

## **Prawn co-management project – CCSA reference group**

### **Minutes of Meeting 27<sup>th</sup> October, 2008, 6 pm at the Conservation Centre**

#### Present:

Kathryn Warhurst  
Alex Gaut  
Matt Osborne  
James Brook

#### Guests:

Sean Sloan (SS) – PIRSA Fisheries  
Karen Hollamby (KH) – Spencer Gulf and West Coast Prawn Fishermen's Association (SGWCPFA or 'the Association')

Apologies: Neville Skinner, Chris Hall, Peter Owen, Chris Ball

#### **Discussion**

1. KH gave a brief update and answered questions on possibilities for group members to be involved as guests or observers during prawn surveys.
2. The focus of the meeting was to discuss the paper provided by the Association, "*Evaluating Co-Management opportunities for the Spencer Gulf prawn fishery*", written on their behalf by Professor Paul McShane. Professor McShane sits on the SA Fisheries Council, is currently with Monash University and has held senior management positions in marine research agencies in Victoria, South Australia and New Zealand. In the latter case, in particular, he gained valuable experience in co-management initiatives.

A number of sections of the document were discussed in detail, with KH and SS providing useful insight into Association and Government perspectives, respectively.

#### *Co-management in the context of Australian fisheries*

The spectrum from centralised to delegated fisheries (from minutes of PIRSA Fisheries first meeting of the project) was revisited. KH confirmed that the prawn industry was between the collaborative and delegated stages of the spectrum.

#### *Current legislation and consultative arrangements*

SS provided some insight as to why the Fisheries Management Committees (FMCs) were discarded for the *Fisheries Management Act 2007* (FMA 2007), in favour of a Fisheries Council providing higher level advice, and industry associations performing the functions of the former FMCs.

- They had been set up to involve stakeholders (particularly industry) and build their capacity to participate in fisheries management. After 15 years, this capacity had been built to an adequate level

- The new approach was more consistent with other industries in the Primary Industries portfolio
- Decision making processes had been burdened at times with protracted debates particularly between the commercial and recreational sectors

There was a view that a number of alternatives to the original FMC model had been proposed in the Association discussion paper, and it was unfortunate that such models had not been pursued during the review of the Fisheries Act rather than abandoning consultation at that level because it had become cumbersome.

The membership of the Fisheries Council was also discussed and it was reiterated that members were not acting directly as the representative of any particular sector or group, but were appointed because they could bring expertise or experience related to a particular sector.

There was discussion on property rights. SS explained that:

- under the previous Act, licences were transferable (and thus had value), but had to be renewed annually. The related uncertainty caused difficulties for licence holders (lack of security for investment, e.g. when dealing with banks).
- under the FMA 2007, licences can be established for the life of a management plan – which could be for up to 10 years. These plans are tabled in Parliament and have a statutory consultation period.
- with the increased property right came greater responsibility, as prescribed by the management plan.
- the plans could specify their own review and renewal provisions, including the possibility for ‘rolling’ review or renewal part way through their life.

#### *Cost recovery and resource rents*

There was some discussion on cost recovery, service provider overheads being passed on as costs to a particular fishery, economy of scale, and transparency of the costs and services.

There was discussion on the statement that:

“Cost recovery aims to provide a basis for improved efficiency in delivering fisheries management services thereby reducing transaction costs, improving the profitability of commercial fisheries, redirecting government resources to other community services, and providing incentives for commercial fishers to comply with principles of ecological [sic] sustainable development”.

The group decided that clarification was required from Paul McShane on this section of the report.

The group also confirmed that the experience from New Zealand, whereby some stakeholders perceived that cost recovery would give the commercial sector undue influence on the quality and quantity of fisheries services, was a valid concern for the conservation sector.

The statement that “the costs of enforcement services (e.g. surveillance) generally reflected compliance” was challenged, and the view was put that there are other reasons why Government may put a low priority on enforcement.

Resource rents were also discussed, with SS explaining that:

- an alternate term was “supernormal profit”
- resource rent was essentially a tax, a proportion of the earnings
- there had been considerable debate on the resource rent issue during the review of the Fisheries Act
- Current SA Government policy does not support a resource rent for the fishing industry, for a range of reasons, some of which are:
  - There is an ongoing flow of community benefit arising from commercial fishing including employment, development of support industries such as fish processing and ship building/maintenance, export earnings, regional development activities, infrastructure development, etc;
  - the naturally renewable nature of fisheries resources; and
  - the high natural variation in fish populations means fishing businesses have to adjust between high and low catch periods.
- The current understanding is that a resource rent tax had only been applied once in an Australian fishery – a single occurrence in a Tasmanian abalone fishery, with the money being put into research and development of other Tasmanian fisheries.

#### *Contestable research services*

Concern was expressed that if research services were not provided by Government then it could lose its technical capacity to provide adequate independent scientific review – people were needed who were immersed in a particular fishery.

SS suggested that if stock assessment and other research services were to be delegated to industry then appropriate benchmarks for the rigour of stock assessment would need to be established, and industry would need appropriately skilled and qualified people. Hence industry would also have to have incentives to go to a greater level of delegated co-management.

#### *Model 1 – status quo*

SS stated that it should be recognised that reaching the current level of co-management was a big achievement.

#### *Model 2 – delegation to SGPPFA*

KH stated that industry believed that this was as far as they would like to progress at this stage. They would need to take on about 1.75 staff to implement model 2.

Elements included

- industry to take on aspects of the research service
- independent observers (i.e. no stake in the fishery, not in industry) to be maintained

- peer review/audit process to involve PIRSA and other stakeholders

### *Model 3 – fully delegated/stakeholder governance*

There was a consensus among members of the CCSA reference group that the conservation sector did not currently have the capacity, in terms of both time and expertise, to participate on a governing board and strategies would have to be explored to further build capacity for the conservation sector to participate in the fisheries management process. Although highly desirable, involvement in annual review and specific events, e.g. bycatch risk assessment, would be difficult enough.

### **Conclusions**

CCSA needs to articulate its objectives for the fishery – e.g. whether it is concerned primarily about prawn biomass or overall ecological sustainability of the fishery and its impact on the environment – this would influence how frequently the CCSA would need to be engaged in management of the fishery.

Further discussion will be required out of session to either develop a preferred CCSA co-management model - or provide comment on the criteria that should be met for the CCSA to be comfortable with the industry moving to higher levels of delegated co-management.

### **Actions**

- Paul McShane to be invited to attend the next meeting if possible and within funding constraints (KH, JB)
- More information on cost recovery and its benefits to be provided (JB, SS, KH)
- Out of session discussion on preferred CCSA model by conservation reference group (via email) to be initiated (JB)

Meeting closed 8:55 pm