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Halmarick, L. (1999), *Developing new fisheries in Western Australia : A guide to applicants for developing fisheries..* Fisheries Western Australia, Perth. Report 130.

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**DEVELOPING NEW FISHERIES IN
WESTERN AUSTRALIA**
A guide to applicants for developing fisheries

compiled by
Lucy Halmarick

FISHERIES MANAGEMENT PAPER No. 130



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November 1999

ISSN 0819-4327

A developing fishery is one within which there is little or no exploitation, there is potential for development and which is currently subject to a prohibition. There may also be little information regarding:

- the stock(s) under consideration;*
- the role of said stock(s) in both local and larger marine ecosystems;*
- the possible uses of the harvested resource(s);*
- potential domestic and/or export markets; and*
- explicit management objectives, policies, and/or operating regulations.*

Acknowledgments:

Fisheries WA gratefully acknowledge the contributions of Frank Prokop, Leonie Cooper, Jane Borg, Lucy Halmarick, Richard Sellers and all others who have assisted in the development of the *Developing new fisheries in Western Australia* process.

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1.0 INTRODUCTION

This document *Fisheries Management Paper No. 130 - Developing New Fisheries in Western Australia*, generally referred to as the DNF paper, describes the basic principles of developing new fisheries; provides an overview of the developing fishery process; and details the application process and any other relevant information for participating in a developing fishery.

For the purposes of this document, a developing fishery is defined as:

"a fishery within which there is little or no exploitation, there is potential for development and which is currently subject to a prohibition. There also may be little information regarding:

- the stock(s) under consideration;*
- the role of said stock(s) in both local and larger marine ecosystems;*
- the possible uses of the harvested materials;*
- potential domestic and/or foreign markets; and*
- explicit management objectives, policies, and/or operating regulations."*

This definition includes fish resources already fished at exploratory or developmental levels at the time of creating a 'new' fishery, or those which are unexploited. Thus, the concept of a developing fishery applies to fisheries in which there is development potential, yet minimal strategic policy, management direction or guidance. However, there should be no assumption that the existence of a fish resource will guarantee that commercial access to this resource will be granted.

1.1 The Principles and Policy Elements Behind the DNF paper

The Fish Resources Management Act 1994

The Minister for Fisheries, on behalf of the Western Australian community, is responsible for the overall management and well-being of the State's fisheries and their environment for the benefit of current and future generations. Fisheries Western Australia ensures the conservation, development and sharing of Western Australia's fish and other living aquatic resources on behalf of the Minister, in accordance with all relevant laws enacted by the WA Parliament.

The *Fish Resources Management Act (FRMA) 1994* is the predominant legislation governing the activities of Fisheries WA. The *FRMA 1994* provides the framework for modern fisheries management and protection of the marine environment.

The motivation for the DNF process comes from the objects of the *FRMA 1994* (section 3), that is: *"to ensure that the exploitation of fish resources is carried out in a sustainable manner...; to foster the development of commercial fishing...; to achieve the optimum economic, social and other benefits from the use of fish resources...; and to enable the allocation of fish resources between users of those resources..."*

Ecologically Sustainable Development

One result of Fisheries WA's mandate for ecologically sustainable development is that it is not appropriate for the agency to apply a narrowly based management strategy to a single resource species, but rather to take a broad approach that considers the ecosystems that support all marine species.

The goals of an ecosystem-based approach to fisheries management allows for development based on:

- equitable and the sustainable use of both species and ecosystems;
- maintenance of essential ecological processes; and
- preservation of biological diversity that aims to meet present needs without compromising the ability of future generations to have the same privilege.

In line with *Ministerial Guideline No 9*, Fisheries WA supports appropriate development of new and existing resources, whilst recognising that development should not occur at a risk to the resource, the environment or to other stakeholders, including future generations.

Precautionary Principle

When information is uncertain, unreliable or inadequate, Fisheries WA must take a cautious approach to the development of fisheries to reduce the risk of development being to the detriment of resources, the environment or to other stakeholders. To foster sustainable development and minimise risk, the DNF process has been designed to make participants in each proposed venture fully aware of the biological, economic and social implications of the proposed activities by:

- ensuring careful analysis of the proposed venture;
- adopting a risk averse approach regarding the exploitation of new resources; and
- requiring consultation with other stakeholders as part of the application process.

Recognition of Developers

In considering how to achieve the optimum benefits from developing fisheries, the DNF process provides for recognition of the status of developers or “pioneers”. It is recognised that a pioneer who develops a new commercial fishery that does not impact on community values associated with access to the community’s aquatic resources should receive some benefit.

Whilst Fisheries WA recognise the concept of differentiating between initial or pioneering participants in a developing fishery and parties who subsequently want to participate in the fishery beyond the developmental stage, recognition will be made in accordance with the process described in Section 71 of the *FRMA 1994*:

s.71. “(1) *The fact that a person engaged in fishing, or used any boat for fishing, in a fishery before a management plan was determined for that fishery is not to be taken as conferring upon that person any right to the grant of an authorisation if a management plan is determined for that fishery.*

(2) Despite subsection (1), the Executive Director is to take into account a person’s history of fishing in a fishery when determining whether or not to grant the person an authorisation.”

Therefore, the Government reserves the right to consider a fisher’s previous participation following the developmental stage and with Section 71 of the *FRMA 1994* in mind. However, the Government does not provide any guarantee that initial participants (whether the participant be an individual or body corporate) in a developing fishery will be granted the “rights” to future access.

In summary, the increasing complexity of fisheries management, coupled with limited government resources, requires new ways of thinking about the entire process and content of fisheries management and administration. It is no longer appropriate for the State to grant new or further access to a fish stock on the basis of speculation and without sound and serious consideration of such activities. It is intended that the DNF process reflect these principles.

2.0 DEVELOPING A FISHERY

The developing fishery stage represents the first of three stages in the life of a fishery:

- the ***developing fishery*** stage (or “*interim managed developmental fishery*” for the purposes of s.58 of the *FRMA 1994*). This initial stage is of limited duration which ends when predetermined benchmarks are reached and management changes are triggered (generally a three year period);
- the ***interim managed fishery*** stage which is, at maximum, three years in duration and may be less if participant-initiated ‘triggers’ move it towards managed fishery status; and
- the ***managed fishery*** stage which sees long term access allocated through either a management plan, or other subsidiary legislation.

It could be that a fishery never progresses beyond the developing fishery stage if the mechanism for changing its status is never triggered and/or the fishery is closed. Similarly, the fishery may be managed through a series of Regulation licences, with the management arrangements established within the *Fish Resources Management Regulations 1995* (the *Regulations*), or through modification to existing Section 43 Orders. However, this overall perspective enables both Fisheries WA and applicants to better address planning, administrative, and budgeting needs.

2.1 Establishing a Developing Fishery - the Participants

The Government recognises that fish resources are public resources available to all and that participation in a developing fishery is open to all. However, for biological and administrative reasons, participation in a developing fishery is subject to some criteria and rules.

The *Regulations* specify those people who can actively use fish resources for commercial purposes as those who hold a Commercial Fishing Licence and, where a boat is involved, a Western Australian Fishing Boat Licence.

Therefore, the minimum requirements to participate actively in a developing fishery are:

1. ***a Commercial Fishing Licence; and***
2. ***a Western Australian Fishing Boat Licence (when a boat is involved).***

2.2 Establishing a Developing Fishery - the Process

There are seven steps to the process of establishing a developing fishery. This process is designed to provide a decision on the proposed developing fishery within three to six months, and is intended to accommodate the maximum number of interested parties and their submissions and to facilitate efforts towards developing new fisheries.

The application process will be initiated twice a year, but may move to once a year depending

on demand.

These steps are:

1. **Expression of Interest:** Following an advertisement placed in *The West Australian* newspaper by Fisheries WA calling for Expressions of Interest, people may express their interest in a potential developmental fishery.
2. **Ministerial Decision:** The Minister determines the necessity of the regulation regarding the take of the resource described in the Expression of Interest (i.e., a prohibition).
3. **Application:** Based on the Minister's decision regarding the development of a fishery for the resource, people who have expressed their interest will be notified by Fisheries WA of the opportunity to submit a formal application and business plan, as well as conduct the necessary consultation to develop the fishery.
4. **Assessment:** The assessment of all applications and business plans by the Developing Fishery Assessment Committee (DFAC).
5. **Notification of Status:** The stage at which the applicant is notified of the approval/refusal of an application.
6. **Implementation / Participation:** The stage when successful applicants commence participation and bring the developing fishery to life.
7. **Review, Assessment and Modification:** The review of performance against business plans annually, with a full review of the developmental fishery, its condition, and status occurring at the end of the developmental period. Both reviews are to be assessed by the Developing Fishery Assessment Committee using data and information supplied by Fisheries WA, participants, and independent observers.

Each step is described more fully in the following sections.

2.2.1 Expression of Interest

Twice yearly, Fisheries WA will place an advertisement in *The West Australian* newspaper calling for Expressions of Interest from people wishing to develop a new fishery.¹

At this time, industry may submit their Expression of Interest to the Minister for Fisheries by providing a brief description of their proposed activity including the species proposed to be taken; fishing method intended to be used; and a description of the area within WA State waters to be fished.

¹ A list of existing fisheries is at Appendix 3, and past and present developmental activities are listed in Appendix 4.

2.2.2 Ministerial Decision

Following the closing date for Expressions of Interest, a summary of all Expressions of Interest received will be forwarded to the Minister. The Minister will take into consideration the existing prohibition, the basis for that prohibition, and the argument posed for exception from the prohibition. The Minister will then advise the Executive Director of Fisheries WA whether he will approve the amendment of subsidiary legislation to allow the new/extended activity to occur.

If the Minister determines that the resource in question be subject to regulation, he must also determine the manner in which access can be granted. At this time, the Minister decides whether the fishery is to be regulated as a developmental fishery with access granted via developmental fishing permits; or by some other form of regulation, such as an exception to a 's.43 Order' (an order prohibiting fishing under the *FRMA 1994*); or a Regulation Licence for Developmental Fishing.

Should the Minister determine that either regulation as a developmental fishery, an exception to a 's.43 Order' or a Regulation Licence is appropriate, then formal applications will be called from those wishing to be excepted from the prohibition at the discretion of the Executive Director of Fisheries WA.

2.2.3 Application

Based on the Minister's decision regarding the development of a fishery for the resource, those people who have expressed their interest in that resource will be notified by Fisheries WA of the opportunity to submit a formal application and a business plan (developed in accordance with the guidelines specified in Appendix 1), to the Development Fishery Assessment Committee to develop the fishery. Any applications submitted outside this process will be assessed as part of the subsequent round of applications.

The application package to be submitted by potential participants consists of:

- 1. the application fee of \$210;**
- 2. an application form (which will be provided to you on success of your Expression of Interest); and**
- 3. a business plan (as described in Appendix 1).**

Applicants must be aware that there is no guarantee of continuation of access to a developing fishery and no right to object if this access is withdrawn.

Upon receipt of an application package, the licensing officer responsible will ensure that the application form has been correctly completed, the prescribed fee paid, and a business plan has accompanied the application. Receipt of the package will be acknowledged in writing within 10 working days.

An objective of this document is to encourage appropriate development of unexploited or under-exploited fish resources. During the three year developing fishery stage, the applicant must undertake the activities described in the application and business plan and must be able to demonstrate this to the Executive Director of Fisheries WA using agreed milestones. This also

provides an opportunity to demonstrate the ecological, economic and financial feasibility of the participant's operations in the developing fishery.

Another element of the application process will involve consultation with various stakeholder groups to whom the State Government is accountable. The State Government is aware that it must balance an individual's interests in developing fisheries with those of other stakeholders. The *pro-forma* describing the applicant's role in assisting in the consultation process is found in Appendix 1, Attachment 1.

Applicants will need to conduct consultation and submit the *pro-forma* to complete their application within the six week application window. The consultation *pro-forma* must be included in the business plan.

2.2.4 Assessment of Applications

Six weeks after the closure of the application period, the DFAC will consider applications. The DFAC consist of three to four members plus an independent Chairperson.

The membership of the DFAC will comprise:

- an independent Chair;
- the Director of Fisheries Management Division (or delegate);
- the CEO of WAFIC² (or delegate);
- the Director of Recfishwest (or delegate); and
- a representative from an environmental group (at the Executive Director's discretion).

The DFAC will assess applications according to the applicant's ability to meet the requirements specified in the business plan. The DFAC deliberations will be based on the concept of Economically Sustainable Development, the precautionary principle, and the relevant elements of the *FRMA 1994*.

The deliberations will also use the tools set out in Appendix 5. These tools will allow the committee to assess and compare the anticipated outcomes and environmental impacts of various proposals, and address regulatory issues, such as minimal levels of active effort.

Fisheries WA will maintain confidentiality with respect to all applications received.

Following the assessment process, the DFAC will forward its recommendations regarding the relevant developing fisheries to the Executive Director for consideration and action. If the Executive Director requires further clarification, he may choose to refer the application back to the DFAC, either out-of-session or at the next meeting. All decisions will be clearly documented and include the justification for each decision.

² Western Australian Fishing Industry Council.

2.2.5 Notification of Status

The applicant will be notified in writing of the Executive Director's decision. Where an application is unsuccessful, the applicant may submit an objection to the Objections Tribunal, as set out in the *FRMA 1994*.

2.2.6 Implementation and Participation

The implementation and participation stage occurs once authorisations have been granted to successful applicants. However, it must be noted that participants in the developmental fishery must conduct their fishing operation in accordance with the operation proposed in their business plan, and in accordance with any conditions imposed by Fisheries WA under the *FRMA 1994*. The authorisation will be renewable for a three year period.

This stage also marks the beginning of the process and time schedule for phasing in full cost recovery (including those costs for process development, management, compliance, research and monitoring) and the activation of the developing fishery's enforcement structure.

As with all authorisations issued under the *FRMA 1994*, developing fishery authorisations/permit may be cancelled at any time if the authorisation holder does such things as fail to pay required fees, breaches a condition of the authorisation, or is guilty of a fishing offence under the *FRMA 1994*.

2.2.7 Review, Assessment and Modification

The developing fishery, its condition, and status will be reviewed by the DFAC at the end of the developmental period (generally three years), using data and information supplied by participants and Fisheries WA. Performance against business plans will be assessed annually and, where there is a lack of performance, access will not be renewed unless there are exceptional circumstances.

This is to ensure the fishery remains healthy and to position participants and managers if the fishery moves to its next phase of *interim managed fishery*. Should a review of a business plan indicate serious problems in a fishery, the Executive Director may decide to suspend or close the fishery.

At the end of the developmental fishery period, the Executive Director will make recommendation to the Minister as to whether the fishery ceases, remains a developmental fishery, is managed as a 'Regulation' or 'S 43 Order' fishery, or moves to the next stage of an interim managed fishery.

The Executive Director may recommend that fishing activity ceases in the event that there is a negative impact on fish stocks, the environment or other stakeholders, or if the fishery is resulting in excessive management, compliance or research costs, or if the results of a catch and market reports are unsatisfactory.

A diagrammatic representation of the total assessment process is at Appendix 6.

3.0 OTHER ISSUES

The following sections address issues that are relevant to the concept of a developing fishery and the development of a fishery's management. They are particularly relevant to the post-development phases of a fishery and applicants should be thoroughly familiar with them.

3.1 Competitiveness

Fisheries WA's mandate includes the need:

" (a) to achieve the optimum economic, social, and other benefits from the use of fish resources; and (d) to foster the development of commercial ... fishing ... " (FRMA 1994, s.3)

This, coupled with the principles outlined by the National Competition Policy, makes it clear that Fisheries WA has the responsibility to promote management strategies which create competitive conditions within the emerging industry and minimise monopolistic possibilities. The DNF process has been assessed as part of the National Competition Policy review of Western Australia's fisheries legislation.

3.2 Access and Management Fees

Generally, the shortfall between the contribution made by licensees of minor commercial managed fisheries, and the attributed costs of managing these fisheries, is met by Government from the Consolidated Fund and occasionally by external funding from the Fisheries Research and Development Corporation and other Commonwealth agencies. In an age of a shrinking Consolidated Fund, Fisheries WA can no longer effectively cover the costs of developing fisheries, in addition to those minor commercial fisheries that are funded by the Consolidated Fund.

During the developmental phase, licensees in a developmental fishery will be subject to full cost recovery based on Fisheries WA's cost attribution rules, or \$5,000 over the three year developmental period, whichever is the greater.

In any case, the minimum access fee will be \$5,000.

This fee is intended only to cover the initial administrative costs of investigating and developing a new fishery. Whether the developmental stage of the fishery is subject to full cost recovery or if the access fee of \$5,000 only applies will be decided on a case-by-case basis.

Should the fishery progress to the interim managed or fully managed stages, licensees will be subject to full cost recovery and pay the Development and Better Interest Fee (DBIF) contribution.

In the transition to an interim managed or fully managed fishery, market mechanisms may apply in the allocation of future access rights to the fishery. However, within this process 'pioneer' status may be recognised through the allocation to the pioneer of transferable units in the fishery, which may be retained if the pioneer is successful in gaining ongoing access to the

interim managed or fully managed fishery.

Alternatively, if the pioneer is unsuccessful in obtaining ongoing access, these units may be sold to successful entrant(s).

Fisheries WA will consider possible options for payment of the initial \$5,000 fee. The agency may consider a series of scheduled payments of this initial \$5,000 fee, defined by an initial \$2,000 payment for the first year of developmental fishing, followed by a series of two subsequent annual renewal fees of \$1,500 (or a similar arrangement). Whether the payment of the \$5,000 fee is payable up-front or on a schedule basis will be at the discretion of the Executive Director of Fisheries WA.

In instances where a proponent's business plan has not been fulfilled during the first year of participation and they are unable to pay the initial fee, this fee is payable in the second year, in addition to the second year fee.

The applicant should identify any additional resources which are required such as research, management and compliance services. Funding sources to cover the costs of these services must be identified, and those costs must be quantified and built into the cost of the venture.

In some circumstances, Fisheries WA may require an observer to be on the applicant's boat for research and/or compliance reasons. In its response to the application, Fisheries WA will advise if this is considered necessary and whether additional costs will be attributed.

3.3 Transferability

It is intended that authorisations issued for developing fisheries will be non-transferable during the initial developmental phase. However, if at any time a review of the developing fishery is conducted and it is determined that the transfer of authorisations in the fishery is appropriate, any new licensee that enters the fishery after a transfer will be required to operate under the same conditions imposed under the *FRMA 1994*.

One condition that may be imposed by the Executive Director of Fisheries WA may be that authorisation holders must operate within the parameters specified in their business plan. Should the Executive Director determine that a new entrant cannot operate within the parameters of the existing business plan, a modified business plan is to be submitted to the DFAC for consideration and approval by the Executive Director.

If a developing fishery is terminated, the licences will automatically be cancelled and there would be no continued right of access for those who bought into the fishery.

3.4 Contribution of Industry to Research

As part of the increasing trend of industry support for research, participants in a developing fishery will be required to complete research logbooks. These will be submitted on a monthly basis to Fisheries WA. Such reporting will be in addition to the Catch and Effort statistics required under Regulation 64 of the *Regulations*.

In addition, participants may find it useful to keep marketing records if they are interested in developing their marketing strategies, either as individuals or as an emerging industry. Such records would also assist in reporting on the business aspects of the venture.

3.5 Beyond the Developing Fishery - Subsequent Participation

The Government supports the concept of clearly differentiating between those initial or pioneer participants in a developing fishery and parties who subsequently want to participate in a fishery. Because of this, the concepts of access and allocating access are important ones.

In essence, there are two situations in which subsequent participation is an issue, i.e., when the fully transferable authorisations are transferred, and when the addition of participants in a fishery is an administrative matter rather than an automatic occurrence.

In fisheries managed by input controls and with limits on the number of total participants, the addition of new participants beyond the initially declared number will automatically trigger the mechanisms for moving to an interim managed fishery. Thus, the issue of authorisations for these additional participants becomes part of the management arrangements for the interim managed fishery.

For those developing fisheries managed under transferable output control regimes, the issue of access and subsequent access will be strictly a function of the private purchase of the individually transferable units. Regardless of how access is allocated, the Government has adopted a strategy which allows it to reserve the right to choose and design the allocation mechanisms on a case-by-case basis.

Furthermore, regardless of the method of allocation, the process would be advertised in *The West Australian* newspaper, and any funds received as a result of the process would be used to cover or subsidise costs of management (including compliance and enforcement) and research in the fishery.

Subsequent entrants (i.e., those who have not incurred the costs associated with discovering, developing, and marketing new fisheries) may pay a premium for making use of information gleaned by pioneers. Those who have committed considerable amounts of time, equipment and resources should be able to recoup their exploratory costs during the post-development phase of the fishery.

Having described the process for allowing for additional access to developing fisheries, a process is also in place if the opposite situation arises - situations where the level of fishing effort during the developmental period is too large. Should this be the case, an interim managed fishery management plan would need to be developed, with criteria which result in an appropriate level of effort remaining in the fishery.

4.0 CONCLUSION

The purpose of this document is to explain the reasons for - and details of - the developing fishery process before potential participants commit personal, financial, and government resources into any proposed ventures.

The principles outlined in this guideline reflect the fact that:

- the Government, and hence Fisheries WA, takes a precautionary approach to ensure the sustainability of developing fisheries;
- the objects of the *FRMA 1994* require, among other things, achieving the optimum economic, social and other benefits from the use of fish resources;
- Fisheries WA has responsibilities for conservation of the marine environment in general;
- the risk of developing fisheries is something to be assumed by those participating in them;
- the assumption of risk by pioneer participants will be recognised, and
- administrative and managerial simplicity and accountability are mandatory conditions in Fisheries WA's management of developing fisheries.

**PART B
APPLICATION FOR CONSIDERATION FOR DEVELOPING NEW
FISHERIES IN WA**

**The application form will be provided to you on notification of the
success of your Expression of Interest.**

PART C
THE BUSINESS PLAN

The business plan examines the environmental and economic implications of undertaking the proposed fishing venture. It should confirm that the proposal has commercial potential, whether the applicant is in the position to undertake the venture at that time or not, and reveal the extent of community support.

The greater the detail provided by the applicant, the more effectively the proposal can be assessed and the more identifiable the risk the proposal may have on the resource, the environment and other stakeholders.

Too often, the impacts of the development of a fishery come to light after the fact and when environmental, financial and community costs have already been incurred to some level. The business plan approach aims to bring foresight into the development of new ventures and introduces a precautionary or 'risk adverse' approach to this element of fisheries management.

The business plan must detail how the applicant intends to go about the business of exploring or developing the fishery resources in question. The business plan, an outline of which can be obtained either as hard copy or electronically, should detail the following information.

1 Summary

The summary should be a synopsis of the contents of the business plan and reiterates the main points of the proposal.

2 Operational Plan

The operational plan should provide a description of the venture, including the physical or equipment requirements and the additional support services required. Any distinct attributes of the venture (e.g. joint venture with traditional users of the resource) should also be explained. The plan should, if possible, provide detail of mechanisms for dealing with any expansion in the fishery.

The description should include:

- estimated annual catch of the operation (both target and associated catch), including details of how these estimates were made;
- proposed initial harvesting strategy, including information about harvesting inputs or requirements such as bait, equipment, etc.;
- quality control and food safety measures;
- output markets, including any potential processing or value adding activities;
- output activities, such as anticipated product handling and distribution;
- any technical data on the operation, including any legal protection such as patents, trademarks or copyrights;
- proposed port(s) of landing and reason(s) for such; and
- the proposed area of operation defined by latitudes and longitudes or other parameters (e.g. depth).

Where appropriate, this information may be supplemented with maps and diagrams.

3 Biological Characteristics

In keeping with Fisheries WA's strategy for innovation and best practice, the *best available* biological information should be presented with the references to literature cited and documented in the business plan. The following biological information should be provided for the proposed target species and any anticipated by-catch species:

- geographical range of the species, including the estimated stock size in the proposed access area;
- depth and temperature range;
- general growth parameters;
- fecundity (number of offspring and number of spawnings each year);
- age (or size) at maturity;
- abundance; and
- any studies performed in respect to the species.

If information is not available for the proposed species, the above details should be provided for similar species or species of the same family.

This section should also include reference to related interstate or international fisheries. Examples of these related fisheries, based on the take of the proposed species or the proposed fishing method and which have been successfully or unsuccessfully managed, should also be provided where they exist.

In considering the impact of this fishing venture on fish stocks, the applicant should account for the impact of adjacent fisheries on the same stocks, as the fish stock that it is intended to target may already be a significant by-catch species of another fishery.

4 Environmental Impact

It is important to consider the impact of each fishing venture on the marine environment, as maintenance of fish habitat is paramount to the sustainability of fish stocks. Applicants should specify the potential impact, if any, of the fishing venture on fish habitats - on the sea floor, seagrass, coral and sponges, and water quality. If not addressed elsewhere, the subject of 'discards' or unwanted by-catch should be covered in this section.

Impacts should be described, the significance of these impacts assessed (including how these assessments were made), and it should be stated how any impacts are to be addressed.

5 Consultative Processes and Social Characteristics

A key element in the development of community-owned natural resources is ensuring their appropriate use. Fisheries WA is responsible for ensuring sustainability of all fish resources and therefore has an obligation to take the views of the wider community into account.

This section should identify:

- other stakeholders;
- potential impacts of the proposed venture on those stakeholders; and
- the other stakeholders' views on the proposal and how these views were obtained.

The onus is on the applicant to undertake wide consultation with any relevant commercial and recreational Management Advisory Committees, industry associations, Recfishwest, aquaculturalists, environmental groups, and the community.

Should any of these interest groups indicate concerns over the proposed operation, the applicant should both demonstrate that he/she/it has recognised those concerns and provide options for resolving them.

Consultation should cover the following aspects of the proposed operation:

- area to be fished;
- species to be taken;
- other fishing interests that may be affected, both commercial and recreational;
- implications for port facilities;
- impact on the local economy;
- environmental impacts;
- social implications; and
- native title implications.

An application will not be assessed by DFAC without demonstrated consultation. A *pro forma* to assist in this consultation process can be found in at Appendix 1, Attachment 1.

Consultation with government departments (e.g. Aboriginal and Torres Strait Island Commission, Department of Conservation and Land Management, Department of Environmental Protection, Marine Parks and Reserves Authority, local government agencies) will be undertaken by Fisheries WA. However, if the proposal requires export approval by Environment Australia, this permission must be obtained by the proponent (see Appendix 4).

6 Benefits to the State or Community

In addition to personal benefits to each applicant, each fishing venture will have flow-on benefits, either to the local community or to the State as a whole. These should be outlined and quantified where possible. Benefits may include, but are not restricted to:

- direct employment benefits and flow-on;
- making better use of fishing capital equipment;
- better utilisation of the resource;
- increased exports; and
- improved knowledge of the resource

7 Market Research and Analysis

The objective of market research and analysis is to establish that a market exists for the proposed venture. The applicant must provide a credible summary of potential customers, markets, competitors, and assumptions about pricing and distribution.

Applicants should provide a summary of the Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis of the markets.

Information on the following issues should be included in the business plan.

7.1 Markets

A market exists only when there are qualified buyers, but the applicant must remember that the feasibility plan is a forecast of *future* markets, not merely those that exist. Therefore, *market trends* should be identified and, where possible, unusual opportunities for the new business

included. Existing markets (including the size of the market and its geographic characteristics) should be documented and supporting evidence provided.

The plan should include any assumptions that have been made which support the market projections.

The choice of a distribution system should be defined and information relating to the market niche, pricing system, and distribution channels included. Existing or new infrastructure, including factors such as air and land transport requirements, should be detailed.

If the market is overseas, the applicant should also provide details of relevant Commonwealth and international permits or authorities required to export the product. The existence of tariffs and other trade barriers should be researched and taken into account.

Of particular significance is Environment Australia's requirements under the *Wildlife Protection (Regulation of Imports and Exports) Act 1982*. If the fishery being developed will target a species destined for the export market, it is important to check whether the species is exempt from the requirements of the *Wildlife Protection (Regulation of Imports and Exports) Act 1982*.

If not, the proponent must meet the requirements of Environment Australia in terms of management of the fishing venture. Details of these requirements, including relevant contacts, are at Appendix 2.

7.2 Competitors

It is essential for applicants to identify competitors at both the global and local level, and to analyse how competition is likely to change when the new venture becomes established. It is also important to identify risks should additional entrants gain access to the fishery. The minimum requirement is to identify existing competitors and to describe their relative strengths and weaknesses.

7.3 Sales Forecast

Ultimately, marketing research must conclude with solid data on projected revenue. A sales forecast is the culmination of research to indicate the expected gross sales revenue during the planning period. The business plan should present well-documented information on specific market data and how sales are expected to occur during the first three to five years of business.

8 Milestones - assessment and evaluation

Realistic milestones should be included in the plan. They are extremely important to prevent the "I/we only need a bit more time/gear/money/area" syndrome from masking a failure to meet objectives previously agreed between the applicant and Fisheries WA.

These milestones provide an objective assessment of progress by defining, before commencement, a set of controls for monitoring the new venture. Major events and critical risk factors should be taken into account when setting the milestones.

Major events might include a schedule for purchase and setting up of facilities, gear testing; commencement of fishing; achieving a target catch per unit effort or price per unit caught; exceeding agreed levels of by-catch; or achieving a particular level of revenue. Critical risk factors are discussed in section 1.9.

The applicant must realise that they will be judged against their milestones and approval may be

withdrawn if milestones are not met. Approval will not be extended unless the final milestone has been reached.

9 Risk Analysis

Marketing, financial and biological information all need to be considered in the context of a risk analysis.

This should detail the identified risks; the assessed likelihood of their occurrence (and the basis of that assessment, even if it is a guess); the related impact of any risk; and contingency plans and strategies for minimising both the likelihood and the impact of any significant risks.

As a means of assessing the feasibility of the proposed venture, factors should be included such as fish stock collapses in other fisheries; previous market failures; transport costs or limits; small numbers of volume buyers; and emerging opportunities.

Critical risk factors may also include bad weather; industrial action; infrastructure business failure; a bad fishing season; equipment failure; or a fluctuating Australian dollar. The major events and critical risk factors should be realistically incorporated into the economic risk assessment

10 Financial Documentation

Copies of financial documentation should be provided as an appendix to the business plan. The financial documentation should establish what capital is needed; the amount of capital being sought from investors and lenders; and, most importantly, objectively state performance levels which will allow an impartial assessment of the success or failure of the venture.

Financial statements for a new venture are projections based on previously defined operating and marketing assumptions that underpin financial projections, with special consideration directed to 'development stages' when little or no income will be produced, should be stated.

Schedules and statements should include start-up projections, a profit and loss statement, cash flow analysis, a balance sheet, a break-even analysis and a risk analysis. Fisheries WA officers are bound by confidentiality provisions as will be any non-government member of DFAC.

10.1 Start-up Projections

A start-up projection should identify the sources and uses of funds at commencement of the proposed operation, as well as list and describe how invested equity or loan proceeds will be utilised and accounted for in the financial statements.

10.2 Profit and Loss Statement

A profit and loss statement is required to show revenue, cost of goods sold, operating expenses and net income. A projected profit and loss statement should be provided in detail for at least three years. Common practice is to project the first year in monthly data, then project additional years in quarterly summaries.

10.3 Cash Flow

Cash-flow projections should reflect information from the profit and loss statement adjusted for anticipated credit sales (actual cash flow indicated rather than accrual income); non cash

expenses (depreciation); and cash obtained and used outside of operational income (e.g. capital from investors and cash payments on loan principle). First year projections should be displayed by month, while those in subsequent years should be displayed by quarter.

10.4 Balance Sheet

A comparative set of balance sheets should provide the opening position of the business and projected results for at least the next three years.

10.5 Break-Even Analysis

The break-even analysis is an extremely important summary calculation of when the business is expected to begin to turn a profit. The break-even analysis will be used to assess whether the proposed venture should be undertaken, as it provides hard evidence of the success or failure of the operation.

Any venture which is not profitable or cannot conclusively demonstrate an ability to be profitable in the short to medium term cannot expect to have government support for its continuation.

Attachment 1 Consultation Schedule for Developing a New Fishery

Consultation should be undertaken with at least the following groups and a letter of support from each attached to this form. List any further consultation in the space provided.

Failure to conduct adequate consultation or to gain assent from stakeholder groups using incomplete or misleading information may result in the cancellation of your developmental licence.

Groups and Individuals Consulted	Yes	No	Supported?
WA Fishing Industry Council (WAFIC)			
Recfishwest			
Any relevant Management Advisory Committee			
Local professional fishermen's associations			
Identifiable commercial fishermen not in associations, but who utilise the resource to some extent			
Regional Recreational Fishing Advisory Committee			
Recreational Fishing Advisory Committee			
Local environmental bodies			
Local Council			
Licensees of aquaculture ventures in the area			
Local Aboriginal community groups			
Any relevant local community groups			

APPENDIX 2 EXPORTING NATIVE PLANTS AND ANIMALS



**INFORMATION RELATING
TO THE
EXPORT
OF
NATIVE PLANTS & ANIMALS**

**For further information on exporting of wildlife including
information on specific species see our web page:
<http://www.biodiversity.environment.gov.au/plants/wildlife/intro.htm>**

**If you have any suggestions on how to improve this document,
please contact Cindy Steensby on (02) 6250 0323.**

**Compiled by:
Wildlife Population Assessment Section
Biodiversity Group
Environment Australia**

COMMONWEALTH CONTROLS RELATING TO THE EXPORT OF NATIVE PLANTS AND ANIMALS

State and Territory Governments of Australia have primary responsibility for wildlife conservation and management. The Commonwealth Government has responsibility for the management of wildlife on Commonwealth lands and waters and control of the **export of wildlife products from Australia**.

The Commonwealth controls **international trade** in most native wildlife through the *Wildlife Protection (Regulation of Exports and Imports) Act 1982* (the Act). Under this legislation the commercial export of native plants and animals is restricted to specimens taken under an approved management regime or derived from approved captive breeding operations. The Act requires that adequate State and Territory legislation be in place to regulate any wild harvesting that is destined for export.

The Act is administered by Environment Australia.

What you need to do to be able to export native plants and animals?

When an individual wishes to export native plants and animals there are a number of questions that need to be answered:

1. **Are the plants or animals you propose to export derived from *artificially propagated or captive breeding operations*?** Emus, for example, are bred in captivity and are therefore covered by approved captive breeding operations which require a high standard of care and housing, and the breeding of second generation stock.
 - (a) **If yes, contact Wildlife Population Assessment Section (WPAS) for approval of operation, and once approved contact Wildlife Protection Section (WPS) for export permits.** Contact details can be found at the back of this document.
 - (b) If no, go to question 2.
2. **Are the plants or animals you propose to export *derived from the wild*?**
 - (a) **If yes, is there a State management plan** approved under the *Wildlife Protection (Regulation of Exports and Imports) Act 1982* (the Act) **for the species you want to harvest?**

For example, in the case of kangaroos and crocodiles, management programs have been developed to ensure that wild harvesting operations do not threaten the survival of the species and populations involved. Some States have also developed management programs for native plants (e.g. Western Australia and Queensland).

If there is a State management plan, go to the WPS Flowchart for export details. Contact details can be found at the back of this document.

- (b) **If no, ring the WPAS for further information.** If there isn't a State management plan approved under the Act, you may be able to obtain approval by submitting details of your individual harvesting operation and any relevant State licences to the WPAS. Please contact the WPAS for guidelines on what is required prior to submitting the application.
- (c) **If unsure, ring your State's nature conservation agency** (e.g. National Parks and Wildlife Service or Department of Natural Resources and Environment) **or the WPAS for further information.** Contact details can be found at the back of this document.

Additional information on the export of native wildlife can be found on Environment Australia's Web-site at:

<http://www.biodiversity.environment.gov.au/plants/wildlife/intro.htm>

ENVIRONMENT AUSTRALIA CONTACT DETAILS

Wildlife Population Assessment Section	Wildlife Protection Section
Tony Bigwood (Director): (02) 6250 0730	Mick Trimmer (Director): (02) 6250 0270
General Enquiries: (02) 6250 0323	General Enquiries: (02) 6250 0300
Fax: (02) 6250 0243	Fax: (02) 6250 0303
Mailing Address: Wildlife Population Assessment Section, Environment Australia, Biodiversity Group GPO Box 636, Canberra ACT 2601	Mailing Address: Wildlife Protection Section, Environment Australia, Biodiversity Group GPO Box 636, Canberra ACT 2601

APPLICATIONS TO HARVEST AND EXPORT NATIVE WILDLIFE

Environment Australia - Biodiversity Group
Wildlife Population Assessment Section
GUIDELINES FOR INFORMATION REQUIRED FOR ASSESSMENT UNDER
THE
WILDLIFE PROTECTION (REGULATION OF EXPORTS AND IMPORTS) ACT
1982.

Generally wild specimens of native plants and animals may only be exported commercially where the specimens are subject to a management program approved under Section 10 of the *Wildlife Protection (Regulation of Exports and Imports) Act 1982* (the Wildlife Protection Act), or where the specimens have been declared as controlled specimens under Section 10A of the Wildlife Protection Act.

Applicants should ascertain that any proposal to harvest native wildlife is in accordance with State/Territory law, and provide evidence of this. It should also be noted that, under the Wildlife Protection Act, it is a prerequisite to export approval that harvesting of the particular species is subject to adequate Statewide legislative control.

A management program may be approved under the Wildlife Protection Act where there is sufficient information available on the biology of the species concerned, and the role of that species in the ecosystem in which it occurs. The Wildlife Protection Act requires that all commercial harvest of wild animals and plants for export is subject to an approved management program, except where it is consistent with the object of the Wildlife Protection Act to use the controlled specimens provision rather than require a full management program. The Wildlife Population Assessment Section considers that it is consistent with the object of the Wildlife Protection Act to use the controlled specimens provision in the following broad circumstances:-

- . small-scale harvest operations
- . trial harvest situations and as an interim measure in the development of a management program
- . salvage harvests in certain situations
- . importation of Schedule 2 species from overseas

However the decision on whether it is consistent with the object of the Wildlife Protection Act to declare controlled specimens rather than an approved management program rests with the Minister for the Environment.

As it is a requirement under the Wildlife Protection Act to seek and consider comments on each proposal from interested persons and organisations, you should expect that all information in your proposal, except personal details, will be distributed for public comment.

Please submit your personal details on a separate page to enable easy separation from the proposal.

Personal details should include:

- full business details, including (as appropriate) your name, your company name, address, telephone, fax and email.
- who will conduct the harvest (eg yourself, employees or if you will be contracting it out). Please note that as the proponent you are responsible for ensuring that the harvest is carried out in accordance with the procedures specified in the proposal and any additional conditions specified in the approval are adhered to.

The following list is intended to provide a guide to the type of information that is likely to be needed to enable your application to be assessed.

1. Title and introduction

This should identify the species concerned, the management authority (if applicable), relevant State and Commonwealth legislation and provide a general introduction to the management regime.

- 1.1 Scientific name
- 1.2 Common name (if applicable)
- 1.3 Location of harvest
- 1.4 Description of what is being harvested (eg live animals; skins; meat; larvae; eggs; branches; whole plants; etc). The description should include additional information such as size and if its juvenile or mature specimens. If appropriate please include a photograph of the specimen.
- 1.5 Is the species protected under State or Federal legislation? If so, provide details of the legislation and the status of the species under the legislation. (It should be noted that, in most cases, the existence of State legislation relating to the protection, conservation or management of the species is a prerequisite for approval of a management regime under the Wildlife Protection Act.)

2. Statement of general goal/aims

This section should briefly outline the intention of management.

3. Description of management measures

These include the administrative requirements necessary to ensure that the specimens are taken in accordance with the legislative requirements of the State concerned as well as those necessary to ensure that the requirements of the Wildlife Protection Act are met. Licensing of harvesters and dealers, tagging requirements, provisions for determining quotas are examples of such measures.

- 3.1 Details of the area where harvesting is to take place. Include an indication of the size of the area and if appropriate attach a sketch or a map and photographs.
- 3.2 Details of land ownership. If private land written permission by the land owner (if not yourself) is required and a copy of this needs to be attached. Also include copies of any permits or licences required by the State and local authorities. Detail any restrictions placed by the landowner or the permits/licenses.
- 3.3 What quantity do you intend on harvesting and how will this be measured. Please specify the units you are using and define where necessary. (eg: 1 bunch = 25 stems).
- 3.4 Method of harvesting and equipment used (eg by hand; net; heavy machines etc). Is the method of harvesting selective or non-selective? Is there likely to be any impact on the habitat from the harvest operations?
- 3.5 Timing and duration of harvesting period (ie. time of year and length of harvest season)

4. Monitoring and assessment

Details of both the direct and indirect monitoring procedures employed should be provided. The analyses performed on data obtained from these monitoring procedures should be outlined.

- 4.1 Has there been a resource assessment of distribution and abundance (eg population survey) for the harvest area. If yes provide details.
- 4.2 Will there be independent supervision of the harvesting? If so, provide details (eg State/Territory control) and how will this be achieved.
- 4.3 Outline what methods will be employed to monitor the harvesting of the specimens to identify whether the species or other species in the ecosystem is affected by the harvesting
- 4.4 Describe any other biological and environmental monitoring proposed for the harvesting area. Indicate when these programs

will be completed, and how they will be used in the monitoring process

5. Management strategies

Proposed responses to evidence of population changes of the harvested or other effected species should be outlined in general terms.

6. Compliance

What methods are available to ensure that only legally obtained material enters commercial trade.

7. Reports

There should be provision for the submission of periodic (at least annual) reports to Environment Australia - Biodiversity Group on implementation of the proposal. Such reports could be made available to the public.

8. Background information

Include background information on the biology of the species, history of the harvest/industry etc. Please include references.

Applications should be submitted to:

Wildlife Population Assessment Section
Environment Australia - Biodiversity Group
GPO Box 636
CANBERRA ACT 2601

Phone: (02) 6250 0200

Fax: (02) 6250 0243

APPENDIX 3 EXISTING FISHERIES IN WESTERN AUSTRALIA

The following fisheries have management plans or plans of management (other than legislated management plans) covering access and operation within the fisheries.

Invertebrates

Abalone
Abrolhos Islands and Mid West Trawl
Broome Prawn
Esperance Rock Lobster
Exmouth Gulf Prawn
Kimberley Prawn
Nickol Bay Prawn
Onslow Prawn
Shark Bay Prawn
Shark Bay Scallop
South West Trawl
Western Rock Lobster

Finfish

Australian Herring Trap
Cockburn Sound Finfish, Crab and Mussel
Exmouth Gulf Beach Seine
Joint Authority Demersal Gillnet and Demersal Longline
Kimberley Gillnet and Barramundi
Lake Argyle Catfish
Mid West Purse Seine
Northern Demersal Scalefish
Pilbara Fish Trawl
Pilbara Trap
Shark Bay Beach Seine and Mesh Net
Shark Bay Snapper
South Coast Estuarine
South Coast Purse Seine
South West Trawl
WA Salmon
West Coast Demersal Gillnet and Demersal Longline
West Coast Purse Seine

**APPENDIX 4 LIST OF PREVIOUS AND CURRENT
DEVELOPMENTAL FISHING AND MINOR
FISHERY VENTURES**

Bêche-de-mer
Cobbler traps
Cockles, Albany
Cockles, Pilbara
Crab pot
Deep sea crabs
Fish traps
Garfish surface trawl
Hermit crabs
Limpet
Mud crab
Mussels, Wilson Inlet
Octopus traps
Oysters
Sea urchin
Surf crabs, south coast
Swan River jellyfish
Tropical rock lobster

APPENDIX 5 TOOLS FOR ASSESSING APPLICATIONS

THE DEVELOPING FISHERIES ASSESSMENT COMMITTEE (DFAC) PROCESS

The members of the DFAC will use the following tables and questions as tools to assist in their assessment of application packages. In many instances, the questions and responses are subjective and deal with issues in a qualitative way. Thus, while not providing an indisputable basis for assessing applications, this does provide the DFAC with a clear framework for making their decisions and, where relevant, approving participation in a developing fishery.

THE OVERALL APPLICATION PACKAGE		
Completeness in terms of	Yes / No	If incomplete, description of missing elements
Fees		
Form(s)		
Business Plan		
ELEMENTS OF THE APPLICATION PACKAGE		
Extent to which parts of the package are completed	Extensive / Satisfactory / Unsatisfactory	If unsatisfactory, description of unsatisfactory portions / elements
Forms		
Business Plan		
RELATIVE CIRCUMSTANCES		
Total applications received (same fishery)		
Size of proposed activity in terms of:	Tonnes	%
Proposed Harvest		
Total Proposed Harvest		100

ANTICIPATED AND/OR POTENTIAL BIOLOGICAL EFFECTS						
	Potential Benefits / Positive Outcomes		Potential Drawbacks / Pitfalls		Net Potential (+/-)	
	Near Term	Longer Term	Near Term	Longer Term	Near Term	Longer Term
Potential Impact on:						
Target Stocks						
Related Stocks						
Potential Impact on Habitat of						
Target Stock						
Related Stocks						
Type of Information Generated about						
Target Stock						
Related Stocks						
Level / Extent of Information Generated about:						
Target Stock						
Related Stocks						
Relevance of Stock Dynamics to Plan						
Need for Stock Research						

ANTICIPATED AND/OR POTENTIAL ECONOMIC EFFECTS						
	Potential Benefits / Positive Outcomes		Potential Drawbacks / Pitfalls		Net Potential (+/-)	
	Near Term	Longer Term	Near Term	Longer Term	Near Term	Longer Term
Anticipated Financial Profile						
Extent of Growth Markets						
Dependence of Profits on Stock Health / Condition						
Potential Development Impacts						
within region						
within State						
within Australia						
Feasibility of Business Plan						
Complexity						
Ease of Administration						
Chance of Industrial Success						

ANTICIPATED AND/OR POTENTIAL POLITICAL AND/OR SOCIAL EFFECTS						
	Potential Benefits / Positive Outcomes		Potential Drawbacks / Pitfalls		Net Potential (+/-)	
	Near Term	Longer Term	Near Term	Longer Term	Near Term	Longer Term
Extent of Interaction / Impact on:						
Other Fishing Industries						
Other Industries						
Other Stakeholders						

ANTICIPATED AND/OR POTENTIAL ADMINISTRATIVE / REGULATORY IMPACT(S)						
	Potential Benefits / Positive Outcomes		Potential Drawbacks / Pitfalls		Net Potential Impact(s) (+/-)	
	Near Term	Longer Term	Near Term	Longer Term	Near Term	Longer Term
Administrative Requirements						
Start-up Needs						
Intra-annual Needs						
Annual Needs						
Monitoring Impacts / Needs						
Compliance Needs (e.g. Minimal, Intensive)						
Enforcement Needs (e.g. occasional, ongoing)						

APPENDIX 6 THE DEVELOPING FISHERY APPLICATION AND ASSESSMENT PROCESS

*TIME
COUNTDOWN:*

