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# Commercial Marine Scalefish Fishery Reform Advisory Committee

Meeting #1 – 6 February 2019

The first (inaugural) meeting of the South Australian Commercial Marine Scalefish Fishery Reform Advisory Committee (“the Committee”) was held on 6 February at West Beach in Adelaide.

The membership of the committee includes 6 representatives of Marine Scalefish Fishery licence holders (Johnny Kouvaris, Neil Schmucker, Amanda Wheeler, Craig Fletcher, Bart Butson, Gary Lloyd) along with a fisheries scientist from SARDI (Dr. Mike Steer), a fisheries manager from PIRSA (Jon Presser), an independent economist (Roger Edwards) and myself as Independent Chair.

At its first meeting the Committee discussed draft terms of reference and draft meeting procedures in addition to considering the background to the reform process and proposed governance framework before scoping options for the future reform of the fishery. This included a discussion on how the process of management option assessment and engagement with licence holders in the fishery might best take place.

In relation to the Terms of Reference it was accepted that as a background to the reform process the Committee will be guided by the MSF Strategic Review report released in November 2016 and directed by the Liberal Government’s Reform Policy announced prior to the March 2017 election which identified a three pillar approach to reforming the fishery incorporating regionalisation, rationalisation (licence reduction) and individual transferable quota (ITQ) management. It is acknowledged by the Committee that this must be an inclusive process that engages all licence holders and listens to their concerns. While South Australia has significant prior experience with regional ITQ management and rationalisation schemes it is acknowledged by the Committee that many marine scalefish fishery licence holders are less familiar with these and the Committee is clear that it will be necessary to inform and explain the pros and cons of ITQ management to these members through an inclusive process.

In addition to the principal vision of having an economically optimal and sustainable industry that supports profitable, small scale and regionally focused fishing operations the Committee discussed and agreed on the need to include cost effectiveness, efficiency of offshore and onshore operations, industry practicability, overall feasibility, and industry acceptance and affordability levels as criteria for developing the optimal future management framework for this fishery.

The Committee agreed on draft meeting procedures for consideration by the Minister that incorporate a clear process for identifying and managing potential conflict of interests. While the committee is advisory only and most members have an interest in common as licence holders it is vital that all Committee members, observers and presenters declare all material interests and that members act equally in the interests of the whole fishery and not as representatives of a specific group.

The Committee noted and discussed the proposed governance framework to apply to the reform process and agreed to recommend to the Executive Director of Fisheries and Aquaculture that he establish Terms of Reference for the formation of an independent Allocation Advisory Panel. This panel is expected to consider fairness and equity issues in the allocation of access units to the fishery and it is considered vital that this process should commence as soon as practicable to assist the process of negotiation with licence holders on unitised access planned for later in 2019. In short it is considered that licence holders need to clearly understand where they are likely to sit in relation to initial allocations to enable rational debate on the design of the preferred management system.

As a key part of the consultative process the Marine Fisher’s Association advised the Committee of their intention to constitute a forum that can consider requests from the Committee for an industry position on different matters before the Committee and thereby provide input to the process.

Before a new consultative process commences it is also incumbent on the Committee and government to provide licence holders with a clear understanding of both likely benefits (stock sustainability, industry profitability, security of property rights etc.) and financial and other costs to licence holders associated with proposed management reforms. This should also contemplate areas of government assistance that may be available towards restructuring including direct funding, rural business assistance funding and legislated taxation considerations. Specifically and in simple terms it was suggested that licence holders would need answers to questions such as:

1. How much catch will I get? (i.e. what will the allocation be?)
2. Where can I fish?
3. When can I fish?
4. What gear can I use?
5. What will my licence costs be?
6. What will the Government contribution be to the reform?
7. What will I get if I exit?
8. What assistance will I get if I buy up?
9. Will I have to exit?
10. Will I have to buy up?

The Committee heard from Dr. Mike Steer from SARDI on a significant FRDC project that has commenced to help inform the reform process. This project includes a project working group with selected experts in social, economic and biological science to help provide a scientific basis for the formulation of preferred management approaches and to help assess their likely impacts.

The Committee scoped the key reform components of regionalisation, rationalisation and unitisation and have requested the FRDC Project Working Group to consider potential regional scenarios using biological stock boundaries as a principal basis but also considering fleet dynamics and industry structure. It was recommended that the FRDC Project Working Group liaise with the Marine Fishers Association Forum on potential regional scenarios to help inform the Committee in its deliberations at the next meeting. As a general principle the Committee considers that separate licences should not be issued for individual zones but rather zones should relate to enabling a unit stock management concept for principal species.

PIRSA addressed the group on different options that may be available to the Committee in terms of rationalising and unitising the fishery. The Committee noted that significant reforms to inshore commercial scale fisheries have occurred recently around Australia and that it would be important to seek input and advice through PIRSA on their experience designing and implementing reform programs, in particular those that have invoked regionalisation, rationalisation and establishment of a tradeable access rights system as is proposed in South Australia.

The Committee intends to meet next in late March 2019 to consider regional scenarios and to further scope options and considerations for rationalising and unitising access to the fishery drawing from experience in similar fisheries from around Australia. The Committee’s intention is to develop a detailed outline of its preferred management approach and the likely costs and benefits and consequences for licence holders by late July that can be used for a round of industry consultation in August/September.

David Hall

Independent Chair