

### PAPER No. 2: Rights Based Management

#### Executive Summary

The NTSC believes that only rights based management principles will ensure the NT's fisheries resources are managed sustainably and that maximum benefits are achieved for the NT community. Effective fisheries management is dependent on explicit sectoral allocations and the effective management of each sector.

#### NTSC Policy Position:

The NTSC position is that rights based management be implemented in all NT Fisheries, and more specifically should ensure:

- Commercial access rights are clearly defined and recognised in fisheries legislation
- Long term tenure to allow fishing enterprises to ensure continuing returns in a sustainable manner.
- That access rights are defined to reduce the need for competitive behaviour between fishing operations
- The administration of commercial fishing access rights allows for transferability
- Commercial access rights are unitised to allow for the most efficient use of commercial access entitlement
- Management arrangements provide operators the flexibility to efficiently utilise their access rights

## **Issues**

While the resources of the Northern Territory's (NT) fisheries are healthy, current legislation and management arrangements provide poor incentives for rational investment in the development of the industry. It is the government's role to establish management arrangements that ensure fisheries are exploited in a long term sustainable manner and provide the best return to the people in the industry and to the NT as a whole.

Without suitable management fisheries generally suffer from over-capitalisation and falling productivity. In turn this leads to incentives for short term gain risking the sustainability of the resource. It is the nature of the access rights held by commercial fishers that provides the incentives to ensure fisheries are sustainably managed and the maximum long term benefits are received by the community.

What manifests itself in fisheries as a biological problem of over-exploitation is attributable to an inefficient allocation of economic resources. This occurs because of the absence of exclusive individual rights. It is therefore appropriate for governments to intervene with measures which control the activities of stakeholders to prevent overexploitation and dissipation of potential resource rent. Ideally these controls should recognise the desire of individuals to maximise profits, and should harness this desire in such a way that efficiency is not impaired.

There are numerous stakeholders that impact fisheries resources. Without explicit allocation for each sector there remains a threat to the sustainability of the resource. There is no benefit in effectively managing one sector if the catch of another remains unchecked. Effective fisheries management is dependent on explicit sectoral allocations and the effective management of each sector.

## **Rationale**

With their access secured to the resource all stakeholders have the incentives to work co-operatively in ensuring the long term sustainability of the resource.

With appropriate access rights commercial fishers are encouraged to make rational investment decisions avoiding overcapitalisation and ensuring the maximum benefits in the utilisation of the resource.