

**QUOTA HOLDER SUB-COUNCIL MEETING**  
**Friday February 20, 2015**  
**The Old Woolstore**

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**Minutes**

**Welcome:**

Alan welcomed members.

**Attendance:**

Alan Gray (Chair) B Amos, A Stewart, A Brown, G Bull, R Caccavo, Nic Tang, J Clarke, B Cobbing, H Cutts, S Dale, A Eaton, J Escott, H Gasparinatos, A Gray, B Hall, D Hansen, A Hansen, A Hitchens, K Hoskin, J Hoult, A Jaworsky, M Kennett, J Larby, D Lisson, A Marriott, M Marriott, S McKibben, J McKibben, S McRae, G Moroney, L Norris, M O'May, R Pinfold, H Posch, V Puleo, R Rex, R Scanlon, P Seabourne, P Sharp, D Tory,

**Apologies:**

Grant Jordan, G Wallace, G Chung, D Garlick, F Ledwell, B Rex, R King, P van der Woude, and M Reed.

**Minutes of previous meeting:**

Resolve that the minutes of the Sub Council Meeting held on Friday September 5, 2014 having been circulated be taken as read and confirmed, with changes.

Moved John Hoult and seconded Greg Woodham

**Business arising from previous meeting:**

Discussed further as agenda items.

**2015 catch update;**

Catches for the Western Zone in the first six weeks of 2015 have been good accounting for the average weather experienced by divers harvesting our quota. Divers are reporting only 2.5 days of actual flat working weather in the first six weeks.

Motherboats have been working out of Strahan and Hobart regions with processors flexible in sending trucks to all ports for unloading our catch. This helps in spreading the effort around the western zone which has occurred. Other zones are catching well with a good start to the year.

Divers are also stating that if the Eastern zone was open, they would not be forced to go around the western zone in marginal weather affecting catch rates.

**Royalty Update:**

There is a reduction in the pipeline; the Liberal Government will honour the commitment of a royalty for New Deed of 7% on the average beach price calculated in the same methodology as previously. Other fishing sectors pay a lower royalty, with an

undertaking given by the Government to look at the inequity. Salmonid pay on their GVP a small %

### **Furneaux Units tender process:**

DPIPWE has put the units out for tender and the selection process is underway

### **Membership levy increase update:**

Motion #3 '*To increase the Quota Unit Levy by \$30 to maintain Real Dollar Value*' was put to the AGM was supported, voted on and approved by the Members. Minister Rockliff has subsequently denied the motion and proposed the TACL write to ALL quota holders requesting favour or otherwise of the increase by polling slip. This process is to be conducted in such a way to withstand external scrutiny. Minister Rockliff supports the TACL for organised, coherent and professional industry representation with strong governance provisions.

### **AWA China update:**

Dean showed a presentation on the 'Australian Wild Abalone' marketing program in China and the 'Seafood Trade Advisory Group'.

Recap on main activities 2014

- Rules for use of trademark finalised and submitted to ACCC
- 11 Companies signed up as members of the Program
- AWA™ program launch in Shanghai
- MOU signed with China Cuisine Association
- Supply chain technical seminars held in Hong Kong (July and September)
- Importer Briefings Hong Kong (July)
- Australian stakeholder briefings Queenstown (August) Tasmania and Port Lincoln (October)

Main activities 2015.

- Stakeholder briefings WA (January), Victoria and NSW (February and March)
- Market diversification research in Singapore and Japan (February)
- Supply chain technical seminars Beijing, Xiamen (March)
- Tentatively Japan (April) Singapore and Hong Kong (May)
- China digital media trial (March)
- ACCC sign off on rules and Trademark registered in China, Japan, Singapore and others (May/June)
- CCA Chef Ambassador competition (June?)
- Plans for continuation after CRC (June)

STAG – recap on main activities 2014

- Confidential economic data to support Australian negotiation position on China FTA provided to DFAT (various) resulting in excellent outcome for Abalone and Rock Lobster
- Deemed value discussions with Chinese customs identified possible option to resolve border problems for direct trade
- Application for use of SO2 in canned abalone developed and submitted to Chinese authorities for approval (in collaboration with NZ)
- Seafood Exporters Forum held in Canberra with over 45 industry participants and high level government involvement
- STAG news bites market intelligence established (sent every 7 to 10 days)
- Seafood Trade Matters newsletter established with 3 issues circulated (new issue Feb 2015)
- Submission to DFAT on TPP negotiations
- Wayne Haggart engaged to support STAG activities

#### Main activities 2015

- Continue to push for approval for use of SO2 in canned abalone – changed rules/process
- Monitor implementation of Korean FTA and Japan EPA and provide information to exporters (first one done for Japan on COO process)
- Monitor finalisation of China FTA to ensure outcomes are maintained
- Monitor other trade opportunities (India FTA, Gulf States, TPP and others)
- Continue Stag News Bites (until June 2015)
- Two more issues of Seafood Trade Matters
- Develop business plan for STAG post June 2015

#### Goals for 2015? – *Where do we want to be by 2016?*

Not discussed - agenda item at the General meeting.

#### Salmon Farm update:

There are two applications by Huon Aquaculture and Tassal to the Government for expansion of leases within the Marine Farming Plan.

Dean and Avril, on behalf of the TACL, wrote submissions to both of the EIS's and attended a hearing to give a verbal submission to the Review Panel. TACL is suggesting an area 1-2 nautical miles off shore for the pens.

TACL Quota holders recognise the appointment of Prof. Colin Buxton to conduct an independent review of the Marine Farm Plan, and question the independence of Prof Buxton reviewing our submission, putting Prof. Buxton in a difficult position. The review panel concludes in June 2015.

*MOTION: - 'that TACL has grave concerns of putting Prof. Colin Buxton in a compromising position as being the independent reviewer of the TACL submission and the chairman of the Marine Farm Planning Commission.*

*Moved Greg Woodham and seconded Ken Hoskin*

Carried by majority show of hands.

Dover Mussels started by Mark and Grant Devine, and subsequently owned by Warwick Hastel reports a significant decrease in the size of saleable mussels, and within Dover Bay the lines are covered with sludge of microalgae, without further testing can't be sure if the sludge can be attributed to salmonid farming.

Action; write to Tassal and HAC for permission to dive and film under the pens within the leases.
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#### General Business / open discussion

- Pennicott Wilderness Adventures; DPIPWE reports show only a small quantity is being harvested.
- Power of Attorney; Mark O'May has Power of Attorney for a relative but is not the Nominated Natural Person. The TACL Constitution only allows the NNP to vote.

Action: Dean to check with TACL lawyer on eligibility to vote.
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- Current Quota price; future agenda item.

- West Coast stock levels concerns on low biomass. At the FRAG #1 meeting a report from divers and IMAS will give a better idea of what the current levels are, as some divers are seeing biomass differently.
- Scientific research; members question the amount expended for little return.
- History of harvest strategies; Alice Marriott will present a paper to the next meeting.
- Dive sector; AGM Motion #6 '*To vary the current supervisor rule on fishing licences abalone dive from the current three variations a year to one variation very three years*' was approved at the AGM by majority vote. Minister Rockliff does not support the motion, due to the present Ministerial Guideline may be outside the remit of the *Living Marine Resources Management Act 1995*. The reasoning given of 'secure working tenure for divers' intervenes in the contractual/financial relationship.

This restriction is to be removed to *any number of changes per year*.

- Free Trade Agreement; negotiations with China staged over 4 stages for the import tariff. The first stage of 3% in December 2015, January 1, 2016 will see the second stage. The final two reductions will be on the anniversary of the 1<sup>st</sup> stage.
- Japan has entered a FTA for a reduction of tariff from 15 January 2015.
- Trade and Market issues; the standard custom clearance times is 4 hours, Live produce in China is growing exponentially as the transport and handling is becoming more efficient,
- Artificial reefs; suggestion of concrete blocks.
- BBC - Ric Steyn; has been in Tasmania filming and involved in discussions for promotional works. Scott Palmer took the production team out fishing; Glen Moroney, Tony Hitchens, and Peter Sharp were interviewed.
- Deck hands; there is a serious lack.
- Poaching on the NW coast; police monitored the operation and have arrested the offenders.
- Pennicott Seduction Tours; after the 3 year period concern that the Government may legislate the operation as a tourism venture.
- Concerns over a statement made by Dr Patrick Hone; 'that the Tasmanian Abalone industry is not sustainable'. *The Status of the Stock Report* is conducted every 2 years by FRDC across all fishing industries in Australia. There are some concerns regarding the assessment process, as the Victorian and Tasmanian reports were not peer reviewed and are questionable without consultation with industry. The TACL needs to make a positive statement regarding the awareness of the need for a stock rebuilding phase, and understands that there are export approval implications.
- Stock reseeded in Japan, at a much higher beach price does not show a return on investment – reference 'abalone ranching in Japan'

**Meeting closed 5:00pm**