

**ANNUAL GENERAL MEETING**  
**Saturday, 14<sup>th</sup> October 2017**

**C3 Convention Centre**

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**Minutes**

The Chair – Joey McKibben opened the meeting and welcomed Members, and explained the process of the meeting and that from 2018 onwards, TACL Director nominations will be sought in advance of the meeting.

**Present:**

B Amos, V Angel, S Anthony, M Bock, J Bock, A Brown, A Bush, T Chadwick, N Clark, J Clark, B Cobbing, S Crocker, R Daft, J Dale, S Dale, J Denny, B Denny, S Forward, C Forward, H Gasparinatos, M Gleeson, C Gunson, B Hall, N Harris, D Hansen, A Hansen, J Huddlestone, A Jaworski, F Ledwell, T Lesser, B Lesser, D Lisson, A Marriott, M Marriott, J McKibben, S McKibben, X Meng, T Ni, L Norris, M O'May, S Pearsal, M Porteus, B Ransom, M Reed, R Rex, B Rex, Richardson, B Richardson, R Rowe, P Sandman, P Seabourne, S Seabourne, R Searle, S Sharp, P Sharp, G Shaw, P Simpson, D Smark, G Smith, D Tory, M Walch, B Wilson, G Woodham, Z Xie, Y Ye, Q Zheng, G Seabourne,

**Apologies:**

A Gray, J Hoult, L Hoult, R Scanlon, D Boxall, A Field, C Gall, M Hoult, J Jones, L Joyce, M MacMichael, J Polanowski, L Polanowski, B Russell, A Seabourne, W Seabourne, S Seabourne, J Valentine, G Valentine (Jnr), G Willis, H Wright, B Hogan, K Hoskin, G Hurd, J Hayes, H Cutts.

**Minutes of the last AGM:**

The minutes were approved at the General Meeting April 12, 2017. Proposed G Woodham, seconded T Bush.

**President's Report:**

President Joey McKibben brought Members up to date on issues that have been discussed by the Board and include;

- The TACL will be filing a submission to the Department on the Abalone Management Plan which closes on October 23.
- The Quota for 2018 has been reviewed extensively with a reduction on the Eastern Zone due to unforeseen weather events, marine heat waves and extensive incursions of *Centrostephanus urchin*. Joey thanked all members who have given up their time to attend the FRAG meetings this year and play an active role in the review process.
- The Dive Safety Code of Practice has been updated and the TACL will continue to host dive safety workshops for divers and deckhands. All divers and deckhands are encouraged to attend.
- There will be a state election in 2018; TACL Board Members have recently begun to attend pre-election events for the three political parties.
- *Centrostephanus* incursion is a major issue that requires Government intervention.
- The Minister has been made aware of productivity issues on the East Coast.

- Divers and deckhands are an important part of the industry and quota holders are asked to reimburse divers the recommended minimum dive rate of \$10.

Joey thanked the Executive Committee, TACL staff Dean and Jillian for all their hard work, and all the members for their input on issues throughout the year.

The Annual Report for 2018 is available in the members section of the TACL website.

### **Chief Executive's Report:**

Dean gave a comprehensive review of the main issues the Board has been dealing with since the General Meeting in April 2017

- The average beach price – the trend line remains positive to \$60 and beyond
- Watching the Chinese economy, shifting away from manufacturing to a service-based economy.
- Generally Improving Market Conditions, strong demand for large Tasmanian live blacklip abalone and frozen greenlip product.
- Algal Bloom Management Plan;
  - Introduced species *Gymnodinium catenatum* and *Alexandrium tamarense* are prevalent on the East Coast with challenges to Mussel and Oyster Growers.
  - Review of the Abalone Bio-toxin Management Plan – approved by DPIPWE and DAWR in Canberra.
- Salmon expansion plans;
  - Tassal – Okehampton Bay and West of Wedge Island.
  - Huon Aquaculture – Storm Bay and South Bruny Island
  - HAC – (4) monitoring buoys on the outside of South Bruny.
  - Macquarie Harbour – Tassal want to set up a barge to disperse the captured liquid waste, which is high in nitrogen inside of Hells Gates at Kelly Channel.
- Submission from the Tasmanian Abalone Council Ltd regarding the Draft Sustainable Industry Growth Plan for the Salmon Industry

#### **Key Recommendations:**

1. The “No Grow” zone should extend from South East Cape to Boreel Head.
2. For all remaining areas within the “Grow” zone, a buffer of 1.5 nautical miles between outer edge of rocky reef to the edge of any marine finfish lease should be mandated – this zone should exclude all finfish aquaculture activities.
3. A “Salmon Industry Scorecard” that benchmarks the industry against world’s best practice be made publicly available via an independently managed web portal.
4. A FinFish Farming (Compliance & Monitoring) Unit be established within the EPA.
5. Real time environmental data from within and adjacent to all finfish leases be available publically via an independently managed web portal.
6. A robust Finfish Biosecurity Plan be implemented with appropriate checks and balances to ensure compliance.
7. Further R&D investment is required by the salmon industry to ensure new technology is adopted to reduce environmental impacts.
8. Comprehensive baseline environmental assessment is conducted on rocky reef systems adjacent or proximate to proposed finfish leases PRIOR to the lease being granted.
9. A broad industry based reference group be established throughout the Government’s Growth Plan implementation phase which includes representation from the abalone industry.

The TACL has written to the Environmental Protection Authority - alerting the EPA of abalone industry concerns re dumping of liquid salmon waste near ‘The Strip’ and the potential environmental impact of dumping waste liquor with a high nutrient load.

- *Centrostephanus* Mitigation Program sponsored by TACL 2016/17

### Main Objectives:

1. To remove Centro from productive abalone harvesting areas to 20m depth where incipient barrens may transition to extensive barrens if not “cleared”
2. Where possible, collaborate with the “emerging” Tasmanian Urchin industry to build a long-term strategic approach to restoring and maintaining the ecological balance between abalone and urchin populations on the East Coast
3. Total amount harvested under the TACL sponsored harvesting program so far is 49,690 kgs of Centrostephanus which is approximately 150,000 urchins from the St Helens/ Bay of Fires region.

- Accelerated Harvesting/culling program;

A new AIDF Project has been established to build a business case for an accelerated harvesting/culling program from block 30c in the north and block 22a in the south. The objective is to attain some strategic financial assistance from State and/or Federal Government to:

1. Implement an accelerated CENTRO harvesting/culling Program along Tasmania’s east coast while simultaneously.
2. Assisting in establishing a sustainable and commercially viable industry in Tasmania based on the long term harvest of CENTRO.

Urchin processors are reporting heightened interest in Centro roe in the China market and are keen to increase production to supply this recently developing market. If we can assist them by abalone/urchin divers providing subsidized raw material, then this may well present a medium to long-term mitigation measure that at the same time assists the growth of a “new” export industry for Tasmania.

- Larval seeding;

- Lower risk stock enhancement option
- Mobile Tanking system mounted on board a vessel
- Harvest male and female abalones and place in tank and induce spawning
- Wait about a week then carefully pump larvae from boat down to suitable habitat
- Enhances natural recruitment processes

- Amendment to the Abalone Management Plan

- Submissions due by 23rd October 2017
- Documents are on DPIPWE website
- New north western zone
- Overcatch rules
- Notice of closures - DPIPWE

- Marine Stewardship Council Certification

- Pre-assessment already completed
- WA abalone first MSC fishery
- 12 month process
- 90k for full assessment
- Ongoing costs and administration
- Briefing paper for TACL Board
- Marketing value
- Social licence value

## Seafood Trade Advisory Group

### Key issues;

- SO2 in canned abalone – still one of the 5 priorities
- Program Assisting Small Exporters (PASE), funded an extension to the STAG to develop and provide:
  - Assisting Seafood Exporters with a China Market Intelligence Service
  - Communication Resources about Seafood Safety Programs for use overseas
  - Safefish Technical Collaboration
  - Updating of the STAG priorities beyond 2017

### Levy Consultations;

- Building on Consultation undertaken last year
- New prospectus is being developed (expected to be completed end of October 2017)
- [www.abalonepal.com.au](http://www.abalonepal.com.au)
- Consultation expected to commence November to February 2018
- Poll expected to take place in March 2018
- Levy potentially in January 2019 (subject to Ministerial and Parliamentary approval)

The full CEO report is available in the Members section of the website –

[www.tasabalone.com.au](http://www.tasabalone.com.au)

## Treasurer's Report:

The Treasurer Avril Brown presented the Financial Report and discussed the overall finances of the TACL.

The AIDF monies are governed by a Grant Deed, and held in a separate account isolated from the TACL Operational Budget.

The Statement of Financial Position as at 30 June 2017;

|                 |              |
|-----------------|--------------|
| Total Equity of | \$748,915.00 |
|-----------------|--------------|

Comprehensive income for the year ended 30 June 2017

|              |              |
|--------------|--------------|
| Total Income | \$524,125.00 |
|--------------|--------------|

|                |              |
|----------------|--------------|
| Total Expenses | \$443,092.00 |
|----------------|--------------|

|             |             |
|-------------|-------------|
| Net Surplus | \$81,033.00 |
|-------------|-------------|

1. Interest received is derived from the accumulated surpluses (Investment account). This sum has increased in comparison to FY 2016 by \$4,052 due in part to the increased Membership Levy.
2. The vast majority of the TAC income comes from quota holder levy on the 3,500 quota units contributing \$105 per unit equating to a total income of \$367,500.
3. All line items listed as 'Grants' refers to the Abalone Industry Development Fund (AIDF) which is included in the TACL financials for auditing processes but is isolated from the TACL Operational Budget.
4. The Grant Deed for the AIDF agreement will be finalised in 2020. The final payment to the TACL is the FY 2018.
5. The Statement of Financial Position shows an increase in Cash and equivalent \$865,318 (\$646,550). This figure includes Grant funds from the Abalone Industry Development Funds (AIDF) of \$538,423 deferred income which is listed as Current Liabilities.

The Operational Budget for 2017-18 shows a surplus of \$11,415.00

Note; a \$40,000 item is budgeted this year for donations.

Legal and Consulting – Power of Attorney enquiries

Staff and Executive development and training – budgeted items for personal development

The Operational Budget for 2017/18 was presented, with a note of 'Provisional Liability of \$50,000; this is a contingency provision if required and not funded from other sources.

Abalone Industry Development Fund (AIDF) \$524,993.04

| <u>Funded Projects;</u>    | <u>Status</u>         |
|----------------------------|-----------------------|
| Enviro Monitoring Program  | 1 <sup>st</sup> stage |
| Centro Removal Program     | Operating             |
| Accelerated Centro Removal | 1 <sup>st</sup> stage |
| Marketing                  | Completed             |
| Bio toxin Management       | Completed             |

| <u>Pending Projects;</u>            | <u>Status</u> |
|-------------------------------------|---------------|
| Enviro Monitoring Implementation    | nominated     |
| Accelerated Centro Removal          | nominated     |
| Data Loggers                        | nominated     |
| Electronic Data System              | nominated     |
| Urchin Waste Utilisation            | flagged       |
| Larval Seeding                      | nominated     |
| MSC Accreditation                   | considering   |
| <i>Alexandrium</i> bloom management | considering   |

Motion 1.

This meeting accepts the Audited Financial Report 2016 / 2017

**Passed by a majority show of hands**

Motion 2.

This meeting endorses the 2017 / 2018 Operational Budget as presented in the Annual Report.

**Passed by a majority show of hands**

Motion 3.

This meeting endorses 'Crowe Horwath' as auditors for the 2017 / 2018 financial year.

**Passed by a majority show of hands**

**The Annual General Meeting Closed at 11.00am**

## **GENERAL MEETING/INDUSTRY FORUM**

Minutes of General Meeting April 12<sup>th</sup> 2017 were agreed as a true record.

Proposed by Steve Crocker seconded by Tony Bush

**Passed by a majority show of hands**

### **Sub-Council reports:**

#### **Dive Sector:**

Paul thanked the divers who attended sub council meetings and are active in shaping the future of the industry. Paul's main comments were as follows;

- (2) Major processors have increased the dive rate and are to be thanked for doing so.
- Knuckey Report 2015;
  - There is an oversupply of divers.
  - All economic issues within the dive sector were outlined but the report didn't provide any recommendations for restructure
- A quote of \$22,000 from IMAS for a technical report 'Analysis of Dive Sector Viability and Re-Structure Option (Catch Caps)' was recently rejected by the Board.
- TACL Board has approved the initial purchase of new Diver GPS and Data Loggers using funds from the AIDF and AOCTF.
- AMSA has been taken over some key responsibilities from MAST – there is not a lot of positive progress however.
- Southern Rock Lobster and Abalone fishers are finding it difficult to get a stake in their chosen industry.
- All Dive meetings were well attended.
- Paul thanked Tasmanian Seafoods for leading the way in dive rates, the Board for their hard work in dealing with the dive rate issue and the divers for their communication and participation.
- Paul finished by thanking Matt Bradshaw, Craig Mundy and Malcolm Haddon for their involvement in managing the fishery.

Comments from the floor;

D Smark – “The (40) Furneaux Units realised \$800,000 in income during 2017, of which \$200,000 was allocated to the AIDF

1. The units belong within the industry not the Government. The TACL should demand the Government provide all the income to the TACL for industry purposes – not just the 200k for the AIDF or.....
2. The units should be sold into the open market with the proceeds used to remove dive entitlements.”

#### **Processing Sector:**

Steve's main comments were as follows;

- There have been high beach prices: in January the beach price was \$62/kg. The market started well with an early Chinese New Year with high demand and increased prices.
- There was a drop off in price at the end of February.
- Going forward – Victoria is also now participating in the live market in China and there is more competition globally from farmed product.
- Still a lot of quota yet to be harvested in 2017.

## **Executive Nominees for 2017 / 2019:**

The following Members have a further 12 months to serve;  
Joey McKibben, Rob Scanlon, Tony Bush and Ben Cobbing

The following nominations were received for the four vacant executive positions;  
Darvin Hansen, Avril Brown, Byron Ransom, and Jeremy Huddleston

Joey thanked all Board Members for their service to the industry.

## **State of the fishery – IMAS presentation:**

Dr Craig Mundy gave a detailed overview of the fishery;

There are improvements in the assessment methods with the automation of fishery performance data now possible. CPUE standardisation account for specific factors. The effects of wind and swell have been incorporated into the statistical data analysis to better “standardise” CPUE.

- Greenlip – the fishery has been stable over 15 years; assessment is complicated by effort reporting when mixed green and black fishing.
- Eastern Zone – stock rebuilding process on the East coast has been set back by recent extreme weather events – extended marine heat waves, massive storm swells and *Centrostephanus* incursion.
- Actaeons – improving CPUE with the ongoing question of over-run of the cap and how it will be managed each year.
- Central West – up/down CPUE history.
- Western Zone – CPUE improvement observed overall.
- Northern Zone – catch rates in some sections falling away
- Bass Strait – catch rates stable, the quality of the fish is better.

## **Fishery Resource Assessment Group (FRAG) Report:**

Ian Cartwright gave a background of the FRAG membership, the way in which the members are involved with the management of the fishery, and the role divers play in the review process. The FRAG provides recommendations on the annual TACC, distribution of catch, size limits, boundaries and research to put forward to AbFAC.

The ‘Harvest Strategy’ (MCDA) has been developed to standardise the data and the performance of the fishery is reviewed against the MCDA, taking into account special circumstances and local knowledge.

SAFS is a National process – there are peer reviews of the fishery data and management results to assess all fisheries for sustainability.

Zone boundaries, size limit changes and research were discussed at all meetings. A review of size limits have concluded that L50 + 3 years is the recommended minimum size to provide adequate protection of the stock.

### **KEY ISSUES;**

- The MCDA-based harvest strategy, including the application of meta-rules where necessary, providing a more objective way to set TACs.
- Hard caps not applied – use catch target and 80% review process
- Further reductions required for the E. Zone – not only because of fishing, but also driven by slow recovery, loss of habitat, warm water and storm events.
- No change on W. Coast – <4% reduction from MCDA
- Reduction in the N. Zone, mostly around King Island and Block 49
- Full FRAG support for reductions; some calls to be more conservative.

## Fishery Summary

| <b>Zone</b>         | <b>TACC 2017</b> | <b>MCDA 2018</b> | <b>FRAG 2018</b> |                                                               |
|---------------------|------------------|------------------|------------------|---------------------------------------------------------------|
| Eastern             | 444.5            | 314.9            | 293.4t           | a reduction of 151t (33%)                                     |
| Western             | 717              | 662.7            | 716.8            | no change                                                     |
| <b>Central West</b> | 42               | 0                | 0                | (integrated into northern zone for 2018) - a reduction of 42t |
| Northern            | 148.3            | 124.5            | 115.3            | a reduction of 33t (22%)                                      |
| Bass Strait         | 77               | 77               | 77               | no change                                                     |
| Greenlip            | 140              | 131.1            | 133.1            | a reduction of 7t (5%)                                        |
| <b>TOTAL</b>        | <b>1,568.8</b>   | <b>1310.2</b>    | <b>1,335.6</b>   |                                                               |

2017 TACC = 1569 t

2018 TACC = 1,335 t (reduction of 234 t)

The MCDA (Harvest Strategy) along with the Meta Rule was used to cap individual blocks.

The Meta-rule: when there is a substantial management change, wait for 2 years for the change to take effect.

### TAC Recommendations for the 2018 Total Allowable Catch

| <b>2018 TAC Summary and FRAG Recommendations to TACL AGM</b> |                 |
|--------------------------------------------------------------|-----------------|
| Total Bass Strait Blacklip TAC                               | 77t             |
| Total Northern Zone TAC                                      | 115.3t          |
| Total Central Western Zone TAC                               | 0t              |
| Total Western Zone TAC                                       | 716.8t          |
| Total Eastern Zone TAC                                       | 293.4t          |
| Total Greenlip TAC                                           | 133.1t          |
| <b><u>Grand Total</u></b>                                    | <b>1,335.6t</b> |

The recommendations were moved by Joey McKibben seconded by Darwin Hansen

**Passed by a majority show of hands**



## Seafood Trade Advisory Group update & Abalone Council Australia Ltd update:

### Update on AWA Program;

#### Current Status;

The Abalone Marketing Investment Prospectus has been revised and edited for approval by the ACA Board. The Strategic Marketing Plan has been re-written following input and feedback from Abalone businesses and stakeholders.

#### Key Issues;

Collection point and levy calculation.

#### Timetable and Next Steps;

Investment Prospectus – end of December 2017.

Strategic Marketing Plan – end of December 2017.

### Update on the Seafood Trade Advisory Group (STAG)

The Seafood Trade Advisory Group (STAG) was formed to represent the fisheries that operate in foreign markets, forming an effective lobby group to Canberra on trade and market access. Abalone, Southern Rock Lobster, Tuna, Oysters, Prawns, Scallops, Finfish, and Western Rock Lobster are actively involved with STAG.

#### Key Issues;

- The STAG is funded by ACA and SRL through their agreements with FRDC (FRDC provides matched funds) and is due to be completed by February 2018
  - The funding via SRL, ACA and FRDC during 2016 and 2017 has been minimal as the PASE (Commonwealth) funded project paid for most of the activities of the STAG since the closure of the Australian Seafood CRC
  - A draft funding and governance proposal has been developed and is being considered by the ACA and SRL. The funding proposal, if approved, will ensure ongoing funding for the STAG to continue to pursue resolution of trade and market access issues in partnership with the Australian government.

#### Achievements and Progress;

- A progress report detailing achievements against the Seafood Trade Agenda and Action plan has been prepared and is available to download at the website [www.seafoodtradeadvisory.com](http://www.seafoodtradeadvisory.com)
- Signing up for newsletters and market intelligence reports is free for TACL and ACA members. Go to the website and register [www.seafoodtradeadvisory.com](http://www.seafoodtradeadvisory.com)
- Other achievements under the STAG are detailed on the website – these include copies of all newsletters, food safety fact sheets (in English and Simplified Chinese) and a food safety video (translated into 3 other languages)
- Four technical visits, in partnership with SafeFish, have been undertaken to build relationships with technical expertise to help resolve and respond to technical trade issues
  - The issue with naming Roei as Abalone in Japan has largely been resolved
  - Relationships with industry and government in China to support an application for use of SO2 in canned and preserved Abalone have been built and we have a clear pathway forward. Still at a critical point in negotiations but we are hopeful of a breakthrough within the next 12 months

**Motion 4. Royalty related motion:****Moved: Darvin Hansen Seconded: Rob Rex**

"I move that the TACL executive approach the major political parties to institute an effective royalty reduction from 7% to 5% commencing January 2019, with the 2% difference that is currently collected by the state government instead to be directed to an Abalone Industry Reinvestment Fund (AIRF) on an ongoing basis. (Old Deed units would have the same amount per unit directed from the royalties collected.) After 5 years the quota holders may call a vote to revert to a straight royalty reduction (to 5% or in line with similar industries in the state) otherwise the 2% of the royalty collected would continue to fund the AIRF.

The TACL executive should also approach the major political parties to direct the remaining funds received from the 40 Furneaux units held by the government into this AIRF (which would amount to approximately 3% of abalone industry revenues in total from both the royalty reduction and the Furneaux units)."

Darvin gave a detailed overview of the Motion;

- The potential harvest value of abalone blocks
- Centrostephanus incursion and the lost returns
- Centrostephanus biomass removal
- Deep water Centrostephanus removal options
- Other reinvestment options
- Scale of the fishery vs reinvestment
- Dividend payout ratio trends
- What greater reinvestment may bring to improved future returns
- Win-Win-Win for industry, resource and Government
- If nothing works, we can always opt out

Discussion;

The Motion is commendable; other industries may like to be involved.

The Federal Government have grant schemes that may be accessed.

The 'AIRF' would be managed by an expert panel.

The industry as a whole would benefit from the proposal.

10kg/unit of abalone or urchin would pay back to industry 2%, and will turn around the East Coast.

The support by Members will give the current Government a financial option to help the industry.

For;

A way of the Government allocating funds to the wild fishery without affecting Treasury.

Against;

Nil

Motion 4.

This meeting accepts the Motion

**Passed by a majority show of hands**

## **Motion 5.**

**Moved: Ben Cobbing Seconded: Bryan Denny**

**“There be a Moratorium on the transfer of FLAD’s until the issues of re-structuring the harvest sector have been addressed.”**

Ben Cobbing spoke to the motion:

The Dive sector has too many divers for the amount of quota. This moratorium is to restructure the harvest sector with a viable business model.

For;

- New supervisors are potentially under-capitalised, and may be cutting back on safety, and timely boat and vehicles maintenance.
- Investment back into the industry to have a full time dive sector.
- If a supervisor or FLAD owner is unable to dive on the entitlement, not to be any new supervisors.
- The quota is substantially lower with the same number of divers, ie 29 divers are catching 50% of the quota, with the remaining divers being under stress. The working group showed each diver needed 25t of quota to be viable; there is only enough quota for 60 divers.

Against:

- The current Government has stated that they do not have an appetite for change.
- There is no flexibility - taking away the ability to assign a second lease diver to a FLAD if the first supervisor is unable to dive.
- Potential legal issues with Restriction of trade.

**The Motion was amended to the following:**

**‘Moratorium on the addition of FLAD Supervisors until the issue of the Harvest Sector has been addressed or for (3) years ie. 2021’**

After further discussion, the amended Motion was suspended until the next meeting as Proxy votes have been given on the basis of the original motion.

## **General Business:**

AWA Prospectus;

Len Norris made comments on the ‘Investment Case for the Marketing Levy’

Joey finalised the meeting with a thank you to Dean and Jillian for the amount of work handled over the past year and especially the last week leading up to the AGM.

Also a thank you to all Board members for their valuable input, as well as a massive thank you to Craig Mundy, Malcolm Haddon, and Matt Bradshaw.

## **Announcement of the Executive:**

As there were no additional nominees the following members were elected unopposed to the Board and will serve for two years 2017 / 19.

Avril Brown, Darvin Hansen, Byron Ransom, Jeremy Huddleston.

**4.10pm**

Close of Meeting