



5 April 2018

New South Wales Department of Primary Industries (NSW DPI)
Australian Fisheries Management Authority (AFMA)
Southern Fish Trawl Transition Working Group
C/- sft.comment@dpi.nsw.gov.au
(this correspondence by e-mail only)

Dear Sir/Madam,

RE: Commonwealth fishing industry comment on the Transition Document proposing transition of the NSW Southern Fish Trawl Fishery to Commonwealth management

SUMMARY OF SUBMISSION:

General comments:

- 1) This submission is on behalf of three Commonwealth managed fishing associations who combined hold more than 50,000 tonnes of quota and operate 50 fishing vessels in southern Australia. There is no requirement for this submission to remain confidential.
- 2) Ensuring that NSW ITQ allocations across shared stocks like school whiting, pink ling and blue eye in fisheries outside the SFT must be made at recently historical levels is a critical factor in the success of this transition. The NSW IAP may be tempted to over-allocate NSW ITQ rights for these stocks in order to reduce conflict. Over-allocating NSW ITQ rights would:
 - directly and negatively impact on SESSF holders
 - undermine fisheries management in Australia
 - increase Australia's country risk by impacting on the rule of law
 - decrease Australia's investment attractiveness
 - decrease the likelihood of a successful transition of the SFT into the CTS by immediately eroding the rights of new entrants
- 3) Transitioning the SFT into the CTS contributes to AFMA's legislative objectives and is consistent with Productivity Commission recommendations.

SUMMARY OF SUBMISSION CONTINUED...

Addressing feedback requests in the Transition Document:

- 4) Feedback requested (page 10, Transition Document¹): This submission supports the quantum of quota set down in the Transition Document's Table 2 and the proposed treatment of discards. However, it is important that illegal STF catches in excess of trip limits are removed and do not contribute to catch history. If SFT quotaification is proposed above NSW's historical declared catches this submission does not support the transition. We note that the transition document does not propose this.
 - 5) Feedback requested (page 14): Given the protection provided by NSW marine parks and also importantly by the many areas where trawling is not possible (natural refuges) there is no need to reduce trawl grounds in NSW waters.
 - 6) Feedback requested (page 14): While this submission recognises the importance of SFT trawlers maintaining the ability to catch school whiting, there is some concern about the level of by-catch taken by the SFT trawl net that is arranged in such a way as to catch unusually small fish.
 - 7) Feedback requested (page 14): This submission proposes that CTS Danish seiners and trawlers be permitted inside NSW Coastal Waters Permit fishing grounds provided they hold the appropriate permit and follow all normal CTS management and SFR conditions (including counting catches against quota).
 - 8) Feedback requested (page 14): Like other CTS vessels, SFT trawlers should be able to carry smaller school whiting codend throughout the CTS fishery provided the gear is stowed and secured and the vessel carries the appropriate vessel SFR.
 - 9) Feedback requested (page 14): Size limits are an inefficient way to ensure that growth overfishing does not occur and exploit a fishery in economic efficient manner but while a few size limits persist in the CTS they must apply evenly in the CTS inside and outside NSW waters.
 - 10) Feedback requested (page 17): The \$500,000 committed by NSW to this process should be used to offset quota levies and vessel permit costs levied on transitioning SFT operators by AFMA and/or assist them with requirements like new whiting trawl nets. AFMA and NSW DPI staff overheads must not consume the committed funds.
 - 11) Feedback requested (page 17) SFT only fishers with an intention on continuing in NSW waters when the fishery is managed by AFMA will need assistance with the complexity of operations.
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¹ All references to page numbers in the Summary of Submission are to the Transition Document

Who is submitting?

The opportunity to comment on the Transition Document is welcomed. This submission is on behalf of three Commonwealth managed fisheries in southern Australia. These three fisheries represented by three industry associations (“the Industry” or “this submission”). Combined these associations represent 50,000 tonnes of quota and operate 50 vessels within these fisheries. Two of these fisheries are sectors within the greater Southern and Eastern Scalefish and Shark Fishery (SESSF) that is directly impacted by this transition. The third fishery (the Small Pelagic Fishery or “SPF”) is not technically a part of the SESSF but is a Commonwealth fishery managed by quota. Furthermore, to operate in the SPF fishery a vessel requires a Commonwealth Trawl Sector (“CTS”) vessel Statutory Fishing Right (“SFR”) so is impacted by this transition to some extent.

These three Commonwealth fisheries are the:

- 1) The CTS (sometimes called the South East Trawl Fishery) represented by the South East Trawl Fishing Industry Association (SETFIA) - part of the SESSF
- 2) Gillnet, Hook and Trap (GHaT) Fishery represented by the Southern Shark Industry Alliance (SSIA) – also part of the SESSF
- 3) Small Pelagic Fishery represented by the Small Pelagic Fishing Industry Association (SPFIA)

The Productivity Commission supports ITQ, streamlining of management and the transition of the SPT into the CTS

The Productivity Commission released its report into Australian fisheries in May 2017. The report acknowledged the generally good biological state of Australian fisheries. However, it noted that differences between the fishery management techniques adopted by different governments (in this case the NSW and Australian Governments) add to the costs faced by fishers operating in cross-jurisdictional fisheries and to risks in managing the sustainability of stocks.

Relevant Commission findings were:

- *“Governments should adopt individual transferable quota systems as the default management technique for commercial wild catch fisheries. This will provide greater confidence on stock sustainability, more scope for innovative and efficient fishing practices and facilitate structural adjustment.”*
- *“Arrangements between governments for the management of cross-jurisdictional fish stocks should be streamlined to improve their effectiveness and reduce costs. This will require governments to prioritise and dedicate sufficient resources to reform.”*
- RECOMMENDATION 6.3 page 21, *“The New South Wales Southern Fish Trawl Restricted Fishery should be absorbed into the Commonwealth Trawl Sector of the Southern and Eastern Scalefish and Shark Fishery by the end of 2018”.*

Transitioning the SFT into the CTS is consistent with AFMA’s legislative objectives:

We note AFMA’s objectives (as paraphrased on page 5 of the consultation document) and how the SFT’s transition into the CTS contributes to these:

AFMA Objective:	How the SFT transition contributes to this goal:
a) Implementing efficient and cost-effective fisheries management on behalf of the Commonwealth;	<ul style="list-style-type: none"> • Having all fish trawl fisheries in SE Australia managed at a single point and recovering the management cost recovered means that all rights holders pay their share
b) Ensuring that the exploitation of fisheries resources and the carrying on of any related activities are conducted in a manner consistent with the principles of ecologically sustainable development (which include the exercise of the precautionary principle), in particular, the need to have regard to the impact of fishing activities on non-target species and the long-term sustainability of the marine environment;	<ul style="list-style-type: none"> • SFT catches are more likely to be sustainable when managed by quotas set by assessments through the SESSF harvest strategy • Catch rate used by stock assessments will be improved after the transition • Interactions between NSW trawlers and seabirds may be mitigated by more than 90% • Interactions between NSW trawlers and other TEPs will be quantified by observer coverage • The commercial catches of non-quota species will be managed by ecological risk assessments • On the presumption that fishing gear used by SFT trawlers will align in time with that used by the CTS the quantity of SFT discards will reduce • Security of access for SFT fishers will be increased due to the granting of valuable species-based statutory fishing rights – this will lead to increased environmental stewardship
c) Maximising the net economic returns to the Australian community from the management of Australian fisheries;	<ul style="list-style-type: none"> • Discards (forgone revenue) from NSW trawl vessels will be far less than is currently the case when trip limits are removed from SFT vessels • Fishers currently operating under two sets of rules will be managed by only one jurisdiction, removing duplication and administrative burden for those fishers, and, where the required concessions are held, fishers will be able to complete a single trip when fishing inside and outside NSW waters • Industry will be incentivised to rationalise vessels and catch sustainable quantities of fish at the lowest catch cost

AFMA Objective:	How the SFT transition contributes to this goal:
d) Ensuring accountability to the fishing industry and to the Australian community in AFMA's management of fisheries resources;	<ul style="list-style-type: none"> • SFT vessels will operate VMS and observer coverage • SFT TEP interactions will be reported to the Environment Department and be publicly available • The public perception of the NSW trawl fleet's compliance may improve
e) Achieving government targets in relation to the recovery of the costs of AFMA.	<ul style="list-style-type: none"> • Having all fish trawl fisheries in SE Australia (southern NSW) managed at a single point and having this management cost recovered means that all rights holders are paying their share, as a % of fishery GVP levies will reduce and contribute to this target

The quantum of quota proposed is supported

This submission supports the quantum of quota set down in the Transition Document's Table 2 because:

- it is based on declared and landed catches that were sold
- there appears to be no artificial fishing behaviour within the SFT catch data through the catch history years to maximise *quotafication*
- in the absence of any declared discards the rate calculated by AFMA as being applicable to CTS trawlers is the best data to add to the SFT's landed catches.

However, it is important that illegal STF catches in excess of trip limits are removed and do not contribute to SFT operators' catch history.

If any volume of quota above NSW's historical declared catches is proposed for *quotafication* this submission does not support the transition in any form.

Fishing gears used should, where possible, be consistent inside and outside ‘NSW waters’ and, Trawl grounds inside NSW waters do not need reduction

CTS board trawl vessels operate BRDs and 90mm codend and can not catch school whiting. While this submission recognises the importance of SFT trawlers maintaining the ability to catch school whiting, there is some concern about the level of by-catch taken by the SFT trawl net that is arranged in such a way as to catch unusually small fish with the SFT’s 90mm codened. This submission notes the report, “The Sydney inshore trawl-whiting fishery: codend selectivity and fishery characteristics” (Graham, 2008) which makes a concerning conclusion about the SFT’s whiting gear on page 7;

“It is suggested that a more efficient codend, possibly constructed of smaller, square-shaped meshes, could be developed and used in conjunction with temporal, spatial, and catch restrictions for the targeting of school whiting by the fish-trawl sector of the NSW Ocean Trawl Fishery.”

It is important therefore that SFT operators planning to enter the CTS are aware of the statement on page 1 of the Transition Document eluding to a future possibility of the SFT trawl net undergoing modification to have its discard performance improved.

CTS vessels targeting royal red prawns use smaller than normal (finfish) codend mesh and CTS vessels are permitted to transit Commonwealth marine parks provided they are not at fishing speeds and their fishing gear is stowed and secured. It follows then that SFT trawlers should be able to carry small school whiting codend throughout the CTS fishery provided they carry to appropriate vessel SFR and also that the small codend gear is stowed and secured.

The South East Trawl Fishing Industry Association has recently written to AFMA proposing to increase and tighten the rules pertaining to Danish seiner fishing gear. SETFIA has proposed that seiners either use a whiting codend (38mm-55mm²) or a flathead codend (>75mm) and do not use codened between these sizes (56mm-74mm). SETFIA believe that this will:

- maximise the economic returns from the fishery and flathead stock in particular
- provide flathead the greatest chance of maximising recruitment
- reduce discards
- reduce risk in the fishery (and in doing so reduce the management cost levied)

This submission proposes that CTS Danish seiners and trawlers be permitted inside NSW Coastal Waters Permit fishing grounds provided they hold the appropriate permit and follow all normal CTS management and SFR conditions (including counting catches against quota).

Size limits are an inefficient way to ensure that growth overfishing does not occur and exploit a fishery in economic efficient manner but while a few continue to exist in the CTS they must apply evenly in the CTS inside and outside NSW waters. A better way forward is to develop fishing gear that selects commercially sized fish that ensures growth overfishing does not occur.

² All references to codend refer to the last 50 meshes with size measured from inside of knot to inside of knot in mm

No proposals are made to alter the fishing grounds inside NSW waters. Given the protection provided by NSW marine parks and also by the many areas where trawling is not possible (natural refuges) there is no need to alter trawl grounds.

Potential transitional assistance measures

This submission supports the majority of the \$500,000 from NSW being directed to assist affected fishers entering the CTS. It would take many forms including one of or a combination of:

- tiered declining payment by NSW toward quota and NSW coastal waters vessel permits applied by AFMA.
- a one-off cash payment to cover bafflers, eLogs and new trawls. \$10,000 would cover a typical trawler's seabird baffler, redevelopment of a trawl away from the 200-round whiting trawl and a two year subscription to eLog software.

A payment made to redevelop the 200-round whiting trawl is particularly attractive given the likelihood that this will have to change at some stage in the near future.

These payments may be best made directly to the holders of the rights. It is important that the full \$500,000 earmarked by NSW to support this process be allocated as directly as possible to affected operators. AFMA and NSW DPI management overheads must not consume any of the allocated funds.

SFT only fishers with an intention on continuing in NSW waters when the fishery is managed by AFMA will need assistance with the complexity of operations. This should be provided as training in areas such as (but not limited to): GoFish, VMS, eLog reporting, landing reporting, bafflers, TEP reporting and quota reconciliation.

Ensuring that NSW catches outside the SFT are capped at recently historical levels and tied to a common stock assessment where possible is a critical factor in the success of this transition.

This submission notes NSW's intentions to move to ITQ management on species such as blue eye, pink ling and school whiting. It is critical that when these fisheries are quotified that only the volume being taken in the recent past are allocated. The temptation to allocate volumes above recent catches in order to diffuse conflict must be avoided. There is \$46m held in balance sheets by SESSF quota owners in these three stocks alone. Over-allocating NSW ITQ rights for these stocks would:

- undermine fisheries management in Australia
- directly and negatively impact on SESSF holders
- increase Australia's country risk by impacting on the rule of law
- decrease Australia's investment attractiveness
- decrease the likelihood of a successful transition of the SFT into the CTS

Yours sincerely,



Simon Boag

Small Pelagic Fishery Industry Association (SPFIA)
South East Trawl Fishing Industry Association (SETFIA)
Southern Shark Industry Alliance (SSIA)