

***Access and Allocation Arrangements for the Commercial “Wetline” Fisheries-Proposals for Discussion, Commercial Access Panel, Fisheries Management Paper 191, January 2005***

WAFIC Submission

**INTRODUCTION**

WAFIC has examined the proposed recommendations from the Commercial Access Panel (CAP) against consideration of principles that the CAP identified as being relevant to its decision making in regard to its final recommendations. These principles include matters associated with economic dependency, catch history, wealth redistribution, economic efficiency, the relevance of fishing history or activity pre the benchmark date and post the benchmark date, threshold catch levels, consistency of catches, appropriate qualifying period, and tonnage proportional allocations as opposed to percentage proportional allocations.

In examining these matters WAFIC has concluded that the CAP has not provided sufficient justification to support its proposed recommendations. WAFIC urges the CAP to re-examine these principles with a view to clearly documenting its considerations in a clear, logical and principled manner. Based on these considerations the CAP should provide its redrafted recommendations.

**EQUITY & FAIRNESS- Key Determinant**

The Minister for Fisheries principal objective in the formation of the Commercial Access Panel is for the Panel to provide the Minister with recommendations on a fair and equitable method<sup>1</sup> of determining who will have access to the State’s wetline fisheries.

**KEY MATTERS**

In determining their recommendations the Panel identified key matters for considering access and allocation and discussed these. The key matters identified by the Panel included: Relevance of Catch History; Awareness of Bench Mark Date and; Impact of Management on the “Value” of FBLs

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<sup>1</sup> *Everyone agrees that fishing regulations should entail an “equitable” distribution of benefits. Although there is no widely recognised definition of equity, there are clear patterns in management practise. In a recent study of twelve government programs that allocate property rights. Rolph (1983) found that policy makers deal with the equity issue by designing regulations to minimise any redistribution of wealth. Where established resource users enjoy benefits of a communal resource (such as in land development, air pollution, ground water pumping) “the judicial, the legislative, and the executive branches have uniformly supported the claims of historic users when allocating rights.” This principle seems to be honoured as well by the existing fishery limited- access system. (Huppert D. 1987. Summary and postscript. Limited Access Alternatives for the Pacific Groundfish Fishery, D. Huppert (Ed). NOAA Tech. Report NMFS 52. US Dept. of Commerce)*

## **Relevance of catch history**

In examining this matter the CAP identified the following matters of relevance:

1. The CAP considers that one point of relevance may be that fishing history can be used to indicate that a licence holder has developed an economic dependency on a particular type of fishing.
2. The CAP considers that catch history (in the form of scalefish catches taken by wetlining) provides the most reliable measure of an operator's dependency on wetline fishing and their current economic circumstances.
3. The CAP considers the level of dependence upon a fishery is an important consideration, and that catch history can provide a measure of the effects of management options on commercial operators.
4. The CAP was conscious of attempting to minimise the potential for management that results in a redistribution of wealth amongst operators.
5. The CAP also considers there is a widespread acceptance amongst industry that the approach of recognising catch history has been used over an extended period of time in WA and is a logical and proper approach.
6. Therefore, the CAP sees considerable merit in applying a consistent approach, unless an alternative approach was identified that could better meet the aims of management.

WAFIC discusses these matters under the headings: economic dependency & catch history; wealth redistribution & catch history and; economic efficiency

### Economic Dependency & Catch History

The CAP equates economic dependency with catch history. There is no doubt that catch history reflects the level of activity by FBLs in wetlining but does it reflect the economic dependence of individual operators on wetlining? This matter is academic if allocations to wetline fish stocks (under the principle of catch history being a proxy for dependence) are based solely on catch history. It is not academic if additional tests such as threshold catch levels and consistency of catch over a defined period are also applied. This matter is addressed further later in this paper.

### Wealth Redistribution & Catch History

Clearly the CAP sees fishing history as an important consideration in regard to allocating access to a fishery. This "principle" may be encumbered by the CAP's goal of also minimising, through management, the redistribution of wealth amongst operators. The CAP has not explained what it means by "*minimising the potential for management that results in a redistribution of wealth amongst operators*" and how

this may be reconciled by the adoption of catch history as being an important consideration in regard to allocating access to a fishery.

Kaufman, Geen and Sen<sup>2</sup> discuss this matter under two scenarios- non-transferable rights prior to ITQs and; transferable rights prior to ITQs.

In the former they ask the question “*How does one determine the relevant pre-ITQ wealth position of each operator? Since the entitlements cannot be sold or leased, their economic value to the operator is measured by what can be earned from fishing. The income earned by each operator will depend on a number of factors including harvesting skill, investment in vessel, gear and other equipment, the amount of time spent fishing, marketing skills, and their overall ability to run a business and manage crew.*” The authors go on to examine options in regard to allocating quota based on each operators share of total profits in the fishery and allocating quota based on investment in the fishery. For a variety of reasons they dismiss these options and conclude that “*In summary, if one equates equity with minimising wealth redistribution, then in a situation where pre-ITQ entitlements are non- transferable, a case can be made for allocations to be based solely on catch history*”.

In the latter case of a transferable rights fishery prior to the introduction of ITQs they consider this matter at some length:

*Next consider the situation where prior to the introduction of ITQs, individual operators held transferable fishing entitlements. In this situation, a number of operators might have purchased their entitlement from other fishers. The entitlement has value as an asset, regardless of whether the entitlement was used to earn income from fishing or not. Since holders of similar entitlements<sup>3</sup> would have similar asset values, it could be argued that equal quota allocations to all entitlement holders would minimise wealth redistribution.*

*However, it is likely that fishers (highliners) who have harvested above average catches would feel aggrieved by equal allocations to all fishers. For example, highliners might argue that while their fishing entitlement has the same resale value as those who caught fewer fish, their catch history in the fishery entitles them to a greater share of the TAC.*

*On the other side of the argument, if quota was allocated solely on the basis of catch history, fishers who purchased expensive effort entitlements but, for one reason or another, did not fish would feel aggrieved, as they would receive no quota.....*

*One option to deal with this situation is to provide all entitlement holders with a base allocation of quota estimated to have the same value as a no-catch-history effort entitlement, and then allocate additional quota based on catch history. Different circumstances may require different approaches. In our opinion, what is important is that if equity and fairness are objectives in the allocation process, then a principled*

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<sup>2</sup> Kaufman, Barry, Gerry Geen and Sevally Sen, *Fish Futures- Individual Transferable Quotas in Fisheries*, Fisheries Economics, Research and Management Ltd. 1999

<sup>3</sup>“Entitlement values for the same fishery may vary because of differing restrictions (eg. area, vessel or gear limitations) placed on entitlements. Expectations that catch history will play a role in quota allocations can also affect the value of individual entitlements.”

*and transparent approach to allocation based on explicit consideration of the value of pre-ITQ entitlements should be followed.”*

The authors then referred to Fisheries Management Paper 8 (Australian Fish Management Authority 1997) where it referred to “differential economic impacts should be minimised where there is a re-allocation of fishing concessions in a changed management regime”. The authors continued:

*...fisheries managers should fully expect that various interest groups will appeal to these management objectives in order to increase their share of the TAC. However, the objectives of fairness and equity would certainly appear to be relevant considerations when determining quota allocations. In keeping with fairness and equity, it would be prudent for fisheries managers to examine the wealth redistribution consequences of alternative allocation formulae.*

It is WAFIC’s view that the CAP, having adopted the objective of minimising the potential for management that results in a redistribution of wealth amongst operators, is under an obligation, in a principled and transparent manner, to explicitly consider the matter and put a view as to how it will deal with this issue. Clearly from the commentary above, depending on the circumstances of a fishery, using catch history as a measure of wealth in a fishery (which seems to be the implication of the CAPs commentary) may or may not be substantiated by a proper analysis of the matter. This is an important consideration and deserves to be thoroughly examined.

#### Economic Efficiency

The CAP commentary in this section of the report also makes reference to ... *“reducing the level of fishing to the lowest common denominator as suggested by some Courts fails to recognise the need to optimise economic efficiency in the fishing industry and would likely impact on both the supply and price of seafood”*. This seems to imply that a relevant matter of the CAPs consideration is for the CAP to evaluate the economic efficiency of each operator (with the objective of allocating more access or quota to the most efficient operators).

There are two responses to this proposition. First, as noted by Montgomery (1972)<sup>4</sup> the initial distribution of quota only affects the initial allocation of wealth, and it does not affect the level of efficiency after allowing for quota trading.

Second, on a practical level the difficulties associated with trying to calculate the economic efficiency of each operator are enormous. It is unlikely that a centralised allocation of scarce fish resources amongst individual operators on the basis of bureaucratic determination of individual economic efficiency would be successful.

It is WAFIC’s view that economic efficiency as a basis for allocating access to individual operators in the wetline fishery may not be a relevant consideration.

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<sup>4</sup> Montgomery, W. 1972. *Markets in licenses and efficient pollution control programs*, Journal of Economic Theory, vol. 5 pp.395-418.

## **Awareness of benchmark date**

WAFIC notes that on the basis of a variety of warnings and advice given to industry, (including letters to all FBL holders, a media statement, a PROWEST article (Jan/Feb 2002 issue), advice by Fisheries staff to persons enquiring about purchasing FBLs and post July 2002 the practise of the agency to provide written advice to all persons seeking to purchase (transfer) an FBL), “...*the CAP considers that the impending management of wetline fishing was well publicised and therefore if people invested after the benchmark date they did so at their own commercial risk*”.

It is also worth noting that the Minister for Fisheries reiterated his support for the 3 November 1997 benchmark date in his speech to the WAFIC Annual General Meeting on 18 September 2001. These remarks were reported in the September/October 2001 edition of *PROWEST*.

WAFIC notes that the CAP gives what appear to be conflicting positions as to the relevance of the benchmark date. It would appear that, due to the length of time between the announcement of the benchmark date in 1997 and the establishment of the review, that the CAP takes the position that FBLs should not necessarily be excluded from consideration for access on the sole basis of not meeting the benchmark date for wetlining activity. The CAP then adopts the position:

*“However, given the previous Government’s statements regarding the benchmark date and the widespread understanding among industry, the CAP’s view is that some weighting must be given to FBLs that have a long history of involvement/dependence on wetlining. The CAP therefore felt that the benchmark date should play the key role in deciding access and allocation criteria, particularly where the resource is being overfished and commercial effort must be reduced”.*

WAFIC does not dispute the relevance of these matters in considering allocating access to the fishery. Clearly the benchmark date is an important matter as is the history/dependence on wetlining. Further explanation would assist in making clear the processes through which the CAP has come to its recommendations on the relative treatment of the benchmark date and catch history/economic dependence. This is important as the CAP’s recommendations if implemented set a new precedent in relation to Ministerial warnings. That is, on this occasion the intent of the Ministerial warning is not a relevant consideration.

## **Impact of management on the “value” of FBLs**

WAFIC suggests that the key question is: are FBLs an asset in the sense of providing a potential for access to wetlining as distinct from their necessity for commercial fishing where a boat is required? WAFIC notes that the number of FBLs are limited, they can be traded in the market, they can be willed, they can be seized for insolvency and they are capable of having security interests noted on the public registry. These bundles of attributes suggest that they do have asset or property characteristics. Based on the premium of \$10,000 to \$20,000 (as quoted by the CAP) for FBLs with pre November 97 history implies that at the time the market estimated that the incremental asset nature for the purpose of their potential to wetline is \$10,000-\$20,000. The remaining market price (of which WAFIC does not have a reliable

estimate and is not relevant) is embodied in the need for FBLs to commercially fish from boats.

Given the above, the Ministerial warning combined with the stated objective of the CAP to minimise wealth redistribution, there would be a priority case to allocate a share to the new wetline fishery to all FBLs with a substantive pre November 97 history, ideally with an estimated value of \$10,000 to \$20,000. The balance (if any) of allocation would then be available for some other form of distribution for example proportional to catch history. WAFIC would like the CAP to examine this case and come to a view.

## **OPTIONS**

WAFIC notes that the CAP after considering the above key matters for access and allocation then went on to examine options for access and allocation. These options are:

### **1. Options based around premise that all operators have an equal entitlement to wetline.**

WAFIC notes that this option would be difficult to justify on the basis of fairness and equity for the following reasons:

- it ignores the government warning on further investment in the fishery and penalises those operators who acted in accordance with government advice;
- it ignores catch history as a measure of activity in the fishery; and
- it gives recognition to the argument that the asset nature of FBLs is the sole determining factor in the allocation of shares in the new fishery. That is, it gives total weight to the objective of minimising wealth redistribution in the new access arrangements to the exclusion of other relevant considerations.

### **2. Options based on a level of involvement in, or dependency on, wetlining**

As noted above involvement in and dependence upon are somewhat different tests, WAFIC nonetheless WAFIC sees merit in the following CAP statements:

- *The CAP considers that catch history can provide an indication of the level of involvement and dependency that an operator may have on wetline fishing in different regions;*
- *The CAP believes that since the take of mackerel was previously a wetline activity, recognition of historic catches of mackerel should be considered as being eligible to contribute toward wetline catch history in instances where these catches fell below the criteria established for access to the mackerel fishery. WAFIC notes that the converse would not apply; and*

- *The CAP considers that four years provides a reasonable period of time with which to assess an operator's level of involvement in the fishery.*

However, on the basis of a fairness and equity test WAFIC has difficulty in supporting the following CAP conclusions:

- *In terms of determining an operator's dependence on wetlining, the CAP considers that operators should be able to demonstrate they consistently caught a minimum quantity of scalefish in a particular region or zone. In terms of this quantity being able to demonstrate a reasonable level of dependence, the CAP regards an annual minimum catch of 1000kg of scalefish is appropriate.*

Applying a minimum threshold test with those above the threshold judged to be dependent on the fishery and those below not dependent is not a proposition that can be substantiated unless technical analysis is undertaken. Such an analysis would be a daunting prospect as each candidate operator below the proposed threshold would need to be investigated to determine the level of dependence that his or her wetline operation plays in the viability of his or her commercial fishing operation. A marginal catch may be of greater value to a diversified operator than that of a specialised operator. WAFIC therefore suggests that there is a failure of logic in applying a minimum threshold test based on the reasons given by the CAP.

If the test in terms of allocating access to the fishery is recognising dependence on the fishery why not allocate based on this proposition using catch history or activity as a proxy for dependence without further refinement? That is for those operators with higher catches their level of allocation in the new fishery could be percentage shares based on their average catches over 4 years. Similarly this same formula would apply to operators with lower catches. Under this proposition the level of dependence on wetlining would be manifested by a percentage share of the fishery based on average catch levels or activity.

- *The CAP also considered it important that this catch is taken consistently over a number of years in order to demonstrate a dependency on wetlining*

Such a conclusion relies on an acceptance of the proposition that consistent catches reflect dependence on the fishery and that inconsistent catches reflect little dependence. Again, for the same reasons outlined above, WAFIC suggests that such a proposition is not supportable without further technical analysis. Operators will have fished wetline stocks over a number of years with varying levels of activity for a variety of reasons. Requiring consistent catches as a test for access to the new fishery ignores what may well be valid reasons for inconsistency of catches, for example where an operator sees

access to a wetline activity as part of an overall package of rights. Instead of applying this test if average catch over a qualifying period was applied this would avoid the need for making judgements (based on credible technical analysis) about the validity or otherwise of catch consistency or inconsistency.

An additional but important argument in favour of this approach is that it would diminish the grounds under which individuals may appeal based on exceptional circumstances in the event that an exceptional circumstance<sup>5</sup> clause was included in the eligibility criteria for the fishery (One of these exceptional circumstances might be where an operator has fished both the West Coast and Gascoyne but his catch history and consistency of catch does not meet the proposed access and allocation criteria but does if these were considered collectively).

### **3. Options based in part on both the premise that all operators have an equal entitlement to wetline while also recognising each operator's level of involvement in, or dependency on, wetlining.**

The CAP has made a perfunctory attempt at examining this option but dismisses it based on the practical outcome of applying a formula of 50% allocation to all FBLs and 50% allocation for catch history (either pre benchmark or recent history or both).

WAFIC believes this option should be treated seriously and be properly examined in the context of the following considerations:

Wealth Redistribution If an objective in allocating access to the fishery is to minimise wealth redistribution a proper examination of the asset nature of FBLs is required and a determination made by the CAP. As noted above an argument can be mounted that FBLs with substantive pre November 1997 history could be allocated access to the value of \$10,000 to \$20,000.

Fishing History pre Benchmark Date The specific warning to industry in 1997 took two forms. These were:

- A letter dated 3 November 1997 from the Peter Rogers, Executive Director, Department of Fisheries, to all FBL holder announcing that the Minister has requested the Department undertake an assessment of fishing activity against the Western Australian Fishing Boat Licenses, that is, in the “wetline” fishery.

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<sup>5</sup> Recent Supreme Court decisions have substantially limited the discretionary powers of the Fisheries Tribunal (now the State Appeals Tribunal) to determine matters in accordance with “.....*equity and good conscience and the substantial merits of the case without regard to technicalities and legal forms and with as much speed as possible...*”. In short without a discretionary clause in a management plan for a managed fishery or interim managed fishery the Tribunal, in effect cannot hear the matter. For example, if the criteria for access to a fishery are absolute in regard to minimum tonnage caught the Tribunal (and the Executive Director) has no discretion to make a decision at variance from those criteria. WAFIC urges the CAP to consider this matter and determine if there is a need for such a clause.

The letter went on to issue this warning: *A benchmark date of Monday 3 November 1997 has been set by the Minister in relation to the recognition of history within the fishery. Should changes in management result in a change in access arrangements, fishing history after 3 November 1997 may not be taken into account.*

- A press release dated 3 November 1997 issued by the Department of Fisheries which stated:

*The Fisheries Department has announced a study of fishing activity undertaken with Western Australia's fishing boat licence (FBL).*

*Fisheries Department Executive Director Peter Rogers said there had been community concern that what was commonly known as the "wetline" fishery, had unrestricted access to a wide range of species.*

*Mr Rogers said that sustainability of species, such as dhufish, had been a concern.*

*The "benchmark" date of 3 November, 1997 had been set- no "wetline" fishing history after this date would be considered in the development of any new management arrangements for the fishery.*

*Fishermen with an FBL have been individually informed by mail today of the benchmark date.*

.....

Post 3 November 1997 LFB owners were under notice from the Western Australian Government that fishing history after this date would not (or may not) be taken into account in any new management arrangements for the fishery. Advice to WAFIC indicates that a number of purchasers of FBLs took notice of this advice and ensured that FBLs purchased had reasonable fishing history prior to 3 November 1997. Additionally this advice may have influenced the fishing patterns of LFB operators post this date.

Clearly the Government warning on further investment or fishing history after this benchmark date is a highly significant factor in considering the fairness and equity of allocations in the new fishery. It is, in WAFIC's opinion, a dominant factor. There are sound public policy reasons why announcements of this nature should be given significant weight. Allocations in the new fishery should have a basis in the fishing history of FBLs pre 3 November 1997 unless operators can point to some specific action of the Department or Minister that has lead them to have a reasonable view that this date is no longer relevant (see comments below).

Fishing History post Benchmark Date If the Government warning that fishing history post the bench mark date would not (may not) be taken into account in any new management arrangements for the fishery were strictly applied then

the allocation of shares in the new fishery would not have as a basis any consideration of fishing history post the benchmark date.

The question therefore needs to be asked is this a reasonable proposition particularly noting the passage of time between the Government issuing the investment warning and the establishment of the panels to determine new management arrangements (6 years)?

There are two opposing arguments to recognising post 97 history.

First that it is not in the public interest to recognise fishing history after the warnings contained in the press release and letter to all FBLs. A failure to respect those warnings may result in rewarding those operators who fished harder post the benchmark at the expense of those who did not. As noted by the CAP: *As soon as there is the slightest hint that management may be introduced into a fishery, a common response is for any fisher who may have an interest in gaining access to this fishery, to start fishing in it so as to accumulate fishing history. This can have drastic affects:*

- *The resources are fished at a higher rate than would normally have occurred at that time. This may threaten the sustainability of the resources.*
- *Fishermen whose livelihoods are dependent on those resources have their livelihood threatened by overfishing of the resources they would target. In addition, the supply of extra fish to the markets may result in lower returns for fishers*
- *There are now more fishermen with history and the longer the process drags on, the higher their expectation of access.*

For those operators who may be “disadvantaged” by a failure to recognise post the benchmark fishing history the response can be made that these operators have, in effect, benefited (through additional earnings) by the extra time taken to finalise management arrangements which would not have been the case if the arrangements had been finalised at an earlier date.

The second argument, which it would appear that the CAP believes, is that given the march of time it appears unreasonable not to give some recognition to fishing history post 3 November 1997 as operators have had to get on with their commercial lives. That is, if Government had acted earlier or reasonably promptly (within 1-3 years) in regard to allocating rights in the new fishery the argument for considering fishing history post the bench mark date would have little substance. But government did not act reasonably promptly and therefore the greater the passage of time the weaker the argument becomes for excluding fishing history post 3 November 1997.

WAFIC believes that although the conclusion of the CAP may appear a reasonable assessment of the history of this fishery, there are inconsistencies in the CAP’s reasoning that are of concern, especially as to whether it has properly considered all options. For example it would be possible to mount a case for an option of allocating shares to the new fishery based on assigning percentage weighting to:

- the objective to minimise wealth redistribution;
- the objective of ensuring that operators who adhered to the Government investment warning are not penalised; and
- the validity of fishing history post the benchmark date.

WAFIC is not advocating any particular weighting formula. WAFIC simply puts the view that based on the reasoning in the CAP's report that the CAP should explicitly fully consider these matters and that this fuller consideration needs to be conducted and reported before the allocation process proceeds further.

### **PROPOSED CRITERIA FOR ACCESS & ALLOCATION**

Based on consideration of a range of matters referred to above the CAP reaches the following basis for access and allocation to the fishery:

- The CAP concludes that the principle of historic use and continued dependence should be the strongest factor in allocating rights to the fishery. That is, in a practical sense, those operators with fishing history prior to the benchmark date and who have continued to fish post the benchmark date should have the strongest claim. It is noted that the CAP applies additional tests in the form of minimum threshold catch levels pre and post the benchmark date in order for operators to qualify for the new fishery.

WAFIC considers that whereas catch history is a well accepted basis for decision making the "dependence" principle adopted by the CAP has not been justified based on a reasonable and consistent application of fairness and equity considerations. The reasons for this view are discussed elsewhere in this paper.

- The CAP then separates the matters of criteria and access and proposes that the use of fishing history pre the benchmark date is limited to a test for access to the fishery but not a test for allocation of shares in the fishery. The test for allocation of shares in the fishery is fishing history post the bench mark date.

WAFIC has difficulty understanding the underlying principle(s) in these proposals based on the application of fairness and equity considerations. This approach seems to misrepresent the Government warning that fishing history post 3 November 1997 would not (may not) be taken into account in any new management arrangements and it may penalise FBL owners that acted in good faith and in accordance with the warning.

In addition WAFIC is unaware of any precedent in this type of approach. The CAP examined the Cockburn Sound Managed Fisheries, the Northern Demersal Scalefish Fishery and the Mackerel Interim Managed Fishery in order to determine a fair and reasonable period of time in order to assess an operator's level of involvement in the fishery. In all these fisheries fishing history pre a bench mark date formed the basis for both criteria for access and level of allocation of shares in the fishery.

- The CAP proposes that operators with a recent involvement in wetlining should be allocated catch if there is surplus available. In this case the principle that the CAP would apply is that recent activity in the fishery should outweigh all other considerations in the event that surplus catch is available.

WAFIC finds this proposition difficult to support for the following reasons:

- The allocation of shares in the fishery should rely on applying a set of equity and fairness considerations appropriately weighed given the particular circumstances of the fishery. In this case these considerations include: determining if FBLs have an asset basis, fishing history pre the benchmark date and determining if fishing history post the benchmark date should be taken into account. Each of these considerations could be assigned an appropriate percentage weight and these weights applied consistently to all FBLs to determine shares in the fishery. The proposal above seems based on what could be termed a smorgasbord approach where allocations in the fishery are based on plucking one equity and fairness consideration to the exclusion of others and applying this in order to justify a pre determined position.
- Allocating access to the fishery based on tonnage rather than percentage share<sup>6</sup> is almost without precedence. The only circumstance where such an approach makes sense is to justify an allocation to a particular group that would be difficult to achieve if a percentage share approach was adopted. That is the application of weighted percentage shares based on equity and fairness considerations would not deliver the desired result.

## **GASCOYNE FISHERIES**

WAFIC recognises that the circumstances and history of the Gascoyne fisheries (Shark Bay Snapper and the fishery operating out of Coral Bay) are sufficiently different to that of the West Coast that a set of recommendations that may be appropriate to the West Coast may not be appropriate to these other areas. Accordingly WAFIC urges the CAP to give specific consideration to these areas in formulating its view. This may require the application of differently weighted fairness and equity considerations.

## **CONCLUSION**

Based on the above analysis it is WAFIC's view that the CAP needs to thoroughly reconsider its recommendations to the Minister on a "fair and equitable method of determining who will have access to the State's wetline fisheries". An important component of its reconsideration is for the CAP to clearly identify and apply consistently equity and fairness principles in determining its recommendations. It is WAFIC's further view that the CAP in its discussion paper has not, to date, provided sufficient justification in support of its proposed recommendations.

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<sup>6</sup> One of the practical effects of allocating shares of the fishery by percentage rather than tonnage is that the total catch is allocated and there is no surplus available

