

9 April 2018

## **PFA RESPONSE SOUTHERN FISH TRAWL FISHERY TRANSITION ARRANGEMENTS**

In response to the AFMA and DPI Southern Fish Trawl Transitioning Discussion Paper, the Professional Fishermen's Association (PFA) of NSW wishes to discuss the concerns of our members and raise possible pathways forward to achieve the transition with minimal disruption to the NSW operators.

In the majority, our industry is supportive of the transitioning of the Southern Fish Trawl Restricted Fishery from NSW governance to AFMA. However, the fundamental concern is that fishers will be issued quota that continues the existing restriction on fishing while significantly increasing their management fees. The industry does not want to proceed with the transition if they continue to be restricted in their fishing operations and face significantly higher management costs.

**FEEDBACK** on the proposed **access arrangements, quantum of quota** and **Treatment of discards** –

### **1. Access arrangements**

PFA members have unanimously expressed concern regarding the offer of a NCW permit rather than a Commonwealth Trawl Sector (CTS) Statutory Fishing Right (SFR). Fishers understand that a SFR holds a very strong right under Commonwealth legislation and is highly valued. The NCW permit has less legislative strength, market value and cannot even be leased. This is not an attractive option for fishers.

*Further discussion is required on the options where the SFTF zone will still remain under a limited vessel entry policy and fishers could still obtain a SFTF Statutory fishing right.*

Other Issue to consider is the Migration of effort –

Commonwealth operators have access to significant amounts of quota that they have not been able to catch in the CTS such as Silver Trevally and Jackass Morwong. Due to not being able to catch their quota within the CTS it is very likely that Commonwealth operators will purchase several of the latent SFTF licences (once they are convert to NCW permits or other alternative option). They may also relocate their fishing operations as the SFTF, as these are the traditional fishing ground of species such as Silver Trevally. There were also good fishing grounds for Jackass Morwong within the SFTF zone prior to going to trip limits. Effort and catch in the SFTF zone may increase.

**Suggested Solution** –

1. Government fund the buyback of the latent licences which should then

*PFA providing effective representation on NSW commercial wild harvest fishing to all levels of government and other key stakeholders*

- restrict the fishery to 15 licences – 8 licences to be removed
2. Buying out the latent licences will ensure a cap on effort creep which will occur if these licences remain available.
  3. We need to ensure the stock in the SFR is not over exploited once restrictions are removed, allowing CFR fishers to catch their unutilised quota will see a dramatic increase in effort in the zone.

## **2. Quantum of quota and treatment of discards**

The two processes that are used to determine the number of SFRs that will be granted to SFTF fishers is an unfair determination process to allocate quota:

1. The Determination of the overall allocation of catch to NSW SFTF sector
2. The IAP process potentially using catch History from 2010-2016 to determine the Quota Allocation

### **2.1 A DETERMINATION OF THE OVERALL ALLOCATION OF CATCH TO NSW SFTF FISHERS**

#### **2.1.1. Discards due to Trip limits and Size restrictions**

- The PFA supports the argument that discards should be included as part of the NSW allocation.
- As an industry we strongly question the % of discards being applied to the quota allocation for the SRF fishers, when it is so obvious to anyone within the industry that this is not a true reflection of the actual discards. More time should be given to properly ascertain the discard rates before transitioning to CTF to ensure full utilisation of catch.
- PFA urged the NSW Government to undertake the Observer Program for the fishery as soon as possible to ensure an accurate understanding of the actual take of species by the fishery.
- The NSW Government's recent Observer Report highlighted that the discard rates used by AFMA as part of their Recommended Biological Catch (RBC) considerations is in error. It has been acknowledged by AFMA that the RBC is flawed. The RBC is not designed to be flexible to adapt to improved data. In addition, the CSIRO advised that the data from the Observer Program would not be considered by AFMA as part of its allocation process due to the program not being convened over a sufficient period...and yet the transitioning process continues without rectifying the issue.
- The transition paper states - although it is recognised that there have been a *few* species where regulatory difference's (trip and size limits) between the jurisdictions that have prevented the SRF operators from landing catch that may have been possible to catch under Commonwealth management and as such the discards of these species maybe included to the calculation.
- AFMA is now ignoring this science and using CSIRO advise to avoid doing the correct % calculations because they are concerned that a true

representation of discards will have a bigger than expected impacted on SESSF quota's.

**Proposed actions that we require to ensure the % of discards is correctly represented in the quota allocation to SFTF zone.**

- DPI management goes back to NSW observer programme data and rectify the information to make it useable in the calculations.
- It is beyond belief that it has been decided to use the average discards rates from the CTF and this % has been applied to the SFTF catch to determine the amount discard allocation in table two when –
  - NSW State fishery was subject to size and trip limits that have resulted in discards and CTF fishery does not have size or trip limits, of the two major factors of discards.,
  - ABARES concluded that NSW's survey was sound, well conducted and carefully analysed.
  - It was also noted in the last minutes of the - Resource Assessment Group (RAG) discussion on Silver Trevally
    - I. State catches in the last two years have been 80 - 90 t with **discards estimated to around 20 %**
    - II. It would not be appropriate to apply the Commonwealth discard estimates **(1.9%)** to State catches for silver trevally as part of the TAC setting process as we have in the past, because discard rates will always be higher for NSW fisheries due to the minimum size limit that applies to their catches.
    - III. The RAG agreed to postpone finalisation of the silver trevally Tier 4 until NSW catch and discard data is made available.
- There seems to be deliberate effort to ensuring the allocation of quota is as low as possible to avoid conflict with CTS SFR quota holders as the % used on Silver Trevally was **3.23%** which is the average discard rate for CTS 2010-2016 - which well under the RAG figure of 20%

- **NOTES:** This is not the fault of the SFTF industry and yet they are the ones that will be negatively impacted due to this determination and obvious move by AFMA to ensure CTS STR rights are not reduced by the introduction of new quota allocation to SFTF fishers.
- The NSW SFTF wishes to fully utilise their harvests rather than be forced to continue in a highly wasteful practice.
- These discards were a part of the NSW stock mortality calculations and should therefore be allocated to NSW fishers to utilise and generate income to the benefit of the state economy

Below is an example of the practical unviable allocations proposed:

- Jackass Morwong proposed allocation for the SFTF is 160 kgs total catch per year to then be allocated across the year
- Allowance for discards for the 12 month period has been calculated to be 20 kgs (6 fish)

- Common sense would indicate that this is not a true reflection of the discards that can occur in the fishery – an adequate observer program would demonstrate this
- 23 licences total quota = 180 kgs or 7 kgs per licence per year – 2-4 fish each if based on equal allocation.
- Recreational fishers are allowed to catch more than this each per day.
- Remember – due to the restrictions these species were uneconomical to fish for so were not caught.

## 2.2 THE IAP PROCESS POTENTIALLY USING CATCH HISTORY FROM 2010-2016 TO DETERMINE THE QUOTA ALLOCATION

### Size limits restricting catch

**Example** - a fisher hauls in their net - they have 4 ton of Silver Trevally 80% are between 20-30cm so they are unable to land this fish, where as a commonwealth fisher would be able to land this catch and it would not be discarded and counted as landed catch.

SRF fisher is not required to record this discarded amount

### Avoiding grounds

Using local knowledge to know there is good possibility that fishing at a particular spot will mean catching fish that will be discarded due to the restrictions.

**Example.** Fisherman know that fishing at a particular location could see them land 5 ton of Jackass Morwong so they avoid fishing this ground as they can only land 350 kgs and will lose time and money, from having to sort through the catch only to be able to retain 350 kgs, and then have to return to port.

### Trip limit impact on fishing activity

Fishers having to stop fishing on productive grounds of a target species. Due to exceeding his trip limit on a species under trip restrictions that is caught as a by catch of the targeted species.

**Example** – A fisher is targeting Eastern School Whiting, after their first shot they have caught 200kgs of Flathead, therefore they are unable to continue fishing for School whiting, and miss out on further catch, they have now been disadvantaged indirectly on catch history of whiting due to the bycatch of flathead.

### Displacement of fishing effort

To ensure they do not catch their limit on the species that have trip / size restrictions, a fisher will travel to another lesser productive grounds that are further away from their home port, so they can catch another species and not have their catch time limited by species under restrictions.

There has been no consideration in the transition paper to factor in a % of quota allocation due to the above listed disruptions caused by the restrictions on size and trip limits on the ability of the fishers to compile their true catch potential during 2010-2016

Further information to consider that has been raised by our PFA members are:

- There was No Risk To Over Fishing any of these species identified,
- These trip and size limits were implemented in the 1990 **to assist the Commonwealth in maintaining the integrity of its quota management system**, not because these species were under threat from fishing,
- Minutes from the South East Management Advisory Committee (SEMAC) Meeting 31

Date: 1 and 2 November 2017

The Chair invited questions and comments from members and the following arose from the discussion:

- New South Wales (NSW) catches of school whiting are increasing significantly, if catches continue on this trajectory then there is a **potential risk to the Commonwealth TAC**.
- To address the issue, industry are encouraging a Memorandum of Understanding (MoU) between the Commonwealth and NSW, these discussions are currently underway.
- The MAC noted that the issue is not restricted to school whiting, but is a broader issue regarding the OCS arrangements between states, and incidental catch allowance.
- Noting that OCS arrangements are complex and can be difficult and time consuming to amend, a broader review of these arrangements could potentially be considered in the Australian Fisheries Management Forum or addressed as an output of the Productivity Commission Review

AFMA verbally clarified after the meeting that the project ***isn't intended to disturb quota SFRs***.

- AFMA appear to be deliberately working on ensuring the allocation will not conflict with CTS SFR holders.
- The period used for when the Commonwealth fishery went to quota allocation was not under these forms of restrictions and therefore the commonwealth fishers were able to target these species and land all their catch and rewarded with quota appropriate to fishing requirements.

**Example** - The proposed allocation based on SFTF catch and CTF catch of Silver Trevally

- The majority of Silver Trevally is traditionally caught in SFTF waters
- The SFTF state catch of Silver Trevally over the last two years was 80-90 ton respectively.
- Only 62 ton was allocated based on the average over 2010-2016,
- This includes 2 ton for discards based from the CTF % rate. Which has no size restriction therefore seldom discards occur.
- The 20% as indicate at the Rag meeting would equate to 18 ton even using the incorrect allocation on 2010-2016 catches.
- The Commonwealth fishery (without a size restriction of 30cm) only landed 52 ton (2016-2017) and currently has only landed only 37 ton (2017-2018)

- A total 90 ton of fish caught for 2 years (of any size) compared to the SFTF catch of 170 ton of fish which had to be over 30cm.
- Commonwealth allocation for 2018-19 is 445 ton, while the proposed SFTF allocation will be 62.8 ton.
- SFTF catches under a size restriction still doubled to current CTF catch but the SFTF allocation is only 14% of the CTS allocation which is determined by RBC not previous catch history

### **3. COMMENT ON ADDITIONAL MATTERS**

#### **Areas of Water**

- We support no change to the areas of fishing available to fishers

#### **Fishing Gear Used**

- We support no change to the existing gear configuration for state fishers.

#### **New Methods**

- We support that no new methods will be permitted in the fishery for the transition. Although we recommend that this should be considered flexible if advancing technology that improve fishers' viability are made available – and upon agreement of the majority of fishers.

#### **Trip limits**

- We support the removal of the trip limits, in the NSW SFTF, NSW Ocean Trawl Fishery, and NSW Ocean Trap & Line Fishery.

#### **Size limits**

- We support removal of restrictive size limits.

#### **Maximum boat Length**

- We support that the maximum size limit for boats in the SFTF is 20 metres with those vessels with exemptions to still remain exempt.

#### **Inshore Gear**

- We support that inshore gear can be stowed and secured on board a vessel when fishing outside of state waters.

#### **Seabird Management Plan**

- We support that fishers will have to make changes/additions to their equipment including, for some fishers, bird baffles/water sprayers or pinkies,
- It is strongly recommended that financial assistance be provided to fishers who require the additional to meet AFMA management requirements.

#### **Increased management costs**

- AFMA governing arrangements are recognised as very expensive with full cost recovery required from the industry.



Commonwealth fisher's access species of greater value to those found in state waters and therefore can afford full cost recovery of these arrangements.

- Many of the NSW Southern Fish Trawl fishers are not in the Commonwealth fishery and have sold their Commonwealth licences, as they did not want to be a part of such expensive governing costs.

#### 1. Vessel Monitoring Systems (VMS) and Electronic log books

Fishers to have VMS and e-log software

*The Cost Recovery Impact Statement (CRIS) states that compliance will not be cost recovered, so therefore this is not a cost that requires to be recovered from the industry.*

#### 2. Levies

Financial assistance is provided to fishers who require finance to enable them to pay their levies until they are fully established with the new management arrangements.

## 4. RECOMMENDATIONS

A range of recommendations have been discussed by our PFA members. These options include:

### RECOMMENDATION 1.

- During the 2018-19 fishing year which is prior to commencement of the transition –
  - We recommend that new trip limits are put in place that enable the SFTF fishers to economically catch fish and show a true reflection of what the catch rate is with in state waters and still allows the integrity that AFMA requires to ensure harmony with CTS SFR holders.
  - Implementing an Observer Program to record the harvests, a more accurate sectorial allocation will be provided to reflect the actual commercial mortality of the Southern Fish Trawl Fishery.
  - Size limits are also removed to enable a true reflection on catch
  - A workshop is held consisting of State fishers / DPI and AFMA to review new limits.
  - Independent allocation process proceeds to determine the allocation formulas for the fishers.

### RECOMMENDATION 2.

- Phase in transition that allows greater research to inform a more accurate RBC that appropriately allocates quota based on the NSW sustainable economic harvest in state waters.
  - This would require a more thorough Observer Program to correctly identify discards

- Adjustment of the AFMA RBC to accurately reflect the commercial mortality attributed to NSW sector.

### **RECOMMENDATION 3.**

- Purchase of Southern Fish Trawl quota to reallocate a more reflective amount to state waters.
  - It is not the fault of the industry that an appropriate understanding of their discards was not considered in the RBC. It was also not the fault of the NSW State industry that they were restricted to fish trawl trip limits to assist Commonwealth with their quota management arrangements. However, the NSW State industry will suffer the financial burden of this mismanagement unless they are allocated a higher proportion of the RBC. If AFMA refuses to adjust the flawed RBC and will not allow more time to transition, then Commonwealth quota must be purchased to reallocate to the NSW State sector.

## **5. An allocation of quota to individual transitioning fishers**

The PFA notes that:

- Our argument is on the determination of overall quota.
- Most of the fishers have participated in the port visits by the IAP committee and put forward their own individual views on allocation and indications are this will be fair process.
- As this is yet to be announced, we do not doubt there will be differences of opinion on how the process of allocation should have been determined and it would be best to make further comment once released.
- We are disappointed that the method of allocation has not been announced as any arguments that result from the allocation could have been included in this submission as we are sure that many of the issues we have raised in this submission will be behind arguments that will come about in regard to individual allocations.



## 6. Summary

A great deal of discussion has occurred to convince the NSW Southern Fish Trawl Fishery of the benefits in being governed by AFMA, however, at this point in time, our PFA members have strongly advised that it appears to have had little benefit. There is an increase in business costs and a continued restriction of catches but no improved viability for the fishers. The PFA has also observed a significant amount of effort afforded to ensure that the Commonwealth's South East Trawl Fishery is not inconvenienced or negatively impacted by this transition – and yet it is to be assumed that the NSW Southern Fish Trawl Fishery is to be subjected to all negative fall out in the process. As far as the PFA can ascertain, if this transition is to proceed, a large number of the NSW Southern Fish Trawl Fishery will leave the industry – directly impacting on the supply of local seafood into NSW and specifically the Sydney Fish Market.

The industry is not opposed to the transition, but it sees no benefits in the transfer under the current restricted harvest regime and increased costs. The industry will be subjected to restrictive management arrangements due to the previously poor monitoring arrangements, restrictive management arrangements (trip limits), poor data provided to AFMA and incorrect assumptions made by AFMA for their RBC calculations. The industry can only accept this transition if the allocation to NSW state harvest is recalculated. Whatever the mechanism used – a delay in the transition to allow corrections of the RBC with more Observer Reports or a purchase of Commonwealth quota to reallocate an appropriate amount of kilograms to state fishers – it is unfair to subject the NSW Southern Fish Trawl Fishery to a transition under the current proposal.

Yours sincerely



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