



28 December 2005

GENERAL REASONS FOR THE DECISIONS ON THE ALLOCATION OF RIGHTS AND QUANTUM IN THE HORSE MACKEREL FISHERY

1. Introduction

After the allocation of medium-term rights in 2001/2002 and the finalisation of the appeals processes in 2002/2003 the Department of Environmental Affairs and Tourism: Branch Marine and Coastal Management (*"the Department"*) commenced with preparations for the allocation of long-term commercial fishing rights.

In January 2004, the Minister of Environmental Affairs and Tourism (*"the Minister"*) announced the commencement of the planning phase. The Minister called on the fishing industry and all other interested and affected parties to submit comment to the Department. A comment box was opened at the Department in which comments could be placed. In order to facilitate communication with the public and fishing communities, the Department developed a dedicated fisheries website (www.mcm-deat.gov.za); it established a customer services centre (0861 123 626) at its Cape Town head office and it further resourced each of the 29 fishery control offices along the coast.

In 2004, the Department also procured the services of project management specialists, specialist legal advisers, IT specialists, and a forensic auditing consortium to advise it on the long-term commercial fishing rights process. A Rights Allocation Unit was established in 2005 to co-ordinate and manage the long-term rights allocation process.

Earlier, during the latter half of 2003, rights were allocated to abalone divers for a period of ten years. In December 2004, another set of *"long-term"* commercial fishing rights were allocated in the large pelagic (tunas and swordfish) fishing industry. Long-term fishing rights for the remaining 20 commercial sectors were scheduled for the last quarter of 2005. The Horse Mackerel sector is one of these sectors.

This document is entitled the *"General Reasons for the Decisions on the Allocation of Rights and Quantum in the Horse Mackerel fishery"* and will be referred to as the *"GPR"*. The GPR sets out the criteria and weighting, the process and methodology and the policy reasons for the decisions on the allocation of rights and quantum in a fishery. Applicants are therefore advised to carefully study the GPR before

considering the assessment of their applications and the specific reasons for decisions taken. In order to fully understand the reasons for the decisions, the following documents must be read together (every applicant receives these documents by e-mail):

- The notification letter, informing the applicant of the delegated authority's decision, together with the reason for that decision;
- The GPR;
- Copies of the assessment sheets and score sheets used to record the assessment of each application in the fishery; and
- The decision-making lists of the delegated authority.

Applicants will also receive an appeal form, which must be submitted together with the appeal (if the applicant chooses to appeal against the decision on the allocation of a right or against the quantum allocated).

The specific reason contained in the notification letter to unsuccessful applicants, together with the GPR, the assessment forms and score sheets and the information that is available from the Department, constitute the reasons for the decisions on the allocations of rights and quantum.

2. Policy and Application Form Development for long term rights allocation

A detailed report entitled "*Public Participation in the Development of Policy and Application Forms for the Allocation of Long-term Commercial Fishing Rights*" will be made available on the Department's website (www.mcm-deat.gov.za).

A Committee was established to co-ordinate and manage the drafting of a general fisheries policy and sector specific fishing policies. Draft policies were finalised after the Minister held a series of Ministerial *Izimbizo* with coastal communities along the west, south east and east coasts between June and November 2004 and after all registered industrial bodies and interest groups were consulted on sector management issues. On 1 March 2005, the Minister issued for public comment 19 draft fishery specific policies and a draft general policy on the allocation and management of long-term fishing rights.

A key feature of the draft policies was to divide the different commercial fisheries into four clusters. The clusters were determined having regard to the level of formal organisation within the various fisheries, the capital required for participation and the make-up of the participants in a fishery. A different allocation process (method of consultation, registration, distribution, receipting, communication and evaluation) was proposed for each cluster. The Horse Mackerel fishery was included in "*Cluster A*", along with other highly structured, capital intensive fisheries such as Hake Deep Sea Trawl and Small Pelagics.

The draft policies were published in isiXhosa, Afrikaans, isiZulu and English in the Government Gazette and on the Department's website and copies were distributed along the coastline. For purposes of public consultation, the notice and comment process set out in the Promotion of Administrative Justice Act 3 of 2000 and its regulations were adopted. During March 2005, the Department consulted with fishing communities along the coast. A total of 53 villages, towns and cities were visited and more than 6000 fishers were consulted. In April 2005, further consultations with communities took place in 16 venues along the coast about the draft traditional line fish policy. At each consultation, every comment was recorded and documented by the Rights Verification Unit ("RVU"), an independent team of auditors. At the end of the consultation process, more than 9000 fishers between Port Nolloth and Durban had been heard orally. Apart from the thousands of oral comments which were recorded, the Department also received more than 900 written comments on the policies. Significant changes were made to the policies after the comments were considered.

In May 2005, Cabinet approved the 19 "*sector specific policies*" and the "*General policy*". In July 2005, Cabinet also approved the traditional line fish sector policy.

Stakeholders and affected parties were also given the opportunity to comment on the application forms before they were adopted. An abbreviated notice and comment process was followed in Cluster A. Draft application forms for each fishery were published on the website and comments were invited. Numerous changes were made to the application forms after the comments were considered.

3. Appointing the Delegated Authority

In July 2005, and acting in terms of section 79 of the Marine Living Resources Act 18 of 1998 ("the MLRA"), the Minister appointed Dr Monde Mayekiso, the Deputy-Director General ("*DDG*") of the Department, as the delegated authority responsible for the allocation of long term fishing rights in the Horse Mackerel fishery.

4. Registration, Distribution and Receipting of Applications

A detailed report entitled "*Registration, Distribution and Receipting in the Long-Term Rights Allocation Process*" will be made available on the Department's website (www.mcm-deat.gov.za).

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The final deadline for registration for Cluster A sectors was set at 17h00 on Friday 8 July 2005 and for lodgement on Monday, 1 August 2005 (between 08h00 and 19h00) or on Tuesday, 2 August 2005 (between 08h00 and 17h00) at the Good Hope Centre in Cape Town. A total of 486 applicants registered for Cluster A long-term commercial fishing rights. Of these, 442 lodged their applications timeously.

The RVU received a total of 25 applications for long term commercial fishing rights in the Horse Mackerel fishery on behalf of the Department on 1 and 2 August 2005. The doors of the Good Hope Centre venue were closed at 17h00 on 2 August 2005. After closing day, a number of entities made representations on a number perceived deficiencies in their applications. A number of entities arrived at the venue after the doors were closed and were therefore unable to submit their applications. A notice was then published on the Departmental website, inviting applications for exemptions from the requirement to lodge applications within the prescribed time period, in terms of section 81 of the MLRA to be submitted to the DDG, by no later than 17h00 on Wednesday 17 August 2005. The notice was published in order to facilitate the administration of the exemption applications, to enable applicants to properly motivate the applications and to treat all applicants fairly and equally.

One application for an exemption was received in the Horse Mackerel sector. The DDG decided to refuse this application. This applicant then appealed against the DDG's decision to the Minister, in terms of section 80 of the MLRA. The Minister decided to allow the appeal, bringing the total number of application for long term commercial fishing rights in the Horse Mackerel sector to 26. Of these, 18 were from the medium term right holder applicants and 8 were from new entrant applicants.

5. An interactive Application Process

In the Cluster A, applicants were able to communicate with the delegated authority in the period between registration and closing day by e-mailing questions to a designated address. Queries and Responses were provided weekly by notices on the Department's website (www.mcm-deat.gov.za) and by e-mail to each registered applicant. A report entitled "*The Interactive Application Process for the Allocation of Long-Term Rights Allocation Process*" will be made available on the Department's website (www.mcm-deat.gov.za). All the Queries and Responses dealt with in Cluster A will be published as part of this report.

The delegated authority further communicated in Cluster A through website notices and updates and by way of "*FishRights*" – a fortnightly E-Newsletter that is placed on the Department's website every second Monday. This newsletter is also e-mailed to over 300 fishing companies, journalists and circulated through interest groups and industrial bodies recognised by the Minister in terms of section 8 of the MLRA.

6. Decision making process

The delegated authority was assisted by an Advisory Committee; legal advisors; the RVU and auditors; IT specialists; communication consultants; and administrative and project management specialists.

A report entitled “*The Decision-making Processes for the Allocation of Long-Term Rights*” will be made available on the Department’s website (www.mcm-deat.gov.za). In short, the process of allocating commercial fishing rights in the Horse Mackerel sector involved the following steps:

☞ Database Development: After the applications were receipted by the RVU, the delegated authority instructed the IT advisers to design a database to facilitate the analysis of applicant data across a range of fields, including, transformation, investment, job creation, compliance, and issues such as safety and catch utilisation. The purpose of the database was to assist with the development of detailed criteria and weighting and for identifying internal inconsistencies and deviations that required special verification and consideration.

☞ Criteria and weighting design: After the database for the fishery had been constructed, the delegated authority, with the assistance of the Rights Allocation Unit, designed detailed criteria and weighting. These criteria are listed below.

☞ Constitution of the Advisory Committees: The delegated authority constituted an advisory committee, which was chaired by a member of the Rights Allocation Unit. The advisory committee for the Horse Mackerel fishery consisted of –

- ☞ Mr Horst Kleinschmidt (Chair)
- ☞ Ms Castalia Dikotsi
- ☞ Mr Almo Lubowski
- ☞ Mr Cheslyn Liebenberg
- ☞ Mr Mbulelo Ruda

☞ On occasion, Adv Johan de Waal assisted the advisory committee. The role of the Advisory Committee in the Horse Mackerel fishery was to determine whether the applications were properly lodged, not materially defective and met the essential requirements of the fishery, to assess the information provided in each application, to comment, and to score the application in terms of the balancing criteria and weighting determined by the delegated authority.

☞ Instructing the Advisory Committees: Each advisory committee was briefed and instructed by the delegated authority, members of the Rights Allocation Unit and legal advisors on, *inter alia*, the following:

- The applicable statutory provisions and case law;
- The general policy and the sector specific policy adopted by the Minister and Cabinet for the Horse Mackerel fishery;

- The current biological, economic and transformation profiles of the fishery;
- The detailed criteria and weighting to be applied;
- The purpose of each question asked in the application form applicable to the Horse Mackerel fishery.

☞ Guiding the Advisory Committees: Over the duration of the verification and scoring process, the delegated authority met with the chair of the advisory committee and if necessary, instructed him on the manner in which to verify information or score a particular aspect of the application.

☞ Decision-making: After all applications were evaluated, the chairperson of the advisory committee presented the results to the delegated authority. The delegated authority then considered each assessment form and score sheet, having regard to the application. If there was any uncertainty regarding the score or the assessment, the delegated authority discussed the matter with the relevant members of the advisory committee and sometimes instructed these aspects to be carefully re-assessed or rescored. The delegated authority also considered whether the selected criteria and weighting achieved the objectives set for the allocation of rights in the general and sector specific policies and, if necessary, adjusted weighting or criteria in order to better achieve the objectives.

7. Sector Profile Prior to Long Term Rights Allocations

The horse mackerel resource is harvested mainly by targeted mid-water trawling but there are substantial targeted and incidental catches in the hake-directed bottom trawl fishery. In addition, juvenile horse mackerel is taken as a by-catch in the purse-seine fishery on the west coast. While generally low, the catch of juveniles by the purse-seine fishery has on occasion been substantial and is currently subject to a strict limit of 5 000 tons per annum.

Management of the horse mackerel resource in South African waters is hampered by a lack of data, particularly the lack of suitable time-series of abundance indices. The most reliable current abundance index is derived from the demersal trawl surveys using bottom trawl gear. However, as the Horse Mackerel resource is semi-pelagic, this index most likely underestimates the size of the resource. Consequently, the status and productivity of the resource is less well known relative to other South African resources such as hake, sardine and anchovy. The data on horse mackerel is inadequate because the primary research focus of monitoring surveys has been the assessment of established fisheries such as hake and sardine.

The majority of horse mackerel is transhipped and exported without landing or processing in South Africa. The fish are exported to West Africa, earning approximately R2.50 per kilogram. The value of the catch is worth approximately R55 million annually.

8. Horse Mackerel Medium term rights

In 2001, medium-term rights for targeted mid-water trawling were allocated to 17 successful applicants, of which five were new entrants. The new entrants were allocated 500 tons (currently 542 tons) each and the rest of the PMCL was divided among existing right-holders, on the basis of their previous allocations and scores achieved in a comparative balancing assessment.

The medium-term allocation records show that 41 percent of the successful applicants were black owned, 29 percent were black managed and 37 percent of the PMCL was allocated to black owned companies.

9. Applicants for Long Term Rights

As stated above, a total of 26 applications were received for long term commercial rights in the Horse Mackerel fishery. Of these 18 were from medium term right holders and 8 were new entrant applicants.

9.1 Profile of the Medium term right Applicants

The medium term right holder applicants submitted the following information in their application forms:

(a) Investment

Of the 18 MTRH applicants, the book value of total assets committed to the Horse Mackerel sector increased between 2002 and 2004 in nine instances, decreased marginally in four instances and remained at 0 in five instances. The insured value of the total assets committed to Horse Mackerel of 11 applicants increased and seven remained the same (six remained at 0).

Table 1: Investments in the Horse Mackerel Sector

Total assets (book value)	159,626,727.43
Land-based (book value)	3,332,986.68
Harbour and Sea-based (book value)	156,374,947.75
Total assets (insured value)	214,800,802.61
Land-based assets (insured value)	13,526,125.33
Sea-based assets (insured value)	201,574,177.28
The mean harbour and sea-based insured value (per ton) of all applicants	10,028.02
The mean Land-based assets insured value (per ton allocated) of all applicants	372.67

Ten applicants claimed that they invested in on-board or land-based processing and 8 did not make such a claim.

(b) Job creation

The applicants claimed to have paid R 1,040,525,455.00 in salaries and dividends over the last three years. For the last year alone, the amount was R 374,383,539.00.

In the Horse Mackerel Sector, four applicants claimed to have more employees in 2005 than in 2001, 3 lost jobs over the period and 11 remained the same. In total, the applicants claimed to have created 205 jobs over the period in the Horse Mackerel sector. Only 6 applicants claimed jobs per ton allocated. Of these, four claimed to have created 0.02 jobs per ton, one claimed 0.12 jobs per ton and one claimed 0.21 jobs per ton. The other 12 claimed no jobs per ton allocated. Seven applicants claimed no spend on salaries per ton allocated.

Table 2: Jobs in the Horse Mackerel Sector

Total jobs (including seasonal):	629.00
Land-based IRP 5 jobs:	132.00
Sea-based IRP 5 jobs:	168.00
Mean monthly Salary bill per ton allocated:	1,833.15

(c) Financial information

The mean annual turnover of the MTRH applicants was R 131,193,974.22 and on average the Horse Mackerel sector contributed 31.11% to the turnover of the applicants. The average rand value of turnover per ton allocated was R 3,020.35.

Profit after tax for all the applicants together (in all sectors) amounted to R 502,798,339.00. The MTRH applicants paid a total of R 288,765,283.00 in dividends in 2004. The combined asset value (for all sectors) of the applicants is R 5,931,140,008.00.

(d) Transformation

Out of the 18 applicants, 16 claimed that they fully achieved the goals set in the transformation plans submitted to the Department in 2001, whereas 2 claimed that they only partially met the goals.

Ownership

Black ownership of nine applicants increased, 4 decreased and 5 remained the same. The mean (or average) black ownership of the medium term rights holders in this sector in 2005 had increased to 45.28%. On average employees (other than top salary earners) own 25.30% of the applicants.

Table 3: Black Shareholding

Black Shareholding:	45.28%
Black Voting rights:	48.49%
Black Dividend entitlement:	47.94%

R198,994,114.32 was paid in dividends to black shareholders over the last three years (R 88,088,054.90 in the last year). Calculated on nett asset value, the black shareholding in the applicants is worth R 870,589,278.49.

Table 4: Female Shareholding

Female Shareholding:	23.91%
Female Voting Rights:	27.97%
Female Dividend Entitlement:	23.91%

Calculated on net asset value, the female shareholding in the applicants is worth R 313,133,325.52.

Employment Equity / Management

Table 5: Top Salary Earners

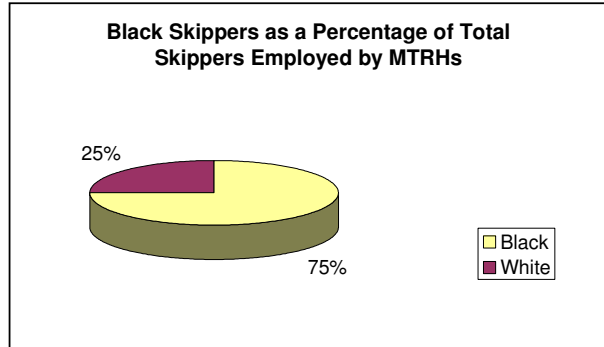
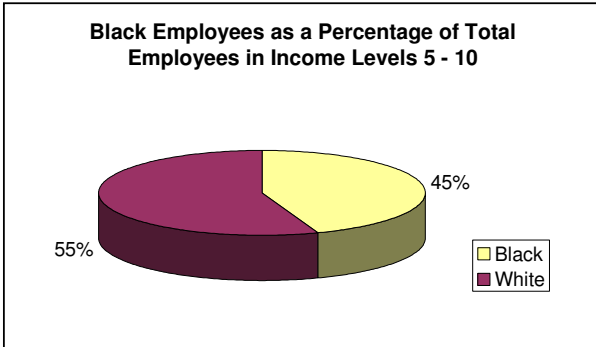
Ratio of Black to White Top Salary Earners	97 Black, 115 White: Ratio 0.843:1
Ratio of Male to Female Top Salary Earners	189 Men, 23 Women: Ratio 8.217:1

The average top 5 salary earner's salary was R 471,664.45, with R 1,503,027.00 at the top and R 71,613.40 at the bottom. The average of the five lowest salaries was R 35,981.96 per annum. The mean multiple between the top five salaries and the lowest five salaries was 22:17.

Table 6: Income levels (Percentage of workforce (Levels 1 to 10))

1	Less than R2 500 per month	38.02%
2	Between R2 500 and R 5 500	48.24%
3	Between R5 501 and R10 500	23.18%

4	Between R10 501 and R16 000	5.95%
5	Between R16 001 and R20 000	3.82%
6	Between R20 001 and R25 000	2.15%
7	Between R25 001 and R30 000	1.80%
8	Between R30 001 and R40 000	1.80%
9	Between R40 001 and R60 000	1.49%
10	More than R60 000	0.32%



Skills Development

Of the 18 MTRH applicants, 10 submitted approved workplace skills plans and 9 submitted approved annual training reports. The applicants paid R 7,736,939.06 to SARS in skills development levies (only 2 applicants do not contribute). The mean percentage of salary bill spent on training was 1.00 %. R 403,691.37 was spent on training black employees. On average 1.18% of employees received learnerships.

CSI

Of the 18 MTRH applicants, 7 made tax deductible donations and 14 made other forms of donations.

Affirmative Procurement

The top ten suppliers of the applicants were, on average, 29.09% black and the applicants procured, on average, 49.88% of total expenditure from their top ten suppliers.

9.2 Profile of the New Entrant Applicants (NE)

The new entrant applicants submitted the following information in their application forms:

(a) Investment

The book value of total assets amounted to R 84,049,228.00 and the insured value to R 261,979,160.00 (for all fishing sectors). Five out of the eight NE applicants claimed that they invested in on-board or land-based processing.

(b) Job creation

The NE applicants claimed to have 957 employees at 28 February 2005 in fishing sectors other than Horse Mackerel. They paid R 47,056,169.00 in salaries and dividends over the last three years. For the last year alone, the amount was R 32,921,977.00.

(c) Financial information

The mean annual turnover of the NE applicants was R 46,039,675.29. Profit after tax for all the applicants together (in all sectors) amounted to R 11,302,066.00. The NE applicants paid a total of R 33,132,392.00 in dividends in 2004. The combined asset value of all the applicants (in all sectors) was R 239,539,548.00 in 2004.

(d) Transformation

Ownership

The mean black ownership of the new entrants was 70.94%

Table 7: Black Shareholding

Black Shareholding:	70.94%
Black Voting rights:	74.99%
Black Dividend entitlement:	69.43%

Calculated on net asset value, the black shareholding in the NE applicants was worth R 198,994,114.32. Only one NE applicant paid dividends to black shareholders. This amounted to R 19,189,640.00 over the last three years (R 13,449,640.00 in the last year).

Table 8: Female Shareholding

Female Shareholding:	39.99%
Female Voting Rights:	34.28%
Female Dividend Entitlement:	39.99%

Calculated on net asset value, the female shareholding in the applicants is worth R 13,976,592.19.

On average employees (other than top salary earners) own 6.67% of the applicants.

Employment Equity / Management

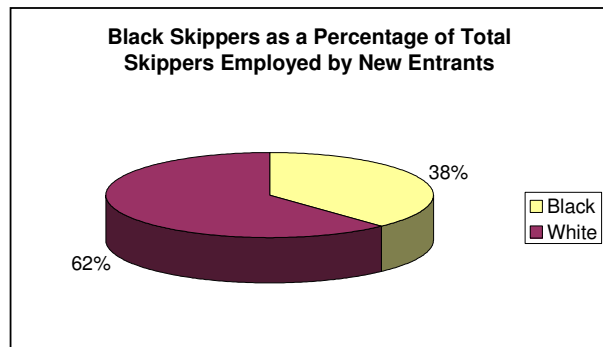
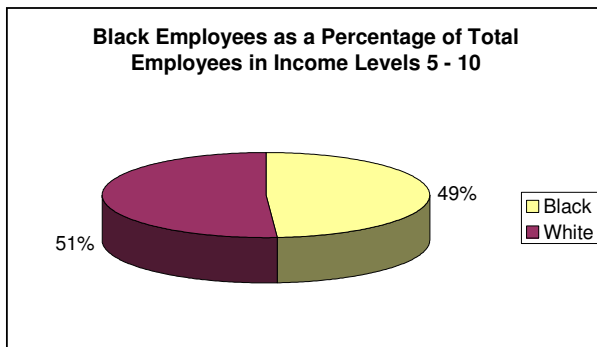
Table 9: Top Salary Earners

Ratio of Black to White Top Salary Earners	11 Black, 2 White: Ratio 5.5:1
Ratio of Male to Female Top Salary Earners	7 Men, 7 Women: Ratio 1.167:1

The average top 5 salary earner's salary was R 285,093.95 with R 848,441.20 at the top. The average of the five lowest salaries was R 9,926.22 per month. The mean multiple between the top five salaries and the lowest five salaries was 31:31.

Table 10: Income levels (Percentage of workforce (Levels 1 to 10))

1	Less than R2 500	51.20%
2	Between R2 500 and R 5 500	28.26%
3	Between R5 501 and R10 500	20.24%
4	Between R10 501 and R16 000	10.80%
5	Between R16 001 and R20 000	4.08%
6	Between R20 001 and R25 000	1.11%
7	Between R25 001 and R30 000	2.98%
8	Between R30 001 and R40 000	1.40%
9	Between R40 001 and R60 000	2.49%
10	More than R60 000	0.00%



Skills Development

Of the 8 NE applicants, 3 submitted approved workplace skills plans and 3 submitted approved annual training reports. The applicants paid R 4,651,426.43 to SARS in skills development levies (only 3 applicants contributed). The mean percentage of salary bill spent on training was 0.52 %. R 406,698.05 was spent training black employees.

CSI

Of the 8 NE applicants, 1 made tax deductible donations and 3 made other forms of donations.

Affirmative Procurement

The top ten suppliers of the applicants were, on average, 55.90 black.

10. Criteria

10.1 Exclusionary Criteria

All the applications were initially scrutinised to determine whether they were properly lodged, whether they were not materially defective and whether they fulfilled the essential requirements of the sector, including whether they presented a paper quota risk.

An application was **improperly lodged** if:

- ☞ The application was not lodged at the prescribed place within the prescribed time;
- ☞ The correct application fee was not paid within the required timeframes; or
- ☞ The application was not lodged on the official prescribed application form.

An application was **materially defective** if:

- ☞ The declaration was not signed and attested by the authorised representative of the applicant, and if applicable, the authorised representative of the Holding Company, the Sister Company or the JV Partner(s);
- ☞ The application did not include a signed audit report;
- ☞ More than one application was received from the same applicant in the same sector;
- ☞ The applicant provided false information or false documents; or
- ☞ The applicant failed to disclose material information, or attempted to influence the Minister or the delegated authority other than in the manner provided for in the General Policy during the application period.

An applicant failed to meet the **essential requirements** of the sector if:

- ☞ The applicant posed a paper quota risk as defined in the General policy;
- ☞ The applicant was a new entrant applicant and a medium-term right holder held shares in the applicant or used the applicant in order to proliferate in the sector in a manner contrary to the General Policy;
- ☞ The applicant is not a close corporation or company;
- ☞ The applicant breached a provision of the MLRA resulting in sanctions provided for paragraph 8.1(b) of the Horse Mackerel policy;
- ☞ The applicant is not more than 50% South African owned; or
- ☞ The applicant has not demonstrated access to at least one suitable vessel. A suitable vessel for this fishery is a vessel that is –
 - Either a mid-water directed vessel geared for mid-water trawling or a suitable hake deep-sea trawl vessel that is capable of carrying a mid-water trawl net;
 - Is SAMSA certified; and
 - Is fitted with a functioning vessel monitoring system.

10.2 Comparative Balancing Criteria: Medium Term Right Holder Applicants

The delegated authority adopted the following criteria and weighting for medium-term right holder applicants:

Criteria	Breakdown	Weighting	Section Weighting	Major Section Weighting	Section Percentage
Catch Utilisation					-3%
Applicant under- or over-caught by more than 10% without good reason		-3			
Investment			24	24	24%
Insured value of total assets per ton allocated	>90th	20			
	80th-90th	18			
	70th-80th	16			
	60th-70th	14			
	50th-60th	12			
	40th-50th	10			
	30th-40th	8			
	20th-30th	6			
	10th-20th	4			
	1st-10th	2			
Applicant invested in an on-board or land-based processing facility		4			

Criteria	Breakdown	Weighting	Section Weighting	Major Section Weighting	Section Percentage
Jobs			21	21	21%
Total (including seasonal) employees	>90th	10			10%
	80th-90th	9			
	70th-80th	8			
	60th-70th	7			
	50th-60th	6			
	40th-50th	5			
	30th-40th	4			
	20th-30th	3			
	10th-20th	2			
	1st-10th	1			
Total salaries and wages per ton allocated	>90th	10			10%
	80th-90th	9			
	70th-80th	8			
	60th-70th	7			
	50th-60th	6			
	40th-50th	5			
	30th-40th	4			
	20th-30th	3			
	10th-20th	2			
	1st-10th	1			
Medical Aid and Pension		0.8			1.00%
Other Benefits		0.2			
Value Adding			4		4%
Involved in Value Adding Processes		4			
Safety			1		1%
The applicant has appointed a qualified safety officer for each nominated vessel in terms of section 36 of the Maritime Occupational Safety Regulations		0.125			
Every crew member on board each nominated vessel has completed the approved safety induction training required by the Merchant Shipping Act, 57 of 1951		0.125			
The applicant completed a formal safety assessment in terms of Marine Notice no 26 of 2004		0.125			
The applicant has registered with the Commissioner in terms of the Compensation for Occupational Injuries and Diseases Act 130 of 1993		0.125			
The applicant has an HIV/AIDS policy		0.375			

Criteria	Breakdown	Weighting	Section Weighting	Major Section Weighting	Section Percentage
The applicant has been convicted or forfeited a deposit for contravening any part of the Marine Pollution (Prevention of Pollution from Ships) Act 2 of 1986 or Section 30 of the Marine Pollution (Control and Civil Liability) Act 6 of 1981		-0.5			
The applicant has a Garbage Management Plan		0.125			
Transformation				50	50.00%
Transformation – Directors			0.5		0.50%
Applicant's black directors (or members if CC) as a percentage of total directors is more than the sector mean		0.25			
Applicant's female directors (or members if CC) as a percentage of total directors is more than the sector mean		0.25			
Transformation - Top Salary Earners			4		4%
Applicant's black top salary earners as a percentage of total top salary earners is more than the 75th percentile		2.5			
Applicant's black top salary earners as a percentage of total top salary earners is between the 50th and the 75th percentiles		1.5			
Applicant's black top salary earners as a percentage of total top salary earners is between the 25th and the 50th percentiles		0.5			
Applicant's female top salary earners as a percentage of total top salary earners is more than the 75th percentile		1.5			
Applicant's female top salary earners as a percentage of total top salary earners is between the 50th and the 75th percentile		1			
Applicant's female top salary earners as a percentage of total top salary earners is between the 25th and the 50th percentile		0.5			
Transformation - Income Levels¹			6		6%
EE Profile in terms of the income level table	0th - 25th	6			
	25 - 50th	4			
	50th - 75th	2			
	75th - 90th	1			

¹ The Employment Equity ("EE") profile in terms of income levels was determined as follows. As a first step the percentage blacks in the workforce at each completed income level (blacks divided by total workers at a level multiplied by 100) was calculated. This percentage was then subtracted from 89.4% (the current % blacks in the Economically Active Populations in the coastal provinces) for each level. The result was multiplied by an assumed mean salary at each level divided by 1000 (in other words, 1.25, 4, 8, 13.5, 18, 22.5, 27.5, 35, 50 and a figure of 60 was used for level 10). This result was multiplied by the percentage the level constitutes of the total workforce. The results of all the completed levels were added up and divided by the number of levels completed by the applicant. The results were then converted and expressed into percentiles for comparison. The applicant with the highest negative figure achieved the best score and the applicant with the highest positive figure received the lowest score.

Criteria	Breakdown	Weighting	Section Weighting	Major Section Weighting	Section Percentage
Transformation – Occupational Categories²			0.5		0.5%
Applicant's EE ACI performance is:	>75th	0.25			
	50th - 75th	0.15			
	25th - 50th	0			
Applicant's EE Female performance is:	>75th	0.25			
	50th - 75th	0.15			
	25th - 50th	0			
Transformation - Ownership			35	35	35%
Applicant's black ownership falls:	>75th	28			28%
	50th - 75th	20			
	25th - 50th	12			
	10th - 25th	4			
Applicant's black ownership has increased between 2001 and 2005 by: ³	>75th	2			
	50th - 75th	1			
Applicant's female ownership falls:	>75th	5			5.00%
	50th - 75th	3			
	25th - 50th	2			
	10th - 25th	1			
Applicant's employee ownership falls:	>75th	2			2.00%
	50th - 75th	1			
	25th - 50th	0.5			
Skills Development			1.5		1.50%
Applicant submitted an approved Workplace Skills Plan in 2004		0.125			
Applicant submitted an approved Annual Training Report in 2004		0.125			
Applicant's percentage of salaries bill spent on training between 2001 & 2004 is higher than the mean		0.25			
Applicant's percentage of training budget spent on black employees between 2001 & 2004 is more than the mean		0.25			
Applicant's learnerships are more than the mean number of learnerships		0.25			

² This criterion was assessed as follows: black and female representation was measured with the emphasis on occupational categories where black and female representation has traditionally been low. This was done by assigning a different number of penalty points to the different levels of occupational categories. There were four (4) levels and the following penalty points were assigned: top management – 6, professionals – 4, Skilled - 2, Semi-skilled – 1. The score was calculated by taking the % figure for each occupational category and comparing it to the EAP in the coastal provinces, consisting of 48.5% females and 89.4% black persons. If the applicant had a higher figure, it would automatically score a 1. If the figure was less, the following calculation was used: $1 - (\text{applicant's \%} / \text{EAP})$. The result was then multiplied by the penalty points. This gave a penalty for that occupational category. A score for each category was calculated and the four numbers added together and the total divided by the number of levels, in this case four. This was done separately for black and for female, yielding two scores.

³ Applicants were not allocated points for this criterion if they achieved the maximum number of points (20) for black ownership, above.

Criteria	Breakdown	Weighting	Section Weighting	Major Section Weighting	Section Percentage
Applicant's percentage of salaries bill spent on training in 2004 is more than 1%		0.25			
The applicant employs at least one black skipper		0.25			
Corporate Social Investment			1		1.00%
Applicant's tax deductible donations amount to more than 1% of net profit	>1%	1			
	0.5-1%	0.5			
Affirmative Procurement			0.5		0.50%
Applicant answered "Yes" to Questions 6.21, 6.23 and 6.24		0.5			
Enterprise Development			0.5		0.50%
Applicant is involved in Enterprise Development		0.5			
Employment Equity Compliance			0.5		0.50%
Applicant is a designated employer and has failed to comply with the Employment Equity Act		-3			
Applicant complied with the Employment Equity Act		0.5			
Applicant complied voluntarily with the Employment Equity Act		0.5			
Compliance			0		0.00%
Applicant, or applicant's members, directors or controlling shareholders have entered into a plea bargain in respect of a contravention of the MLRA, its Regulations or permit conditions		-3			
The Applicant, or applicant's members, directors or controlling shareholders have paid an admission of guilt fine for contraventions of the MLRA, its Regulations or permit conditions		-1			
Total Possible Score			100		100%

10.3 Comparative Balancing Criteria: New Entrant Applicants

The delegated authority adopted the following criteria and weighting for new entrant applicants:

Criteria	Breakdown	Weighting	Section Weighting	Major Section Weighting	Section Percentage
Investment			5		5.0%
Investment Score ⁴	None	-5			
	Non-trading/newly established Entity	0			
	Acceptable	5			
Financial Performance			20		20.0%
Applicant's average RONA (over the three year period) is higher than the mean		5			
Applicant's RONA in 2004 is higher than the mean		2			
Applicant's average Current Ratio (over the three year period) is higher than the mean		5			
Applicant's Current Ratio is higher than the mean		2			
Applicant's average Quick Ratio (over the three year period) is higher than the mean		4			
Applicant's Quick Ratio in 2004 is higher than the mean		2			
Applicant has the financial ability to enter the sector (for newly established and non-trading entities only) ⁵	Does not have the ability	0			
	Has the ability	20			
Jobs			5		5.0%
Applicant's Job Creation Score ⁶	Has not created jobs	-5			
	Non right holder/ newly established	0			
	Has created	5			

⁴ The reason why negative scores were given to right holders (in other sectors) with no investments is to allow them to be compared with non-trading and newly established entities. Non-right holder new entrants that have made investments in the fishing industry were also scored 5 points.

⁵ The reasons for the assessment are set out in the assessment sheets.

⁶ The reason why negative scores were given to right holders (in other sectors) with a poor job creation record is to allow them to be compared with non-trading and newly established entities. Non-right holder new entrants that have created jobs in the fishing industry were also scored 5 points.

Criteria	Breakdown	Weighting	Section Weighting	Major Section Weighting	Section Percentage
	jobs				
Safety			1		1%
The applicant has an HIV/AIDS policy		1			
ESP			2		2.0%
Applicant has undertaken or sponsored research ⁷		2			
Fishing Ability			15		15.0%
Fishing Ability ⁸	Demonstrates no ability or does not demonstrate access to a suitable vessel	0			
	Demonstrates acceptable ability	10			
	Demonstrates good ability	15			
Enterprise Development			1		1.0%
Enterprise Development Score	Right holder with no Enterprise Development	-1			
	Non-trading/newly established entity	0			
	Right holder with Enterprise Development	1			
Local Economic Development			1		1.0%
Applicant will land catch at fishing harbours other than PE and CT		1			
Transformation				50	50.0%
Transformation - Directors			9		9.0%
Applicant's black directors (or members if CC) as a percentage of total directors is higher than the mean		4.5			
Applicant's female directors (or members if CC) as a percentage of		4.5			

⁷ The reasons for this assessment are set out in the assessment sheets.

⁸ The reasons for this assessment are set out in the assessment sheets. Regard was had to the applicant's fishing plan, especially to the annexure setting out the implementation of the fishing plan and the skills and knowledge of the persons designated to do so; and the suitability of the nominated vessel.

Criteria	Breakdown	Weighting	Section Weighting	Major Section Weighting	Section Percentage
total directors is higher than the sector mean					
Transformation - Top Salary Earners			3		3.0%
Applicant's black top salary earners as a percentage of total top salary earners ⁹	<33.3%	-2			
	33.3 - 66.6	0			
	>66.6	2			
Applicant's female top salary earners as a percentage of total top salary earners	<33.3%	-1			
	33.3 - 66.6	0			
	>66.6	1			
Transformation – Occupational Categories			2		2.0%
ACI Performance Score ¹⁰	<33.3%	-1			
	33.3 - 66.6	0			
	>66.6	1			
Female Performance Score	<33.3%	-1			
	33.3-66.6	0			
	>66.6	1			
Transformation – Ownership				33	33.0%
Applicant's black ownership falls:	>90th	22	22		22.0%
	80th-90th	20			
	70th-80th	18			
	60th-70th	16			
	50th-60th	14			
	40th-50th	12			
	30th-40th	10			
	20th-30th	8			
	10th-20th	6			
	1st-10th	4			
Applicant's female ownership falls:	>90th	10	10		10.0%
	80th-90th	9			
	70th-80th	8			
	60th-70th	7			
	50th-60th	6			
	40th-50th	5			
	30th-40th	4			
	20th-30th	3			

⁹ Negative scores were given to right holders (in other sectors) with comparatively low scores in order to compare such new entrant applicants with non-trading and newly established entities without workers. The latter were scored 0. Non right holder new entrant applicants with jobs were scored in the same manner as right holder applicants. Female top salary earners were assessed in the same manner.

¹⁰ The ACI occupational levels were determined as set out above for medium-term right holder applicants. Negative scores were given to right holders (in other sectors) with comparatively low scores in order to compare such new entrant applicants with non-trading and newly established entities without workers. The latter were scored 0. Non right holder new entrant applicants with jobs were scored in the same manner as right holder applicants. Female occupational categories were assessed in the same manner.

Criteria	Breakdown	Weighting	Section Weighting	Major Section Weighting	Section Percentage
	10th-20th	2			
	1st-10th	1			
Applicant's employee ownership	None but has employees	-1			
	No Employees	0			
	Has Employee Share Scheme	1	1		1.0%
Skills Development			1		1.0%
Skills Development Score ¹¹	Poor	-1			
	Non-trading Entity with no employees	0			
	Acceptable	1			
Corporate Social Investment			1		1.0%
Corporate Social Investment ¹²	Made profit and no CSI	-1			
	No profit	0			
	>1%	1			
	0.5% - 1%	0.5			
Affirmative Procurement¹³			0.5		0.5%
Applicant has an AP policy		0.5			
Applicant procures from black suppliers		0.5			
Employment Equity Compliance			0.5		0.5%
Applicant complied with the Employment Equity Act		0.5			
Applicant complied voluntarily with the Employment Equity Act		0.5			
Applicant is a designated employer and has failed to comply with the Employment Equity Act		-3			
Compliance			0		0%
Applicant, or applicant's members, directors or controlling shareholders have entered into a plea bargain in respect of a contravention MLRA, its Regulations or permit conditions		-3			

¹¹ Applicants with employees that did not pay levies were scored -1. Applicants without employees scored 0. Applicants that paid levies and participated in learnership programmes or other skills development programmes through SETA scored 1 point. Applicants with employees that (only) paid levies scored 0.

¹² Applicants that made a profit and made no donations scored -1. Applicants that did not make a profit (or newly established and non trading entities) and that did not make donations score 0. Applicants that made donations scored 1.

¹³ Half a point was awarded if the applicant had a policy or if the applicant procured from suppliers with some black shareholding.

Criteria	Breakdown	Weighting	Section Weighting	Major Section Weighting	Section Percentage
Applicant, or applicant's members, directors or controlling shareholders have paid an admission of guilt fine for contraventions of the MLRA, its Regulations or permit conditions		-1			
Total Score			100		100.0%

11. The Decisions on Applications for Long Term Rights

The delegated authority decided not to renew rights to the three lowest scoring medium term right holder applicants as they had not met the balancing criteria across a wide range of indicators adequately and further to remove quantum from those who scored low. A list of the medium term right holder applicants and their respective scores are annexed as Annexure A. A list of the successful medium term right holder applicants and the quantum allocated to them is annexed as Annexure C.

In this way, the delegated authority affected some consolidation but considered it appropriate to leave it to the market to affect further consolidation in the period ahead. The delegated authority was not persuaded that any of the New Entrant applicants demonstrated adequately ways in which they would meet policy objectives set for this sector. The policy stated that the fishery is over-subscribed and that new entrants would only be accommodated should existing right holders be removed. Performance has been severely restricted by small quantum allocations made during the medium term. In consideration of each of these factors and the applications received, it would be inappropriate to introduce new entrants. He had consequently not allowed any New Entrant into the sector. A list of the new entrant applicants and their respective scores are annexed as Annexure B.

There are elements to this sector that were unique, such as the small number of vessels capable of mid-water trawling. This had the effect that small and mostly Black applicants struggled to fully establish themselves in this sector as they had pointed out in their applications. At the same time, this sector in the fishing industry lagged behind as far as transformation was concerned. It was only a small number of applicants with significant BEE credentials who had brought the average for the sector to 50.21%.

Of the 15 applicants granted a right, 7 (47%) are more than 50% Black owned. Black ownership of the TAC has moved from 37% in 2001 to 41.6% now.

12. The Allocation of Quantum

On 1 December 2005, the delegated authority issued a proposed quantum allocation mechanism to the applicants in the Horse Mackerel fishery and called upon applicants to submit comments on the mechanism. After considering the comments, the delegated authority implemented the following quantum allocation mechanism, which must be read together with paragraph 8.3 of the Horse Mackerel sector Policy:

“Medium term right holder applicants

1. In respect of medium term right holder applicants, the starting point will be the right holder’s allocation (“MTQ”) during the 2004/2005 Horse Mackerel fishing season.
2. An amount of each successful medium term right holder’s allocation will be deducted. The quantum amounts of medium term right holder applicants that are unsuccessful (“the unsuccessful MTQ pool”) will be added to these amounts. The total will be redistributed to successful medium term right holder applicants in accordance with their final scores.

New entrants

3. In respect of any new entrants, the starting point will be the lowest amount allocated to a successful right holder applicant, as set out above, minus the amount allocated to that applicant out of the unsuccessful MTQ pool. This amount will be allocated to all successful new entrants.

The total amount allocated to new entrants will be subtracted proportionately from the amounts allocated to successful medium term right holders out of the unsuccessful MTQ pool.

Appeals

No set amount (fixed percentage of the TAC or fixed tonnage) will be reserved for appeals or reviews, but each successful applicant will be allocated its percentage of the TAC plus/minus its share of gains or losses after appeals and reviews instituted within 180 days after the conclusion of appeals. In essence, the mechanism described above will be applied again in the appeals process, or after a successful review, in order to determine whether an applicant (regardless of whether that applicant has appealed or not) should gain or lose quantum in terms of the mechanism. The applicable amount will be added or subtracted from the percentage of TAC allocated to the applicant by the delegated authority.

This also means that successful applicants will not be allocated a fixed percentage of the TAC for the first fishing season. The final percentage will become fixed only after the appeals and reviews, if any are instituted within 180 days after appeals, are decided. A provisional permit for a lesser amount will be allocated for the first part of the 2005/2006 fishing season.”

The delegated authority could not re-distribute 10% of the TAC to smaller right holders, as envisaged in the Horse Mackerel Sector policy, as none of the smaller right holders that performed well during the medium term right period were sufficiently transformed to warrant such a re-distribution. The delegated authority reduced quantum to some applicants. This was done as they had either shown that they were not creating jobs or investing in the sector or had inadequately met some of the other policy objectives for this sector. Although rights are currently not transferable, the option existed to allow for the transfer of rights to be allowed

at a future point in time, so that the market could affect further consolidation. Any window period for transfers would be governed by strict terms, such as that transformation would be further enhanced in this sector through the transfer.

The applicants nominated two mid-water trawl vessels: the Desert Diamond and the White Shark. The policy in this regard was clearly spelled out in the Horse Mackerel sector policy. It was stated there that the “*The Department does not intend to allow a further mid-water directed trawler into this fishery based on current resource data*”. Permits will not be issued for the harvesting of horse mackerel on the White Shark. The successful applicants that nominated this vessel will not be issued permits if they do not nominate and demonstrate access to another suitable vessel. Further details will be set out in the notification letters to these applicants.

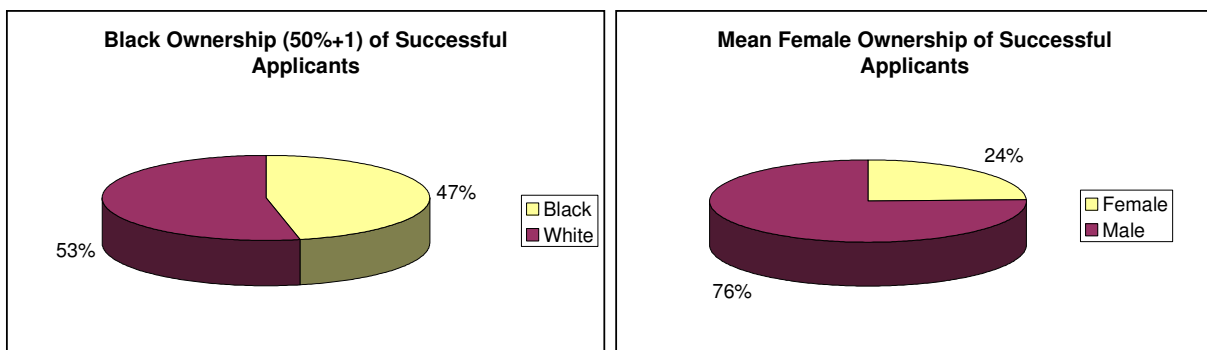
13. Have the objectives for the sector been met through the allocation of long-term rights?

The Horse Mackerel fishing policy records the following as the over-arching objectives for this fishery:

- Notably improve the transformation profile of the horse mackerel fishery;
- Create an environment that attracts investment and stimulates job creation;
- Supports the economic viability and environmental sustainability of the fishery; and
- Encourages the landing and processing of horse mackerel for human consumption in South Africa.

The allocation of long term commercial fishing rights in this fishery has resulted in the following profile:

Key Empowerment Data:



Successful Applicants Other Indicators	Sector Values
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Successful Applicants Other Indicators	Sector Values
Financial Indicators	
Gross Asset Value	R2,455,715,297.00
Total Insured Assets in the Horse Mackerel Sector	R214,037,162.61
Total Insured Value of Land Based Assets in the Horse Mackerel sector	R13,031,125.33
Total Insured Value of Harbour and Sea Based Assets in the Horse Mackerel sector	R201,305,537.28
Total annual turnover	R2,334,914,016.00
Mean annual turnover	R155,660,934.40
Mean percent of total turnover derived from Horse Mackerel sector	30.015%
Mean profit after tax	R33,431,828.60
Empowerment and Job Creation Indicators	
Mean Percentage of Training Budget Spent on Black Employees	48.94%
Rand Amount Spent on Training of Black Employees	R403,691.37
Total jobs in the Horse Mackerel sector	527
Total IRP5 Jobs in the Horse Mackerel Sector	272

The transformation profile has been notably improved with the allocation of long term commercial rights. As stated above, in 2001, 41% of the right holders were black owned. That figure is now 47%. Medium term right holders that have made scored high for transformation, made significant investments and that have created jobs were rewarded with larger quantum allocations. As stated above, some consolidation was achieved, which will improve the economic viability of the fishery. Processing and value adding was rewarded, including the landing and processing of horse mackerel in South Africa for human consumption. The intention is to further promote the over-arching objectives by way of performance measuring and permit conditions.

14. Permit Conditions for this Fishery

The Horse Mackerel fishery policy stipulates that prior to the finalisation of permit conditions for this fishery, the Department will consult with the right holders. The Chief Director: Resource Management (“the CD:RM”) is authorised to determine permit conditions in terms of section 13 of the MLRA. In order to sustainably manage this fishery, maintain the transformation profile of the fishery and to support the consolidation of the number of right holders that operate as joint venture entities, the CD: RM, after consultation with the delegated authority, and having regard to the policy objectives of this fishery intends to determine permit conditions that give effect to, *inter alia*, the following:

14.1 Performance Measuring: Right holders in this fishery will be measured against criteria such as transformation, investment, compliance and sustainable fishing practices. The CD:RM will design permit conditions to ensure adherence with these criteria and will require right holders to provide data

during the second fishing season in this regard. Failure to reasonably comply with these permit conditions may result in the commencement of proceedings under section 28 of the Act.

14.2 *Impact of Trawling:* Permit conditions will be designed to carefully monitor the impact trawl fishing has on the ecosystem.

14.3 *Reporting:* All right-holders in this fishery will have to adhere to strict reporting measures to ensure that the Department is provided with up-to-date correct catch data to ensure effective management of the fishery.

Dr Monde Mayekiso Delegated Authority: Horse Mackerel Sector

28 December 2005

Annexure A

List of Medium-Term Right Holder Applicants in alphabetical order and Scores Awarded

Application Number	Applicant Name	Score (Max 100)
HSMM00006	BLUE CONTINENT PRODUCTS (PTY) LTD 1963/04088/07	64.15
HSMM00028	BP MARINE FISH PRODUCTS CC 1990/014524/23	10.75
HSMM00009	CALAMARI FISHING (PTY) LTD 1990/002421/07	63.65
HSMM00022	FERNPAR FISHING COMPANY (PTY) LTD 1972/001283/07	46.75
HSMM00013	FOODCORP (PTY) LTD 2004/000743/07	48.65
HSMM00019	HANNASBAAI FISHING COMPANY (PTY) LTD 1992/002567/07	57.50
HSMM00029	HENTIQ 3043(PTY) LTD 2001/007818/07	30.63
HSMM00005	IRVIN & JOHNSON LTD 1952 / 001693 / 06	68.40
HSMM00023	KLIPBANK VISSERYE (PTY) LTD 1998/010956/07	39.70
HSMM00026	LUZIZI FISHING (PTY) LTD 1999/033433/23	30.20
HSMM00014	NTSHONALANGA FISHING (PTY) LTD 1997/04802/07	27.83
HSMM00017	SACO FISHING (PTY) LTD 1992/000948/07	75.00
HSMM00025	SCENEMATIC FOURTEEN (PTY) LTD 1999/016084/07	55.65
HSMM00012	SEA HARVEST CORPORATION LTD 1964/001745/06	26.65
HSMM00015	SURMON FISHING (PTY) LTD 1999/018480/07	42.68
HSMM00020	TRESSO TRADING 282 (PTY) LTD 2001/015475/07	9.63
HSMM00007	VIKING FISHING COMPANY (DEEP SEA) (PTY) LTD 1996/017843/07	33.90
HSMM00008	VISKO SEEPRODUKTE PTY LTD 1976/004355/07	8.25

Annexure B

List of New Entrant Applicants in alphabetical order and Scores Awarded

App No	Applicant	Score
HSMN00021	BHANA COASTAL FISHING CC 2000/075853/23	48.5
HSMN00010	DEEP ROCK MARINE (PTY)LTD 2005/007718/07	34.5
HSMN00030	MASOMELELE FISHING (PTY) LTD 2005/011539/07	70.5
HSMN00032	QUICKVEST 334 (PTY) LTD 2005/018110/07	1.5
HSMN00004	PREMIER FISHING SA (PTY) LTD 1952/002671/07	77
HSMN00033	RIAL FISHING PTY LTD 98/25752/07	63.5
HSMN00024	TRANSOCEAN FISHERIES (PTY) LTD 1993/00587/07	34
HSMN00031	VUNANI FISHING (PTY) LTD 2001/020257/07	8

Annexure C

Successful Applicants in alphabetical order and Quantum Allocated

	Application Number	Applicant Name	Vessel(s) Authorised	Quantum Allocated (Tonnes)
1	HSMM00006	BLUE CONTINENT PRODUCTS (PTY) LTD 1963/04088/07	Desert Diamond	5873
2	HSMM00009	CALAMARI FISHING (PTY) LTD 1990/002421/07	Desert Diamond	1141
3	HSMM00022	FERNPAR FISHING COMPANY (PTY) LTD 1972/001283/07	Sandile	1525
4	HSMM00013	FOODCORP (PTY) LTD 2004/000743/07		2890
5	HSMM00019	HANNASBAAI FISHING COMPANY (PTY) LTD 1992/002567/07	Desert Diamond	1183
6	HSMM00029	HENTIQ 3043(PTY) LTD 2001/007818/07		311
7	HSMM00005	IRVIN & JOHNSON LTD 1952 / 001693 / 06	Iris Roxana Bank	3719
8	HSMM00023	KLIPBANK VISSERYE (PTY) LTD 1998/010956/07	Desert Diamond	539
9	HSMM00026	LUZIZI FISHING (PTY) LTD 1999/033433/23	Desert Diamond	646
10	HSMM00014	NTSHONALANGA FISHING (PTY) LTD 1997/04802/07	Desert Diamond	1436
11	HSMM00017	SACO FISHING (PTY) LTD 1992/000948/07	Arctic	3667
12	HSMM00025	SCENEMATIC FOURTEEN (PTY) LTD 1999/016084/07	Desert Diamond	940
13	HSMM00012	SEA HARVEST CORPORATION LTD 1964/001745/06	Desert Diamond	2447
14	HSMM00015	SURMON FISHING (PTY) LTD 1999/018480/07		614
15	HSMM00007	VIKING FISHING COMPANY (DEEP SEA) (PTY) LTD 1996/017843/07	Vera Marine	4569
		15 Right Holders	7 Vessels	31500 Tonnes

Annexure D

Quantum Allocation

HORSE MACKEREL QUANTUM ALLOCATION							
Application Number	Applicant Name	Total Score	2005 Allocation	Less 1000T	Reallocation of 1000T and Unsuccessful Applicants Pool	Final Allocation	Gain / Loss
HSMM00017	SACO FISHING (PTY) LTD	75.00	2783	1783	1884	3667	884
HSMM00005	IRVIN & JOHNSON LTD	68.40	3001	2001	1718	3719	718
HSMM00006	BLUE CONTINENT PRODUCTS (PTY) LTD	64.15	5261	4261	1612	5873	612
HSMM00009	CALAMARI FISHING (PTY) LTD	63.65	542	-458	1599	1141	599
HSMM00019	HANNASBAAI FISHING COMPANY (PTY) LTD	57.50	738	-262	1445	1183	445
HSMM00025	SCENEMATIC FOURTEEN (PTY)	55.65	542	-458	1398	940	398
HSMM00013	FOODCORP (PTY) LTD	48.65	2668	1668	1222	2890	222
HSMM00022	FERNPAR FISHING COMPANY (PTY) LTD	46.75	1351	351	1174	1525	174
HSMM00015	SURMON FISHING (PTY) LTD	42.68	542	-458	1072	614	72
HSMM00023	KLIPBANK VISSERYE (PTY) LTD	39.70	542	-458	997	539	-3
HSMM00007	VIKING FISHING COMPANY (DEEP SEA) (PTY) LTD	33.90	4717	3717	852	4569	-148
HSMM00029	HENTIQ 3043(PTY) LTD	30.63	542	-458	769	311	-231
HSMM00026	LUZIZI FISHING (PTY) LTD	30.20	887	-113	759	646	-241
HSMM00014	NTSHONALANGA FISHING (PTY) LTD	27.83	1737	737	699	1436	-301
HSMM00012	SEA HARVEST CORPORATION LTD	26.65	2777	1777	670	2447	-330
HSMM00028	BP MARINE FISH PRODUCTS CC	10.75	443				
HSMM00020	TRESSO TRADING 282 (PTY) LTD	9.63	542				
HSMM00008	VISKO SEEPRODUKTE PTY LTD	8.25	1885				