, by the government as the community contribution and should be undertaken annually. Funding must be provided on an ongoing basis not just through grant applications.



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- Existing spatial and temporal closures should be immediately reviewed/renegotiated to ensure they are necessary and fulfil their intended purpose.
- Improved compliance of closures is necessary to ensure their effectiveness.
- Should a total closure be implemented mortality rates will be high as snapper will be caught incidentally. All sectors need to implement Codes of Practice to minimise such mortalities.
- An upper size limit for snapper will not be workable. This approach would lead to high levels of discarding and high grading of catch and consequential high mortality rates.
- The charter fishery's allocated share of all key species should be separately recognised within the various fishery management plans. This would enable the charter industry to better respond to its needs, while meeting any agreed management objectives for supporting stock rebuilding.

**5. The SCBOOASA has considered the impacts of the implementation of Options A and B and provides the following comments –**

- While the intention is to prohibit the take of Snapper this objective will be constantly compromised through high levels of mortality to the stock through the need to release fish taken incidentally while targeting other species.
- In the event of a closure for the key snapper fishing season for a year or more the industry would be unable to sustain its place without some direct support. This support would need to consider options such as: Many operators may want to hold licences in abeyance without cost or penalty and this needs to be accommodated.
- Some operators may want or need to leave the industry and some buy-back option for licences should be considered.
- For those operators who wish to continue to operate their business during a closure some licence fee relief will be required and individual relief packages provided to offset lost revenue/income/maintain businesses.
- A number of operators facing a significant decline in their businesses will be in both financial and personal stress. There will be a need to provide services that will enable operators and their families and crew to manage their personal and family



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health needs, as well as support their financial situation over any interim period of closure.

- Funding to support costs to maintain programs such as management, policy, licensing, compliance, research, monitoring and co-management (2019/20 services costs - \$384,583);
- Future services provided by PIRSA / SARDI will need to reduce the levels of resourcing required to reflect the ongoing loss of licences / operators and therefore the levels of services required;
- For all operators who wish or are forced to suspend operations there will be ongoing costs, including fixed costs as identified in the Econsearch report<sup>1</sup>. Any relief packages will need to take account of individual circumstances taking into consideration the following –
  - Loss of income
  - Berthing/storage
  - Survey fees
  - Lease payments/plant & equipment
  - Loan repayments
  - Insurance
  - Licence fees (including changes to masters etc.)
  - Outstanding deposits/payments
  - Outstanding vouchers
  - Retraining/Job prospects
  - Business overdraught payments
- In addition, a Charter Industry Development Fund (estimated at \$300,000) could assist in developing the industry to become less reliant on the targeting of snapper through a client education program using a range of media messages.
- There is a strong need to secure the charter industry's future share of the snapper and other key species within the Charter Fishery Management Plan, outside of the allocation made to the general recreational sector. This should give the industry some certainty over its future capacity and ability to develop charter fishery specific management provisions and look to promote the industry into the future. The fishery sought this provision during the recent management plan review but it was not supported by PIRSA.

While the above programs are not fully costed, the following table sets out a likely cost scenario for each area of support.



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RELIEF OPTIONS	COST (ESTIMATED)
Fee relief – funding to offset licence fees	\$384,583 (2019/20)
Reduced PIRSA / SARDI services 2020 onwards	No costs - adjustment of costs to providers through reduced demand for services (declining licence numbers)
Financial assistance (2019/20)	Average fixed costs - \$35,043 / licence <sup>1</sup>
Development grant – customer experience education/ awareness (media and promotional materials)	\$300,000 (estimated)
Secure shares of key species	No cost – policy change
Financial and health support services	No cost – access to established Rural Financial Counselling Services and Community Health Services

**6. The SCBOOASA options to enable continued access through the 2019/20 year –**

The options below are intended to address a number of the issues outlined above with Options A & B in the Discussion paper and are intended to support access while the issues are addressed.

While the charter industry took the initiative to reduce its bag limits in order to better manage its catch and provide more equity for its clients, the benefits of that decision have not yet been able to be measured in terms of reduced catch.

1. The industry considers that the move to reduce bag limits to 1 large and 3 small snapper should be allowed to play out to measure the benefit that will flow from this reduction. This is based upon the charter sector having maintained its catches within its prescribed share, even under the former catch limits. However, it acknowledges that there may well be an expectation that there be some further reduction over this initial period to support stock rebuilding. As such, for the 2019/20 year it would consider a temporary bag limit provision further limiting catches of “small” snapper per client.
2. The current provisions applied through the use of spatial and temporal closures be reviewed in order to determine the most effective strategy to support stocks during the spawning season. We would be prepared to consider a new package of closures that supports industry’s ability to offer clients a trip while securing spawning stock protection for identified aggregation areas.
3. While the charter fishery provides statutory reporting on its catch and effort on all species, the use of tags to validate landings would be considered if it enabled a broader cross sector reporting process for snapper catches over the 2019/20 year. The tags must be provided to the industry at no cost.
4. The industry notes that the current need for management intervention on snapper in Queensland recognises the unique situation the charter sector has and, in so doing has, provided for ongoing access to those operators who have an established history of having undertaken charters for snapper fishing.



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5. These arrangements are subject to further development should the need to extend the closure option be considered necessary from 2020/21 onwards.

Thank you for consideration of these matters.

A handwritten signature in black ink, appearing to read "Gary Lloyd", is written over the printed name. The signature is fluid and cursive.

Gary Lloyd

**PRESIDENT SCBOOASA**