

PROCESSOR SUB-COUNCIL MEETING

Thursday September 3, 2020

Notes

Welcome:

The Chair Steve Crocker welcomed Members to the Processor Sub-Council meeting.

Attendance:

S Crocker, (Chair), D Hansen (Tasmanian Seafoods), Z Chongyu (Chris, Australian Blue Ocean), J McAllister, (IMAS), C Fox (Linc Logistics)

Proxy - M Sowerby (Hailoong Seafood), M Fleming (Tasmanian Seafoods),
Zoom - B Mathison (RTS PauaCo), M Webster (AAA), D Lisson

Apologies:

M Free,

As there was not a quorum the meeting continued as an informal discussion.

Introduction of CEO Allison Anderson:

Steve introduced CEO Allison who gave a brief history of her experience leading into the abalone industry, and is looking forward to working with all industry stakeholders.

Notes of previous meeting:

Receipt of Premises Book – this process sits within Legislation.

Processor Assistance package:

Processors received assistance from the AIDF to offset some of the costs involved with processing the abalone that were in the tanks prior to the cancelling of orders in January, into long life product.

Export Freight issues:

Dean Lisson has been communicating with the Federal Government and the Department of State Growth on the International Freight Assistance Scheme (IFAM), which is an interim measure to assist agriculture and seafood to reach international markets.

Currently there are 2 flights per week from Tasmania to Sydney to meet with the International flights. Outgoing flights exporting freight to China depends on incoming flights bringing in goods and PPE.

There are discussions of a freighter with a 25t capacity leaving Hobart from December to Chinese New Year to export quality fish efficiently without suffering heat stress.

Chris Fox is in discussion with Cathay Pacific for an A330 which has a wide body with good uplift. The constraints of '*Hobart International Airport*' – larger planes can land

empty but when full of freight there can be an issue taking off as the runway has limited load weight. Aircraft with more wheels (6 plus the nose) have more contact with the runway and spread the distribution of weight.

The peak time will be close to Christmas with agriculture coming on line (cherries), the recommended schedule leaving Sydney at 10pm and arriving in Hong Kong at 5am with connection to Shanghai and Beijing

Ongoing discussions with Michael Bourne the Co-ordinator of IFAM;

- Technical issues of landing wide body jets with a full load of fuel
- Freight rates will remain the same, and is not like to reduce for a minimum of 12 months, and may increase in early 2021.
- Grants applications are still open, assistance will only be available for 10 week timeslots, with 30 days advance notice.
- Minister Birmingham has suggested the funding will continue until Chinese New Year and will then be re-assessed. Funding for each flight costs \$100,000 per flight. The Tasmanian Government will be asked to contribute a third. The number of flights and freight capacity is not likely to return to previous levels until 2022.

Measuring Board update, East Coast survey:

Jamie McAllister highlighted the information from the Measuring Boards will be incorporated into the MCDA and forms part of the Harvest Strategy. Additional boards are available for processors and divers and their use is encouraged.

Overview 2020 year to date;

- NextGen 4G modem and non-modem boards
- Weight integration
- 3 processors
- 2 divers
- 18 blocks sampled
- 131 single block catches sampled
 - 13 multi-block catches
- 18475 abalone measured
- 10334 abalone weighed
- Processor length-weight summaries

Where to next?

- Examine recent vs historical data
- Development of length-based performance indicator(s)
 - E.g.% of catch within 1 year of LML threshold
 - Single vs multi criteria
 - Decision rule for MCDA
- Challenges
 - Selectivity in the 2000s
 - Spatial variation
 - Multi-block fishing events
 - Expanding data collection

Stock Assessment Meeting to replace FRAG:

The first meeting was held on September 2, consisting of the Board, the Department and IMAS, with Craig Mundy giving a short presentation.

West Coast - catch rates are down with several summer patterns lost due to COVID.

North West Greenlip – pulse fishing has resulted in an overrun. Suggested a January start on North East and North West greens.

West Coast – Darwin presented a paper indicating historically the west is at the lowest catch rates, 'Recommending the MCDA be adopted'.

A suggestion to 'Set a TACC by zone rather than blocks' was not agreed to as the Actaeons would be over fished.

The Department holds back data where less than five divers (5 diver rule) have dived in a block due to diver privacy. 60% of the North Coast data is unavailable.

Size limits – no increase suggested, LML gives protection for 3 years.

Blocks open/close – the block is allocated a cap; the rule is if the block is fishing well when 80% is reached the decision is made to let it run to 120%. Suggest to roll through to 130% if block is fishing really well.

The processors accept the MCDA process.

Concerns of disbanding the FRAG;

- Members weren't given the opportunity to have a say in the decision to disband the FRAG.
- Behind closed doors and away from the general members.
- Members should have been consulted.
- No opportunity for diver or processor input.
- Quota holders are making decisions on behalf of the processors.
- What was the basis of the outcomes?
- Members feel it is a closed shop.
- The new process lacks robustness and transparency, will the Minister respect the new process?
- Suggest Craig Mundy present the data for discussion by the Board and Members
- Recommend written submissions are sent out to members to discuss as an open forum
- Suggestions for future stock assessment meeting, invite processors across the product, (frozen, live, canned) and representatives from each sector

*Feedback from the assessment meeting will be compiled and given to all members for discussion.

The Ian Knuckey project will look at the stock assessment process and report back to the Board.

Diver economics is matched to fishery management with the same number of divers for reduced quota.

Processors are definitely not in favour of a January 1, opening of the East Coast.

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Australasian Abalone Association (AAA) update:

The AAA is a processor / exporter organisation represents 85% of Australia's wild abalone and volume, 95% of New Zealand wild paua and 100% farmed paua.

Projects –

1. Canned abalone is a solid piece of muscle and doesn't require cooking to make sterile.
2. S02 is not on the China approved import list. Recent applications have been unsuccessful due to incorrect paperwork supporting the application.

The New Zealand Paua industry have trialled successful research that could be used in Australia.

Processors are encouraged to contact AAA for any issues and register on the Department of Agriculture website register for automatic updates.

Centrostephanus update:

315t of Centrostephanus were harvested, with RTS PauaCo now harvesting Heliocidaris. The machine funded through the AIRF has arrived and will be commissioned over the next month. The 'Bable Island Take All' is scheduled to take place in November.

General Business:

Processing 2021 – If Northern quota is not caught in 2020, processing the 2020 quota along with the 2021 quota may be a big ask.

Suggest reducing the Northern & Bass quota to take the pressure off processing into the canned market. Cut the quota completely and Leave the volume on the bottom, maybe in 2022 the price could be \$40 per kg. There will be a significant loss to divers and processors.

Quota holders generally support a compelling case for a proposal at the AGM for a closure or a cut in quota.

DFAT suggest it may be 18 months before international travel is again up and running.

As there was no further discussion

Meeting closed at 2.00pm