

Fishing for profits

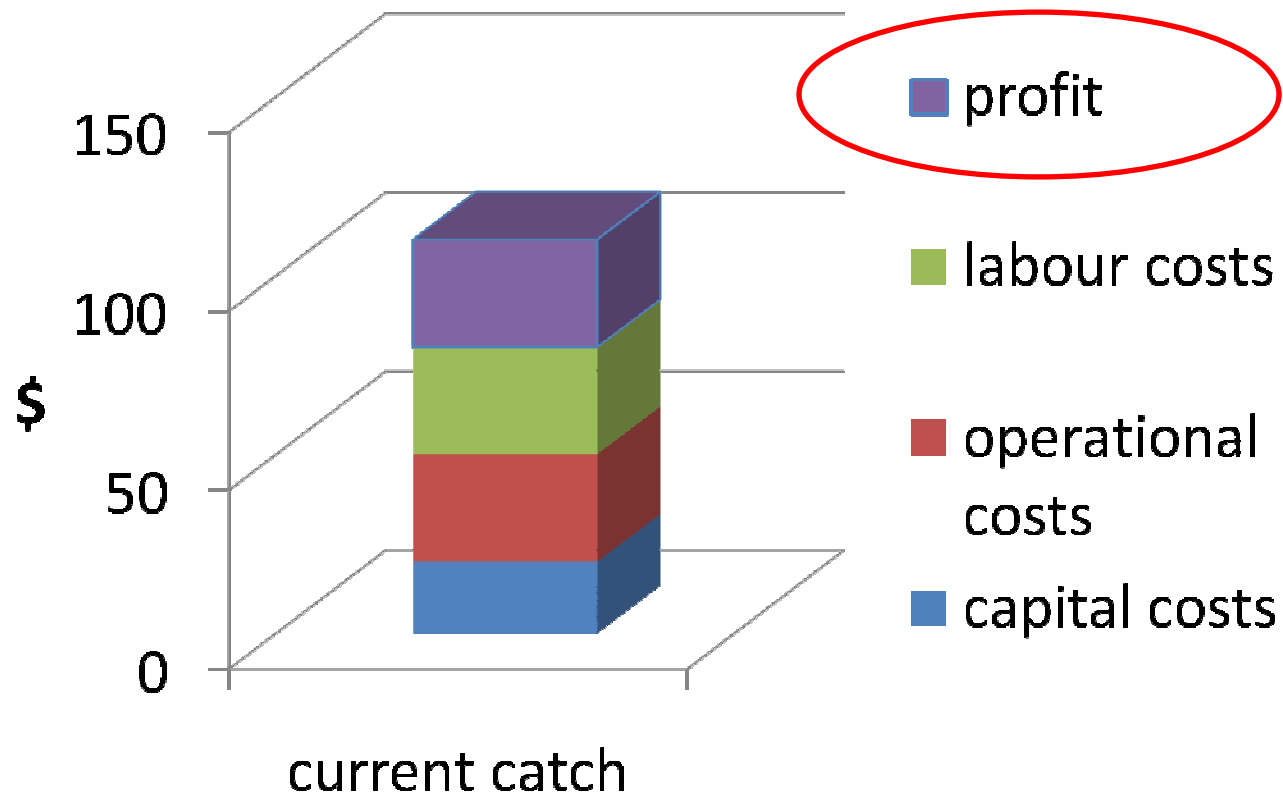
Caleb Gardner



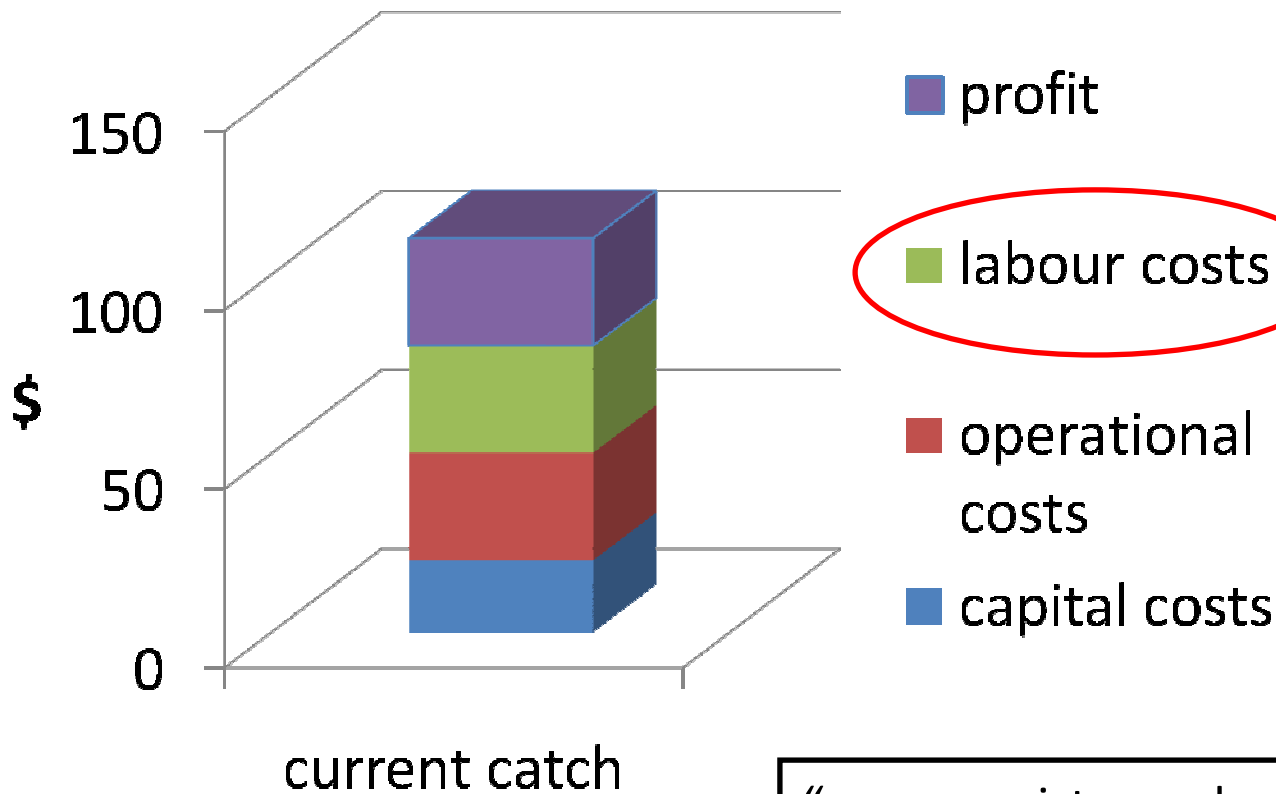
Tasmanian Aquaculture
& Fisheries Institute
University of Tasmania



Why fish? For the individual it's all about profit



Why fish? For the community it's more complex.....(eg GDP)



Not as simple
as more fish
= more jobs
= better for
communities

“...economist mumbo-jumbo” D. Sykes, 2009.

Why fish? For the community it's more complex....

Fewer, more profitable fishers is better than many unprofitable

... shrinking fleet in Tasmania (344-203 vessels in 12 years)

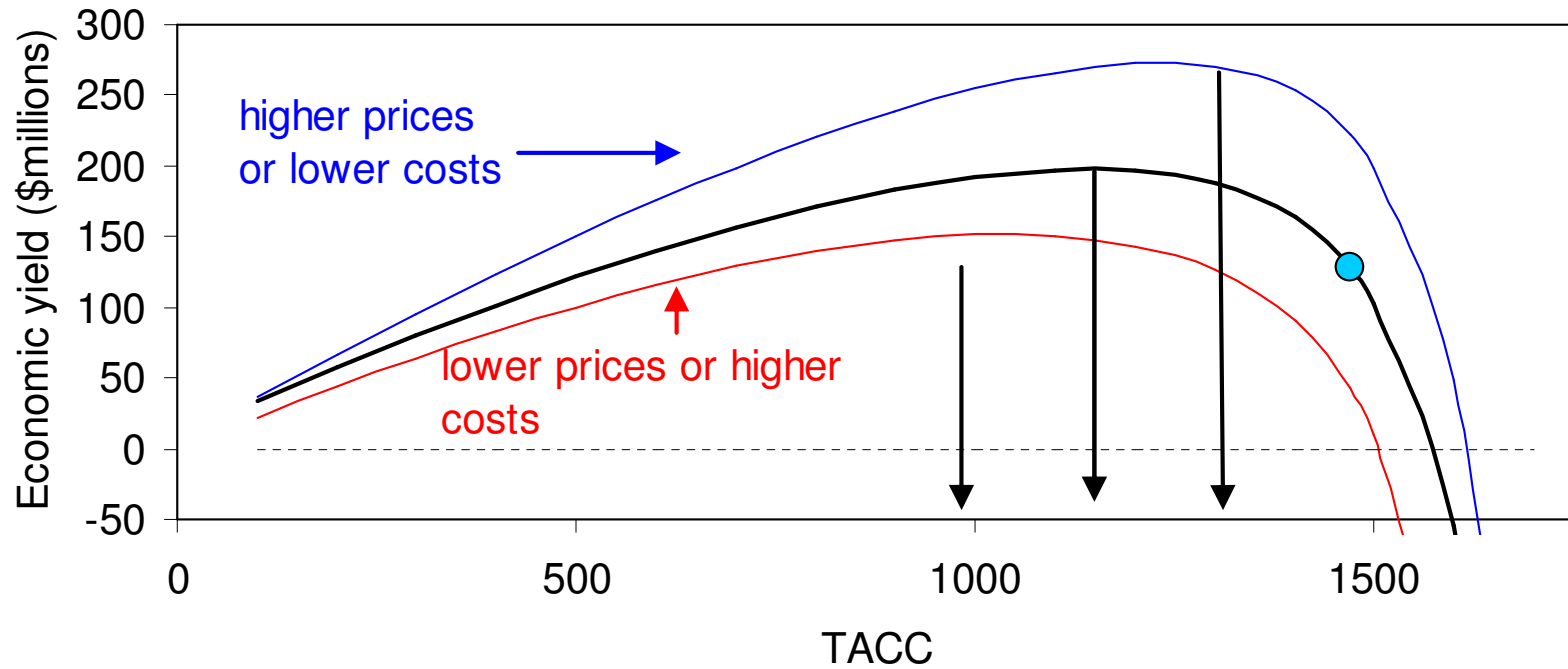
The point here?...both the state and industry are well served to target maximum economic yield

RLIAC needs Goldilocks

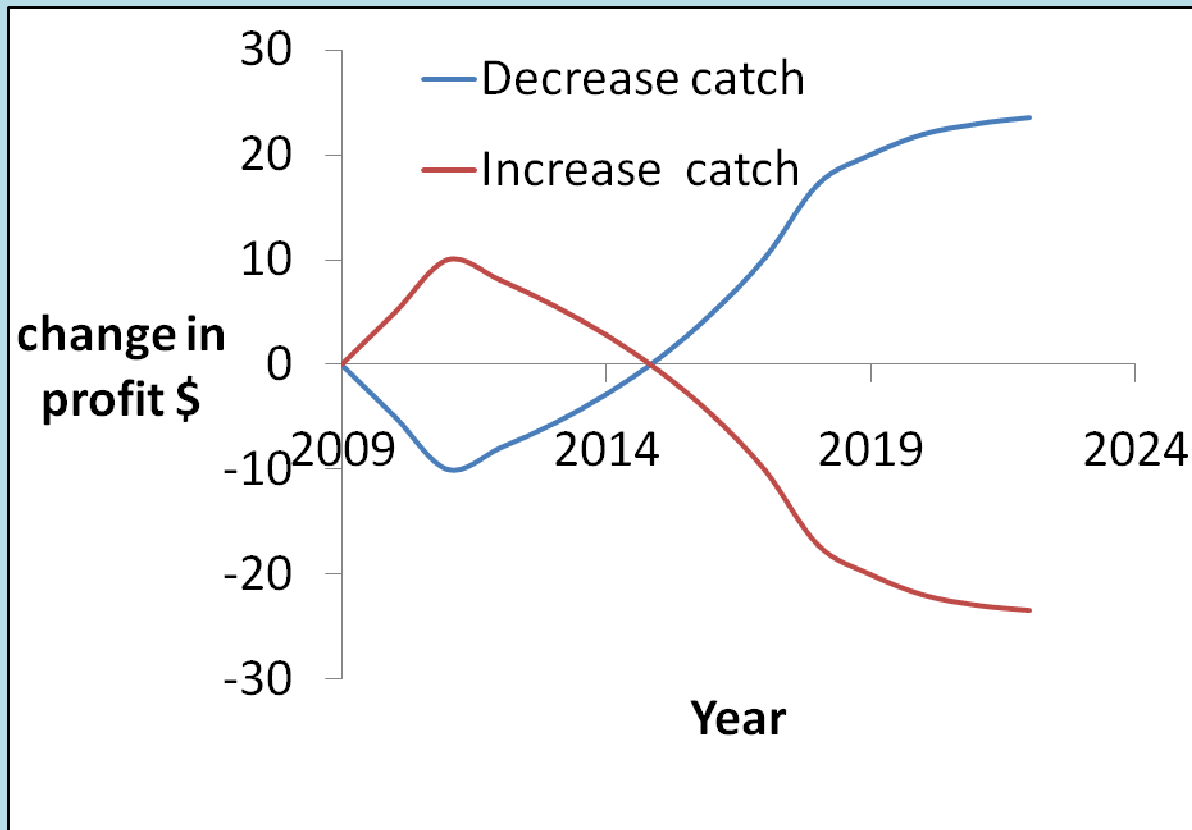
How much catch to take? Not too much, not too little.

SRL Zone	2008 CPUE (Kg/potlift)	2008 profit / kg (lease price)
SA – (southern)	1.1	19
Victoria (western)	0.4	5
TAS (north west)	1.1	18

RLIAC needs Goldilocks

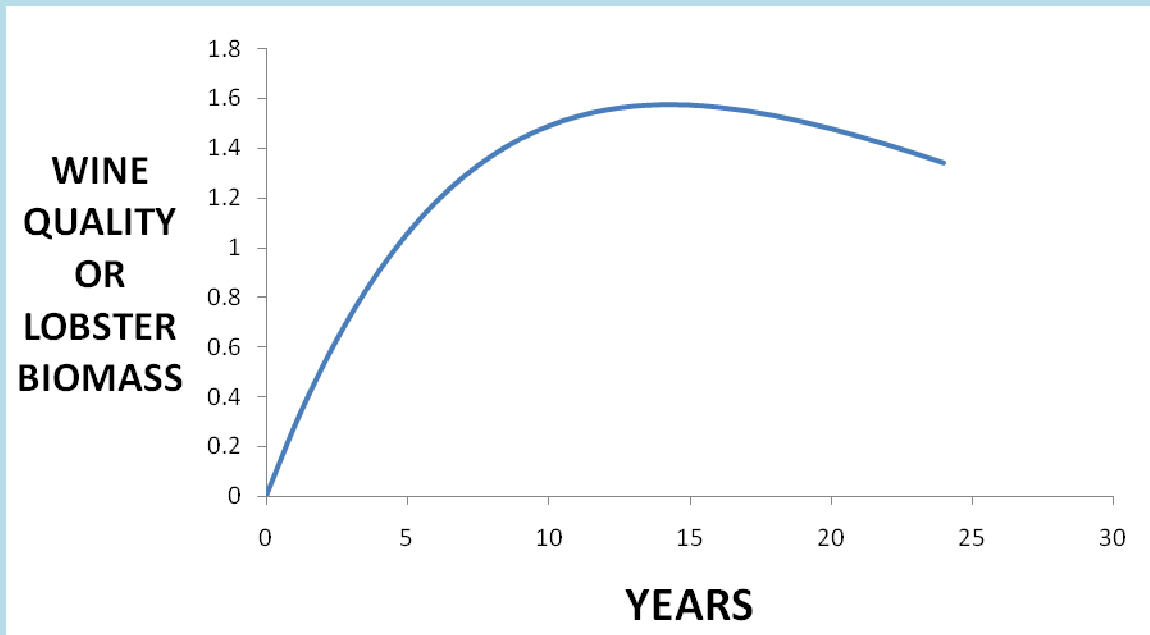


RLIAC needs Goldilocks



An aside....
The future
cash flows
of the
industry
complicate
“MEY”

Lock the teenagers out of the wine cellar



Wine and lobsters grow in value if left a few years – there's an optimal point

this is 1st reason why profits can rise with lower catch

Best managed with harvest rate, not size limits

Symptoms of teenagers in the wine cellar

- Reliance on recruits / minimum size limits
- Volatile catches (revenue) from year to year
- Recreational catch increases as commercial catch is constrained

Moose don't need big antlers

Taking more fish is
good for the individual,
but collectively raises
costs

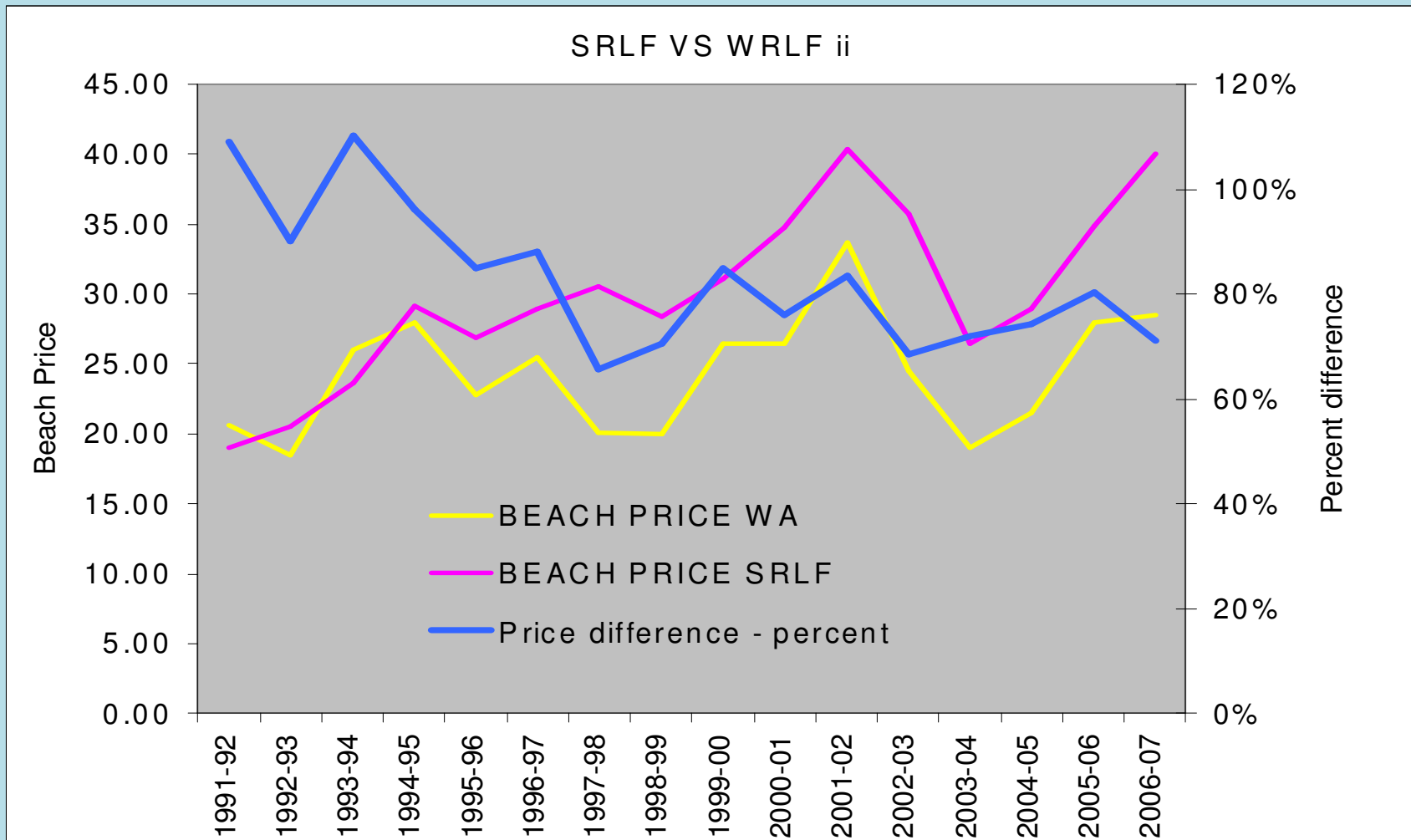
2nd reason why profits can rise with lower
catch

Causes & symptoms of moose-like arms races

- management systems that reward inter-fisher competition but harms the collective
- increasing effective effort year after year
 - focus on volume not value
- Rush to fish at season opening
 - fixed costs rise, profits fall
 - Low diversity

- high fixed costs (large investment in equipment that's used for short periods)

Supermodels drive better cars than potato diggers



Symptoms of goldmine mansions in WRL

- Zones prevent efficient shift of catch (but could have other benefits)
- Few fishers stop fishing when catch rates fall late in the season

Revenue > costs ... mining occurs
Revenue < costs...mining stops
...and moves to a different site

Opportunity for 1st class pricing in WRL

- Reward for quality / penalty for peaks
 - Shorter (no?) closed season
- Greater control on timing of supply by business owners, not government
 - Harvest models incorporate price differences

THANK YOU!

1. RLIAC needs Goldilocks
2. Lock the teenagers out of the wine cellar
3. Moose don't need big antlers, but they've got them
4. Supermodels drive better cars than potato diggers
5. Gold miners don't build mansions on site
6. Airlines have 14 price categories on international flights