

RE: Lending for Quota

Dear Fisheries Managers,

With the introduction of Quotas forthcoming in the commercial fisheries, I wanted to share with you some information that we received last week regarding finance, which I feel may be relevant to other commercial fishers with regard to the expected impacts of this reform and their ability to restructure their businesses. In the interests of transparency and to let other fishers know, I have cc'd the QSIA, the Fishermen's Portal, The Gulf of Carpentaria Commercial Fishers Association and the Moreton Bay Seafood Industry Association into this email, as well as the SDNRAIC Parliamentary Committee and Christine Tozer from the Queensland Productivity Commission who may wish to have a greater understanding of the impacts of these reforms.

As you know, my family work in the Hinchinbrook region in northern Queensland, working mainly in the mud crab and line fisheries. Our indicative Quota allocations for our two crab licences are around half what we require to continue to operate our business in a manner that allows us to maintain our economic position. We contacted our finance broker recently to discuss our future options for lending to purchase additional quota, however it was indicated to us that this may not be an option due the fact that lending institutions are not interested in lending for fishing quota, likening it to the Taxi Industry. Our broker was kind enough to put this in writing at our request (which I have attached) with the understanding that we would be sharing this with government and other fishers. Obviously, other fishers should make their own inquiries regarding finance and not just rely on this information alone, however it appears that even the banks have lost faith in the government's ability to manage the Queensland commercial fishing industry.

I would imagine that the primary concerns that lenders would have with Quota would be:

1. The changing values of Quota, which will fluctuate with the harvest strategy triggers;
2. The devaluing of the primary licences and symbols;
3. The ongoing government interference (increasing fees, more red tape) that makes it harder and harder for fishers to be successful;
4. The public perception that our fisheries are unsustainable, reiterated by the fact that green groups have a front row seat on our working groups and the implication that commercial fishers apparently "need" to have cameras and vessel tracking to keep them honest. This gives the impression that there's nothing left to catch which couldn't be further from the truth; and
5. Fishers' uncertainty about their futures.

Fisheries Managers: I urge you to convince the Minister, the Cabinet, the Premier, that the Sustainable Fisheries Strategy requires more time and investment to explore the impacts of reform, to re-look at the Quota models (and other management options), to identify ways to avoid or offset impacts, and to provide a means of allowing fishers to Exit with Dignity (which has now been raised in several working groups by commercial fishers), and to provide a detailed Regulatory Impact Statement for the upcoming changes with a complete list of the negative and positive impacts of this reform.

I'm aware that fishers can apply for low-interest finance through QRIDA, (Queensland Rural and Industry Development Association; formerly the QRAA). Whilst QRIDA does provide a low interest rate, they are still a lending institution and require additional security for their low interest loans. We tried to borrow \$150,000 a few years ago, but QRIDA wanted to secure the loan to the licences we already owned, three fishing vessels, and also *three* houses owned by the business partners. I understand there is a level of risk for lenders, but a \$150,000 loan shouldn't need to be secured with a million dollars' worth of assets. That level of collateral is just not going to be acceptable to many commercial operators. In addition, QRIDA also wants financial projections- impossible when we have no idea how the incoming changes will affect us, given we don't know what Quota will be worth, or how much will be available to lease. The chances of fishers being able to invest in a fishing future are low- and the chances of attracting new entrants to the industry is also low, if no-one is able to obtain finance to begin, build, grow or expand a business.

At a meeting in Cardwell early on in these reforms, with Claire Andersen, Sian Breen and Mal Keat, we were told that the Sustainable Fisheries Strategy reform was a reform that HAD to happen, because operators were complaining that their businesses were not viable. We were told the SFS was supposed to make fishing more viable, more profitable, more efficient and overall, more successful. It is clear now that such an outcome for our commercial fisheries is not possible with the management options that are being presented. Far from being profitable, many businesses- some which have existed for decades- will no longer be able to stay in business. This NOT what fishers wanted or asked for.

I urge you again, Fisheries Managers, to convince the Minister, the Cabinet, and the Premier, that the Sustainable Fisheries Strategy requires more time and investment to explore the impacts of reform, to re-look at the Quota models (and other management options), to identify ways to avoid or offset impacts, and to provide a means of allowing fishers to Exit with Dignity, and to provide a detailed Regulatory Impact Statement for the upcoming changes with a complete list of the negative and positive impacts of this reform.

Sincerely, Michelle Jensen

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