

Revised Commonwealth Fisheries Harvest Strategy Policy

Submission No.: 02

Submission by: Great Australian Bight Industry Association

Submission:

Dear Fisheries Branch / Commercial Fisheries Policy,

Submission to the Draft Commonwealth Fisheries Harvest Strategy Policy

The Great Australian Bight Industry Association (GABIA) is the peak body representing seafood businesses operating in the Commonwealth managed Great Australian Bight Trawl Fishery (GABTF). The GABTF is a sustainably managed fishery, covering an area of approximately 812,000 Km², extending from Kangaroo Island in South Australia to Cape Leeuwin in Western Australia. The fishery focuses effort on the continental shelf / upper slope benthic and mid-water areas of the GAB, with key target species being Bight redfish and deepwater flathead and seasonal deepwater fishing for Orange Roughy occurring under scientific arrangements with the Commonwealth. The GABTF also maintains an exploratory / developmental approach for number of species such as gemfish and blue grenadier.

GABIA Harvest Strategy Policy Response / Key Points

1. The cost implications of this draft policy has significant potential to impact profitability and create an unsustainable cost-burden for GABTF SFR holders under the current cost-recovery framework applied to Commonwealth fisheries;
2. The concern for increased management and assessment costs driven by this policy is most severe in multi-species fisheries such as the GABTF due to the relatively low value of *secondary commercial* and *byproduct* species in the fishery and a paucity of information required to set reliable / robust B_{Lim} and B_{MSY} reference points;
3. The GABTF has historically landed approximately 140 species as part of its commercial catch and regularly lands a mix of 45 species in any normal fishing trip. There are two *key commercial* species that make up 67% (deepwater flathead and Bight redfish) of the value of the catch with the remaining 33% of value spread over *secondary commercial* and *byproduct* species;

4. Both deepwater flathead and Bight redfish are assessed and managed to B_{MEY} target levels and have in place Multi-Year TAC's (MYTAC's). The fishery employs an extensive industry based sampling and ISMP program that feeds into the stock assessments for the *key commercial species* and a Fishery Independent Survey is run periodically to produce abundance estimates;
5. A further five species landed in the fishery are managed by ITQ's / TAC's and a system of spatial management arrangements are in place for conservation dependant species such as gulper sharks and orange roughy;
6. It is also widely recognised that due to the small / narrow trawl footprint of the GABTF relative to the preferred habitat for the majority of species occurring in the Great Australian Bight, an effective spatial management system is benefiting the fishery, by default;
7. Ecological risks in the GABTF are assessed through the Ecological Risk Assessment (ERA) process and species by species risks have been assessed as low, across the board, for all species in the fishery;
8. There are six species in the fishery (western gemfish, blue grenadier, ling, blue-eye trevalla, ribaldo and hapuka) that have catch trigger levels in place to direct collection of biological data and upper catch trigger levels to increase the rate of data collection, initiate the development of an assessment plan, cease fishing and / or commence a stock assessment;
9. The abovementioned process is described under the GABTF Slope Species Development Plan. The reason this plan exists is due to a lack of information to calculate TAC's for the abovementioned species and to ensure that any catch is managed in a step-wise manner and resources in the GABTF are developed sustainably;
10. The management of three other species in the GABTF (ocean jacket, ornate angel shark and jackass morwong) are considered to be managed sustainably via the management measures for the *key commercial species*, deepwater flathead and bight redfish. The value of these fisheries relative to the cost of conducting a full stock assessment is not a feasible option. The ERA process deems that direct biological risks and wider ecological risks posed by removing these three species from their respective populations and the eco-system are low;

Secondary Commercial Species and B_{MSY}

11. A major flaw in the design of the Draft HSP, relative to the GABTF, is in the objective relating to secondary commercial species. The objective seeks to *maintain secondary commercial fishstocks, on average, at a target biomass equal to, or greater than, the stock size required to produce maximum sustainable yield from the stock – or an alternative target aimed at achieving maximum economic yield from the fishery;*
12. The implication of this objective in the GABTF is that due to a paucity of information to set reliable target B_{MSY} levels for the majority of species likely to be categorised as *secondary commercial*, the likelihood of significantly increasing management and assessment costs in pursuit of this objective and need to generate additional revenue to cover the increased costs, clearly makes this an

unachievable objective in the GABTF. There is simply not enough whole-of-fishery revenue or value in the catch of *secondary commercial* species to pay for this approach in the GABTF;

13. Whilst GABIA fully supports managing the fishery to ensure that the level of fishing mortality does not push a species below the B_{LIM} and fishing impacts are assessed to ensure that we have a level of confidence a species is being maintained at a target equivalent, if not exceeding, a proxy B_{MSY} level (0.40 of B_0), it will be cost – prohibitive in the GABTF to meet the objective of establishing B_{MSY} for species categorised as *secondary commercial* species;
14. As explained in paragraphs 4 - 10, GABIA in co-management with AFMA, has a fishery management and assessment framework in place that is demonstrably sustainable and relatively cost-effective (in relation to the 2016/17 Cost Recovery Process). Any changes to this framework and in particular any increase in cost related to producing reliable estimates of B_{MSY} , or managing the fishery against a proxy for B_{MSY} for low value *secondary commercial* species, will make operations in the GABTF unprofitable;
15. There is not the quantity of operators or value generated in the GABTF to support any increase in management and assessment costs above what is charged under the 2016/17 Cost Recovery process in the GABTF. This point is supported in (Koopman *et al*, in press, 2017) whereby gross revenue per vessel per year in the GABTF is reported as being approximately \$2million and after all costs are taken into account (including variable costs, wages, depreciation, debt and interest payments) net profit per vessel is typically negative by \$180,000 per annum;
16. GABIA requests that the application of the objective relating to *secondary commercial* species be assessed on a fishery by fishery basis and a practical decision-making process needs to be part of the policy that guides where / when the pursuit of this objective is applicable and most importantly, affordable.

The Extension of the Scope of the HSP to include *Byproduct*

17. Extending the current HSP to include *byproduct* from a fishery management perspective is likely to add complexity and cost to the HSP relative to the GABTF;
18. In an attempt to comprehend the implications of this proposal in the GABTF, somewhere between 28 to 125 separate stocks (it could be more depending on how the keenly the definition of *byproduct* is applied) will be classified under the *byproduct* category;
19. The categorisation of *byproduct* under the Draft HSP requires that a limit reference point (B_{LIM}) is established for all stocks (stock by stock) to ensure that each stock remains above the B_{LIM} at least 90% of the time;
20. However, considering that *byproduct* stocks are inherently data-poor, it will not be possible to establish stock status in relation to a limit reference point with the level of certainty required to ensure that there is a less than 10% chance of being below the B_{LIM} , for the significant majority of *byproduct* species;

21. It is assumed that the Draft HSP is not attempting to direct quantitative assessments of all *byproduct* species to establish a reliable B_{Lim} and its GABIA's understanding that if a *byproduct* species is assessed as low risk under the ERA process then it will be assumed that the stock is at 0.5 of the biomass at MSY or above $0.2 B_{Lim}$ 90% of the time;
22. GABIA requests that this understanding be explicitly clarified / defined in the Draft HSP;
23. Further to this, it will be useful to clarify the management response should a species categorised as *byproduct* be assessed as medium risk under the ERA and / or there is uncertainty around stock status relative to a $0.2 B_{Lim}$. An understanding of potential decision rules under the HSP in a multi-species fishery will be useful to understand the implications of extending the scope of the HSP to include *byproduct* species;

Cost Implications of the Draft HSP

24. The Final report on the review of the Commonwealth Fisheries Harvest Strategy Policy and Guidelines (DAFF 2013) states under the heading, Considerations for incorporating byproduct under the harvest strategy policy (p. 110); *Currently, harvest strategies have been applied to approximately 100 stocks. Extension of the policy to all commercial stocks would increase this number and have associated cost implications. Any extension of the fisheries policy framework to incorporate byproduct stocks would require consideration of the costs including how, and from what sources, these costs could be met;*
25. Contrary to this statement in the abovementioned report, the Draft HSP is silent on how the policy will be resourced. The Draft HSP only states on p. 18 that; *The Australian Fisheries Management Authority is the Commonwealth regulator responsible for implementing harvest strategies in Commonwealth fisheries. It is responsible for the development of fishery-specific harvest strategies consistent with this policy;*
26. This is unacceptable. The cost implications of the Draft HSP need to be explored through fishery specific case studies or scenario testing to assess the potential cost / benefits of the policy. This needs to occur so that any increased management / assessment costs in a cost-recovery environment are well understood and adequately resourced, from various sources, prior to any policy being agreed and finalised. This approach follows the advice of the 2013 DAFF report and is supported by GABIA;
27. It is also unacceptable to state in the policy that (Section 4.2, p. 17); *In any case harvest strategies consistent with this policy must be in place in all significant Commonwealth fisheries within three years of the commencement of this policy,* in the absence of an assessment of cost implications and how new costs will be met. GABIA supports a review of this timeline based on an assessment of costs related to the revised HSP Policy and how costs will be apportioned and met;
28. Exacerbating the cost implication of the Draft HSP is the reference on p. 13 under the heading, *Technical evaluation of harvest strategies,* is the reference to using the Management Strategy Evaluation procedure to formally test and demonstrate that harvest strategies are highly likely to

meet the objective and key principles of the draft Policy. The Management Strategy Evaluation procedure is described as a tool that tests alternative management strategies and runs comparisons using simulations of stock and fishery dynamics;

29. Whilst sounding like an expensive evaluation procedure, the DAFF 2013 report states that the procedure is indeed a time and resource intensive evaluation approach and it is stated that the Management Strategy Evaluation procedure may not be affordable for all fisheries or species and that a more generic testing approach is required (see p. 37);

30. It is clear to GABIA that all aspects of the cost implications of the draft HSP, including incremental review and evaluation procedures, need to be assessed and reported on so the new costs of the draft HSP are well understood and the costs of implementing the policy are adequately resourced and equitably apportioned.

In summary;

GABIA requests that the application of the objective relating to *secondary commercial* species be assessed on a fishery by fishery basis and a practical decision-making process needs to be part of the policy that guides where / when the pursuit of this objective is applicable and most importantly, affordable.

GABIA's understanding that byproduct species assessed as low risk under the ERA process will be assumed that the stock is at 0.5 of the biomass at MSY or above $0.2 B_{Lim}$ 90% of the time and GABIA requests this is explicitly clarified / defined in the Draft HSP.

That all aspects of the cost implications of the draft HSP, including timelines for implementation and incremental review / evaluation procedures, are assessed and reported on so the new costs of the draft HSP are well understood and the costs of implementing the policy are adequately resourced and equitably apportioned.

On behalf of GABIA I look forward to meeting with you on 22 June 2017 in Canberra to discuss the draft policy.

Kind regards

Executive Officer
GABIA

References;

DAFF 2013, *Report on the review of the Commonwealth Fisheries Harvest Strategy Policy and Guidelines*, Department of Agriculture, Fisheries and Forestry, Canberra.

Koopman, M., Knuckey, I., van Putten, I., Fleming, A., Hobday, A. and Zhou, S. (2017). *Realising economic returns of reducing waste through utilisation of discards in the GAB Trawl Sector of the SESSF*. FRDC Project 2015/204. Fishwell Consulting 91 pp (Note: In draft form).