



Tasmanian Rock Lobster Fishermen's Association

**Submission to the Australian Government Productivity Commission
With respect to Australian Marine Fisheries and Aquaculture**

On Behalf of the

Tasmanian Rock Lobster Fishermen's Association (TRLFA)

April 2016

Tasmanian Rock lobster Fishery

The TRLFA is the peak body in Tasmania for the commercial rock lobster fishery. The primary role of the TRLFA is to promote and represent the best interests of its members and the commercial industry as a whole.

The commercial rock lobster fishery is the most valuable wild catch fishery in the State. The landed value in 2014/15 was \$84million (ABARES). The industry supports 315 Entitlement Holders, 200 vessels, 200 fishers and their crew and is an important economic contributor to the coastal communities they operate from. A significant proportion of the fishers/vessels also operate in other fisheries managed by State and Federal jurisdictions.

The primary value of the commercial rock lobster fishery is to continue operating as a sustainable industry. This is achieved through world's best ecosystem based and adaptive regulatory framework. As a foundation, this framework requires comprehensive scientific input into a robust harvest strategy decision making process. Should adequate science not be available then management framework will proceed using the precautionary principal.

The TRLFA understands that the fishery is an important community resource and that the regulatory framework required to manage the fishery must be robust. The TRLFA also recognise the current trend by consumers and the community towards independent third party accreditation that seafood is produced both sustainably and ethically. These accreditations are useful for community acceptance and marketing however do little for the management of the fishery.

Structure of TRLFA Response

This submission provides response to the broad topics found in Sections 2 to 4 of the Productivity Commission Issues Paper. Responses take into account the specific information requests found within each section. Given the short response time available the TRLFA submission only focuses on those topics of direct relevance and importance to the rock lobster fishery in Tasmania.

2. Australian Fisheries

Sustainable management of Australian fish stocks

The Tasmanian rock lobster fishery management system is designed to ensure long term sustainability and viability. There is a focus on independent scientific data collection, research and stock assessments to drive a regulatory decision making process for the fishery.

The management takes a holistic approach to the marine environment. All users are taken into account, as is the impact on the target species, bycatch, threatened, endangered and protected species, as well as impact on the broader marine environment. Decision making forums are inclusive, and include consultation with the commercial sector, scientists, economists and other user groups, such as those that represent traditional fishing, recreational fishing and environmental non-government organisations.

Effective management of the fishery has resulted in increased control of fishing effort and catches. The result is a fishery that is in very good shape. The evidence for this is contained in stock assessment reports from the Institute of Marine and Antarctic Studies, the Status of Australia's Key Fish Stocks published by the Fisheries Research and Development Corporation and the ongoing assessment of the fishery for export by the Department of Agriculture and Water Resources under the Environmental Protection and Biodiversity Act.

The process of managing the fishery is however complicated by the perceived lack of robust data collection and monitoring from within the recreational sector. Without proper controls on recreational catch, the effective work done by the commercial sector in rebuilding stocks can be compromised.

Allocation of fish stocks

Management of resource allocation of the Tasmanian rock lobster fishery between commercial and recreational sectors is legislated under State jurisdiction. Even so there is friction between these groups regarding the level of allocation for a "publicly owned" resource even recognising that both share a fundamental interest in the sustainability of that resource. The allocation of the resource is always subject to Government discretion despite legislated allocation.

There is a very concerning trend both in Australia and overseas for governments to remove scientifically proven sustainable commercial fishing effort because of recreational/ public pressure. This results in decision making for political gain and compromises sustainable fisheries management policy.

It must be remembered that commercial operators have been allocated access rights through the issuing of a licence and pay annual resource rental fees to maintain that access and allocation right. They will have invested a significant sum of money to purchase that fishing right initially. The continued viability of commercial lobster fishers is reliant on continued access to, and allocation of the resource. The coastal communities they support are also reliant on their ongoing viability.

The commercial fishery is subject to some very basic threats to their allocation of the resource: -

- Commercial fishing effort is easiest to control
- Recreational fishing effort is difficult to monitor and control
- There are far more votes from recreational fishers compared to commercial fishers.

How to measure and compare value

Both sectors use differing metrics to measure value.

The commercial sector is generally valued on Gross Value of Production or beach price. Unmeasured values include capital investment in boats, fishing gear and licences, production of economic gains through export returns and regional economic support through operation from, and living in, coastal communities.

The recreational sector is afforded a value based on the economic contribution to the community – equipment, fuel, food and accommodation and an “enjoyment” value.

Weighing the relative importance and benefit of different values is intrinsically difficult, as each sector believes their values to be more important. There could be merit in developing an agreed standard for measuring the value and benefit of all sectors to the community, however an agreed methodology would be unlikely.

Balancing competing interests

There is a generic overlap and conflict between commercial and recreational sectors. Resolving commercial/recreational conflict has historically been challenging. Although there are mechanisms for joint discussion, and all sectors have the opportunity to provide input into the decision making process, it is essentially a Ministerial decision that creates a solution and usually to the real or perceived disadvantage of another sector.

Improved and continual cooperation and dialogue between fishery managers and all stakeholder groups will, over time, improve understanding of other sectors interests. There will however always be those who choose to never accept commercial operations.

Commercial Fishing -

The cost of regulation

The commercial sector has access to a shared community resource. The resource must be managed for the benefit of all. Management therefor requires a level of robustness and inclusiveness that results in a costly and time consuming regulatory process. The higher the level of public scrutiny towards a particular issue, the more potential for more regulation and higher regulatory cost. In an extreme case there is risk of decision making processes and fishery policy to be over ridden by political interference. This not only costs fishers in terms of time and money, but has the capacity to devalue fishing rights through diminished and uncertain access rights.

The commercial sector is being subjected to more and more complex rules and regulations to a) control catches and b) to appease perceived commercial/recreational interactions. While industry are supportive of regulation to ensure sustainability of fish stocks and the broader marine environment, more complex and shifting regulation generally brings with it an increased cost of operation, decreased capacity to operate and uncertainty around current rules and regulations. In most cases, regulation is implemented in order to control or catch a lowest common denominator within a fishery (those operating illegally). Such ideology treats all commercial fishers as criminals, and subjects all operators to complex regulatory arrangements. For example, operators are often not allowed to transit closed zones back to their home port with fish on board.

Although technology, such as VMS, could resolve such issues, regulatory bodies do often don't have the capacity or appetite to implement such systems.

It must be acknowledged that finding the balance between catching illegal operations, while at the same time giving the honest fishers a fair go is a very difficult task, hence the often complex and costly regulation and compliance arrangements put in place. We do not want to see fishers lose their livelihood because of an honest mistake and over burdensome regulation. It is fair to state that most cases of regulatory transgressions in the Tasmanian commercial rock lobster fishery are administrative errors on the part of fishers and not intent to defraud or gain illegally.

Use of input controls

The commercial rock lobster fishery is primarily controlled by a Total Allowable Commercial Catch. The TACC is implemented via an Individual Transferable Quota system. Aside from this management tool the commercial fishery has a number of important input controls that are supported by industry:

- Biological/reproductive – Legal minimum size limits, fishing seasons and prohibition of taking berried females.
- Gear restrictions – industry consider fleet structure through a maximum amount of participants in the fishery important for employment and economic support of coastal communities.

These input controls are considered necessary to complement the output controls for the desired regulatory and social outcomes for the fishery.

Investment in the fishing industry

Investment in the commercial rock lobster fishery is at present represented by two main groups, 1) fishers investing in ownership of the fishery to maintain their long term viability/participation and as a retirement investment, and 2) non fishing investors looking for a reliable investment that produces income.

The first group are faced with the full brunt of fishing regulations, management plans, vessel requirements and regulations and all the associated paperwork that must be submitted. The second group to a great degree transfer most of the regulatory burden to the fishers that lease their quota.

In all, the regulatory burden is not generally seen as a deterrent to investment in the fishery. There is of course recognition that over the past 20 years there has been a many fold increase in the regulatory burden imposed on the industry. Some of the increase is questioned by industry but generally accepted as something that must be endured or simply another cost of doing business. The reality is that under a quota managed fishery these costs are absorbed by fishers who have no mechanism for passing increased costs on.

It is difficult to identify if risks to allocation and access rights are a deterrent to investment in the rock lobster fishery. It would seem at present that the demand for licences and quota indicates that investors are prepared to accept those uncertainties.

The one obvious lack of investment in the fishery is in the building of new fishing vessels. There has been only limited new constructions in the past 20 years. Most vessels are re cycled around the fishery or sourced from other fisheries interstate. Interestingly this lack of investment is not associated with lack of confidence in the fishery but rather fishers investing in quota that is seen as a higher priority than a new vessel.

Future challenges and opportunities

The commercial rock lobster fishery faces some significant challenges now and in the future. Of particular note:

- Climate change – the incidence of species migration (Long Spined Sea Urchin) and harmful algal blooms are affecting lobster habitat and markets respectively. Both have the capacity to affect productivity.
- Increasing cost of operation – costs associated with all aspects of the fishing industry are increasing. Increasing competition with cheap overseas product in the market threatens to erode the market position of southern rock lobster in overseas (Asia) markets.
- Community acceptance - ENGOs have increased time and effort in campaigns suggesting there will be no fish in our oceans in the near future. Such campaigns tend to be based on emotion, and the fact that the general public cannot walk through our oceans and see what is happening. The reality is it is far easier for the general public to see and believe two sentence slogans in the social media than it is to read the reams of scientific support for our sustainable fisheries. As an industry we must become more proactive in promoting our world's best, sustainable practices.
- Resource allocation and access – Although resource sharing is legislated in Tasmania there still exists a risk of political interference. The incidence of recreational interests replacing sustainable commercial fishing effort in two mainland states for political gain is disturbing.

There are also opportunities for the commercial rock lobster fishery:

- Increased productivity – through stock rebuilding strategies that afford increased catch limits and lower operating costs, and innovative management strategies that afford underutilised sections of the resource to become available for harvest.
- Increasing demand from Asia – Free Trade Agreements have afforded expanded opportunities to market product into other Asian countries apart from China, that is predominately the main market at present.
- Tell our sustainable story – with the advent of social media platforms, and a general public who want confidence that the food they are consuming is both sustainable and ethically produced, there is a huge opportunity to sell our positive seafood story.

The greatest change within our regulatory framework that could allow these opportunities to come into fruition is an increased appetite within our regulatory organisations to support and improve our seafood industry. This requires adequate resourcing of our regulatory organisations and in many instances, an attitudinal change within our bureaucratic organisations.

From an industry perspective, greater unity within our seafood industry, which may include a National Peak Body project and National Communications Strategy Project will, greatly improve our seafood industry.

Overcapitalisation

The largest overcapitalisation issue within the commercial rock lobster fishery would be the introduction of a quota management system for the fishery. This has resulted in a separation between investors and fishers (i.e. reduction in owner/operators). Owner/operator fishers require significant capital to enter the fishery – vessel, quota, lease of quota etc.

Should the TACC reduce for any reason the resultant catch reduction impacts the financial return to fishers unless there is an increase to product value.

With investors wanting an increased return on their investment, there is an increase in lease price, and hence operational costs within the fishery. There will be a point where some fishers operations become so marginal they will be forced out of the industry.

Harvest strategies and sustainability

Over the past 20 years, there has been a significant shift in how the rock lobster fishery is managed. Today there is significant importance placed on independent scientific input to drive decision making processes. Furthermore, there has been a shift towards ecosystem approaches to management, with decisions taking into account the impact of a fishing operation on the target species, bycatch, threatened, endangered and protected species (TEPS) and the broader marine environment. Furthermore, management agencies manage the fishery in consultation with the commercial sector, scientists, economists and other user groups, such as those that represent traditional fishing, recreational fishing and environmental non-government organisations, meaning all stakeholders have input into the decision making process.

These changes have seen the fisheries management agency implement tighter controls on the fishery. Of particular note, total catches and the amount of effort have been greatly constrained. The end result is a fishery managed using best practice to deliver a sustainable and profitable fishery.

The current harvest strategy has been a very effective tool for the sustainability of the fishery. Pre-defined rules for monitoring and assessing stocks, combined with reference points for performance allow control measures to be implemented to ensure sustainability.

The defined rules within the harvest strategy provide industry with a level of certainty around allocation and access to the resource that results in business having the capacity to balance investment with financial risk. The risk to harvest strategies is politically motivated decisions that can be made despite a clear and sustainable policy.

Harvest strategies are not without their costs, with the need for significant scientific input increasing management costs.

Managing bycatch interactions

The commercial rock lobster fishery is classed as “low impact” in its operations in regard to affect on the benthos and bycatch interaction.

In relation to bycatch, only species that are permitted under a Fishing (Rock Lobster) Licence are retained. They must be recorded in a daily catch log. All other species are returned to the sea. (Most are alive and returned unharmed).

Innovation and productivity improvement

The key influences and barriers to innovation and productivity improvements in the Tasmanian rock lobster fishery are: -

- Time delays in regulatory approval processes. For any change from the 'norm' there is a requirement for diverse consultation with interested stakeholders and the wider community.
- Cost of research – change and innovation generally requires scientific evidence, usually at a cost to industry or a cost to other research priorities being funded.
- Costs of regulatory compliance – There is a growing trend in Tasmania for any innovative or productivity improvement for significant and burdensome regulatory compliance mechanisms to be implemented.
- Costs of providing any strategy or service that improves productivity are always passed on to fishers.
- Other stakeholders – Recreational fishers and ENGO's are increasingly becoming involved in commercial management and operations.

Recreational Fishing

Controlling recreational effort

Management controls such as bag limits, size limits and seasonal closures are not always effective tools for management of the recreational fishery. The sheer volume of recreational participants, and the capacity for recreational fishers to rapidly respond to available fish resource are what makes controlling recreational take difficult.

The Tasmanian rock lobster east coast stock rebuilding strategy highlights the difficulties associated with managing recreational fisheries. This 10 year strategy aims to rebuild lobster stocks on Tasmania's east coast by limiting the amount of lobsters harvested each year. The commercial catch is constrained using an east coast catch cap, which is monitored under a Quota Management System.

The preliminary control on recreational catch was a reduction in the daily bag limit from 5 to 3. As stocks rebuilt, the recreational catch increased above their resource allocation limit. In response, bag limits were decreased to 2 per day. As stocks continue to rebuild on the east coast, it is projected that the recreational take will continue to increase, even with the 2 per day limit. Subsequently, further alternative mechanisms to constrain recreational take must be implemented to ensure the 10 year rebuilding strategy is maximized.

Illegal Fishing Activities

A need for robust regulation

The scale and scope of illegal fishing is essentially unknown in Tasmania. There is significant commercial scale illegal take of rock lobster and other higher value species (abalone), by recreational and commercial fishers.

Enforcement agencies require robust regulation in order to catch illegal operations. Any loophole within the regulation may result in no prosecution. Therefore, regulation may ultimately be a burden on honest fishers, as it needs to be in place to catch illegal fishers.

There are also issues around enforcement capacity across different jurisdictions. For example, the inability for Victoria police to enforce Tasmanian law, and for Tasmanian police to enforce Tasmanian law while in Victoria has resulted in a ban on operators unloading Tasmanian quota managed species within Victoria. This is a significant burden on honest operators, but a significant loophole that allowed significant illegal operations.

3 The Management of Fisheries

Multi-jurisdictional governance

Australian fisheries management regulation is widely accepted as being amongst the best in the world, and has been ultimately responsible for rebuilding the majority of Australian fish stocks to sustainable levels over the last 20 years. In very broad terms, this has been achieved by simply controlling fishing effort and catch. Unfortunately, even if the underlying objectives of fisheries management regulation are clear and widely understood, they are currently under significant threat. Political intervention outside the scope of decision making processes are the continuing norm with Australia's seafood industry. Scientifically proven sustainable operations are continually being threatened, and fisher's allocation and access rights being diminished, generally as a consequence of resource sharing issues and political gain. The examples are wide spread and include removal of sustainable commercial net fishing operations in Port Phillip Bay and Queensland's Central Coast; the banning of supertrawlers taking sustainable harvests of mackerel and red bait; and closer to Tasmania, the 'non-transferable' status of many fishing licences that access sustainable commercial operations. Australian governments and the general public must put faith in the robust fisheries management systems in place within Australia, and stop political intervention of decisions made using the best available science, and which are deemed to be sustainable.

Cross jurisdictional regulatory overlaps

SE southern rock lobster fisheries – There are two key southern rock lobster fisheries in SE Australia – Tasmania and South Australia (SA). Population structures and source/sinks for recruits across the entire fishery is relatively unknown. With larvae having a long pelagic stage what happens in one jurisdiction may impact recruitment in another. Tasmania takes consideration of egg production within its management structure, as a safeguard to maximise recruitment. Such considerations are not taken into account within the SA management framework. Could low egg production in SA be impacting recruitment in Tasmania? Is

there scope for greater standardisation of management techniques and decision making rules for stocks that span multiple jurisdictions?

Striped Trumpeter – (retained bycatch species permitted with Fishing(Rock Lobster)Licence) Striped trumpeter is a migratory species, which enters shallower water to spawn. There are two jurisdictions for striped trumpeter around Tasmania – the state fishery and a commonwealth fishery. Tasmania has implemented size limits and spawning closures to protect stocks, however, commonwealth fishers are not bound to follow these regulations, even though they are targeting the same stock. Again, should there be greater harmonisation of management input controls that protect spawning / recruitment dynamics?

Recreational catch – Within Tasmania, there needs to be improved data collection around recreational fisher catches. The more frequent collection of recreational catch data through phone and logbook surveys will provide more up-to-date information about catches. The TRLFA support the introduction of recreational tags for rock lobster for both data collection and compliance. Such information can be used to better improve stock assessments.

Management and Governance Models

Co – management

The concept of co-management leading to a sharing of decision making responsibilities between the regulator and industry is a concept supported by industry. The ultimate model would be to devolve certain decision making powers to industry, under the authority of agreed decision making strategies. The regulator would take an auditing role within the process. Such a management structure would take considerable trust between the regulator, industry, interested stakeholders and the broader community.

Private accreditation schemes

Private sector accreditations and certifications ultimately evaluate government regulation and sector / business practices to assess the overall sustainability of a fishery / business. In some instances, a third party accreditation will require higher environmental standards than those bound in regulation.

Any alignment of fisheries regulatory power with third party accreditation schemes is not justified and simply opens the door for ENGOs and often uneducated social interest groups to have greater power over the operations of the fishing industry. In turn, this would create further regulatory burden on Australian fisheries. A further concern is the unregulated costs associated with third party accreditation schemes.

Should government implemented regulation not meeting public sustainability standards, it is TRLFA's view that the regulation should change to accommodate any changing values. The decision to be compliant with costly third part accreditation schemes should remain a marketing or market access decision for individual business/sectors.

4 Meeting Environmental Objectives

The Precautionary principle

Conceptually the Precautionary Principle is clearly defined; however, in practice, the principle can be used to support overly conservative decision making and often inaction depending on the political environment and environmental side of the fence you sit on. Rules around the use and application of the precautionary principle need to be far better defined to ensure fair decision making processes based on available science and level of risk to a target species or broader marine environment.

Marine Parks

The TRLFA believe that the only ‘perceived’ threat that marine parks provide protection against is fishing effort. All other threats to the marine environment (climate change, oil spills etc.) can simply cross the boundary of a marine park.

Australia’s well managed fisheries, however, are not a threat. Through tighter controls on catch and effort, Australia’s fish stocks have/are rebuilding to sustainable levels. So the question remains, what is the value of MPAs and what are they actually protecting?