

# Fishing Business Assistance Grants – Consultation Report



**13 December 2018**



**Australian Government**  
Director of National Parks



**Australian  
Marine Parks**



## Summary

1. A 'Position Paper – Fishing Business Assistance – for the commercial fishing sector' (**the Position Paper**) was released on 20 August 2018 for consultation. The Position Paper outlined the elements of the Fisheries Assistance and User Engagement Package (**the Package**) announced by the Government on 1 July 2018, as they apply to the commercial fishing industry.
2. The Position Paper provided specifics on the proposed 'Fishing Business Assistance Grants' (the **FBA Grant**) including eligibility, calculation methods and application processes. The Position Paper also briefly outlined the other elements of the Package, including the Our Marine Parks Grants Program, Vessel Monitoring System Assistance and the Coral Sea Licence Buy-out Program.
3. The Position Paper was sent to peak fishing industry bodies around Australia and was also made available on the Parks Australia website. Comments were open until 30 September 2018, with two organisations being provided extensions upon request. Three submissions were received one week after the closing date and to ensure all views are appropriately captured, those submissions have been considered by the Director in this report.
4. A total of 20 submissions were received. Nine submissions were received from commercial fishing industry bodies, ten were received from individuals or groups and one submission was received from the West Australian Government. A list of submissions is provided below at [Attachment A](#). The majority of submissions derive from Western Australia (14 in total) made up of submissions from individual fishers as well as peak commercial fishing organisations and a government agency.
5. The analysis below shows the common and key issues raised in the submissions. The analysis predominantly considers comments made on the design of the FBA Grant. Additional commentary, particularly on the Our Marine Park Grants component of the Package, is reflected at the conclusion, as well as commentary unrelated to the Package e.g. Australian sea lion closures in Western Australia and issues relating to the commercial fishing Class Approvals.
6. Key issues raised included beach prices, assessment period, assumed profit, displacement calculation methods, eligibility of lessees, period of assistance, review processes, absence of assistance to vertically integrated businesses and exceptional circumstances.
7. In response to feedback from industry, the Director of National Parks (**the Director**) has decided to amend the Package by: adjusting the formula used to calculate payments for the FBA Grant; amend the commercial fishing class approval; and hold a first round providing \$5 million of Our Marine Park Grants at or closely following the opening of the FBA Grant round. The first round of Our Marine Park Grants will focus on further minimising impacts on the commercial fishing sector.

## The Directors of National Parks' response to submissions

8. The Director has considered all submissions made on the Position Paper and considers that changes can be made to the design of the FBA Grant to address some issues raised in the submissions, while still meeting the objectives of the Package. As noted in the Position Paper, the fundamental objectives of the FBA Grants program include providing fair and reasonable assistance in a transparent, equitable, evidence based and systematic way. The Director notes that accommodating all issues raised in the submissions would significantly increase both program costs and the delivery timeframe.
9. The Director also notes the significantly reduced impacts on Australian fishers as a result of the final Australian Marine Park management arrangements and the significant consultation work undertaken with commercial fishing peak bodies and individual commercial fishers over many years to deliver the final Australian Marine Park management arrangements.
10. Some submissions seek changes that do not align with the FBA Grant process— the use of a formula based assistance payment drawing upon information provided by fishers under statutory obligations. The Director is aware that some submissions seek case-by-case assessment involving detailed analysis at the individual fisher level and notes that such an approach would result in significantly increased grant complexity and timelines. The Director is also aware from the delivery of past assistance programs that a case-by-case approach, such as that taken in the Great Barrier Reef Marine Park Structural Adjustment Package, has resulted in significant stakeholder dissatisfaction.
11. Instead the Director will apply the formula-based approach to the FBA Grant process as outlined in the Position Paper, but will support some changes to the formula to seek to accommodate the issues raised by industry. These changes (see below) deliver more assistance to more fisheries.
12. In considering what changes can be made the Director has sought to deliver the grants as rapidly and effectively as possible, in a manner that is transparent, evidence-based and can be consistently applied nationally. The Director also needs to ensure that FBA Grants can be delivered within the available budget noting that other important elements of the wider Package still need to be delivered.
13. These changes together increase average assistance payments to individual fishers by 50 per cent above that outlined in the Position Paper, further reduce the regulatory burden on fishers and assist fisheries to transition to a more ecologically and economically sustainable future:
  - i. **Increase the period of assistance from four to five years.** The Director understands that some fishers will need to amend current fishing practices and that, in some instances, this carries economic cost to the fishing business. In recognition of this issue, the Director will increase the assistance period from four to five years in making assistance calculations.
  - ii. **Increase the profit assumption from 25 per cent to 30 per cent.** The Director recognises that some businesses will have fixed costs that cannot be avoided in the

short term, however is unable to appropriately deal with these issues without going to a case by case assessment. Recognising this, the Director considers increasing the profit assumption is the most appropriate mechanism to address those concerns.

- iii. **Reduce the minimum payment threshold to \$100.** The Director recognises that the scheme provides assistance payments at the individual entitlement level. Keeping the minimum payment threshold at \$1,000 could mean that some individuals with multiple entitlements, and where each entitlement is assessed for Fishing Business Assistance below \$1,000, would not receive any direct assistance. To reduce such occurrences, the Director will amend associated Guidelines to allow assistance payment(s) where such payment(s) are equal to or above \$100.
- iv. **Amend the Director of National Parks Class Approval – Commercial Fishing and Cage Towing (Aquaculture).** The Director is keen to ensure that Australian Marine Park management arrangements do not impose an unnecessary regulatory burden. In this instance the Director will amend, where necessary, activities that can be undertaken when transiting some parks to ensure that some fishing practices, such as processing of catch, can continue where the impact on Australian Marine Park values is assessed as acceptable.
- v. **Open a \$5 million first round of the Our Marine Park Grants to the fishing sector at or around the time of opening of Fishing Business Assistance grants.** The Director will open a first round of the Our Marine Park Grants at or around the time that the Fishing Business Assistance scheme opens. A total of \$5 million will be provided for this first round. The Director will invite fishing industry representative bodies to identify grants that address sectoral, regional and national impacts not directly resolved through the FBA Grant where consistent with the intent of the granting program. This, for example, could include assisting the transition to new gear types as described in a number of the West Australian submissions.

## Analysis of key issues raised in submissions received on the Position Paper

14. Submissions raised a number of issues relating to the proposed approaches in the Position Paper. These can be broadly defined as issues relating to:
  - a. the assistance formula as outlined in the Position Paper;
  - b. eligibility for assistance;
  - c. review of assistance decisions;
  - d. vertically integrated fishing businesses;
  - e. exceptional circumstances;
  - f. the compounding nature of regulatory changes;
  - g. Class Approval conditions; and
  - h. other concerns with the assistance program or Australian Marine Parks in general.
15. These issues are covered in detail below including the Director's considerations and conclusions

### The assistance formula as outlined in the Position Paper

16. The following key issues relate to the assistance formula proposed in the Position Paper. The formula proposed was as follows:

***Assistance amount = (estimated average annual income forgone) X 25 per cent X 4 years***

*Where:*

- ***estimated average annual income forgone*** is the estimate of the average of annual income calculated to have been displaced (see below for further detail)
- ***25 per cent*** is the assumed profit retained by a commercial fisher
- ***4 years*** is the period over which the assistance is calculated.

- a. Submissions seeking to increase the level of assumed profit

### *Background and considerations*

17. Some submissions proposed changes to both the profit assumption and/or period to better deal with individual circumstances. The Position Paper proposed a profit assumption of 25 per cent to be applied when calculating the level of assistance.
18. Some submissions argued their individual profit margins were higher, including up to 50 per cent. It should however be noted that some submissions where such an issue was identified are known to be highly variable year-on-year, driven by such factors as

changes in stock abundance or market conditions. It is likely that if profits were averaged across all years the actual rates of return would be similar to other fisheries which generate more normal business returns (see below).

19. A number of submissions also outline that fishing businesses face both fixed and variable costs and that a fall in revenue as a result of the Australian Marine Parks will result in a greater fall in profits (on a percentage basis). This is because fixed costs remain stable due to the need to maintain boats, pay licence fees, etc. while variable cost vary with the extent of fishing activity.
20. Economic data indicated that, after taking into account all costs relating to fishing (including quota holdings costs and management fees), most fisheries on average would return less than 10 per cent to the fishing business owner. For instance, the ABARES analysis of the Commonwealth Trawl fishery shows average 'Profit at Full Equity' in 2010/2011 of 9 per cent and the East Coast Tuna and Billfish fishery recording a profit of 3.6 per cent<sup>1</sup>. In South Australia (the only other jurisdiction understood to undertake similar economic analysis to the Commonwealth) all fisheries analysed for the year 2010/2011 had average rates of return of less than five per cent after accounting for all costs<sup>2</sup>.

### *Conclusion*

21. The Director understands that profit margins for businesses can vary due to individual business models as well as seasonal and/or market conditions (both domestically and internationally).
22. The Director also recognises that some fixed costs cannot be avoided in the short-term and that business profits for some operators may be disproportionately impacted in the short-term. Given that assistance is being provided over a limited timeframe this could mean that some fishing businesses may not have the ability to fully amend their business cost structures within the years of assistance available.
23. In considering how to respond, the Director notes that further understanding of this issue at the individual fisher level could only be obtained through case-by-case assessment. This would involve detailed analysis of financial information that would need to be gathered and submitted by fishers themselves. Because this is not practicable without dramatically increasing in the complexity and timeframes for delivery of the FBA Grant, the Director instead agrees to increase the assumed profit assumption used in assistance calculations from 25 per cent to 30 per cent. This will result in average assistance payments increasing by 23 per cent.

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<sup>1</sup> ABARES.

<sup>2</sup> Econsearch

b. Submissions seeking an increase in the assistance period

*Background and considerations*

24. The Position Paper provides that the assistance amount is calculated for a four-year transition period for commercial fishers.
25. The Director noted that several submissions identify that the economic burden should be addressed over a greater number of years, given the changes that may need to be made including finding new fishing grounds and gear modifications.

*Conclusion*

26. The Director understands that some fishers will need to amend current fishing practices and that, in some instances, this carries economic cost to the fishing business. In recognition of this issue, the Director will increase the assistance period from four to five years in making assistance calculations.
27. The Director also notes that the Our Marine Parks Grants component of the Package will offer the opportunity for industry associations to competitively seek grant funding to enhance the ability of the commercial fishing sector to continue to deliver sustainable fishing and conservation outcomes within the context of the Australian Marine Parks. The Director will further engage with commercial fishery organisations to assist in developing grant opportunities that meet the intent of the Package.

c. Submissions seeking an increase in beach prices

*Background and considerations*

28. Beach prices are used to convert the volume of an individual fishers catch to a \$ figure. This figure is then used as part of calculating the **estimated average annual income foregone**.
29. The Position Paper outlines that beach prices would be determined by the Australian Bureau of Agricultural and Resource Economics and Sciences (**ABARES**) in discussion with fisheries management agencies using the most current publicly available information at the time the final guidelines are produced.
30. A number of submissions identified that fishers had not been approached to provide information on beach price. Submissions also identified that beach prices do not accurately reflect prices received by individual fishers, or take into account actions undertaken by fishers, including those specialising in high quality products or on-board value adding. Some submissions recommended that fishers should be able to provide evidence to substantiate higher prices obtained.
31. Supporting the use of individual fishers' claimed prices would require individual business level assessment in order to verify that claimed prices were actually obtained.



## Conclusion

32. The Director recognises that beach prices will not always reflect prices received by individual fishers. However, in order to apply the process as agreed, beach prices will derive from information and methods that States, the Northern Territory and the Commonwealth use to report on the value of their fisheries. Some jurisdictions also use this information to set licence fees. As such, it is considered the best approach in order to deliver an assistance program that is national in scope. The Director will, however, ensure, that the prices applied will be tailored at both the jurisdictional and individual fishery scale.

### d. Submissions seeking an increase to the assessment period

#### Background and considerations

33. The Position Paper proposed that catch history between 1 July 2012 and 30 June 2017 be taken into account in calculating **annual average income foregone** — where the three years out of the five with the highest calculated displacement are used in calculating an assistance offer.
34. Several submissions identified that this period does not take into account the variability of fisheries around the country. For example, Tuna Australia identified that tuna and billfish are subject to episodic events and catch should be taken from 2000 onwards. Similarly, Far West Scallop Industries Pty Ltd identified that scallop catch varies considerably in both volume and geographic distribution between years due to the nature of the fishery.
35. Extending the assessment period would allow businesses to choose from a greater range of years with higher historic returns, some of which may no longer be achievable due to market or regulatory changes that have occurred over the period. This may inflate the amount of assistance provided disproportionately to the actual level of impact on current businesses and their prospects going forward.
36. An extension of the assessment period would also increase the administrative burden on ABARES and State and Territory fisheries management agencies to obtain and analyse this data.

## Conclusion

37. The Director understands that fishery catches fluctuate and has designed the FBA Grant program to look across a five year assessment period rather than using the last year of data. The Director considers that the five year assessment period provides a reasonable estimate of current business returns whilst balancing a need to legitimately tie assistance to possible actual future impacts. While the Director recognises that fisheries will be affected differently, it is considered that the rationale for the five-year period is sound and ensures that assistance is delivered in an evidence-based and timely manner.

- e. Submissions seeking changes in how displacement of income is calculated

#### *Background and considerations*

- 38. Knowledge on the location of fisheries catch is dependent on reporting requirements maintained by fishery management agencies. Some fisheries report the actual point of catch whereas some report within a fish reporting “grid”. Sometimes these grids are of large scale (e.g. grids of up to 60 minutes square — or a box of about 110 kilometres square at the equator) while some are smaller. In many cases the areas now closed to certain fishing gears only occupy part of the reporting grid. This means that not all fishing in a particular reporting grid will be excluded under the new management plans.
- 39. The Position Paper described the methods to apportion displaced catch in grids that straddles closed areas. These methods were extensively consulted on in 2012/2013, including through a peak fishing industry working group, with the methods subsequently used in the design phases during the Independent Review and through final Australian Marine Park management arrangements.
- 40. Several submissions argued that the methods outlined are imprecise (where fishers report catch within a larger grid) and noted that fishers targeted areas of known high catch, and that these may only be a small part of a grid. Proportionally allocating catch across a grid may therefore underestimate the impact if the area of highest catch was located in a part of a park in which they can no longer operate. Though not discussed in any of the submissions, it should be noted that the opposite would however also be true if the high catch area was not included within a park.
- 41. Some submissions also raised that, given the claimed uncertainty regarding the actual location of catch then all catch reporting grids that intersect an Australian Marine Park should be considered as being displaced.
- 42. The Position Paper noted that there were up to 11 proposed methodologies for determining grid sector analysis and in some cases advanced technologies (including VMS) would be used to more accurately identify catch locations.
- 43. Tuna Australia suggested a need for a ‘buffer’ area to be included in displacement calculations for the pelagic longline method in the East Coast Tuna and Billfish Fishery to account for drift caused by wind and currents while fishing gear is deployed. Fishers argue that they will have to not only avoid certain areas of parks, but also areas adjacent to these areas from which gear may drift into parks.

#### *Conclusion*

- 44. The Director’s consideration on displacement methods to be used in informing assistance decisions are outlined below:
  - i. On the general issue of how catch displacement is calculated, the Director considers that the previously proposed approach is sound and provides the fairest verifiable method. The Director will ensure, by working closely with ABARES that final displacement methods applied by ABARES in calculating catch displacement are

built on the best available data and information available; subject to the Director's need to apply consistent methods across fisheries and across jurisdictions.

- ii. The Director further notes that in some instances, the process will overestimate the catch displaced as the actual location of fishing does not in fact occur within areas now closed. The Director also notes that FBA Grants calculations assume that fishers will have no opportunity to increase targeting of catch in other locations. This is generally not true. However, the Director considers that in order to administer an assistance scheme which is national in scope, such beneficial assumptions should be maintained.
- iii. On the issue of gear drift, the Director notes the significant work undertaken to understand the issue of gear drift in finalising park management arrangements — particularly in the Coral Sea Marine Park. Park zoning was finalised, after significant consultation with peak bodies and fishers, to reduce the likelihood of accidental gear drift into areas where the fishing gear is not allowed.
- iv. The Director further notes that fishers normally take into account sea conditions when deploying gear and plan to avoid gear drifting into areas not allowed or where gear could become entangled. It is noted there are a number of areas that are already closed to fishing in the area of the fishery (such as rolling closures to avoid other tuna species) which require fishers to take action to avoid committing fisheries offenses. The Director considers that additional constraints on areas in which fishers can operate pose only similar constraints to those faced from other management requirements. The Director, therefore does not intend to consider modifying the displacement methods to be used by ABARES in this regard on the basis of potential gear drift.

#### f. Submissions on eligibility

##### *Background and considerations*

- 45. The Position Paper supports assistance for fishers who operate under both owned and leased arrangements but only where those lease arrangements that are clearly defined, recognised in legislation and recorded by fisheries management agencies.
- 46. The basis of extending eligibility to both fishers who own entitlements and those that lease is based on the Australian Government position that assistance should be provided to directly affected commercial fishers.
- 47. Consideration of such arrangements will be determined by fisheries management agency licencing information as at 1 July 2018. However, in some jurisdictions, lease arrangements are not recorded and in others lease arrangements are undertaken between parties without the awareness of the fisheries management agencies.
- 48. The Director is aware that lease arrangements are now a common business practice within many of Australia's commercial fisheries. Such arrangements allows a fisher to control risks associated with holding significant financial assets as well as allowing fishers to quickly respond to short-term opportunities.

49. The submission from the West Australian Fishing Industry Council (WAFIC) suggests that this policy consideration is not appropriate, and proposes that only owners should be assisted as owners will experience the consequences of the permanent loss of access. Several other submissions referenced and supported the Council's submission. Such a position appears to, in-part, reflect a contention that asset values are affected by the new Australian Marine Park management arrangements.

#### *Conclusion*

50. The Director acknowledges that arrangements relating to recording of details of ownership and lease arrangements are complex and varied across the different jurisdictions. The Director will amend the final FBA Grant guidelines to reflect that the FBA Grant will be paid to lease holders where the arrangements in their jurisdiction allow them to be identified on their statutory register, and to owners where they are not.
51. Consistent with the Australian Government position that assistance should be paid to those fishers who operate under lease arrangements and those who own their entitlements, the Director will provide assistance to those fishers directly impacted by the new Australian Marine Park management arrangements where the Director and fisheries management agencies have the ability to identify lease arrangements and calculate assistance under the program.

#### *g. Submissions relating to a need for a review process*

##### *Background and considerations*

52. The Position Paper did not provide detail on any review process available to fishers during the delivery of FBA Grants. Some submissions noted that fishers should have access to the data used and have the ability to clarify outstanding issues. Others noted that the final guidelines would need to clarify the review processes.
53. It should be noted that when provided with the letter of offer for the FBA Grant, it is intended that eligible fishers will also be provided with a summary of data used and calculations undertaken by ABARES to determine the amount of assistance.

#### *Conclusion*

54. While still to be finalised, it is intended that the review process is designed to only examine whether there were procedural or calculation-based errors made in an assessment. It is not intended to be a review of the merit of the assistance payment.
55. The basis of this is that the process to calculate assistance is deliberately formulaic, based on the process and assumptions outlined in the Position Paper. Assistance payments will be calculated based on statutory records from fisheries management agencies. These fisheries records represent the most reliable, accurate and commonly accepted account of entitlements and catch history data used for fisheries management throughout Australia and for the basis of fisheries management around Australia.
56. It is further noted that catch data up until 30 June 2017 will be used in assistance calculations. This means that fishers have had up to 1.5 years to correct any errors in

this reported catch. In discussion with fisheries management agencies it is their view that catch information is the responsibility of the fisher themselves and that they provide opportunity to fishers to amend their catch records as appropriate.

57. FBA Grant recipients will retain right of complaint to either the Department (regarding the granting process), to the Department of Social Services (regarding the administration of Grants). Fishers will also retain rights to submit a complaint to the Commonwealth Ombudsman.

h. Submissions relating to assistance for vertically integrated fishing businesses

*Background and considerations*

58. The Position Paper, consistent with Australian Government agreements, states that FBA Grants are not available to other sectors or land based elements of a vertically integrated fishing business (those who also process, wholesale or otherwise deal with their catch to add further value).

59. Some submissions did not agree with the Position Paper on this. WAFIC identified that the shark industry in Western Australia requires a special exemption and that the assistance program should respond to fishers who also claim to be vertically integrated. Seafood Industries Australia and the Northern Territory Seafood Industry Council also propose that additional assistance should be provided to such businesses.

60. In 2012/2013 when considering this issue, the Department of the Environment sought to find ways of identifying such businesses through statutory information. The reason for this was that if there was a common way jurisdictions registered such businesses then this would allow consideration independent of a fisher's claims. If no independent authoritative source existed then the only solution would be to assess claims on a case-by-case basis. The Department's conclusion was that no independent or regulatory sourced existed.

*Conclusion*

61. The Director does not consider vertically integrated businesses within scope for assistance for the following reasons:

- i. The Australian Government has clearly identified that assistance is only available to directly impacted commercial fishers and that no assistance would be made available to either land-based businesses or land-based components of fishing businesses.
- ii. The impact of the Australian Marine Parks on the commercial fishing sector directly is minimal at \$4.1 million, or around 0.3% of wildcatch fisheries by income. The Director considers that such businesses have a demonstrated capacity to adjust to changing market conditions without government assistance.
- iii. The cost of including vertically integrated businesses within scope for assistance is difficult to estimate, as businesses will require detailed assessment. It is also difficult

to limit the number of individuals who apply as vertically integrated businesses as there is no clear test or definition. Such claims will have to be individually assessed on a case-by-case basis and would impose a significant burden — both on fishers and on the Department's resources.

- iv. The changes agreed as a result of submissions on the Position Paper now provide assistance at around 1.5 times the calculated average impact on the fishing businesses income. Even assuming profit at 20 per cent for such businesses, this represents around 7.5 years of assistance. The Director considers this level of assistance is adequate to allow vertically integrated fishing businesses to adjust without further assistance.
- i. Submissions relating to the inclusion of exceptional circumstances provisions

#### *Background and considerations*

- 62. The Position Paper did not outline any special circumstances provisions as assistance is to be based on a formula which derives its key information from fisheries management agency statutory information.
- 63. A number of submissions argued that the FBA Granting process should include opportunity for 'exceptional circumstances' to be considered in providing assistance to fishers. For example Tuna Australia suggested that the displacement effect requires smaller vessels to travel further. Others have argued a buyback or voluntary adjustment scheme is necessary to either address where a fishery is no longer viable, or the resulting outcome would be an unsustainable concentration in the remaining area of the fishery.
- 64. Some submissions suggested an equity multiplier could be utilised to provide the appropriate assistance to 'more greatly impacted fishers'. For example, for an entitlement that has an average yearly displacement of \$10,000, an assumed profit of 20 per cent is applied but for an entitlement that has an average yearly displacement of \$75,000, an assumed profit of 30 per cent is applied.

#### *Conclusion*

- 65. The Director does not agree to the inclusion of special circumstances provisions for the following reasons:
  - i. the FBA Grant (as agreed to be amended within this report) provides generous assumptions in relation to assumed profit and years of assistance.
  - ii. the FBA Grant as designed and agreed by the Australian Government is an assistance program and is not designed or intended to be a compensatory program. Monies to be provided are to assist fishers' transition to the new operating environment and not to compensate for all real and claimed losses.
  - iii. the objective of the FBA Grant is to be transparent, fair, equitable and evidence-based. Including a qualitative multiplier and providing additional assistance to one

fishery over another, would necessitate creation of an agreed basis for such a distinction, would be subject to discord and controversy, and would fail to achieve the objectives of the Program, including timely delivery.

66. The Director also notes the significant work over many years to understand commercial fishers' concerns and respond to them through the design of the final Australian Marine Park management arrangements.

j. Submissions relating to other issues

*Australian sea lion closures off Western Australia*

*Background and considerations*

67. Many submissions noted the impact of the Australian sea lion closures (the **ASL closures**) enforced by the Western Australian Government in response to obligations under the *Environment Protection and Biodiversity Conservation Act 1999*. These closures came into effect on 28 June 2018 — 2 days prior to the new Australian Marine Park management arrangements. Some submissions suggested that assistance for both the ASL closures and the FBA Grant should be delivered through a single program.

*Conclusion*

68. The Directors' considerations are as follows:

- i. The Director understands that the ASL closures have had an impact on several Western Australian managed fisheries. These impacts are not the result of the introduction of the new Australian Marine Park management arrangements. The impacts from ASL closures are have not been caused by Parks Australia and should not be the subject of the FBA Grant, which is designed to assist fishers with catch history directly affected by the new Australian Marine Park arrangements.
- ii. The Director will open a \$5 million first round of the Our Marine Park Grants to further address impacts on fishers. The Director will work with fishing industry representative bodies to identify grants to address sectoral, regional and national impacts not directly resolved through the FBA Grant. This may provide a means to assist the transition to new gear types.

*Class Approval issues*

*Background and considerations*

69. Some submissions noted the difficulty faced by fishers if they cannot process catch while transiting through areas within which the fisher cannot operate — a requirement under the Class Approval – Commercial Fishing and Cage Towing (Aquaculture).

70. Some submissions also noted other Class Approval conditions such as those that require a fisher, when transiting a zone in which a fishers fishing practices are not allowed, a speed of at least 5 knots needs to be maintained. Some fishers have noted

that given their vessel type and depending on the weather, it is not unusual that transiting speeds are below 5 knots for safety reasons.

### *Conclusion*

71. The Director recognises that Class Approvals provide a significant reduction in regulatory burden to fishers as their use avoids the need for individual fishers to seek or maintain separate approvals. However, the Director does not seek to place any undue additional regulatory burden on fishers where not required for Australian Marine Park management including compliance purposes. As a result, the Director will seek to amend Class Approvals, via determinations to:
- i. allow for processing of catch where appropriate while transiting certain areas.
72. On speed requirements, the Director will further consider this issue in light of issues raised and will undertake to review such requirements by the end of 2019.

### *Other general issues raised*

73. Several submissions identified areas where the scope of the Package should be expanded to address additional issues. This included assistance for costs related to the design of the 2012 assistance package, for business uncertainty during the Australian Marine Park planning process, for the reduction in asset values and for loss of income due to public sentiment and confusion related to the arrangements around Australian Marine Parks. The Director considers these issues to be beyond the scope of the current Package.
74. Some submissions noted that assistance should have been delivered in advance of the entry into force of the new Australian Marine Parks. One submission suggested that interest should be paid on any assistance payment from 1 July 2018. The Director considers that the timing of the program is appropriate to ensure there was no uncertainty as to the implementation of the management plans for the Australian Marine Parks. Further, the design of FBA Grant allows delivery of assistance as soon as possible.
75. Some submissions sought for the Package to be expanded to include assistance for loss of asset value and the value of authorisations and entitlements. The Director notes that more than 80 per cent of Australian Marine Parks remain open to some form of commercial fishing, that of the approximately \$76 million of catch in parks only \$4.1 million has been displaced (0.3% of wildcatch fisheries income). As a result, the majority of fishing businesses can continue their operations, albeit in an altered way. The Director does not consider that given the low scale of impacts that the new management plans have impacted asset values — the exception being elements of the Commonwealth-managed Coral Sea Fishery, for which a voluntary buy-out is being progressed.
76. One submission asserted that a constitutional basis exists for compensation. The Director does not consider this assertion to be correct. Whilst there is no legal requirement for the Australian Government to provide assistance, the Australian Government has committed \$35 million to the Fisheries Assistance and User Engagement Package.



77. Some submissions provided philosophical discussion on the establishment of Australian Marine Parks. The Director considers these comments out of scope for the purposes of the Package.

### *Conclusion*

78. The Director has sought to accommodate industry comments where possible. The FBA Grants program is generous and consistent with the objective of providing assistance to fishers with a catch history directly affected by the new Australian Marine Park management arrangements in a timely and equitable manner. The Director will aim, open a \$5 million first round of the Our Marine Park Grants at or around the same time as opening of FBA Grants to further address impacts at the fishery level. The Director will work with fishing industry representative bodies to identify grants that address sectoral, regional and national impacts not directly resolved through the FBA Grant where consistent with the intent of the granting program.

## Attachment A – List of submissions

ID	Name and Organisation
1	Ellis, David, CEO, Tuna Australia
2	Nelson, Clayton, One Sea Pty Ltd, Rottnest Island, WA
3	Karaterpos, Manuel & Dimitri, Esperance Food Processors, Esperance, WA
4	Wilde, Verne, West Coast Demersal Scalefish Fishery
5	Soumelidis, Adam, Great Southern Seafoods, Albany, WA
6	Degrauw, Phil, President, West Coast Demersal Scalefish Fishery
7	Daniels, Paddy & Manue, Esperance, WA
8	Ch'ng, Hamish, Far West Scallops Industries Pty Ltd, Hamilton Hill, WA
9	Romaro, Terry, Coral Sea Trawl Fishery
10	Kimberly, Daniel, Chairman, Northern Territory Seafood Council
11	Taylor, Matt, CEO, Western Rock Lobster
12	Soulos, Nicholas, Leschenault Fisheries, Bunbury, WA
13	McDonald, Greg, Sagacity Pty Ltd, Geraldton, WA
14	Cooke, Beverley, Demersal Gillnet and Longline Association
15	Harrison, John, Western Australian Fishing Industry Council Inc.
16	Department of Primary Industries and Regional Development, WA
17	Eric Perez, Queensland Seafood Industry Association
18	Jane Lovell, Seafood Industry Australia
19	Don Nicholls, Southern Seafood Producers (WA) Inc. Association
20	Mario Puglisi, Charissa Pty Ltd, Ulladulla, NSW