

Revised Commonwealth Fisheries Bycatch Policy

Submission No.: 02

Submission by: Small Pelagic Fishery Industry Association
South East Trawl Fishing Industry Association
Sustainable Shark Industry Alliance

Submission:

RE: Industry Comment on the Department's Commonwealth Fisheries Draft By-catch Policy

SUMMARY OF SUBMISSION:

1) This submission is on behalf of three Commonwealth managed fishing associations who combined represent members who hold more than 50,000 tonnes of quota and operate around 50 fishing vessels in southern Australia.

2) Industry acknowledges the need to manage by-catch but also notes the dangers of single specie harvesting.

3) Industry would like the Department to recognise its declining financial wellbeing and to state that the Department's expectation that better management of by-catch under this new Policy must occur with reduced cost recovered levies. This can be achieved by outsourcing and better scheduling by-catch research and by improved by-catch data handling.

4) Encounters between by-catch and fishing vessels should only be considered an interaction when there is harm or stress caused. The definition of interaction within the Policy should change slightly.

5) Industry supports the differentiation between general and protected species by-catch.

6) Industry supports the targets for protected bycatch these being:

- that all reasonable steps should be taken and that,
- the fishing industry should not worsen the conservation status of a protected species.

However, the circumstances in which a protected species must be recovered is not clear under the Policy.

Management should only be applied to the fishing industry where doing so will have a material effect on the recovery of a protected species.

7) Industry supports the target of best-practice management to avoid and minimise general by-catch.

8) The WTO process introduces uncertainty in that it is not guided by the Policy's targets (described in point 6 above).

9) Industry supports AFMA's five by-catch principles but believes that the principle to avoid and minimise should be removed and that AFMA should strictly adhere to the Policy's targets.

10) By-catch reporting should be systematic and not move to shorter interval even if driven by perceived public pressure.

11) The execution of this policy must be exact. If Policy aims for protected and general by-catch (point 6) are being met no further action is required. Only under this circumstance is industry truly incentivised to fix by-catch issues once and for all.

Who is submitting?

Thank you for the opportunity to comment on the Commonwealth Fisheries By-catch Policy (the Policy). This submission is on behalf of three Commonwealth managed fisheries in southern Australia represented by three industry associations ("the Industry" or "this submission"). Combined these associations represent 50,000 tonnes of quota and 50 fishing vessels within these fisheries. These fisheries are the:

- 1) Commonwealth Trawl Sector (South East Trawl Fishery) represented by the South East Trawl Fishing industry Association (SETFIA)
- 2) Small Pelagic Fishery represented by the Small Pelagic Fishing Industry Association (SPFIA)
- 3) Gillnet, Hook and Trap Fishery represented by the Sustainable Shark Industry Alliance (SSIA).

Industry acknowledges that there is a need to manage by-catch

By way of introduction this submission acknowledges that all catches, retained and discarded, must be reported and that all risk in fisheries should be considered. There is absolutely a need to manage bycatch but the introductory statements on page 1 of the Policy about by-catch being undesirable need to be augmented to consider what would occur if all by-catch was eliminated. There is research that suggests that harvesting a single commercial species can cause detrimental effects in the ecosystem as relationships between species change. Nonetheless, industry recognises that public perception is that discarded by-catch and interactions with protected species are undesirable.

Industry's declining financial wellbeing means that risk-catch-cost must be implemented to reduce cost recovered levies

Industry is pleased that this Policy addresses the concept of risk-catch-cost and risk-based management (page 12) but notes the surprising omission of this concept in the Department's Draft National Plan Of Action (NPOA) Seabirds. All three fisheries that contribute to this submission operate with virtually no investment in the catching sector, with no vessels younger than 20 years and average vessel age now probably in the mid-30's; likely five years from redundancy. Cost recovered levies, increasingly complicated management arrangements and management/policy uncertainty have been significant contributors to the economic and investment situation that these fisheries find themselves in. The three fisheries represented by this submission have port revenue of approximately \$60m and cost recovered levies (2017-18) of 7.2m or 12% of revenue. This is economically unsustainable,

A contributor to the financial wellbeing of these fisheries is that they are trade-exposed. 80% of seafood consumed in Australia is imported and it is likely that another 10% comes from State run fisheries. As minority supply price-takers, the Commonwealth operators subject to this Policy cannot increase fish price to offset levied cost that this Policy may bring about.

The economic situation in these fisheries is dire:

- The GHaT fishery has been in negative economic return (unprofitability) since 2008/091
- The SPF fishery currently has no full-time active vessels yet incurred cost recovered levies of \$1.4m in 2016/17
- The CTS fishery's profits are in decline and projected to fall to \$1.4m in 2013/142

The Department must be cognisant of the immediate need to significantly reduce levied cost within the fisheries covered by this submission. Not reducing levied cost will likely see these

fisheries fail. The solution to achieving improved risk management for all species while also lowering management spending are:

- 1) increased competitiveness of outsourced science spend
- 2) better scheduling of research considering risk-catch-cost and risk management
- 3) more efficient handling of data

Industry would welcome the Department's support in setting an expectation that the Policy must be executed while also reducing cost recovered levies by following the three principles above.

What is by-catch?

This submission supports the division of general by-catch and protected by-catch (page 8).

This submission supports much of the Policy's definition of "by-catch" (page 5) and notes that this Policy correctly uses the word "interaction" while the Department's Draft NPOA Seabirds incorrectly did not.

However, as explained in Industry's submission to the Draft NPOA Seabirds, some fishing gear types (such as trawling) very rarely retain seabirds but still present a risk. The Policy correctly acknowledges cryptic mortalities (page 5) such as seabirds sometimes striking trawler warps. However, the Policy's current inclusion of the word "collision" allows lobbying for seabirds landing on nets or having very light interactions with trawl warps to be classed as by-catch. It also potentially allows a seabird sliding down a warp and not being returned (a cryptic mortality) to incorrectly not be classed as a by-catch interaction because it was not retained and not collided with. This submission proposes that the word "collision" be replaced with "causing harm or stress". This is a widely-used and successful definition within AFMA and industry for interactions with protected and non-protected species.

Clear targets for the management of by-catch are required

With regard to protected species the Policy's target is twofold, being that:

- 1) "all reasonable steps" should be taken and,
- 2) that the fishery must not adversely affect the conservation status of protected species

Industry is in full support with both targets.

Industry has at times been frustrated with unclear operational policy around by-catch. For instance, in the CTS fisheries, heavy interactions (those likely to cause harm or stress) with seabirds have been reduced by more than 90% mostly through the use of bafflers (devices that separate seabirds from warps). And, in the auto-longline fishery seabird interactions are now at rates of less than 1 in 10,000 hook sets. However, even after these gains, at times AFMA, and now the Department's Draft NPOA Seabirds, creates pressure for continuous improvement. The principle of diminishing marginal returns dictates that it is increasingly difficult and expensive to further reduce interaction levels. The Policy's clarity on protected by-catch will

- aid business certainty creating a business environment in which the trend of lowering investment and poor financial performance can be partially attested
- incentivise industry toward solving problems in the knowledge that once solved, costs relating to a specific issue will reduce
- allow focus to move to other by-catch issues once an issue is solved

However, the Minister's Wildlife Trade Operation (WTO) approval process offsets these gains because it is not guided by these targets.

This submission broadly supports the definitions and target/limit reference points proposed for key commercial, secondary commercial and by-product (Table 1 page 10) and notes that the

Department's draft harvest strategy policy will cover retained catches. At times retained species will be difficult to categorise but RAGs are well placed to make reasonable judgements.

As stated previously Industry also supports the definitions/targets of general by-catch (best practice to avoid and minimise Table 1, page 10) and protected by-catch (reasonable steps/no worsening of conservation status respectively). However, the policy objective of "minimise fishing related impacts" on all by-catch again creates uncertainty. The solution is to insert the words "best practice" into the policy objective for (general and protected) by-catch.

The wording "may be a need to recover populations of [protected] species listed in these categories" (Table 1 page 10) creates significant uncertainty.

For instance, the Tasmanian managed Tasmanian Giant Crab Fishery has likely been fished to below B^{lim} through targeted and managed fishing. The fishery is not listed under the EPBC Act but if it was any Commonwealth fishery having any level of interactions with giant crabs would face management arrangements that may include closures even though these fisheries did not contribute to the decline in a material way.

A second example is found in the decline of protected seabird populations due to historical feather trade harvesting. A low level of Commonwealth fishery interactions continue so there is risk that AFMA may interpret the Policy and intervene to rebuild these protected seabird populations to pre-harvesting levels.

The solution is to qualify the statement about the need to recover populations of protected species with words to the effect that this should only be done if the management intervention is likely to have a material effect on the stock's recovery.

The policy is largely silent on the use of Potential Biological Removal (PBR). Where PBR exists, for instance with Australian fur seals, PBR should be used to consider if fishing interactions are likely to worsen the conservation status. However, where an estimation on PBR is not available (seabirds and most other protected species) this is not possible. Noting the poor financial situation of the fishing industry in general industry is concerned about where the cost of calculating a PBR will lie. We note the example of the Australian Sea Lion where, following strong management arrangements, fishing interactions have materially ended but populations appear to be continuing to decline. Any decision on who will bear costs for the calculation of PBR should consider other factors such as (but not limited to); predation from introduced species, climate change, human incursion, water quality and habitat loss.

How to Best Execute the Policy?

On the subject of the "Management Toolbox" (page 13) we note that AFMA have recently developed a set of five principles under which they will execute the Policy. These principles have been supported by Industry:

- 1) Management responses are proportionate to the conservation status of affected species and ERA results
- 2) Consistency with Government policy and legislative objectives (including to 'avoid' and 'minimise') and existing national protected species management strategies such as Threat Abatement Plans and NPOAs.
- 3) Incentives should encourage industry-led solutions to minimise bycatch of protected species utilising an individual accountability approach.
- 4) Accounting for cumulative impact of Commonwealth fisheries on protected species.
- 5) Appropriate, and where possible consistent monitoring and reporting arrangements across fisheries.

It is likely that principle two will need to be altered to differentiate between general and protected by-catch and to list the different targets (best practice approaches to avoid/minimise

and reasonable steps/no worsening of conservation status respectively). Neither should remain as simple “avoid” or “minimise”. An alternative way forward would be to remove principle 2 altogether and defer to the Policy. Industry would welcome the Department drawing AFMA’s attention to this small but important change. It is critical that the wording of AFMA’s by-catch principles and this Policy’s objectives and targets are consistent.

Industry supports regular and transparent reporting of by-catch interactions. However, it is Industry’s view that the almost daily reporting of dolphin interactions in the SPF fishery in 2016 was excessive and not appropriate. Industry’s view is that quarterly reporting is adequate.

On the subject of AFMA’s by-catch strategy this submission would like to see the species split to general and protected by-catch. Following that an assessment of whether management and interactions meet the Policy’s targets (reasonable steps/no worsening of conservation status respectively). If they do, no action is required.

Only if they do not should the remaining seven metrics (page 15) be addressed in AFMA’s by-catch fisheries policies. Industry would like the Department to state this explicitly in the policy.

There are both private and public benefits to managing and monitoring bycatch. Industry suggests that there are greater public benefits than currently recognised, which should therefore attract greater government funding contribution to managing and monitoring bycatch. We also note that even if there was no fishing it would be incumbent on government to be managing other pressures/threats and monitoring those impacts on species and populations, including those regarded in this policy as ‘by-catch’ species.

The policy states (page 5) that “other sectors [recreational fisheries and indigenous customary fishing] also impact on bycatch populations”. The recent changes to the Fisheries Management Act to recognise recreational and indigenous fishing should be also explicitly recognised when it comes to the management of by-catch. However, this policy does not address the by-catch impacts that recreational fishers especially have on general and protected by-catch species.

The Policy’s statements about industry involvement (page 15 and 16) are welcomed. We urge the Department to direct AFMA to develop by-catch strategies with industry initially before moving to broader relevant stakeholders (even though this is currently the unstated method).

Yours sincerely,

Small Pelagic Fishery Industry Association

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Sustainable Shark Industry Alliance