Fishers in Australia’s Northern Prawn Fishery have banded together to form a new company, NPF Industry Pty Ltd, as a way to reduce compliance costs and improve economies of scale and marketing opportunities. Born out of the Federal Government’s $220 million ‘Securing our Fishing Future’ package, which saw the fishery’s statutory fishing rights (SFRs) go from 95 SFRs to 52, the new company’s goals include co-management and economic sustainability.

About 93 per cent of the operators remaining in the fishery are members of the company, with shareholdings based on SFR ownership.

This latest reduction in boat numbers follows industry-funded cuts, which over a 20-year period from 1985 saw boat numbers reduced from 300 to 86. However, when economic modelling showed that 86 boats was still too many for the fishery to be profitable, industry lobbied for government assistance to further cut numbers, resulting in the buyback package.

NPF Industry Pty Ltd executive officer Annie Jarrett says that with fewer fishers, it makes sense for those remaining to consolidate and work together, and one of the first issues to be addressed is co-management.

Co-management is best defined as ‘an arrangement where responsibilities and obligations for sustainable fisheries management are negotiated, shared and delegated between government, fishers, other interest groups and stakeholders’.

Co-management in the Northern Prawn Fishery would give fishers a greater management role and potentially reduce management and compliance costs, which remain the same despite the fact that there are fewer industry members.

Speaking from an industry point of view, Northern Prawn Fishery stalwart Michael O’Brien, who is northern division manager for Brisbane-based exporter, processor and trawler operator A. Raptis and Sons, says the buyback package, although welcome, has put pressure on those remaining in the fishery.

He says the industry is keen to take greater responsibility for managing the fishery and is exploring co-management as a possible way of cutting costs: “We have the same regulatory costs as we used to, but post-buyback, we have fewer operators. We need to address this and one way could be co-management.”

Real-time data collection via electronic logging and electronic monitoring is seen as a practical way of reducing compliance costs. E-logging has been trialled in the Northern Prawn Fishery for a number of years and during the 2007 tiger prawn season, real-time logs on catch, area, and interaction with protected species were sent to the Australian Fisheries Management Authority’s (AFMA) Canberra headquarters via a 3G (third generation) mobile phone connection.

A report on e-monitoring, which compared the costs of onboard observers with electronic monitoring, has also been undertaken. Michael O’Brien says it will help the fishery decide if it should go ahead with it as a way to reduce compliance costs. “These two projects show the potential for us to move forward in co-management and reap economic rewards,” he says.

AFMA managing director Glenn Hurry says the Northern Prawn Fishery is an ideal place to potentially
start the process towards co-management. “It is a small, professional industry that wants to move forward and that’s the type of thing we want to facilitate.”

He says his team is also doing some “serious work” with other Commonwealth fisheries on co-management.

The Northern Prawn Fishery is also exploring management options for quotas. It has spent $400,000 researching the best ways to introduce a quota system, but has found it is not going to be an easy transition from its existing input-controlled system. Annie Jarrett says no other tropical fishery in the world is managed via a quota system, so the move to quotas needs to be done correctly.

As a result, a workshop was held in November by the Northern Prawn Fishery Management Advisory Committee (NORMAC), whose members include representatives from industry, AFMA, conservation groups and fisheries scientists. The workshop looked at alternative management options and discussed the issue of quotas.

Another objective for the new company, NPF Industry Pty Ltd, is to improve commercial outcomes through greater economies of scale and improved marketing.

Annie Jarrett says the company is actively exploring savings opportunities through bulk purchasing fuel, packaging and other fishing gear. NPF Industry Pty Ltd also wants to improve product quality, particularly with its banana prawns, and explore value-adding options. “By setting benchmarks and standards, and developing a brand to make the product easily recognisable, we could increase returns for fishers,” she says.

Other challenges include addressing labour shortages. Michael O’Brien says labour, and the lack of it, is an important issue for the industry. “Mining has poached all our qualified workers and can pay higher wages than us.”

Despite labour worries, low catches because of water temperatures 4°C lower than average, the high price of fuel and the rising Australian dollar, the industry is relishing its greatest challenge: post-buyback sustainability.

Annie Jarrett says it is an exciting time for those left in the industry. “It’s fabulous to see us reaching this level of togetherness after a really long road.

“An enormous amount of R&D has been spent on environmental sustainability. Now it is time to focus on economic sustainability.”

The fishery
The Northern Prawn Fishery is located off Australia’s northern coast, and extends from the low–water mark to the outer edge of the Australian fishing zone in the area between Cape York in Queensland and Cape Londonderry in Western Australia.

It targets nine commercial species of prawns. Scampi, squid, scallops and bugs are also taken.

The package
The Federal Government’s $220 million ‘Securing our fishing future’ package was launched in 2005 in response to concerns about the state of Australia’s fish stocks and the future sustainability and profitability of the industry.

The centrepiece – a $150 million Business Exit Assistance package – enabled individual fishing businesses to rationalise or leave the industry and was delivered through two rounds.

The government spent about $90 million buying back more than 400 fishing concessions in the first round across a range of fisheries, including the Southern and Eastern Scalefish and Shark Fishery and the Eastern Tuna and Billfish Fishery.

The second round targeted the Northern Prawn Fishery and the Bass Strait Central Zone Scallop Fishery and bought back about 150 concessions.