

SouthMAC 11 Meeting
3 April 2001
Canberra

MINUTES

ATTENDANCE

Members

Bill Nagle, Chair
Geoff Richardson, AFMA Member
Joe Pirrello, Industry Member
Martin Exel, Industry Member
Keith Sainsbury, Research Member
Les Scott, Industry Member
Ian Hay, AAD Member
Margaret Moore, Conservation Member
Dennis Witt, State Member
Melissa Brown (Executive Officer)

Observers

Mark Flanigan, Environment Australia
Viki O'Brien, AFMA
Joanna Fisher, AFMA

The Chair welcomed Members and Observers to the meeting.

Adoption of Agenda

Mr Exel requested and SouthMAC agreed, that the issue of pot trials in the Heard Island and McDonald Island Fishery be included under Other Business.

Apologies

All Members were in attendance at the meeting, therefore, no apologies were received.

Agenda Item 1 - Adoption of Minutes from SouthMAC 10

The Committee noted that the draft SouthMAC 10 minutes had been circulated to Members on 28 February 2001 and comments had been received from Mr Exel, Ms Moore and Dr Sainsbury. The Committee discussed the comments and agreed to amend the Minutes accordingly.

Ms Moore moved that the Minutes of SouthMAC 10, with amendments, be accepted as a true and accurate record of the meeting. Mr Scott seconded this motion.

Agenda Item 2 - Action Arising

Action Arising 1 – Report on the outcomes of the Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR) XIX

Ms O'Brien advised that the report had been distributed on 22 February 2001, to all those on the Sub-Antarctic interested persons mailing list.

Action Arising 2 – AFMA's ability to determine a TAC for the domestic fishery in 58.5.2 in the event that there is failure in the CCAMLR process.

Mr Hay advised that it would be extremely unlikely that a TAC would not be set, however, the Committee noted that in the event that it did occur, Australia would make a statement of intention to CCAMLR.

Action Arising 3 – AFMA to seek clarification on the AFMA Board's statement concerning the development of a Management Plan for the Macquarie Island Fishery.

Members noted that the AFMA Board had clarified its statement and advice was provided under Agenda Item 3.

Action Arising 4 – AFMA and EA to consult concerning an appropriate mechanism for approval processes under the HIMI Management Plan to ensure adequate assessment of environmental implications.

The Committee noted that EA and AFMA met on 5 March 2001. This matter is discussed further under Agenda Item 7.

Action Arising 5 – AFMA to write to EA requesting that a nomination from SouthMAC be involved in the stock assessment process for the HIMI Fishery.

Ms O'Brien advised that the letter had not progressed, as some Members at SouthMAC 10 had concerns with the proposal in the absence of advice from the AAD Member. Mr Hay advised that it would be quite acceptable for SouthMAC to submit a nomination, which would be reviewed by AAD against pre-determined criteria. He further informed Members that AAD try to keep the delegation to minimal numbers, however, it would be beneficial to have an adequately skilled person, who will cover the required aspects. On AAD advice, the Committee agreed to write to AAD requesting that a nomination from SouthMAC be involved in the stock assessment process for the HIMI Fishery.

Action Arising 6 – AFMA to amend approval processes agenda paper and submit to SouthMAC 11.

The Committee noted that AFMA had amended the agenda paper and was discussed under Agenda Item 7.

Action Arising 7 – The sub-group of Dr Sainsbury, Ms O'Brien, Mr Flanigan and Mr Exel to meet and seek advice from AAD in relation to having a single TAC for trawl and longlining.

The Committee noted that the meeting was held in Hobart on 2 February 2001. The outcomes of the meeting were discussed under Agenda Item 6.

Action Arising 8 – AFMA to seek clarification from its Legal Section, to determine if the number of SFRs granted need to equate to the minimum catch unit possible, that is 1 SFR = 1 kg.

Advice received to the contrary. The number of SFRs to be issued under a Management Plan will, however, be revised so that 1 SFR = approx 100 kgs.

Action Arising 9 – Dr Sainsbury to provide SouthMAC with an estimate of the Aurora Trough’s recruitment rate for the next 2-3 years.

The Committee noted that this would be discussed under Agenda Item 9.

Action Arising 10 – EO to amend Bycatch Action Plan.

The Committee noted that the Plan was amended in line with comments received from SouthMAC 10. Ms O’Brien advised that the AFMA Board, on advise from the AFMA Environment Committee, approved the Action Plan. It is expected that the finalised Bycatch Action Plan will be printed and circulated during May 2001.

Agenda Item 3 - Outcomes of the 83rd AFMA Board meeting

The Chair noted the advice from the AFMA Board regarding the outcomes of the 83rd Board Meeting held on 15-16 February 2001. The advice indicated while the Board had approved all SouthMAC 10 recommendations in relation to the Fisheries Assessment Plan, no decisions were made in relation to the allocation of quota for bycatch and longlining. The Board requested that these issues be considered further by SouthMAC taking into account, among other considerations, advice from the AAD in relation to CCAMLR’s TAC setting process and protocols.

The Board also advised that “In relation to the allocation of quota for new species the Board does not believe that this is appropriate for incorporation in the current Management Plan. In the absence of information on such species, the Plan can only apply to the specified target and bycatch species. If new species which might be commercially fished are identified within the region then access to those species will be considered by the Board according to its current policy *Exploration of Fish Resources* as set out in Fisheries Management Paper Number 5 (FMP5)”.

The Committee sought clarification from the AFMA Member as to the Board’s definition of new target species. Mr Richardson advised the Board had not discussed the issue of bycatch species already taken in the Fishery, but made it quite clear that new species, that is, those that had never been caught before in the Fishery for example giant squid, would be dealt with in accordance with FMP5. The Committee noted that there was no discussion by the Board about a current bycatch species moving to a target species in the future.

The Committee noted and agreed with the Board advise, that in the event that new fisheries for new species are considered the requirements of Fisheries Management Paper Number 5 (FMP5) *Exploration of Fish Resources*” will apply.

Members further noted the Board’s concerns over SouthMAC’s progress to date in considering matters related to the Management Plan so recommended that outcomes from SouthMAC 11 be considered out-of-session by the AFMA Board.

Industry Members expressed concern that if the Board did not consider the issues out-of-session, it would not be possible to get the Management Plan in place by 1 December 2001. Mr Richardson advised that in the event that the Management Plan did not come into effect on 1 December 2001, Fishing Permits would be issued in the interim period. Members noted that the Board would also make a decision as to whether the arrangements would mirror the arrangements set out in the Plan.

Members further noted that the Board endorsed SouthMAC 10 recommendations that the Interim Management Policy for the Macquarie Island Fishery be rolled over for an additional 18 months, that is, until 30 December 2002 and that the current operator in the Fishery be permitted to continue fishing during this time.

Agenda Item 4 - Minimum Quota Holdings

The Committee noted that at SouthMAC 10 Members, in general, accepted the Minimum Quota Holding (MQH) system proposed by AFMA.

The MQH Discussion Paper considered by SouthMAC 11, was based on SouthMAC 9 and 10 recommendations, that should MQHs be introduced, the MQH requirement would apply to holding 25.5% of the total number of SFRs granted for all target species and that an equal number of SFRs be granted for each target species.

Mr Richardson took the Committee through the Agenda Paper, covering each of the issues SouthMAC had requested to be addressed, and noted the various effects on the MQH system that would be caused through the inclusion of additional target species, quota management areas (QMAs) and changes in the number of vessels operating in the Fishery.

Addition of new target species (major bycatch species of commercial interest)

SouthMAC expressed concern over the potential inequitable impact that the introduction of additional target species may have on their ability to meet future MQH requirements, for example, if one operator developed the fishery for grey rockcod and in return was granted all, or even a disproportionate number, of the SFRs available for this species, operators holding the bare minimum SFRs required to operate previously would no longer qualify and need to acquire additional SFRs in order to operate.

SouthMAC recognised that fishing operations and SFRs should not be jeopardised in this way and agreed that the Management Plan initially apply to the two target species being, Patagonian toothfish and mackerel icefish, as well as the following major bycatch species of commercial interest:

- Grey rockcod (*Lepidonotothen squamifrons*);
- Unicorn icefish (*Channichthys rhinoceratus*);
- *Macrourus* spp. (rat tails, grenadiers); and
- Sub-Antarctic stone crabs (*Lithodes murrayi*).

In the event that a major bycatch species of commercial interest becomes a target species, Members agreed that the Management Plan stipulate that these would be allocated in proportion to the number of SFRs for other target species held at that time. Mr Hay indicated that the process for moving from a major bycatch species of commercial interest to a target species would involve the Australian delegation initiating the proposal at CCAMLR with relevant supporting data for approval. It would not be until the proposal to move to a target species is approved by CCAMLR and the AFMA Board these rights would be allocated.

The Committee agreed that if new species which might be commercially fished are identified within the Fishery, access to those species will be considered by the Board according to FMP5. Members further agreed that following the assessment of the new

species, a decision would be made as to whether it would sit within the current Plan or a new Plan.

In line with the decision from the 83rd meeting of the AFMA Board, the Committee agreed that, with the exception of toothfish, icefish and the four identified major bycatch species of commercial interest, all other potential target species, that is, other bycatch species currently can be taken within the constraints of the CCAMLR bycatch limits would be considered under FMP 5 separate to the arrangements of the Plan.

Quota Management Areas within the existing TAC area

Mr Richardson indicated that the possible introduction of QMAs may not be able to be provided for in the Management Plan as this would change the nature of the SFRs, and therefore, would require an amendment to the Plan. At the same time SouthMAC recognised that QMAs are likely management mechanisms for the toothfish fishery and could be introduced in the short to medium term. The Committee agreed that should QMAs be introduced quota for target species in each QMA they would not be competitive and should be allocated in direct proportion to quota SFRs for that target species held at that point in time and be fully transferable.

The Committee agreed that the Plan include an outline of the process to be undertaken if a QMA is introduced, which would cover allocation of quota SFRs for each QMA.

Following discussions on MQH the Committee agreed that two additional rule for the MQH system be included, which would cover the allocation of SFRs for QMAs and any major bycatch species of commercial interest that moves to a target species.

The Committee:

- **noted the MQH Discussion Paper prepared by AFMA; and**
- **agreed to the Objectives, Rules and operating parameters of the MQH system proposed by AFMA in their Discussion Paper, subject to clarification of the objectives and the inclusion of their rules for QMAs and major bycatch species of commercial interest. (Refer Attachment 1).**

Number of Boats in the Fishery

In discussing the rules for trading of quota holdings, Mr Hay noted the Board's and SouthMACs previous discussions on vessel numbers, and believed that an increase in vessel numbers would increase the overall level of risk of great environmental impacts from fishing. He further noted that in his opinion there is significant overcapacity with only the present two vessels in the Fishery. Other SouthMAC Members did not share this view. Mr Hay expressed concern that the draft trading rules potentially allow for many more than three vessels to operate in the Fishery in a season and would increase the complexity and costs of AFMA in an unjustifiable way. He also felt this consequence could be a matter of concern when the Management Plan was strategically assessed under the EPBC Act. He was also concerned that the draft rules did not prevent an operator from trading quota in a manner which could result in their inability to operate a vessel at a time of the season when they had monitoring commitments to fulfil. Ms O'Brien advised Members that Mr Hay's concerns relating to monitoring commitments were already dealt with by the Fisheries Assessment Plan.

Mr Hay suggested that a simple amendment to part of the draft rules (eg to not allow trading of caught quota, or the introduction of a seasonal date for compliance with the 25.5% minimum quota holding (to operate a vessel requirement), would prevent an undue number of vessels operating in any one season.

The Chairman indicated that this issue had been discussed in depth and resolved by SouthMAC more than a year ago. SouthMAC's decision was made taking into account the boat replacement policy (which currently operates under the existing Management Policy) which would allow for a number of vessels operating in the Fishery throughout the season, however, not exceeding the limit at any point in time.

Mr Exel advised that operators are not going to change over numerous boats to operate in the Fishery. The Committee noted that any boat nominated to work in the Fishery will still be required to meet all the environmental and management requirements previously required under the HIMI Management Policy (eg, observer safety assessment, on-board incinerator and fish meal plant etc). Members noted that this alone would ensure that multiple changes of boats in and out of the Fishery was neither likely nor possible during a single season. He further stated that to further restrict the ability of operators to trade SFRs would create additional significant economic impediments, as well as creating operational complexities should it be necessary to replace a vessel midway through a season (eg in the case of a breakdown etc).

Following discussions on the impact of the operation of the MQH system (as set out in attachment 1) on the number of boats that could potentially be present in the HIMI Fishery in any one season (as compared to the limit of 3 boats at any one time), no recommendation was made to amend the previously agreed rules pertaining to this issue.

Agenda Item 5 - Management of Bycatch Species under the HIMI Management Plan

Ms O'Brien informed the Committee that the AFMA Board had made no decision on the recommendations made by SouthMAC 10 in relation to the management of bycatch and requested that SouthMAC 11 consider these issues further, taking into account, among other considerations, advice from AAD in relation to the CCAMLR TAC setting processes and protocols.

Ms O'Brien informed the Committee that the total bycatch levels of the Fishery since its inception in 1996/97, have remained at less than 1% of the total catch. Members noted that the level of bycatch of the Fishery has never neared the limits set by CCAMLR with the highest percentage ever recorded for any bycatch species being 13.6% of the CCAMLR limit, which was reached for skates during the 1999/2000 season.

The Chair noted that the following three options had been proposed for the management of bycatch species:

1. status quo, that is, continue to manage bycatch limits on a global basis as a condition on SFRs, with the addition of a reserved portion of 50% of the CCAMLR limit for each bycatch species;
2. allocation of fully tradeable bycatch quota in proportion to SFR holdings; and
3. allocating 15% of bycatch limits to each vessel as a condition on their SFRs.

SouthMAC discussed these three options, with industry Members expressing a clear preference for option 2 given their concerns over one operator inadvertently closing the Fishery by accidental overcatch.

The remaining Members of SouthMAC agreed that they would not be comfortable in allocating bycatch, as per AFMA Legal Section's advice, that bycatch should not be allocated as it goes against the intent of setting bycatch limits and has the potential to lead to the targeting of bycatch species.

Mr Exel raised concerns in relation to the wording the CCAMLR Conservation Measures on bycatch limitations, in particular their ability to close the target fishery. He advised that he would be approaching the Australian delegation to discuss the possibility of amending the wording. Mr Hay advised that AAD would provide alternative approaches to the existing Conservation Measures to be discussed by SouthMAC and the Australian delegation at the next CCAMLR meeting, to prevent closures of the target species fishery should bycatch limits be accidentally over-run in one season.

Following discussions on the issue, SouthMAC agreed that:

- **bycatch be managed on a global basis, in line with CCAMLR Conservation Measures through conditions on SFRs; and**
- **if 50% of the TAC for any one species is taken, an immediate review of the bycatch management policy would be undertaken by AFMA.**

Agenda Item 6 - Approval of New Methods

Mr Richardson informed the Committee that, as agreed by SouthMAC 10, AFMA and EA held discussions on 5 March 2001 to determine a mechanism within the approval process to ensure adequate assessment of the environmental impact of introducing new methods under the Management Plan. Members noted that AFMA Legal Section advised it would not be appropriate to list methods other than trawling in the Management Plan as:

- the Plan would contradict itself, as it would state that it allows other methods and then go on to state a process for approving them; and
- it would be unlikely that the Plan would be approved with the inclusion of longlining and other methods, that is, while the Direction prohibiting longlining could form part of the public consultation package, no consultation is required to remove a Direction.

Mr Flanigan confirmed this advice, stating that EA would have reservations in supporting a Plan of Management that included methods other than trawling, for approval by their Minister, unless those methods and their environmental impacts had been fully assessed, as there would be a high possibility that such a Plan would not be approved.

Mr Richardson further advised that given time needed to develop and implement the Threat Abatement Plan (TAP), it is not likely that longlining would be introduced under the Management Plan for a number of years. Ms O'Brien stated that AFMA Legal has advised that as an amendment to the Plan would be required in any case there were strong advantages in leaving the Plan silent on longlining until it is actually introduced. She explained that it would be preferable to take this approach as it would expedite the determination of the Plan by 1 December 2001. The Committee noted that this would allow

SouthMAC the opportunity to make a more fully informed decision on longlining, when and if, it is actually introduced. Industry expressed a strong preference for longlining and other methods to be included in the Plan indicating that it is likely that new methods will be introduced into the Fishery in the future.

The Committee agreed to recommend to the Board that:

- **the Management Plan set out the approval processes for introducing new methods into the HIMI Fishery;**
- **the relevant instrument (eg Plan, Direction or Regulation) be amended when the new method has been approved; and**
- **that the SFRs to be issued for toothfish and mackerel icefish under the Management Plan should be quota SFRs and not method specific**
 - **noting that Scientific Permits would be available under the Management Plan to allow for the trialing of new methods.**

Agenda Item 7 - Report on Approval Processes

Mr Richardson informed the Committee that the changes agreed to by SouthMAC 10 had been incorporated into each of the approval processes to be included in the Plan and were reflected in the Agenda Paper presented to SouthMAC 11. He further advised that at AFMA and EA's meeting on 5 March 2001, they discussed the determination of a mechanism within the approval processes to ensure adequate assessment of the environmental implications of amending components of the Management Plan. This Group recommended and SouthMAC agreed that an additional step be included in all approval processes, which would require approval from the Minister for Environment and Heritage, eliminating any previous concerns by SouthMAC regarding insufficient/inadequate assessment of environment implications.

Review and modification of environment requirements

Members recognised that the environment requirements enforced by AFMA are over and above those required by CCAMLR. AFMA indicated that it is highly unlikely that CCAMLR would in the future introduce standards higher than those imposed by AFMA and recommended that environmental requirements be listed in the Plan. Mr Flanigan advised that this would streamline the Strategic Assessment process and would provide a higher certainty that the Plan would be approved by the Minister for Environment and Heritage. Industry Members expressed concern that a Plan amendment would have to occur in the event that an additional requirement was introduced. The Committee noted that in the event that a completely new requirement was introduced, this could be implemented immediately as a condition of SFRs.

Ms O'Brien informed the Committee that in the event that existing environment requirements were changed by CCAMLR, a Temporary Order could be put in place whilst the Plan amendment was made, however, this situation was unlikely to occur. Members noted that a Temporary Order can be implemented for up to 6 months, and only two consecutive orders are permitted. SouthMAC considered this sufficient time to allow for a Plan amendment, however, questioned whether the use of a Temporary Order was restricted to emergency situations.

The Committee agreed that AFMA seek legal advice on the legalities of using a Temporary Order and in the event that it is not permitted, SouthMAC would then revert back to the approval process agreed to at SouthMAC 10, with the additional process to seek agreement by the Minister for Environment and Heritage.

Agenda Item 8 - Update on the HIMI Independent Advisory Panel (IAP)

Mr Richardson informed the Committee that AFMA is expecting the final report of the HIMI IAP to be submitted to AFMA by 17 April 2001 and considered by the AFMA Board at its 31 May 2001 meeting.

Industry Members expressed concern that the May 2001 meeting may be too late to finalise allocation matters. Ms O'Brien advised that the inclusion of the allocation formula in the Management Plan would not take long to draft and could be easily and quickly inserted into the draft Plan. However, SouthMAC agreed that it would be more efficient to submit all matters from this meeting to the Board for its consideration out-of-session and to have them signed off and finalised at one time. Mr Richardson disagreed with this view and considered it unlikely that the Board would be willing to consider a matter of this nature out-of-session.

SouthMAC agreed to recommend that the IAP report be considered out-of-session by the AFMA Board.

Agenda Item 9 – Recruitment at Aurora Trough

Due to time constraints, Dr Sainsbury was only able to present a brief outline of the recruitment at Aurora Trough, which included preliminary results of the CSIRO project *Stock assessment and management strategy evaluation (MSE) for Sub-Antarctic Fisheries*.

The Committee noted that those involved in the project are satisfied that stock levels are following predictions. Members further noted that Dr Sainsbury is confident that the stocks are not jeopardised by the Management Strategy currently implemented.

Agenda Item 10 - Draft Budget

SouthMAC considered the Antarctic Fisheries management and observer draft budgets for 2001/2002. AFMA advised that while the levy base for all Antarctic Fisheries had increased by around \$43,000, the component of the budget attributed to industry increased by around \$153,000. This is largely attributable to a revision by AFMA management in assessing the amount of time being spent on the development of the Management Plan and a reduction in the number of Government related functions such as the Bycatch Action Plan and Marine Protected Areas. Mr Exel expressed concerns in respect to the increase in salaries for the HIMI Fishery. Ms O'Brien informed the Committee that the industry component for salaries had increased due to the development of the Management Plan.

SouthMAC did not agree to the HIMI Fishery, Macquarie Island Fishery and the SouthMAC draft Budgets as presented. In particular, concerns were raised over the increase in observer costs in the absence of any additional observer requirements or services and the revised approach by AFMA management to cost attribution between Government and industry. Industry indicated, that as observer costs are already extremely high, the most they would be

willing to accept was an increase equivalent to the Consumer Price Index (CPI). SouthMAC considered the indirect or fixed costs associated with the observer program to be unacceptably high.

SouthMAC also recommended a number of other minor changes to the draft Budgets.

SouthMAC did not support the draft budget and AFMA agreed that where possible it would amend the Budget according to comments and suggestions received.

Other Business

Proposal for toothfish pot fishing trials at HIMI

Mr Exel informed the Committee, that Austral Fisheries Pty Ltd would be submitting a proposal to AFMA for toothfish pot fishing trials at HIMI during the current trip of the *Austral Leader*. However, prior to this, he advised that it would be sent out to all SouthMAC and SAFAG Members for comment. The Committee noted that the traps to be used would be the same as previously used during the Macquarie Island trials. Members further noted that the vessel will be limited to take no more than 10 tonnes of Patagonian toothfish during the trials, which would be decremented from the commercial TAC. The Committee further noted that the trials undertaken at Macquarie Island resulted in the taking of two toothfish and a high number of crabs.

Board Stakeholder/Strategic Planning Workshop – 17-18 May 2001

The Chair advised Members that the Board will be holding its Stakeholder/Strategic Planning Workshop on 17-18 May 2001 in Melbourne and is seeking a nomination from SouthMAC for an industry person to participate on the stakeholder input day. The Committee noted that all MAC Chairs were to attend and one industry representative.

Following brief discussions, the Committee agreed to recommend Mr Martin Exel to attend as the industry representative.

Proposed time-line for the annual HMI TAC setting process

Ms O'Brien advised that the Australian delegation to CCAMLR XIX recommended that SAFAG meet during the third week of September each year to provide AAD with a more timely opportunity to present research results and provisional TACs prior to CCAMLR. The Committee noted that this proposal was supported by SAFAG and SouthMAC at their November 2000 Meetings.

She further informed Members that at the same meeting, SAFAG agreed that all surveys be conducted as early as possible to allow research results to be assessed in time for the annual September meeting of SAFAG.

The Committee noted that on Friday 2 February 2001, Mr Hay, Dr Sainsbury, Ms O'Brien, Mr Exel, Mr Pirello, Mr Scott, Mr Murray France (Austral Fisheries) and Mr Dick Williams (AAD) met in Hobart. One of the outcomes of this meeting was that AFMA Management develops a time line for the annual TAC setting process.

As a result, a draft of this time line was provided to SouthMAC 11 for comment. Members provided brief comments and AFMA agreed to incorporate them and submit to SAFAG for comment and finalisation.

The Meeting closed at 5.00pm