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REVIEW OF THE DRAFT PAPER “PROPOSED QUOTA SETTINGS FOR THE WEST COAST ROCK LOBSTER MANAGED FISHERY”

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Review of the draft paper “Proposed Quota Settings for the West Coast Rock Lobster Managed Fishery”

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Summary:

In reviewing the proposed Quota Management System (QMS) for the western rock lobster fishery, the following significant issues were noted:

- The QMS Report provides a detailed consideration of current management arrangements and how these might be impacted under a QMS.
 - However, while general ‘guiding principles’ are elaborated, there is no statement of the objectives of the proposed QMS nor any consideration of whether the proposed QMS is the **best** way of achieving the (unstated) objectives. The implied objectives appear to be maintenance of the *status quo* in terms of stock sustainability and economic performance although this is not stated. Without knowing what the QMS is trying to achieve, a detailed analysis and assessment of the appropriateness of the measures being proposed is difficult.
 - From a stock sustainability point of view, the proposed quota setting methodology and the resultant suggested quotas will retain exploitation rates at approximately the current level and therefore do not add to, or detract from, confidence in the future sustainability of the resource. Regulating catches directly through a QMS will, however, result in a reduction of the occurrence of actual catches over- or under-shooting predicted catches.
 - In addition, and as is currently the situation, this level of exploitation under the proposed QMS will likely result in a continuation of below average economic returns for operators (assuming current prices) that is unlikely to be compensated for by the usual business flexibility that ITQs generally allow (see below).
 - The proposed quota setting process is potentially subject to lobbying and interference and does not provide the certainty in the outcomes from the process that would result in industry or investor confidence. This will negatively impact the asset value of the ITQs. There is therefore a need to re-consider the way in which TACCs are determined each year so the process delivers certainty and clarity and removes this potential for lobbying and interference. This is best done by development of clear, mandatory rules for quota setting and quota change.
 - From a profit maximisation point of view, the suggested approach is acknowledged as very conservative in that it proposes a very slow pace of introducing elements of a QMS while retaining many of the input controls currently in place. Because of the retention of many of these input and other controls, the economic and financial benefits that often flow from an ITQ system are unlikely to be realised until further reforms are implemented.
 - There is therefore a very real risk that operators will not support the proposed QMS as it unfolds simply because there will not be, and they will not see, any benefits to their businesses.
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I. Introduction

The issue of quota management for the western rock lobster fishery as an alternative to the current system of managing through input controls has been under discussion for several years. The former Minister, Hon. Jon Ford, in wanting to move the discussion forward, requested RLIAC to prepare a 'business case' on a Quota Management System (QMS) for the rock lobster fishery. The incoming Minister, Hon. Norman Moore has continued to support this initiative in wanting the 'business case' to form the background 'for a rational and informed comment on the pros and cons' of a QMS within the Western Rock Lobster managed fishery.

RLIAC convened a Working Group to prepare this business case with the overall aim of defining what a workable QMS might look like, rather than addressing comparisons with the current management system. The Working Group's report was considered, and modified, by RLIAC and is designed to provide the background for further discussions with industry in accordance with the Hon. Minister's proposed timetable.

The draft QMS Report will be further discussed at a workshop that has been convened by RLIAC in late January 2009. In preparation for that discussion, RLIAC has requested an independent review of the QMS Report – this document is the result of that request.

II. General Comments on the QMS Report

The need for clear objectives

Quota management, through an ITQ process, can be introduced into a fishery for a number of reasons, the principles ones being (a) that ITQs may provide a better method for controlling the catch and thereby directly address biological sustainability of the resource (b) to provide flexibility for individual business operations, thereby leading to opportunities for profit maximisation through reductions in operational costs¹ (c) to reduce the costs of management of the fishery while retaining the existing management objectives. A QMS, by itself, does not address income, marketing or price issues except that it should, for a quota holder², provide the flexibility to take the ITQ at times where profitability is highest, i.e. when prices might be high and/or operating costs low.

While a QMS is most often introduced to provide an environment where industry profits and asset values can be maximised through competitive market mechanisms while ensuring biological sustainability, the optimal design of any QMS naturally depends on the specific objectives that are sought. These specific objectives inevitably involve trade-offs between profit and asset-value maximisation, resource sustainability risks and social issues.

Importantly, a QMS is not **necessary** for achieving any of the above objectives – input controls can adequately address both biological sustainability issues (as has been the case in the fishery for the past 40+ years) **and** economic performance. An objective of managing to Maximum Economic Yield (MEY) using input controls, for example, can result in higher

¹ In some instances, such flexibility has driven structural changes in fisheries and lead to consolidation of quota since operational costs for large quota holders may be lower than for small quota holders

² Which may or may not be the operator

gross economic rent (essentially, profitability of the fishery as a whole) being generated at levels of fishing effort that are biologically very conservative.

Although general ‘guiding principles’ are elaborated, the QMS Report does not state what management objectives the proposed QMS system is addressing and therefore it is not possible to assess the details of the suggested system against any clearly stated objectives. The intention appears to have been to maintain the *status quo* in terms of stock sustainability and economic performance and, if these are the objectives, then an opportunity of improving biological and economic outcomes through a QMS approach has been missed. However, specific management objectives are not stated and this is an important omission.

The QMS report also does not consider, and does not demonstrate, whether the proposed QMS is the **best** way to achieve the (unstated) objectives since, as noted above, there are other alternative management approaches available.

The speed of moving to a QMS and the implications

The QMS proposed is acknowledged to be very conservative in the speed of its implementation and is, initially, a mixture of output controls (through ITQs) while retaining many of the input controls that are currently in place in the fishery. There are various recommendations (see below) to review these input controls at some indeterminate time in the future.

More importantly, there are many instances where the retention (or modification) of input controls is justified on marketing, economic or other grounds (such as ‘smoothing the catch’), thus undermining the rationale of a QMS whose benefits include encouraging operator flexibility to meet marketing and economic requirements.

This conservative approach, while having some advantage in accustoming operators to the QMS, is very likely to be counter-productive because, while there will be additional costs in implementing the QMS, it is highly unlikely that significant benefits will flow to operators until a more comprehensive QMS is in place.

There is therefore the very real risk that operators will not support the proposed QMS as it unfolds simply because they will not see any benefits to their businesses although, as noted above, it may allow operators to become accustomed to operating under a quasi-QMS approach albeit at higher management costs.

It is therefore suggested that an accelerated implementation plan is considered and that a re-examination of input controls that have been justified on marketing and economic grounds be made.

Recreational take of rock lobsters

If one of the objectives of introducing a QMS is to address the biological sustainability of the resource (noting that no such objective has actually been articulated), then it implies that there should also be regulation, preferably through a defined, allocated catch, to control the recreational take. Having such a defined recreational take adds credibility to the commercial quota setting process as a mechanism to control total removals from the stock for biological sustainability purposes. This is anticipated in various discussions within the QMS report on having both a TAC and a TACC but is not further elaborated. How the recreational take is controlled, by input controls, licence limitations or a defined quota is a separate issue. A

defined recreational take also requires that consideration be given to the mechanism by which transfers between recreational and commercial allocations are made³.

Quota setting methodology

There are two significant issues here.

First, it is important at what level the TAC is set – a TAC set close to the MSY runs a higher risk of over-exploitation in some years than a more conservative TAC and also inhibits the ability of operators to implement profit-maximizing measures⁴.

The QMS report proposes that setting of the TACC be based on the current method of catch predictions, which in turn is based on the level of puerulus settlement. Using such a methodology (a) maintains the exploitation level at about the current rate (subject to the suggested setting of the TAC/TACC 5-15% below the predicted catch) (b) does not address specific targets (e.g. spawning stock levels) for stock maintenance or rebuilding (c) as a result of these two issues, will not lead to any change in catch rate or stock structure beyond that already anticipated under the current input control management system and (d) does not address any economic issues related to commercial fishing operations. The modelling expertise is available to enable the setting of a TAC/TACC (the report uses both terms) that achieves specific biological (and economic) objectives but, as noted above, these objectives have not been defined. The suggested system of quota setting will therefore result in no significant change to exploitation rates and hence stock status beyond that already anticipated under the current input controls. As noted above, this may have been the intention but precise management objectives are not stated.

To use the ‘predicted catches’ – a modelling approach that was developed for the fishery where input controls are used to regulate fishing effort - as the basis for setting the TAC is also overly-complicated. Modelling approaches that simply generate TACs that will achieve specific stock objectives, given the constraints of recruitment variation, minimum and maximum sizes and spawner protection, are more direct.

Using the predicted catches as a basis for setting the TACC will therefore result in maintenance of about the status quo with regard stock status with a TAC that, like the current situation, is close to the Maximum Sustainable Yield (MSY) but probably far from the Maximum Economic Yield (MEY). Setting of such a TACC will further inhibit the incentives for, and the ability to fund, operational cost reduction and profit maximisation⁵. The proposed TACCs proposed are therefore not particularly ‘conservative’ as claimed.

Setting of a TACC through a QMS process instead of aiming for that level of (predicted) catch through input controls will, however, result in the catch level being better and more

³ While the *de facto* recreational take is often expressed as about 5% of the commercial catch, in practice the recreational catch is about 2-3% of the commercial catch. Under a well-designed QMS, this might imply that, because the recreational sector is not taking its allocation, the uncaught allocation may be available for taking by the commercial sector. This is an example of why, under a QMS, the take from the entire resource needs to be considered and the allocation rules need to be clear.

⁴ Because profits being generated are small and therefore investment in, for example, more efficient technology is inhibited. See footnote 5 for a detailed discussion.

⁵ For more details, see the discussion in FAO (1997, reprinted 2001), *Individual quota management in fisheries: methodologies for determining catch quotas and initial quota allocation*, FAO, Rome Fisheries Technical Paper 371, 41pp.

directly targeted. This will reduce the occurrence of actual catch levels either over- or under-shooting the predicted catch level.

Second, experience from a number of countries (including, significantly, the European Union) has shown that the suggestion that quota setting be done by either the CEO or the Minister is a temptation for political interference and lobbying and a recipe for over-exploitation. This concern is heightened since the process outlined in Recommendations 28-30 (which, interestingly, does not define a role for the CEO of the Fisheries Department), also allows RLIAC to be able to take other factors (apart from the advice from the Technical Advisory Group) into account in advising the Minister on quotas.

Quota setting is best done, and provides the greatest certainty and confidence, when there is a clear and agreed methodology for setting quota, that is determined in advance (often incorporated as part of a management plan) and that **must** be followed by managers and advisory committees. Where there is not that certainty in the quota setting process, the asset values of quota holding inevitably suffer, sometimes substantially so.

The quota setting **process** (not the quota) therefore should not be *ad hoc* and subject to the potential for variation from year to year as is currently proposed in the recommendations. If the rules for quota setting and quota change are clear, there is also no need for the Technical Advisory Group as suggested in the QMS Report⁶. If RLIAC feels that it needs further advice on following the methodology for quota setting, the Technical Advisory Group should not be a committee of RLIAC (as it seems is being suggested, although it is unclear) but should be an independent group. The composition of the group, if it is established, should reflect the objectives of the QMS (currently unstated) and have, for example, financial analysts/economists as part of the group if one of the objectives is financial/economic in nature. Biological scientists or fisheries managers do not have the skills to address these issues.

The suggested TACCs for the 3 zones (Appendix 2) vary between about 77% and 92% of the 'predicted catch', dependent on zone, without any clear explanation, apart from gauge adjustments, of why the TACC/predicted catch ratio should be a variable. This is another example of the seemingly arbitrary nature of the TACC setting process that should be clarified.

It should be noted that, while a variable TAC (and TACC) is an appropriate strategy when the TAC is set near MSY (as is proposed), a variable TAC that is set at more conservative stock levels will result in loss of long term economic rent from the fishery when compared with a fixed TAC⁷. In addition, the asset value of the ITQ under a fixed TAC is invariably higher than under a variable TAC, partly because of the greater perceived stability and partly because of the greater stability of fishing effort required to take a fixed TAC⁸. Some consideration should therefore be given to the relative merits of a fixed (or at least a fixed component – see below) versus variable TAC and TACC.

⁶ Although an appropriate TAG would obviously be useful in establishing the rules for quota setting and quota change

⁷ See footnote 5

⁸ See footnote 5

Initial quota allocation

While the general approach of TACC allocation is supported, RLIAC should be aware that initial quota allocation is the issue that causes the most dissent in any move to a QMS, particularly since issues like catch history is to be taken into account in allocating Zone A/Zone B ITQs ('model 3' of Appendix 2).

The model proposed envisages that current licence holders will receive all of the TACC each year as an ITQ, measured as Kgs/unit, in accordance with their current unit entitlements. This effectively converts unit entitlements to ITQ entitlement with the difference being that the ITQ entitlement is envisaged to change from year to year. This variation will, of course, impact on the asset value of the ITQ entitlement. Depending on the value of the ITQ when compared with the unit entitlement, this may result in either a windfall capital gain or a capital loss for operators.

The mechanism for entitlement transfer is unclear and appears overly complicated. The intention seems to be to allow both units and ITQs to be transferable but, since they are linked, the question is why maintain a dual system? This needs clarification.

Other approaches to allocating the TACC to operators might have been considered. For example, the pilchard fishery in South Australia (which experiences variable recruitment like the western rock lobster) has had positive experiences with a two-tiered system that allocates a 'core' ITQ to operators and then auctions or tenders a 'variable' quota each year, depending on recruitment strength. This has a number of advantages, including improving economic rent generation from the fishery and providing opportunities for new entrants to enter the fishery.

Monitoring

There is no process suggested for monitoring the implementation of the proposed QMS system. RLIAC will therefore have no data on which to base the roll-out of additional reforms. One of the expected outcomes of any QMS system, for example, is a reduction in operating costs as operators have greater freedom to arrange their operations for maximum profitability⁹. However, at the present time, there is no systematic data collected on the economic performance of the fishery, including changes in asset values¹⁰.

Costs of implementation

While recognising that the costs of implementation of a QMS (detailed in Appendices 5-7) are preliminary estimates, they only provide a single solution to the compliance, quota monitoring, research and licensing changes that will be needed rather than exploring a range of options. Recent experience (particularly with fisheries such as Northern Zone rock lobster in South Australia) in introducing a QMS has shown that technology-based solutions, rather than people-based solutions can result in significant savings in management support services when a QMS is introduced. Workshops with industry and Government participants have been

⁹ Although, as noted above, the keeping of many of the current input controls may mean that the proposed QMS has little impact on operational costs, at least initially.

¹⁰ By contrast, following the introduction of a QMS in South Australia's southern zone rock lobster fishery, annual economic and financial surveys were implemented to monitor the financial performance of the fishery. This was extended to all commercial fisheries in 1997 and provides invaluable data for both managers and the industry upon which to base long term development and management plans.

successfully used in South Australia to explore least-cost options of achieving specific monitoring and compliance outcomes.

As the proposed QMS is presented, additional management costs have been identified, particularly in the initial stages of implementation although, as noted above, these will not be offset by significant benefits in terms of stock status or economic performance of the industry. In the longer term, management costs may be higher or lower than current costs and will be dependent on the precise design of the QMS (particularly on progress made in removing additional input controls) and the extent to which government and industry can work together in identifying least-cost options for achieving specific compliance, research and management objectives.

III. Detailed comments on specific recommendations

While the general comments provided above address the overall impacts of the proposed QMS, including the interactions between various components, the following specific comments are also provided on each of the recommendations. These specific comments, however, should be read in conjunction with the general comments.

Recommendation	Comments
1. That the current boundary of the fishery, from Cape Leeuwin to North West Cape be retained under a quota management system.	Agreed
2. That the current boundaries of Zones A, B and C be retained under a quota management system.	There has not been sufficient analysis of whether zone-based issues (biological or social) are now significant enough to justify permanent retention of zones. This needs revisiting
3. That the season which provides access to the Big Bank and commences on 10 February and ceases on the last day of February - be removed.	Agreed
4. That the 20 fathom line restriction on holders of Zone A units be removed under a quota management system.	Agreed
5. That the season in Zones B and C commences on 15 November and closes on 31 August each year. 6. That the season in Zone A commences on 15 March and closes on 31 August each year.	Although there is passing suggestion that seasons might need review, this needs a more thorough review of the need for any seasonal restrictions under a QMS. Extension of the season to 31 st August is justified in the report on the basis of marketing issues whereas the long-term objective should presumably be to provide the flexibility for operators to adjust to seasonal demand.
7. That Zone A licence holders are entitled to fish in Zone B from 15 November up to and including 14 March.	See comments above
8. That moon closures in Zone C, Sunday closures and January closures in Zone B be removed.	Agreed

<p>9. That Christmas, New Year and Good Friday closures in Zones C & B remain in place</p>	<p>This undermines the presumed intention of providing a flexible operating environment within which to take the ITQ without sufficient justification. Suggest that these restrictions be removed as part of the QMS instead of reviewing at some future time.</p>
<p>10. That the fishery remains open on Good Friday in Zone A.</p>	<p>Seemingly unnecessary complexity that will add to compliance costs. See also comments above.</p>
<p>11. That, as under the current licensing system, a person must hold a West Coast Rock Lobster Managed Fishery Licence attached to a Fishing Boat Licence under a quota management system to operate in the fishery.</p>	<p>This will prevent, for example, processors from owning quota and will inhibit any vertical integration of the industry. The reasons for restricting such vertical integration are not examined. This needs additional consideration, looking at the issue from a whole-of-industry point of view. The suggested 5-year time scale for review seems excessive.</p>
<p>12. That the current system of one WRL MFL per FBL be retained, but that Zone A licence holders have the capacity to hold multiple classes of units on the one Managed Fishery Licence.</p>	<p>This would not be necessary if the above issue was addressed quickly. Seemingly unnecessarily complicated as a result.</p>
<p>13. That the right of renewal of a WRL MFL would continue under a quota management system, as required under S68 of the Fish Resources Management Act 1994 (subject to sections 136A and 143).</p>	<p>Does this right now need to be extended to units, to which an ITQ is attached? Without a right of renewal the property right of the ITQ is significantly diminished.</p>
<p>14. That the current system of no maximum number of units on an MFL be retained.</p>	<p>Agreed</p>
<p>15. That RLIAC agrees in principle with a minimum unit entitlement and believes that the current minimum unit entitlement (63) to operate in the fishery should be retained during the initial stages of a QMS.</p>	<p>Although flagged as subject to review, this restriction is essentially redundant under a QMS that aims to provide operational flexibility. Rather than review, this is one of the restrictions that could be considered for immediate removal. The suggestion of keeping because of possible 'over-servicing' under a VMS system does not stand up to scrutiny.</p>
<p>16. That the capacity of the fishery be expressed in individually transferable West Coast Rock Lobster Fishery units (69,037 units), as in the current system.</p> <p>17. That the maximum number of pots that may be operated from a boat should be no more than 82 per cent of the number of units held.</p>	<p>These 2 recommendations are largely justified in the QMS report on economic grounds of cost effectiveness, continuity of supply etc – all issues that a QMS is supposed to address more efficiently by providing a flexible management framework. The one exception is justification from the point of view of possible damage to benthic habitats. Continuing these pot restrictions will significantly inhibit any initiatives for industry restructure and profit maximisation.</p> <p>Under the proposed QMS, why retain both units and ITQs? Since the two become linked, only one (the ITQ) is probably needed, even though it would need some legislative changes if restrictions on pot numbers were still required.</p> <p>The commitment for review of these 2 issues might be brought forward and considered as part of the QMS.</p>

<p>18. That the configuration of pots and number and size of escape gaps should be decided by the RLIAC.</p>	<p>While RLIAC has an obvious role in methods to minimize environmental damage and to control the minimum size, including by specifying the size of escape gaps, to control other aspects of pot design again undermines initiatives to take the ITQ in the most efficient manner. This needs re-consideration.</p>
<p>19. That the current pot hauling times are under consideration by the RLIAC and any changes should be made through that process.</p>	<p>OK since process for review is underway</p>
<p>20. That the restriction that limits one pot setting and retrieval per day be removed.</p>	<p>Agreed</p>
<p>21. That: (a) Baited pots may be placed in the waters of Zone C after 5.30 am² on 14 November and must be removed by 7.30 pm³ on 31 August. (b) Baited pots may be placed in the waters of Zone B after 5.30 am² on 14 November and must be removed from the water by 7.30 pm³ on 31 August. (c) Baited pots may be placed in the waters of Zone A after 5.30 am² on 14 March and removed by 7.30 pm³ on 31 August.</p>	<p>Agreed</p>
<p>22. That the following biological controls remain in place: (a) The maximum size of 115 mm carapace length for females south of 30° South and 105 mm carapace length for females north of 30° South. (b) That the minimum carapace length of 76 mm be retained.</p>	<p>Agreed</p>
<p>23. That the two-and-a-half month period at the start of the season when the existing minimum carapace length is 77 mm be removed.</p>	<p>Agreed but not for the marketing argument proposed in the QMS Report.</p>
<p>24. That the prohibition of the take of mature females which are setose, or carrying eggs or tar spots from 15 November to 31 August continue.</p>	<p>Agreed as an interim measure but should be, and is proposed for, review. Tasmania is currently examining removing all restrictions on the taking of berried, setose and tar-spot animals.</p>
<p>25. That legal rock lobsters which are taken but determined as unsuitable for market purposes, should be returned to the water within five minutes of being taken, and prior to any other pot being pulled</p>	<p>Agreed – a necessary measure.</p>
<p>26. That there be a conservatively set variable Total Allowable Commercial Catch (TACC) based on predicted sustainable catch levels for each zone. 27. That the Total Allowable Commercial Catch for each zone of the fishery would be announced by 30 March each year for the following season, together with an indicative TACC for the following two seasons.</p>	<p>An important issue – see comments under general issues, above.</p>

<p>28. That a Technical Advisory Group comprising scientific experts, including one independent scientist, and fisheries managers calculate quota levels for each zone of the fishery based on a clear set of economically sustainable development principles.</p> <p>29. That the Technical Advisory Group advise and make recommendations to the Rock Lobster Industry Advisory Committee on quota levels for each Zone, A, B and C.</p> <p>30. That the Rock Lobster Industry Advisory Committee assess the Technical Advisory Group's recommendations and also take into account any other ecological, economic, market, social or management issues it considers relevant and make recommendations on quota levels to the Minister for Fisheries.</p>	<p>See comments under general issues</p>
<p>31. That a Zone A authorisation will have a fully transferable catch quota in Zone B that can be fished by Zone A operators until and including 14 March and may be transferred to a Zone B authorisation to fish until 31 August.</p> <p>32. (a) That to operate in Zone B, a Zone A or Zone B authorisation must hold a minimum of 63 units in either Zone A or Zone B.</p> <p>(b) That to operate in Zone B, a Zone A authorisation may use the same number of pots that they operate in Zone A.</p> <p>(c) That if the units held by a Zone A authorisation in Zone B are sold to a Zone B licence holder, then the Zone B authorisation may operate those units on a ratio of 1 unit = 0.82 pots.</p> <p>33. That Zone A fishers can complete their last pull in Zone B on 14 March, and any catch taken on 14th March is considered Zone B catch.</p> <p>34. That Zone B licence holders will have a fully transferable catch quota in Zone B that can be fished from 15 November until and including 31 August.</p>	<p>These are complications arising from the mixed nature of the proposed QMS system in introducing output controls while still retaining significant input controls. There would be no need for these measures if issues related to zone-based management are addressed quickly. In the interim, the suggested recommendations, although adding complexity, are probably appropriate although they will most likely lead to higher administrative and compliance costs.</p>
<p>35. That Individual Transferable Catch Quotas (units) by zone and time would be endorsed on individual Managed Fishery Licences.</p>	<p>Agreed. However, see the comment above as to whether units need to be retained along with ITQs.</p>
<p>36. That the weight of the catch as weighed in at the licensed processor would be the weight that is recorded as being taken by the MFL holder.</p>	<p>By requiring that a licence holder only sells to a licensed processor, this measure restricts the competition for a licence-holders product. This is particularly important as the number of licensed processors reduce over time. Consideration might be given to allowing licence holders to sell to anyone (as in South Australia), which would require that quota be weighed at the landing point, not at the processors factory.</p>

<p>37. That any catch for personal consumption must be either:</p> <ul style="list-style-type: none"> • self-weighed on board a vessel (the onus would be on the fisher to determine the weight is correct); or • returned to the fisher by the processor after official weighing. 	<p>This measure would not be needed if quota was measured at the landing site.</p>
<p>38. That Vessel Monitoring System would be operational and an integral part of the quota management system.</p>	<p>Agreed since experience in SA Northern Zone has shown that VMS can significantly reduce compliance costs.</p>
<p>39. That individual unit entitlements are not transferable between Zones, but are transferable within Zones A, B and C. 40. That only whole units are transferable.</p>	<p>These recommendations imply that units can be transferred as well as quota. Why is there need for both types of transfer? This needs to be clarified and may be considered in the context of the broader debate of whether both ITQs and units are needed under a QMS.</p>
<p>41. That West Coast Rock Lobster Fishery maintains the same number of units in each zone.</p>	<p>Again, are both units and ITQs needed?</p>
<p>42. That there be no change from the boat breakdown policy adopted by the Rock Lobster Industry Advisory Committee.</p>	<p>No comment since it is not explained what the current policy is.</p>
<p>43. That the Department of Fisheries costs for the management of the West Coast Rock Lobster Managed Fishery would continue to be recovered according to cost attribution and recovery rules, or whatever cost recovery rules are in place in the future.</p>	<p>Agreed, but experience has shown that close consultation with industry can often provide low-cost options to achieve specific objectives.</p>
<p>44. That the standards of licensing processor establishments continue.</p>	<p>Agreed but this goes beyond a QMS issue</p>
<p>45. That the allocation of quota should be a proportional transition from the existing units of entitlement and that catch history should not be a consideration.</p>	<p>See general comments. Also, catch history is planned to be taken into account in Zone A/B issues – see recommendations 31-33.</p>
<p>46. That all MFL holders in the West Coast Rock Lobster Managed Fishery should be consulted on the management settings that have been proposed in this paper.</p>	<p>Agreed</p>
<p>47. That it should be noted that the minimum timeframe for the implementation of a quota management system in the fishery would be two years from when a decision is made to adopt a QMS</p>	<p>This is a realistic timeframe. However, many of the proposed reviews and addressing recommendations of this review could be undertaken during this 2-year period.</p>