

<p>Torres Strait <b>PZJA</b> Protected Zone Joint Authority</p>   <p>Queensland Government</p>	<p><b>TORRES STRAIT PROTECTED ZONE JOINT AUTHORITY</b></p>	<p><b>Meeting No. 20 25-26 October 2006</b></p>
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## MEETING SCHEDULE

### ‘Stakeholder Forum’ Wednesday 25 October 2006

15:30	Stakeholder Forum commences TSRA Board Room
17:30 to 17:45	Break Afternoon tea
17:45	Forum resumes
19:30	Stakeholder Forum concludes
20:00	Dinner

	<b>TORRES STRAIT PROTECTED ZONE JOINT AUTHORITY</b>	<b>PZJA 20 Stakeholder Forum 25 October 2006</b>
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## DAY ONE - STAKEHOLDER FORUM AGENDA

**Attended by the official delegations** of the PZJA Members and the Papua New Guinean Government, **and stakeholder group representatives** from the Torres Strait Traditional and Community fishing sectors, and the Commercial fishing sector.

### Opening Comments

- 1 Community Fisher Engagement
- 2 TRL Fishery
  - 2.1 Update on Management Plan
  - 2.2 Outcomes from the TRL RAG
  - 2.3 Options for 2007 Management Arrangements
- 3 Finfish Fishery - Update on Draft Management Plan and Options for 2007 Management Arrangements
- 4 Allocation Issues
  - 4.1 AAP Finfish Report
  - 4.2 AAP TRL Report
  - 4.3 Data for Allocation Purposes
  - 4.4 Community Fishing Allocation Options
- 5 Prawn Fishery
  - 5.1 2007 Management Arrangements
  - 5.2 Management Plan
  - 5.3 Observer Program
  - 5.4 Bycatch Reduction Workshop
  - 5.5 Prawn Budget
- 6 Turtle and Dugong Fishery
  - 6.1 Outcomes of Consultation on Strategic Assessment Report
  - 6.2 Update on NAILSMA Process
- 7 PZJA Consultative Structure
  - 7.1 Process for Bringing Matters to the PZJA
  - 7.2 Roles and Membership

- 7.3 Appointments
- 7.4 PZJA Standing Committee Role
- 8 Torres Strait Fisheries Legislative Amendments
- 9 Long Term Policy
  - 9.1 Commonwealth Harvest Strategy
  - 9.2 Aquaculture in the Torres Strait
- 10 Compliance
  - 10.1 Licence Sticker System
  - 10.2 Domestic Compliance Update
  - 10.3 Foreign Compliance Update
- 11 Outcomes of PNG Bilateral Meeting

<b>TORRES STRAIT PROTECTED ZONE JOINT AUTHORITY</b>	<b>Meeting No. 20 26 October 2006</b>
<b>COMMUNITY FISHER ENGAGEMENT</b>	<b>Agenda Item No. 1 FOR DECISION</b>

## **RECOMMENDATIONS**

### **Fisheries Management Advisory Committee**

1.1 The TSFMAC recommends that the PZJA **NOTES** that the Community Fishers involved in the Finfish Working Group have clarified that they:

- (a) are concerned that the PZJA 18 decision on the 10 nautical mile area exclusion zones will be reconsidered after the implementation of the Finfish tender;
- (b) believe that a 50:50 resource allocation in the Finfish fishery with a 10 nm area closure is an acceptable first step for them but that their ultimate aim is for 100% of the Torres Strait Finfish fishery;
- (c) remind the PZJA of the opportunity to buy-out the non-Indigenous sector to move to 100% of the fishery for the indigenous sector; and
- (d) will continue their involvement in PZJA consultative processes.

1.2 The TSFMAC recommends that the PZJA **NOTES** that the Community Fisher Group:

- (a) believe that new data being provided from the Tropical Rock Lobster Resource Assessment Group indicates that they would only be allocated 190-200 tonnes of (live) quota in the 2006 season if a TAC were established;
- (b) believe that this would not achieve the intention of the PZJA 18 resource allocation decisions in the Tropical Rock Lobster fishery to “transition towards greater traditional inhabitant allocation” because 190-200 tonnes is about what they have historically caught and it would not provide sufficient additional capacity for them to buy more quota; and
- (c) will re-engage in the PZJA consultative process, but noting that they believed the 50:50 resource allocation issue needed to be resolved in light of the new data/information before any further issues were dealt with.

### **Standing Committee**

1.3 PZJA Standing Committee recommends that the PZJA **AGREES**:

- (a) the PZJA 18 decisions were made in good faith in the context of the best available data and the agreed funding commitments set out under PZJA decision 19.15.2 (including that final numbers and percentages will be agreed in line with the Treaty in the context of the tender process);
- (b) the PZJA 18 resource allocation decision needs to be implemented as a step in the “transition” to greater traditional inhabitant allocation and funding agencies are working in good faith towards holding the tender in early 2007 to assist in this process;

- (c) following from point (b), the Torres Strait Regional Authority may explore the possibility of obtaining funding to assist the Community Fishers obtain greater allocation than 50% of the Australian share of the Tropical Rock Lobster Fishery if the tender process is started as soon as possible; and
- (d) the Torres Strait Regional Authority and the Australian Fisheries Management Authority are requested to provide a paper to PZJA 21 on options for alternative fisheries management mechanisms to implement the 10nm zones agreed at PZJA 18.

## **BACKGROUND**

The Community Fisher Group (CFG) representatives on the Tropical Rock Lobster Working Group wrote to the Chair of the PZJA, Senator the Hon Eric Abetz, in July 2006 setting out some concerns and informing the Minister that they did not want to participate in the PZJA consultative process until the concerns were resolved.

The Chair visited Thursday Island on 26 July 2006 and CFG and the TSRA relating to the Tropical Rock Lobster (TRL) and Finfish fisheries. The main two issues discussed were:

- 1) For Finfish: Concern was displayed that the Minister intended to review the decision to implement a 10 nm exclusion zone for non-Indigenous commercial fishers around four Torres Strait Islands (Mer, Erub, Ugar and Masig).
- 2) For TRL: The resource allocation issue, outlining that the 50:50 sharing arrangement for TRL disadvantaged Islander fishers, and that a 70:30 share in favour of the Islanders was necessary.

The Minister listened to the concerns raised and responded as indicated in the discussion set out below. These responses were made both at the meeting of 26 July 2006 and in his letter of 18 August 2006 responding to the letter from TRL Community Fishers.

The CFG met during the week starting 4<sup>th</sup> September 2006 to decide on future CFG engagement. As a result of this meeting, community fishers prepared a position statement and wrote to the PZJA Chair seeking to revisit the PZJA 18 resource allocation decisions. This representation, and the request to revisit PZJA 18 resource allocation decision in respect of the TRL fishery, was supported by PZJA Member, John (Toshie) Kris, and the TSRA Board.

The Chair of the PZJA also received correspondence from the President of the Queensland Tropical Rock Lobster Association (QLRA) requesting that the PZJA 18 resource allocation decisions were implemented in an expedited manner to provide its members with a more certain operating environment.

The PZJA Standing Committee has considered the materials raised by the CFG and the QLRA has proposed the above recommendations as an appropriate response.

## **DISCUSSION**

### **Tropical Rock Lobster**

During the meeting with the Minister on Thursday Island, the CFG outlined their major concerns that the 50:50 resource allocation in the TRL fishery would fall short of any advantage to the Indigenous fishing sector that was intended. After this meeting, the Minister officially responded to their original letter and spoken concerns in his letter of 18 August 2006.

Since this time, the CFG have taken into account some of the recent information provided in the TRL stock assessment (Ye *et al.* 2006) for the Resource Assessment Group. Ye *et al.* (2006) tested 5 different models to assess their relative utility for setting a TAC against the data for the 2006 season. The scientifically derived TAC (i.e. no management or social considerations were taken into account) for 2006 using the different models averaged around 515 tonnes. If the simple model were followed where PNG received 25% of this quota, and the remainder were split between the Indigenous and non-Indigenous fishing sectors, the 2006 TRL quota available to Islanders would have been approximately 193 tonnes.

This has increased their level of concern that the 50:50 resource allocation decision will fall well short of its original intentions. The intention of the decision was to “transition towards greater traditional inhabitant allocation”. Subject to the data verification exercise discussed under agenda item 4.3.1, available historical data indicates that Community Fishers have caught 71.2 tonnes in 2002, 181.5 tonnes in 2003 and 194.3 tonnes in 2004. The CFG also note that the 50:50 decision was made before the recent TRL stock assessment information was made available.

The PZJA Standing Committee notes that the TAC for any year needs to be determined to ensure the future sustainability of the fishery and, accordingly, the livelihood of the people who depend on the resources. The stock assessment considered by the Resource Assessment Group related to the 2006 season and advice for the 2007 season is likely to produce different numbers depending on the best available scientific advice. However, if the TAC is set using the recommendations of Ye *et al.* (2006) and RAG advice, it quite possible that the average TAC may be even lower than the nominal 2006 TAC of 515 tonnes that is fuelling Islander concerns.

In addition the Standing Committee notes that fully accounting for the PNG share of the TAC will probably need to take into account a more complicated process than just allowing for 25%. That is because the Treaty provides for different catch sharing arrangements in PNG jurisdiction and Australian jurisdiction.

The Standing Committee further notes that as agreed under PZJA 19.15.2 and 19.2B, the starting point for the resource allocation is yet to be agreed and will be a percentage calculation based on the average of the verified data from 2002-2005. Both the TVH and the TIB sectors will need to be appropriately constrained within their percentage shares of a TAC and this is for the benefit of the sustainability of the resource.

### **Finfish**

During the meeting with the Minister on Thursday Island, the CFG clarified why they believed it essential that the 10 nm exclusion zone be implemented. Establishment of a 10 nm exclusion zone for non-Indigenous fishers will support self-management arrangements the Indigenous fishers have in place.

The Minister indicated that he understood the reasons of the Indigenous fishers for establishing the 10 nm exclusions zone. However, the Minister stated that he was uncomfortable drawing a “line on a map” in case it established a precedent in other fisheries. The CFG do not believe this would create a precedent, and point out that zoning arrangements are a common management arrangement for marine fisheries.

The Minister further indicated that he was amenable to pursuing other methods of achieving a similar outcome. Several ideas were floated including use of a code of conduct, licence conditions and penalty provisions. The Minister undertook to investigate these and other options when the PZJA further considered the matter following the tender process for the non-Islander sector of the Finfish Fishery (as agreed under PZJA decision 19.1.2(e)).

The Standing Committee has requested TSRA and AFMA work on an options paper to consider alternative fisheries management options to implement the 10nm areas for PZJA 21.

<b>TORRES STRAIT PROTECTED ZONE JOINT AUTHORITY</b>	<b>Meeting No. 20 26 October 2006</b>
<b>TRL FISHERY - Update on Management Plan</b>	<b>Agenda Item 2.1 FOR NOTING</b>

## **RECOMMENDATIONS**

### **Fisheries Management Advisory Committee**

2.1.1 The TSFMAC recommends that the PZJA **NOTES:**

- (a) the update on the progress of developing a draft management plan and quota management system (QMS) for the Tropical Rock Lobster (TRL) fishery;
- (b) islander concerns that until resource allocation issues are resolved according to the original intentions of the PZJA 18 (to the satisfaction of the CFG), their representatives will not be able to participate in the development of a management plan for the TRL fishery;
- (c) the TSFMAC considers that until the concerns raised in 2.1.1(b) are resolved it will be impossible to successfully introduce new management arrangements;
- (d) that following the planned tender process, 25% of the catch in the Australian jurisdiction will be held in trust to meet catch sharing obligations with PNG;
- (e) following annual catch sharing negotiations with PNG if there is additional catch held in trust that is not required to meet catch sharing obligations with PNG, the TSFMAC recommends that the TIB sector be given first preference to accessing this catch in the Australian jurisdiction; and
- (f) TSFMAC industry representative's views that any reallocation of resources from the TVH sector should be linked to a voluntary adjustment process, with appropriate financial compensation.

### **Standing Committee**

2.1.2 The PZJA Standing Committee recommends that PZJA **NOTES:**

- (a) the TSFMAC recommendations, clarifying that 2.1.1(e) is a matter for determination by the Australian Government, rather than the PZJA, following consultation with Papua New Guinea;
- (b) that the resource sustainability of TRL may potentially be jeopardised by a delay in the introduction of a quota-based management plan, however this must be kept in context that the fishery has a long history under input management; and
- (c) that greater community-based consultation is required to introduce a quota management system for TRL.

## **BACKGROUND**

In July 2005, the PZJA made a decision to introduce a quota management system (QMS) in the Torres Strait Tropical Rock Lobster (TRL) fishery. A management plan is being drafted which will formalise the new management arrangements. Certain aspects of a QMS have been developed. However, progress has slowed because of debate over the 50:50 resource allocation agreed to by PZJA18..

## **DISCUSSION**

While allocation is not a management issue per se, a workable management plan cannot be successfully developed and implemented in the absence of a resolution of outstanding allocation issues.

Islanders are very concerned with the 50:50 resource allocation decision, and want a move to 70:30 (islander:non-islander) allocation. The islander argument is based on the fact that they perceive little opportunity for their sector's share of the fishery to grow under the PZJA's allocation decision, as they believe they are close to catching 50% of the TRL fishery once the Papua New Guinea (PNG) share has been taken into account.

Little progress was made at recent TRL Working Group meetings (24-26 May 2006, 11-13 July 2006), as the islander sector was reluctant to provide further input to the draft Management Plan and QMS until representatives could address the Australian Government Minister for Fisheries, Forestry and Conservation during his visit to Thursday Island in late July and receive a formal response to their concerns. There has also been limited involvement and input from PNG representatives on elements of the Management Plan and QMS that will affect PNG cross-endorsed licence holders. The proposed system was discussed at the PNG-Australian bilateral fisheries meetings in Cairns on 23-24 August 2006 and PNG industry delegates were supportive of the arrangements. The Management Plan cannot be introduced until legislative amendments have been made to the *Torres Strait Fisheries Act 1984*. These and the required timeframes will be elaborated under agenda item 8.

As a result of the above impediments, there will be delays in the implementation of the new arrangements until the management agencies can consult further with stakeholders on the details of the draft Management Plan and QMS. As discussed under agenda item 4.1, the final report of the Independent Allocation Advisory Panel on the most appropriate formula for allocation to the non-community operators in the TRL fishery will be considered at this PZJA meeting. The method of allocation to the community sector of the fishery has not yet been agreed upon but is to be progressed under agenda item 4.4. This issue was not addressed by the AAP as it was outside its terms of reference.

A list of proposed landing places for TRL was agreed at the July meeting of the Working Group, and while the Working Group identified some issues that required further clarification, there was little other major progress in regard to the Management Plan or QMS. Areas that require further stakeholder consultation include:

- revision of the current boat licensing policy (e.g. potential removal of processor carrier licences and restrictions on primary boats);
- the application of Vessel Monitoring System requirements to the Torres Strait;
- obligations of PNG licence holders;
- reporting requirements and telecommunication infrastructure (e.g. what system to use – satellite phone, CDMA, fax);

- separate identification of traditional and commercial catch (e.g. tail clipping); and
- the most appropriate means of and timeframe for submitting catch and disposal, transfer and sale, and logbook returns, or other forms that may become part of the monitoring system.

The consultation process to resolve the remaining management issue has been discussed by the TSFMAC and PZJA Standing Committee. It has been recognised that community-specific consultations are essential to fostering a better understanding of the new quota management system for TRL by the Island communities and assist subsequent discussions at the TRL Working Group and TSFMAC level.

Once all of the options for management arrangements and quota management have been identified, a Regulation Impact Statement (RIS) will be developed. The RIS will form the basis of consultation with stakeholders, the outcome of which will decide the final Management Plan.

As outlined in agenda item 8, the PZJA agencies plan to continue developing the fishery management plans and undertake consultation on these over the next six months, with the final plans submitted for PZJA approval in July 2007 and the TRL QMS introduced for the 2008 fishing year.

<b>TORRES STRAIT PROTECTED ZONE JOINT AUTHORITY</b>	<b>Meeting No. 20 26 October 2006</b>
<b>TRL FISHERY - Outcomes from the TRL RAG</b>	<b>Agenda Item 2.2 FOR DECISION</b>

## RECOMMENDATIONS

### Fisheries Management Advisory Committee

2.2.1 The TSFMAC recommends that the PZJA **NOTES** that the Tropical Rock Lobster (TRL) Resource Assessment Group (RAG) convened for a second time on 9-10<sup>th</sup> August 2006 and:

- (a) reviewed the 2006 stock assessment for the TRL fishery, which indicates that, with the exception of 2 years, the fishery is fully but not over-fished;
- (b) agreed on a new management objective for the fishery (below);
- (c) agreed that two fishery independent surveys (pre- and mid-season) should be conducted for at least the next two years while the possibility of reducing the program to a single survey is evaluated;
- (d) proposed a system to provide TAC advice for each season in three steps, commencing using mid season survey data to forecast a TAC 2.5 years in advance, preliminary TAC advice several months in advance, and final TAC advice approximately 3-4 months after a season commences; and
- (e) discussed, in very preliminary terms, a harvest strategy for the fishery (in light of proposals to develop a Commonwealth Harvest Strategy Policy).

2.2.2 The TSFMAC recommends that the PZJA **NOTES** that the second meeting of the RAG was considered by all participants to have been extremely productive.

2.2.3 The TSFMAC recommends that the PZJA **AGREES** to the management objective 1 for the TRL fishery as follows:

Objective 1: To maintain the spawning stock at levels that meet or exceed the level required to produce the maximum sustainable yield.

2.2.4 The TSFMAC recommends that the PZJA **NOTES** that, in addition to the review function performed by the RAG's independent scientist, a further independent review of the stock assessment is being sought from a suitably qualified scientist.

2.2.5 The TSFMAC recommends that the PZJA **NOTES** the expected outputs from the RAG over the next 12 months are as follows:

- (a) preliminary TAC advice for 2007 sometime from October 2006 onwards depending on the availability of the catch data from 2006; and
- (b) final TAC advice for the 2007 season flowing from the next meeting of the RAG that is expected to be in late March 2007.

## **Technical RAG (draft not yet confirmed by RAG)**

### 2.2.6 The RAG recommends that the PZJA **AGREES**:

- (a) the cost:benefit of expanded pre-season surveys is investigated and compared with the cost:benefit of conducting the pre-season benchmark surveys (if this is determined to otherwise be necessary);
- (b) the empirical model should be used periodically to check the population-based and stock recruitment relationship-based models in setting the TAC;
- (c) there is a RAG meeting in October and March the following year to assess the data/information from the mid-season and pre-season surveys and accompanying assessments;
- (d) a targeted CSIRO study be undertaken to provide accurate conversion ratio information for both live lobsters and tail only and at varying times from the point of taking the lobsters out of the water onwards;
- (e) pre-season and mid-season surveys should be extended to include a survey of the area from the southern boundary of the Torres Strait Fishery to the northern boundary of the green zone in the East Coast fishery; and
- (f) ABARE be requested to provide/complete a report on the economic performance of the Torres Strait TRL fishery and agency officers would decide the best way to do this.

## **Standing Committee**

### 2.2.7 PZJA Standing Committee recommends the PZJA **NOTES**:

- (a) that the Total Allowable Catch set for the TRL and the proposed quota-based management arrangements aim to ensure that the sustainability objective of the Management Plan is met; and
- (b) 2.2.6 (c) will need to be considered in light of available funds under cost sharing arrangements.

## **BACKGROUND**

The TRL RAG was established to enhance the assessment process for the TRL fishery. This was done by establishing a formal process of meeting on an annual or biannual schedule rather than the old TSSAC-commissioned FAG process which was *ad hoc*. The process also added regular expertise to the RAG in the form of an independent scientist and aimed to ensure that each jurisdiction exploiting the stock was represented.

The RAG has met twice in 2006. The second meeting was particularly successful, dealing with a range of research issues, foremost of which was an updated stock assessment of the fishery using a new assessment model. The new assessment was based on information which included complete catch data up to 2004 and available catch data from 2005 and fishery independent survey data since 1989.

The RAG considered the advice from the stock assessment that the management strategy for the fishery should be to ensure that the required number of spawners is allowed to escape from the fishery each year. This is termed a “constant escapement policy”.

The RAG noted the results of the assessment that forecast a 45% probability of recruitment meeting or exceeding the level needed to achieve Maximum Sustainable Yield (MSY) when fishing mortality was at  $F_{MSY}$  and spawning stock size was at  $S_{MSY}$ . The RAG agreed that this probability was low and should be increased to 70% probability, which corresponds with spawning stock of  $1.5 * S_{MSY}$  and fishing mortality of approximately  $0.7 * F_{MSY}$ . Key figures are shown in Table 1.

From a purely practical point of view the RAG noted that when the spawning population has been above 1.8 million there have been no years of associated poor recruitment.

*Table 1. Key parameter values from the stock assessment.*

Parameter	Value	Probability of producing $R_{MSY}$
MSY	640 t live weight	
$F_{MSY}$	0.50	0.45
$S_{MSY}$	1.2 million	0.45
$F_{target}$	0.35	0.70
$S_{target}$	1.8 million	0.70

*Note: The key parameter values refer to the entire area of the TRL fishery, including the Australian and PNG waters of the Protected Zone area.*

Following this discussion the RAG proposed a new sustainability management objective for the fishery.

The RAG discussed in depth the need for two fishery independent surveys and concluded that for at least the next two years both the mid- and pre-season surveys should be conducted. This approach will allow the utility of both surveys for setting TACs for the fishery to be evaluated and to further evaluate the effect on the assessment process of dropping one survey (most likely the mid-season survey). Related to this discussion the RAG sought to have the cost:benefit of expanded pre-season surveys compared with a pre-season benchmark survey investigated.

The RAG discussed the need to have a small study done by CSIRO to document the conversion ratios for lobster along the supply chain as they are landed, processed and sold in various forms. The RAG recognised and thanked MG Kailis for the work that the company staff had already done.

The RAG's next planned meeting will be either late March or early April 2007 when data from the 2006 pre-season survey are available and the RAG will be in a position to provide final advice on a 2007 TAC. The RAG considered that in providing its TAC advice that it would be wise to ground-truth the population based estimates with the empirical model which uses the historical relationship between the abundance of pre-recruit 1+ lobsters and the catch in the fishery the following year.

## **DISCUSSION**

The RAG is growing into its review and advisory role as experience with the process is acquired. The RAG will become a very valuable part of the management process in years to come.

Meetings of the RAG and provision of TAC advice are recognised as posing a problem for the TRL fishers. Ideally all fishers would have final advice about the TAC for the following year in plenty of time to make business decisions. However, the fact that the fishery exploits a

single cohort for about 85% of its total catch and that the abundance of that cohort is most accurately estimated at the point when it recruits to the fishery effectively prevents this.

The RAG has proposed an approach that addresses this issue as well as possible, commencing with a TAC forecast based on spawning stock abundance measured at mid-season two-and-a-half years before the commencement of the season. This advice uses the stock recruitment relationship which will produce estimates of relatively low precision. Since it is widely accepted that recruitment is strongly affected by the success or otherwise of the larval phase of most exploited marine species. There are also questions about using estimates of surviving 2+ lobster in Torres Strait as an index of spawning stock given that some of the spawners are on the Queensland east coast.

A further prediction of the TAC can be made from the mid-year survey undertaken about 6 months prior to the commencement of the season. This estimate is based on the population estimate of the 1+ lobsters. The estimate is refined by the pre-season survey which measures the abundance of the same cohort just prior to its recruitment – a time when there are less likely to be any unforeseen changes in the population abundance.

A significant assumption in using the pre-season survey is that the distribution of 1+ lobsters remains the same between the mid-year and pre-season surveys because the pre-season survey needs to be scaled up from a relative to absolute abundance estimate using the mid-year benchmark survey. Ideally there would be a pre-season benchmark survey which would eliminate the need to make this assumption. However, the RAG asked that the cost:benefit of a scaled up pre-season survey be compared with the use of a smaller survey and a benchmark survey.

The assessment of the lobster fishery has depended on the independent estimates of abundance provided by the fishery independent surveys. This is unusual in fisheries where the norm is to use catch rate information as an estimate of abundance. However, there have only ever been estimates of effort from one sector and there are valid concerns about the hyper stable catch rates in the fishery. Because of the dependence on the survey data it would be risky to abandon the past survey methodology from a stock assessment point of view. On the other hand, it is acknowledged that the mid-year surveys are not ideally suited for setting TACs because the relationship between the 1+ cohort one year and the same cohort one year later is not very precise. The fishery must therefore run two surveys per year – at least in the short term until dropping one of the surveys is carefully evaluated. Thus the RAG recommended running both surveys for at least another two years which would provide an overlap of three years.

The RAG's recommendation to set TACs to maintain escapement close to  $1.5 * S_{MSY}$  the equilibrium spawning stock biomass associated with MSY is consistent with the draft Commonwealth Harvest Strategy Policy and provides for a precautionary management framework in the TRL fishery. There are implications from the RAG's recommended approach, namely that TACs in the fishery are likely to be lower in the near term than if the  $S_{MSY}$  is used as a target. Ultimately, average yields from the fishery should be higher using a figure of  $1.5 * S_{MSY}$  and there should be fewer years of low TACs and poor catches. However, for this to occur the stock must be allowed to grow which, because of the wide inter-annual variability in recruitment, will be problematic to plan.

#### ***TSMAC comment***

The TRL industry representative on TSMAC had some concerns regarding the stock assessment. These were that:

- the MSY of 640 tonnes is for the total Torres Strait fishery (Australia and PNG). If surveys include the PNG area and PNG intensely fishes its area this will give a higher fishing mortality in the stock assessment. Significant overfishing in the PNG fishery (30% of the total fishery) will therefore result in a reduced TAC for the Australian fishery.
- one of the assumptions of the stock assessment is that the stock that escapes fishing is allowed to spawn. If a significant amount of this escaped stock passes through the PNG fishery it may be seriously depleted, including through trawling in the Gulf of Papua.
- industry has little confidence in a stock/recruitment relationship based solely on an assessment of Australian stocks, and thus the ability to accurately predict stock size 2.5 years in advance. He believes that PNG and East Coast impacts on recruitment need to be considered before a reasonable prediction can be made.

In response, the Torres Strait Fisheries Manager reported that PNG is taking about twice the sustainable catch in their area but this is compensated for through the agreements Australia has made with PNG which includes a compensatory reduction in their entitlement to catch in the Australian area.

The concern about escapement of lobsters from the PNG area is unwarranted provided that there are accurate catch figures and no trawling of lobsters in the Gulf of Papua as these catches are taken into account in the stock assessment. It was noted that long-term forecasts based on the stock/recruitment relationship will have low precision and if not found to be helpful could be abandoned.

TSEMAC noted that the major unquantified issue on both sides is fishing of pre-recruited lobsters. This catch is not reported and can not therefore be taken account of in the stock assessment. Given this issue the precautionary approach to management of lobster stocks in Torres Strait is even more warranted.

The RAG's proposed sustainability objective is as follows:

Objective 1: To maintain the spawning stock at levels that meet or exceed the level required to produce the maximum sustainable yield.

<b>TORRES STRAIT PROTECTED ZONE JOINT AUTHORITY</b>	<b>Meeting No. 20 26 October 2006</b>
<b>TRL FISHERY - Options for 2007 Management Arrangements</b>	<b>Agenda Item 2.3 FOR DECISION</b>

## **RECOMMENDATIONS**

### **Fisheries Management Advisory Committee**

2.3.1 The TSFMAC recommends the PZJA **NOTES** that:

- (a) in the absence of a Tropical Rock Lobster (TRL) management plan in 2007, which would give effect to a new output management system, interim arrangements need to be put into place to manage effort in the fishery in 2007;
- (b) past interim management arrangements have not been entirely successful in controlling fishing effort but have played an important role; and
- (c) whilst past interim arrangements have restricted effort in all sectors, there have been some problems of equity within the non-community sector that have yet to be fully resolved.

2.3.2 The TSFMAC recommends the PZJA **AGREES** to extend 2006 arrangements to 2007 to:

- (a) reduce by 30% the number of tenders each non-community licence holder may use, adopting the method employed in 2006;
- (b) reintroduce “moon/tide hookah closures” three days before, on, and three days after, either the full or new moon each month.

2.3.3 The TSFMAC recommends that the PZJA **NOTES** that:

- (a) the TSFMAC has requested the TRL working group to consider further effort reduction arrangements pending TAC advice from the RAG in April 2007; and
- (b) the TSFMAC believes there are benefits in accelerating the tender process.

### **Standing Committee**

2.3.4 The PZJA Standing Committee recommends the PZJA **AGREES**:

- (a) to reduce the number of tenders in the TVH sector by applying the same conditions on licences that were applied during 2006; and
- (b) to reintroduce moon/tide hookah closures during the months of February to September inclusive by applying appropriate conditions on each TVH and TIB licence.

2.3.5 The PZJA Standing Committee recommends that PZJA **NOTES**:

- (a) the Standing Committee supports the provision of final advice from the TRL RAG on a TAC for the 2007 calendar year by April 2007; and
- (b) that the Standing Committee believes that there should be a mid-year review of the interim 2007 management arrangements if there is a significant likelihood of the recommended TAC being exceeded by 20% or more.

## **BACKGROUND**

“Interim” arrangements were first introduced into the fishery in 2003 to try to prevent effort growing substantially in response to higher lobster abundance. These arrangements have been ongoing since 2003 in one form or another.

Given that there will not be a quota system in the fishery in 2007, a practical alternative is needed which is thought to be implementing the method used in 2006. Stakeholders are familiar with this method and it is relatively easy to implement by conditions placed on the relevant licences.

The application of moon/tide closures is another mechanism that has been used to limit effort. It is proposed to reintroduce this measure again in 2007. These closures are likely to have a continuing modest impact on effort. Unlike the tender reduction, the closures apply equally to both sectors through the addition of a licence condition.

From a management and stakeholder perspective the alternative of proceeding with a tender process sooner rather than later has numerous benefits. It follows an established pattern in fisheries management in removing fishing effort before new arrangements are introduced under a management plan.

There is a reasonable likelihood that, if recruitment is as strong in 2007 as many expect, there will be a resurgence in effort in Torres Strait and that this could result in escapement of spawning stock that is less than desired. Coupled with concern about the sustainability of the stock in light of the recent stock assessment advice, management agencies, the TSFMAC and Standing Committee have proposed that a review be undertaken to determine if there is evidence that the TAC will be exceeded by an unacceptable amount. Any management response is limited by the fact that there is no operational QMS in the Torres Strait fishery and there are similarly no effective controls on effort in the Queensland east coast fishery.

## **DISCUSSION**

Interim arrangements were first introduced in 2003 with a view to replacing them soon after with long-term arrangements. However, during the ensuing years stakeholders bogged down on inter-sectoral resource allocation. In November 2002 the “Fair Share of the Catch” report was presented to the PZJA, which shed some light on the resource allocation issue but did not resolve it. In June 2003, the TRL working group was requested to investigate quota management and report back to the TSFMAC and thence to the PZJA. No decision in favour of a quota management system (QMS) was made and the interim arrangements to reduce the number of tenders in the non-community sector were modified and reintroduced. Effort in the non-community sector rose in 2003 above 4,000 tender days then peaked at more than 5,000 tender days in 2004.

Implementation of the arrangements has not always been timely. The PZJA did not announce the 2005 arrangements until February 2005. When these were announced they included a 30% reduction in the number of tenders (modified again to make the reduction more equitable) and eight 7-day moon closures were introduced to further reduce the amount of hookah diving in the fishery based on the determination that during 2004 the 7 corresponding day periods centred accounted for about 10% of the catch and 15% of the effort in the TVH sector. However, due to the timing of the decision the first moon closure was missed.

There are several issues with the arrangements as they have been applied. One issue about which there have been many complaints is the issue of the months during which the 30% tender reduction applies. Some fishers assert that the season is only 8 months for them but

Management has made the reduction over 10 months. This issue, as it turns out, is not a serious one and there is effectively little difference between the two alternatives for those operators using hookahs (Table 1).

Allocation of tender days to TVH boat licences could have resolved most of the issues that have accompanied the 30% tender reductions. However, this would need an allocation process in itself and is therefore not proposed for the 2007 season and in the lead up to a quota management system.

Interim arrangements have also applied to the TIB sector during this period. In 2004, the number of TIB licences was limited to the number of TIB licences that existed on 11 December 2003 with “CR” symbol. This measure was introduced for just the one season while in 2005 the number of TIB boats greater than six metres was capped. This measure was reintroduced in 2006. Overall it is considered that these measures had a negligible affect on effort in the sector. The TSFMAC proposed not to include a further cap on the boats greater than six metres in 2007.

Alternatives to the afore mentioned arrangements might be to increase the length of the hookah ban by a further 2 months or more, which effectively cuts much of the fishing effort. This would allow operators to use their full complement of tenders and fish in a more economically effective way but for a shorter season thereby not increasing their effort. But this would also probably displace effort from Torres Strait to the Queensland east coast fishery since many of the TVH boats are dual licensed and consequently would not significantly reduce effort on the stock as a whole.

Similarly, enforcing a competitive TAC would require introducing systems that may only be in place for one year and require the closure of the fishery once the TAC has been reached. Currently there is no capacity to monitor fishing activity in the fishery (especially in the TIB sector) on a real-time basis. Also, a competitive TAC would likely result in displaced effort flowing to the east coast for the boats that have dual licences. Among the TIB sector such a measure could be predicted to lead to widespread dissatisfaction and drop-out from the PZJA’s consultative, management and licensing arrangements.

Though the fishery was not classed as over-fished during 2004 and 2005, the fishery was fully fished and close to being over-fished when the new Stock Maximum Sustainable Yield ( $S_{MSY}$ ) measure recommended by the RAG is applied. Escapement of spawning stock was lower than will be targeted under future arrangements. Thus it is necessary to continue to control effort under the current input control system.

### ***TSFMAC comment***

TSFMAC discussed options for further effort reduction, and noting the additional time required to fully consider such options requested that the TRLWG reconvene to consider further effort reduction arrangements pending the potential TAC advice from the TRL RAG in April 2007.

TSFMAC also noted that there would be benefits for the 2007 management of the fishery in accelerating the tender process in the TRL fishery.

Table 1. Calculations of tender months under two scenarios of 30% reduction. The table compares reductions based on a full 10-month season and the 8-month hookah period.

a	10 month season			8 month hookah season			h
	b	c	d	e	f	g	
Tenders per licence	Total tender months per licence	Total Tender months after 30% rounded	tender months with hookah allowed remaining	hookah tender months	after 30% rounded	Difference between 10 and 8 month scenarios (tender months)	Percentage difference – 8:10 month
1	10	7	6	8	6	0	0
2	20	14	11	16	11	0	0
3	30	21	16	24	17	+1	5%
4	40	28	23	32	22	-1	-3%
5	50	35	28	40	28	0	0%
6	60	42	33	48	34	+1	2%
7	70	49	40	56	39	-1	-2%

Note – Column a is the tenders attached to each primary licence; column b is the number of tender months; column c is the number of tender months after the 30% reduction rounded to the nearest tender month; column d is the number of tender months when the tenders could be equipped with hookah following the reduction; column e is the number of tender months when the tenders could be equipped with hookah based on the 8 month hookah period; column f is the number of tender months when the tenders could be equipped with hookah following the reduction; column g is the difference between the two reduction scenarios (8 month scenario – 10 month scenario figures); and column h is the percentage difference.

<b>TORRES STRAIT PROTECTED ZONE JOINT AUTHORITY</b>	<b>Meeting No. 20 26 October 2006</b>
<b>FINFISH FISHERY - Update on Draft Management Plan And Options for 2007 Management Arrangements</b>	<b>Agenda Item 3 FOR DECISION</b>

## RECOMMENDATIONS

### Fisheries Management Advisory Committee

3.1 The TSFMAC recommends the PZJA **NOTES**:

- (a) PNG officials expressed a desire to resume catch sharing arrangements in the Spanish mackerel fishery at the recent Papua New Guinea (PNG) bilateral fisheries talks;
- (b) increased participation in the Spanish mackerel fishery by either Australia or PNG is likely to have adverse affects on the sustainability of the Spanish mackerel stock;
- (c) the commercial sectors concerns regarding potential (Torres Strait Treaty) Article 23 implications for the reef-line fishery and the impact on the allocation of resources between sectors and the tender process.

3.2 The TSFMAC recommends the PZJA **AGREES** to continue the current management arrangements in the Reef Line and Spanish mackerel fisheries in 2007 until the drafting of the management plan can be completed.

3.3 The TSFMAC recommends that the PZJA **AGREES** to closely monitor activity in the Spanish mackerel fishery and any *significant* increases in catch or effort will trigger a mid season review of management arrangements.

### Standing Committee

3.4 The PZJA Standing Committee recommends that the PZJA **AGREES**:

*Significant* in the context of 3.3 means both up and down in catch or effort of up to 20% in one year or 30% in two years, noting that these trigger points may be affected by the implementation of Management Plans.

## BACKGROUND

Australia and PNG designated the mackerel fishery as an Article 22 fishery in 1985. Despite 20 years of fishing on the Australian side, PNG has never to Australia's knowledge, developed a fishery in its own waters and has never participated in the Australian fishery. This lack of interest in the mackerel fishery on PNG's part was reflected in an agreement reached in 2005 to suspend the Article 22 arrangements in this fishery.

A recently completed CRC research project has produced a stock assessment of the Torres Strait Spanish mackerel fishery. While the assessment has some uncertainty surrounding the estimates, it indicated that the fishery is likely being harvested near or exceeding maximum sustainable levels. The assessment did not identify the boundaries of the stock being fished nor did it estimate the relative biomass of the fish in Australian and PNG waters. The lack of certainty in these parameters will make catch sharing arrangements in this fishery difficult.

While the catch sharing arrangements are yet to be finalised, the complex nature of the catch sharing arrangements in the treaty may result in some 35% - 45% of the Spanish mackerel fishery being allocated to PNG. As this fishery is currently fished predominantly by the non-

community sector, a substantial proportion of the non-community licences will need to be removed through the open tender process to facilitate the move to a 50:50 resource allocation and to account for Australia's catch sharing obligations under the treaty. In response to this, commercial operators have again raised the need for a complete buyout of the non-community licences in the Spanish mackerel fishery.

Due to the high demands on agency staff members and sectoral contention over aspects of the resource allocation decisions, progress on the finfish management plan has been limited. A Finfish working group meeting was held on 3-4 October on Thursday Island. The meeting was quite productive with members recommending the management framework that will be used to draft the management plan for subsequent endorsement by the TSFMAC and approval by the PZJA in mid 2007.

## **DISCUSSION**

### *Spanish Mackerel*

It is currently unclear whether PNG's renewed interest in the Spanish mackerel fishery will result in any significant fishing being undertaken in Australian waters in 2007. Returns from the fishery are relatively small and there is no strong economic incentive for PNG to participate. However, sustainability concerns would likely result if PNG participation were to significantly increase the harvest from the fishery without any additional controls on the Australian operators. Perhaps the most prudent course of action for the mackerel fishery would be to closely monitor the catch and effort in 2007. Significant increases in catch and effort in early 2007 accompanied by PNG participation in the fishery may require a mid season review of the management arrangements in the fishery. In order to effectively implement a mid season review (September – October), logbook data would need to be received and entered in a timely fashion as peak catches in the fishery occur from August to December. Without timely catch and effort data a mid season review will not be possible.

### *Reef Line*

While no assessment for the Torres Strait reef line fishery is currently available recent effort levels in the fishery have been relatively low. The precautionary management arrangements in place in the fishery coupled with low effort levels and low risk of significant increases has reduced the necessity for additional interim management measures during the drafting of the management plan in 2007.

### *10nm Closures*

The fishing closures within 10 nautical miles of Mer (Murray Island), Masig (Yorke Island), Ugar (Stephens Island) and Erub (Darnley Island) in the finfish fishery remain a contentious issue. PZJA agencies have estimated the potential impact on fishing effort of the 10nm closures; 15.7-30% of coral trout catch and 15-18% of Spanish mackerel catch is thought to be taken inside the proposed 10nm closure areas depending on the method used to estimate the losses<sup>1</sup>. Agencies recognise that the closures will affect some individuals to a much greater extent and some to a lesser extent than the average figures quoted. However these impacts are also based on operators continuing to fish according to past practice and not adapting to the new conditions created by a reduction of licences.

Alternative fisheries management options to implement the 10 nautical mile zones are considered and discussed under agenda item 1.

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<sup>1</sup> The lower estimate was derived by deducting catch from 6 minute grid cells in proportion to the area of the cells removed through a closure; the alternative method was to remove the entire catch if any part of a cell was covered by a closure.

<b>TORRES STRAIT PROTECTED ZONE JOINT AUTHORITY</b>	<b>Meeting No. 20 26 October 2006</b>
<b>ALLOCATION ISSUES – AAP TRL Report</b>	<b>Agenda Item No. 4.1 FOR DECISION</b>

## **RECOMMENDATIONS**

### **Fisheries Management Advisory Committee**

4.1.1 The TSFMAC recommends that the PZJA **NOTES** the following TSFMAC comments on the draft Allocation Advisory Panel (AAP) Tropical Rock Lobster (TRL) report:

- (a) the TSFMAC considered the consultation process undertaken by the AAP to be sufficient;
- (b) individual TRL Fishery licence holders were responsible for expressing their individual preferences and concerns directly to the AAP through the established consultative processes;
- (c) the TSFMAC has recommended that DAFF advise the AAP about the extended timelines for the implementation of resource allocation and the proposed data verification process by AFMA and seek the AAP’s view if this would alter the final allocation recommendations of the panel;
- (d) the TSFMAC supports the PZJA reconvening the AAP at a later date to reconsider the recommendations provided in its final report when the verified data has been provided by AFMA; and
- (e) the TSFMAC supports the exceptional circumstance proposals outlined in the draft AAP TRL report.

### **Allocation Advisory Panel**

4.1.2 The AAP recommends that the PZJA **NOTES** that the AAP submitted a final report to the PZJA on 11 October 2006 for the Torres Strait TRL Fishery.

### **Standing Committee**

4.1.3 The PZJA Standing Committee recommends that based on the recommendations in the final AAP Torres Strait TRL Fishery report, the PZJA **NOTES** that:

- (a) the AAP has considered TSFMAC recommendation 4.1.1;
- (b) based on available data, the AAP believes that there are compelling arguments against the inclusion of “catch history” in the method to allocate fishing concessions in the TVH sector of the fishery;
- (c) the AAP has considered the advice that AFMA is currently undertaking a data verification process that may potentially address the AAP concerns for incorporating “catch history” in an allocation formula and, as such, the AAP has provided an alternative recommendation which is subject to:
  - (i) the results of the data verification process;
  - (ii) a re-evaluation of the alternative formula using verified catch data; and

- (d) the AAP is not aware of any circumstances that require any rules for transfer, amalgamation or separation of fishing concessions in order to maintain the intent of the allocation process.

4.1.4 The PZJA Standing Committee recommends that based on the recommendations in the final AAP Torres Strait TRL Fishery report, the PZJA **AGREES**:

- (a) to accept the final report of the AAP at Attachment 4A;
- (b) with the AAP recommendation that the persons eligible to be granted ITQ fishing concessions in the TVH sector are those persons holding a current TRL licence at the time of the PZJA decision to allocate ITQ fishing concessions. Any such person ceases to be eligible upon the surrender of the licence prior to the decision to allocate the ITQ concessions;
- (c) with the AAP recommendation that the formula for determining the allocation of ITQ fishing concessions between eligible persons is:
  - (i) 20% of TAC allocated equally among fully transferable licence holders only as a base allocation in recognition of the market value of fully transferable licences;
  - (ii) 80% of TAC allocated equally among tenders which are attached to fully transferable or non-transferable licences, to recognise equal market value and catching capacity of tender-(boats);
  - (iii) exceptional circumstances apply to the allocation of fishing concessions to non-transferable licences such that these non-transferable licences will not receive any of the 20% base allocation of TAC as these licences have no tradeable value; and
- (d) with the AAP recommendation that should the data verification process being conducted by AFMA be satisfactorily achieved and the issues raised in the AAP final report concerning the use of catch history are adequately addressed then an alternative formula for determining the allocation of ITQ fishing concessions between eligible persons is:
  - (i) 20% of TAC allocated equally among fully transferable licence holders only as a base allocation in recognition of the market value of fully transferable licences;
  - (ii) 80% of TAC allocated among all transferable and non-transferable licences in recognition of utilization of licence based on the average of the best three years of verified catch history for individual licences over the five year period 1997-2001;
  - (iii) exceptional circumstances apply to the allocation of fishing concessions to non-transferable licences. As these non-transferable licences have no tradeable value they will not receive any of the 20% of TAC allocated as a base allocation in the fishery;
- (e) that the outcomes of the AFMA data verification process should be reviewed in line with the recommendations in the final AAP report and the alternative formula will be re-evaluated before the PZJA makes a final out-of-session decision on the allocation of ITQ fishing concessions in the fishery.

## **BACKGROUND**

The PZJA formed an Independent Allocation Advisory Panel (AAP) in April 2006 in accordance with PZJA Fisheries Management Paper No.2, to provide advice on:

- A method for determining who in the non-community commercial fishing sector in the Torres Strait Rock Lobster Fishery should be eligible to be granted ITQ fishing concessions.
- A method for determining the allocation of ITQ fishing concessions between eligible persons in the non-community commercial fishing sector in the Torres Strait Tropical Rock Lobster Fishery:
- Any exceptional circumstances that should be taken into account in the allocation of ITQ fishing concessions in the Torres Strait TRL Fishery.
- Any appropriate rules for transfers, amalgamation or separation of fishing concessions to maintain the intent of the allocation process.

The AAP was required to consult with relevant parties, persons and organisations with appropriate knowledge or experience including holders of fishing concessions, representatives of Traditional Inhabitants and other stakeholders at advertised meetings in the Torres Strait and Cairns. In line with these requirements, public meetings were held in public meetings were held in relation to the TRL fishery on Thursday Island on 27 June 2006 and in Cairns on 29 June 2006. All persons present were given the opportunity to participate in the discussions and to make oral submissions whether at the meeting or immediately afterwards in confidence.

In addition to the scheduled public meetings, the Allocation Advisory Panel also accepted written submissions from stakeholders. A total of 11 submissions were received in the first call for submissions which closed 7th July 2006. These submissions were summarised in the draft AAP report. The AAP also published a draft report on 21 August 2006 that was made available for a period of public comment. The public comment period closed on 4 October 2006. A total of 12 written submissions were received and were considered by the AAP in preparing the final report. Summaries of all the written submissions are contained in the final report. A copy of the final AAP report is provided in Attachment 4A.

## **DISCUSSION**

### ***Draft report***

In preparing the draft report the AAP considered different allocation formulae based on information and suggestions raised by stakeholders at the public meetings and in written submissions.

Impacts were analysed using the individual annual catch and effort data over the period 1997-2005, made available to the AAP by AFMA, and commercial-in-confidence information on market prices of licences provided by licence holders and brokers. Relative economic position was estimated using available catch data over the period 1997-2005 (taking into account the AAP views on the application of the 2002 and 2005 PZJA Investment Warnings) as well as the market prices of licences. Alternative formulae options were then evaluated to determine which one most closely met the objectives set out in PZJA Fisheries Management Paper No.2.

### ***Final report***

In finalising their report, the AAP considered the comments provided from the TSFMAC on the draft report and the 12 written submissions from stakeholders. Following the consideration of this information, the AAP made a number of revisions to their draft recommendations.

The AAP carefully considered the inclusion of catch history as a component in an allocation formula. The AAP raised a number of issues concerning the use of catch history and believes (based on available data) that there are compelling arguments against the inclusion of catch history in the allocation of fishing licences in the TVH sector.

In reaching this view, the AAP:

- is guided by PZJA decisions including those from PZJA 18, at which it was decided that, should catch history be used in the allocation formula, only catch history prior to the 2002 Investment Warning should be considered for an allocation based on catch history;
- believes that because logbooks were not compulsory for all licence holders prior to 2002, catch history based on logbook returns is not a sufficiently reliable indicator of utilisation of all TRL licences and licence holders who were not required to submit logbooks would be disadvantaged by a catch history variable in an allocation formula unless there was some reliable means of verifying their catches;
- notes that five eligible licence holders were required to, but appear not to, have submitted logbooks over the period 1997-2001;
- notes that dual endorsed licence holders (Torres Strait and East Coast Queensland) would need to verify that catches as recorded on sales dockets were not from taken from the East Coast Queensland fishery and that this would apply to 19 of the 26 TVH transferable licence holders;
- has taken into account that some licence holders may have been operating with larger boats than they were licensed to use which might have an effect on their catch histories;
- believes that, should the PZJA change its decision and allow the inclusion of (more complete) post-2001 data in any catch history allocation, certain operators who adhered to the 2002 Investment Warning may be disadvantaged; and
- considers that verification of logbook data and catches prior to 2001 across all licence holders would be a time-consuming and costly task.

<b>TORRES STRAIT PROTECTED ZONE JOINT AUTHORITY</b>	<b>Meeting No. 20 26 October 2006</b>
<b>ALLOCATION ISSUES – AAP Finfish Report</b>	<b>Agenda Item No. 4.2 FOR DECISION</b>

## **RECOMMENDATIONS**

### **Fisheries Management Advisory Committee**

4.2.1 The TSFMAC recommends that the PZJA **NOTES** the following TSFMAC comments on the draft Allocation Advisory Panel Finfish report:

- (a) the TSFMAC considered the consultation process undertaken by the AAP to be sufficient;
- (b) individual Finfish Fishery licence holders were responsible for expressing their individual preferences and concerns directly to the AAP through the established consultative processes;
- (c) the TSFMAC expressed a preference for the allocation principles contained in Recommendation 1 subject to agencies being able to provide adequate data that was verified against individual licence holder's personal records;
- (d) the TSFMAC supports the PZJA reconvening the AAP at a later date to reconsider the recommendations provided in its final report when the verified data has been provided by AFMA;
- (e) the TSFMAC has referred back to the FFWG the task of developing and validating the effort to catch conversion factor in the reef-line and Spanish mackerel fisheries;
- (f) the TSFMAC requested that in its final report, the AAP should consider reviewing whether the use of pre 1999 data in the reef line allocation process was appropriate, noting that Queensland and Finfish Industry representatives raised legal and jurisdictional concerns about the use of this data in the proposed allocation methodologies; and
- (g) the TSFMAC requested that in its final report, the AAP should consider the merits of allowing "recent entrants" (according to established Queensland fisheries practice) to the finfish fisheries to use post 2002 catch data under the grounds for exceptional circumstances.

### **Allocation Advisory Panel**

4.2.2 The AAP recommends that the PZJA **NOTES** that the AAP submitted a final report to the PZJA on 11 October 2006 for the Torres Strait Finfish Fishery.

### **Standing Committee**

4.2.3 The PZJA Standing Committee recommends that based on the recommendations in the final AAP Torres Strait Finfish Fishery report, the PZJA **NOTES** that:

- (a) The AAP considered TSFMAC recommendation 4.2.1;
- (b) based on available data, the AAP believes that there are currently compelling arguments against the inclusion of "catch history" for all licence holders in the method

- to allocate fishing concessions in the TVH sector of the fishery and accordingly, the recommendations of the AAP contain a “best of” formula that can be applied to account for licence holders who may not be able to verify their catch history;
- (c) the AAP has considered the advice that AFMA is currently undertaking a data verification process that may potentially address the AAP concerns for incorporating “catch history” for all licences in an allocation formula and, as such, the AAP has provided alternative recommendations for allocation formulae which are subject to:
    - (i) the results of the data verification process and;
    - (ii) a re-evaluation of the alternative formula using the verified catch data;
  - (d) the AAP is not aware of any circumstances that require any rules for transfer, amalgamation or separation of fishing concessions in order to maintain the intent of the allocation process.

4.2.4 The PZJA Standing Committee recommends that based on the recommendations in the final AAP Torres Strait Finfish Fishery report, the PZJA **AGREES**:

- (a) to accept the final report of the AAP at Attachment 4B;
- (b) with the AAP recommendation that the persons eligible to be granted ITE fishing concessions in the TVH sector are those persons to whom a TSFF licence has been granted and is current at the time of the PZJA decision to allocate ITE fishing concessions. Any such person ceases to be eligible upon the surrender of the licence prior to the decision to allocate of the ITE concessions;
- (c) that the outcomes of the AFMA data verification process should be reviewed in line with the recommendations in the final AAP report and the alternative formulae options will be re-evaluated before the PZJA makes a final out-of-session decision on the allocation of ITE fishing concessions in the fishery.

***Spanish mackerel***

- (d) with the AAP recommendation that if AFMA complete the catch and effort data verification process for all licence holders in the Spanish Mackerel fishery, and that the PZJA agrees on a catch to effort conversion, the formula for determining the allocation of ITE fishing concessions between eligible persons in the Spanish Mackerel fishery should be:
  - (i) a base allocation of 20% of TAE allocated equally among single and dual endorsed fully transferable licences holders in recognition of the market value;
  - (ii) 80% of TAE allocated among all single and dual endorsed transferable licences in recognition of utilization of licence using verified catch history for individual licences based on the average of three years of catch history over the period 1997-2005 noting the three years must include:
    - (A) one year within the period 1997 – 2001 inclusive (prior to 2002 Investment Warning);
    - (B) one year within the period 2002 – 2005 inclusive;
    - (C) an additional one year within the period 1997-2005 inclusive;
- (e) with the AAP recommendation that should the catch and effort data verification process for all licence holders in the Spanish Mackerel fishery and the catch to effort conversion **not** be completed by the time the PZJA makes its final decision on

allocation, the alternative formula for determining the allocation of ITE fishing concessions between eligible persons in the Spanish Mackerel Fishery should be a ‘best of’ formula where licence holders can choose either:

- (i) a fixed allocation of 1% per fishing platform on a licence (primary vessel or tenders) for all single and dual endorsed transferable licences; **or**
  - (ii) an allocation based on the average of three years from verified 1997-05 catch history for all single and dual endorsed transferable licences scaled down to equal the remaining TAE after base allocations are taken into account (assuming that any catch histories that are used in the allocation process have been verified by AFMA and have been shown to be accurate) noting that the three years must include:
    - (A) one year within the period 1997-2001 inclusive (prior to 2002 Investment Warning);
    - (B) one year within the period 2002-2005 inclusive; and
    - (C) an additional one year within the period 1997-2005 inclusive;
- (f) with the AAP recommendation that under the proposed allocation processes, exceptional circumstances apply to Spanish mackerel fishery licence holder Beverley Joy Hurst because undue hardship would be occasioned to the licence holder if catch history were required. Where catch history is a component of any allocation formula it should, in the case of this licence holder, be equivalent to the lowest catch history among the other licence holders to whom allocation is made in the Spanish mackerel fishery;

### ***Reef Line***

- (g) with the AAP recommendation that if AFMA complete the catch and effort data verification process for all licence holders in the Reef Line fishery, and that the PZJA agrees on a catch to effort conversion, the formula for determining the allocation of ITE fishing concessions between eligible persons in the Reef Line fishery should be:
- (i) a base allocation of 20% of TAE allocated equally among single and dual endorsed fully transferable licences holders in recognition of market value;
  - (ii) 80% of TAE allocated among all single and dual endorsed transferable licences in recognition of utilisation of licence using verified catch history for individual licences based on the average of three years of over the period 1999-2005 noting that the three years must include:
    - (A) one year within the period 1999 – 2001 inclusive (prior to 2002 Investment Warning);
    - (B) one year within the period 2002 – 2005 inclusive; and
    - (C) an additional one year within the period 1999-2005 inclusive;
- (h) with the AAP recommendation that should the catch and effort data verification process for all licence holders in the Reef Line fishery and the catch to effort conversion **not** be completed by the time the PZJA makes its final decision on allocation, the alternative formula for determining the allocation of ITE fishing concessions between eligible persons in the Reef Line Fishery should be a best of’ formula where licence holders can choose either:

- (i) a fixed allocation of 1% per fishing platform on a licence (primary vessel or tenders) for all single and dual endorsed transferable licences; **or**
- (ii) an allocation based on the average of three years from verified 1999-05 catch history for all single and dual endorsed transferable licences scaled down to equal the remaining TAE after base allocations are taken into account (assuming that any catch histories that are used in the allocation process have been verified by AFMA and have been shown to be accurate) noting that the three years must include:
  - (A) one year within the period 1999-2001 inclusive (prior to 2002 Investment Warning);
  - (B) one year within the period 2002-2005 inclusive; and
  - (C) an additional one year within the period 1999-2005 inclusive; and
- (i) with the AAP recommendation that under the proposed allocation processes, exceptional circumstances apply to Reef Line fishery licence holders LF & PE Hudson because these licensees entered the Reef Line fishery in 2001 and had committed to capital investment and effort when the 2002 Investment Warning was issued. Where catch history is a component of any allocation formula, the exceptional circumstances justify these licensees being entitled to rely on their catch history between 2002 -2005, notwithstanding the 2002 Investment Warning.

## **BACKGROUND**

The PZJA formed an Independent Allocation Advisory Panel (AAP) in April 2006 to provide advice on:

- A method for determining who in the non-community commercial fishing sector in the Torres Strait Reef Line and Spanish Mackerel Fisheries should be eligible to be granted ITE fishing concessions.
- A method for determining the allocation of ITE fishing concessions between eligible persons in the non-community commercial fishing sector in the Torres Strait Reef Line and Spanish Mackerel Fisheries.
- Any exceptional circumstances that should be taken into account in the allocation of ITE fishing concessions to the non-community commercial fishing sector in the Torres Strait Finfish Fishery.
- Any appropriate rules for transfers, amalgamation or separation of fishing concessions to maintain the intent of the allocation process.

The AAP was required to consult with relevant parties, persons and organisations with appropriate knowledge or experience including holders of fishing concessions, representatives of Traditional Inhabitants and other stakeholders at advertised meetings in the Torres Strait and Cairns. In line with this requirement public meetings were held in relation to the Torres Strait Finfish Fishery in Cairns on 25th June and on Thursday Island on 26th June 2006. All persons present were given the opportunity to participate in discussion and to make oral submissions whether at the meeting or immediately afterwards in confidence.

In addition to the scheduled public meetings, the Allocation Advisory Panel also accepted written submissions from stakeholders. A total of 6 submissions were received from the first call for submissions which closed 7th July 2006. The AAP also published a draft report on 21

August that was made available for a period of public comment. The public comment period closed on 4 October 2006. A total of 7 written submissions were received and were considered by the AAP in preparing the final report. Summaries of all the written submissions are contained in the final report. A copy of the final AAP report is provided in Attachment 4B.

## **DISCUSSION**

### ***Draft report***

In preparing the draft report the AAP considered different allocation formulae based on information and suggestions raised by stakeholders at the public meetings and in written submissions.

Impacts were analysed using the individual annual catch and effort data over the period 1997-2005, made available to the AAP by AFMA, and commercial-in-confidence information on market prices of licences provided by licence holders and brokers. Relative economic position was estimated using available catch data over the period 1997-2005 (taking into account the AAP view on the limited application of the 2002 PZJA Investment Warnings as well as the change in jurisdiction of the reefline fishery in April 1999) as well as the market prices of licences. Alternative formulae options were then evaluated to determine which one most closely met the objectives set out in PZJA Fisheries Management Paper No.2.

### ***Final report***

In finalising their report, the AAP considered the comments provided from the TSFMAC on the draft report and the 7 written submissions from stakeholders. Following the consideration of this information, the AAP made a number of revisions to their draft recommendations.

The AAP carefully considered the inclusion of catch history as a component in an allocation formula. The AAP respects the view that relative economic position may be influenced by the degree of utilisation of a licence. If there is clear evidence of such an influence and a means by which it might be assessed other than in an arbitrary fashion, it would be appropriate to incorporate the relevant measure of utilisation, such as catch history, into the allocation formula. However the AAP believes there are currently compelling practical arguments against the inclusion of catch history in the allocation of ITEs in the TVH sector of the TSFF.

In reaching this view, the AAP:

- believes that logbook data, although compulsory in both fisheries, is currently considered incomplete and possibly unreliable noting that AFMA does not have full confidence in the quality and completeness of logbook data, although many oral and written submissions maintained that this could be verified using sales or cold store dockets;
- has been informed that verification of logbook data will be required across all licence holders and believes this may be a time-consuming and costly task;
- considers the use of catch history might be advantageous to those licence holders who have used unauthorised tenders and/or unauthorised larger vessels in the fishery; and
- highlights that the use of catch history in the allocation of a TAE requires a conversion from catch to effort to enable an allocation based on effort units.

Although this “conversion factor” has to be calculated in the TSFF fishery to enable converting a nominal Total Allowable Commercial Catch to Total Allowable Effort, the AAP has been advised that the estimation process has yet to be initiated. Given the quality of the

data and the variation in catch/tender day between individual licence holders made available to the AAP believes that there will be considerable difficulty in finding an appropriate conversion factor.

From the data made available to the AAP, there is no obvious relationship between catch and tender days (the standard unit of effort) in either the Reef Line or Spanish Mackerel fisheries. Average catch/tender day is varied and most likely there is data missing.

In the absence of an agreed conversion factor, using catch history in an allocation formula recommended by the AAP may potentially be arbitrary, as a conversion factor would have to be assumed with little empirical foundation at this time.

<b>TORRES STRAIT PROTECTED ZONE JOINT AUTHORITY</b>	<b>Meeting No. 20 26 October 2006</b>
<b>ALLOCATION ISSUES – Data for Allocation Purposes</b>	<b>Agenda Item No. 4.3 FOR NOTING</b>

## **RECOMMENDATIONS**

### **Fisheries Management Advisory Committee**

4.3.1 The TSFMAC recommends the PZJA **NOTES** that:

- (a) TSFMAC considers that reliable catch data are important to the allocation of resources between PNG, islander and non-islander sectors and the tender process, that the correction and verification of these data should be given the highest priority to inform recommendations/decisions on appropriate allocation mechanisms by the PZJA;
- (b) this data is important for the purpose of establishing a “starting point” on current catch between sectors in relevant fisheries in order to conduct the voluntary licence surrender process;
- (c) data from logbooks and docket books and other relevant sources have been entered into the AFMA databases;
- (d) there have been ongoing and unexpected delays in data processing/correction;
- (e) the AFMA Data Section in Canberra is currently undertaking a number processes to correct data that were submitted either incorrectly or incompletely so that they can be used for the purposes of establishing catch ratios of the community and non-community sector;
- (f) AFMA Systems Section has installed software in the Thursday Island office which will make it possible for the final corrections to be made to the data; and
- (g) it will not be until the correction work has finally commenced that it will be possible to forecast the time that will be needed to complete the work.

4.3.2 The TSFMAC recommends that the PZJA **NOTES** that once the data have been corrected they will be sent to individual fishers to verify that the records held by AFMA accurately reflect the catches that they have taken in the relevant fishery and that:

- (a) the success of this part of the project will hinge on individuals cross validating the figures provided by AFMA with their own records; and
- (b) submitting figures to AFMA to assist in any corrections that may need to be made quickly.

## **BACKGROUND/DISCUSSION**

PZJA decision 19.2B provides that the PZJA **AGREED** that:

- (a) to maximise the resources available to PZJA agencies, an allocation advisory panel is not recommended for the provision of advice to the PZJA on determining the current catch sharing ratio between commercial fishing sectors in the Torres Strait Tropical Rock Lobster, Reef Line and Spanish Mackerel Fisheries;

- (b) the Australian Fisheries Management Authority (AFMA), with assistance as required from the other PZJA agencies, will prepare a report on the historical catch shares of the commercial fishing sectors in the Torres Strait Tropical Rock Lobster, Reef Line and Spanish Mackerel Fisheries, to be provided to the PZJA at its next meeting;
- (c) the period of time to be included in determining the historical catch shares shall be from 2002 to 2005 inclusive in the Tropical Rock Lobster Fishery and 2001 to 2005 inclusive in the Finfish Fishery, being the periods during which these shares have been most accurately recorded;
- (d) PZJA agencies should ensure that there is no less consultation with industry and islanders than would be the case under an allocation advisory panel approach. PZJA agencies will present a draft report to stakeholders at public meetings in Cairns and in the Torres Strait and provide for a 28-day period of public comment on the draft report to identify any issues that may have been overlooked in the drafting of the report; and
- (e) AFMA will provide licence holders and others with the opportunity to verify their personal records.

The procedure identified to give effect to these PZJA decisions was to process the relevant data for each of the tropical rock lobster and finfish fisheries and both the community and non-community sectors in preparation for its validation. This has turned out to be more difficult than anticipated and it has not been possible to produce a report for this meeting of the PZJA.

The whole process is complicated by the fact that fisheries data are collected by two methods in the Torres Strait. The first and standard approach is to collect data using catch and effort logbooks. There has been a requirement for some but not all licence holders to provide the catch and effort returns by logbooks on a continuous basis since 1997 in the tropical rock lobster and Spanish mackerel fishery and since 1999 in the reef-line fishery. The requirement to submit logbooks was sometimes dependent on the primary boat's specifications.

The logbooks account for most of the catch from the fisheries because those licence holders who had an obligation to report in them caught most of the product. However, the majority of the licence holders (TIBs) did not have an obligation to use a logbook and there are in fact many more pages of data from this sector because of the larger number of participants and smaller individual quantities recorded on each docket.

Historically in the lobster fishery the problem of only partial reporting by logbook was overcome by recording the total amount of product that was shipped from the Torres Strait by sea or air. The sum of these records was reported as the total catch from the fishery. Unfortunately this method made it impossible to accurately calculate the catch of the community and non-community sectors.

In the Finfish Fishery there were simply no records of the community sector's catch until the records were recovered from the various processors and council freezers and reported on in 2004.

Since late 2003/early 2004 the AFMA docket book system was introduced. This is a voluntary system that depends on the cooperation of the buyer and seller to record the catches sold and ancillary information about the fishing operation. It has been successful in many respects however there are some problems:

- buyers activities change without notice and the AFMA office needs to learn of these changes in order to collect comprehensive records;

- sellers names are recorded in various ways making the identification of a single seller problematic;
- the boats are not all licensed and therefore the symbols are not always recorded making it difficult to identify the boat and effort;
- the docket books are used to record the purchases of catch from two groups of people – those who use a logbook to report their catches and those who do not. It is essential that a catch recorded in a logbook is identified as such on the docket book so that the catch is not double counted.

It is the last issue that is of greatest concern and causing the biggest problems in the TRL fishery.

In the Finfish Fishery there are several additional issues:

- in regard to the logbook data Queensland logbooks were used to collect the reefline fishery data until the TSF01 logbook was introduced in 2003 (Spanish mackerel fishery data were collected by AFMA). AFMA has only recently received complete data from Queensland. These data have yet to be fully ‘explored’ to discover what issues there may be; and
- the data collected from the Island Community freezers (pre-docket book) is not held by AFMA. It has been summarised by the CRC Reef Research Centre in technical report 57. This report explains the data issues and will be used in production of the final report referred to in PZJA decision 19:2B(d).

Data editing finally commenced on the first week of October when several technical and systems issues were solved. The process from here on will be iterative with successive extracts and corrections of data from the database until all the known resolvable issues are solved. As soon as this process is completed summarised catch data will be sent to each TVH licence holder or TIB fisher for whom an address can be obtained.

Individuals will be expected to contact AFMA if they detect any variations between their own personal records and the records sent to them for verification. Thus there is an onus on the fishers to help make this a successful process. Once fishers have had time to provide their feedback on their records and as soon after as is practical, a draft report will be produced detailing the historical catch shares of the commercial fishing sectors in the Torres Strait Tropical Rock Lobster, Reef Line and Spanish Mackerel Fisheries. The draft will be open for public comment for 28 days in line with the PZJA decision 19:2B(d).

The verification and correction of historical catch data held on individual participants in these fisheries by AFMA will also be the basis of quota allocation in the TVH sector, should a catch history-based allocation formula be adopted by the PZJA in its consideration of the Allocation Advisory Panel’s recommendations.

It is anticipated that the data verification will be completed by early 2007 and subsequent allocation decisions will be made based on this data by March/ April 2007.

<b>TORRES STRAIT PROTECTED ZONE JOINT AUTHORITY</b>	<b>Meeting No. 20 26 October 2006</b>
<b>ALLOCATION ISSUES – Community Fishing Allocation Options</b>	<b>Agenda Item No. 4.4 FOR DECISION</b>

### **Fisheries Management Advisory Committee**

4.4.1 The TSFMAC recommends the PZJA **NOTES** that the Indigenous fishing sector would like to work under a competitive TAC in the TRL fishery for the first two years of a quota system while they assess other options for internal quota allocation. The same arrangements were agreed to for the Finfish fishery under PZJA decision 19.4.2(b)(i).

4.4.2 The TSFMAC recommends the PZJA **NOTES**:

- (a) the TSRA-funded consultancy requested by the Community Fisher Group, with the report to be completed by, and provided to, PZJA 21 (July 2007);
- (b) ABARE has proposed to undertake a report on impediments to economic development in the Islander sector;
- (c) DAFF is in discussions with the TSRA and IBA to explore options for progressing Islander aspirations of a 70:30 share of the TRL fishery; and
- (d) DAFF and TSRA are collaborating on these projects to ensure the implementation of PZJA 19.2D.2 requirements.

4.4.3 The TSFMAC recommends DAFF and the TSRA should collaborate in moving these processes forward.

### **Standing Committee**

4.4.4 The PZJA Standing Committee recommends that the PZJA:

- (a) **AGREES** that the Torres Strait Indigenous commercial fishers work under a competitive TAC/TAE for the first two years of a quota management system in both the TRL and Finfish fisheries; and
- (b) **REQUESTS** that PZJA agencies continue to collaborate, sharing information generated with the TSRA and CFG to allow the Indigenous fishing sector to choose the most appropriate quota sharing arrangement for implementation after the 2 year period of a competitive quota system is completed.

### **BACKGROUND**

With the move to more sustainably managed fisheries, it will be necessary to decide how to allocate catch within each of the Torres Strait fishing sectors. The non-Indigenous fishing sector has already begun this process by appointing an independent Allocation Advisory Panel (AAP) to explore the best method of allocating catch. The basic premise of allocation within the non-Indigenous fishing sector is that each license holder will have a tradable units of a total sustainable catch allocated to them directly. In the case of the Tropical Rock Lobster Fishery this will be Individual Tradable Quota units or ITQ units. In the case of the Finfish Fishery this will be a conversion of catch into Individual Tradable Effort units or ITE units.

The Indigenous fishing sector did not want to go directly into this framework, and asked that their quota be allocated as a single Total Allowable Catch (TAC) for the entire Indigenous fishing sector. Fishing would continue in the Indigenous sector under a competitive system until the TAC was reached each season (the Olympic model). The PZJA agreed to this in principle in relation to the Finfish fishery under PZJA decision 19.4.2(b)(i).

Under PZJA decision 19.2D.2, the PZJA requested that the PZJA agencies prepare background material and proposals highlighting preferred administrative arrangements for the allocation of Tropical Rock Lobster and Finfish concessions to Community fishers. This should include:

- (a) advice from the TSRA on eligibility rules for holding a Traditional Inhabitant Boat licence and who should be entitled to do so in the future;
- (b) an audit conducted jointly by the PZJA agencies of who currently holds Traditional Inhabitant Boat licenses, who has fished where, the different levels of participation (full-time and part-time) and the potential impact of the inclusion of a further category of eligible persons (Papua New Guineans who have obtained Australian residency or citizenship after the 1978/79 amnesty); and
- (c) a revised process for assessing and ensuring that future Traditional Inhabitant Boat licence applicants are valid.

In addition, as discussed under agenda item 1, the Australian Government Minister for Fisheries, Forestry and Conservation wrote to Community Fishery representatives on 18 August 2006 and asked the TSRA “to develop options for PZJA 20 on how to increase the Islander share of the resources and how to allocate the Islander’s share of resources to maximise their economic potential. This should include options for seeking assistance from Indigenous Business Australia”.

## **DISCUSSION**

The Community Fisher Group (CFG) recently met to discuss a range of issues, including their stance on internal quota allocations. The CFG noted that the Olympic model may not be the best model for the fishery in an economic sense, and that other models for internal resource allocation needed to be explored. That said, the CFG agreed that their policy in the Finfish fishery continued to be that for the first two years of a quota system, the Indigenous fishing sector would work under an Olympic model (competitive TAC). They also agreed that the same competitive quota system should apply in the TRL fishery. They further note that during the two year period the competitive quota would apply for, a decision on their final internal quota allocation should be made.

The CFG further noted that their ability to reach a 70:30 resource allocation through a self-funded process was an untested theory, and would also depend upon the internal allocation structure in place. The CFG felt that answers to both of these questions were critical information, and that they tied in together.

The CFG agreed that a consultancy should be established to look at whether a 70:30 resource allocation could be achieved under a self-funded process. Within this consultancy, several different methods of internal quota allocation should be tested to provide some indication of relative economic capacity. The TSRA has agreed to fund this consultancy on behalf of the CFG. A complete Terms of Reference (ToR) will be drawn up by TSRA Fisheries staff in the near future and presented to the CFG and the PZJA for consideration. A draft ToR for the consultancy has been attached to this paper. However, the content of the ToR and the consultancy may be modified depending on the outcomes of PZJA 20.

The Australian Bureau of Agricultural and Resource Economics (ABARE) has indicated to DAFF that they intend to undertake a survey of both Islander and non-Islander fishers in the Torres Strait TRL and Finfish fisheries. A key purpose of the survey would be to identify areas that can assist Islander fishers to obtain similar economic benefits to non-indigenous fishers in the future. A first step in this process is a literature review of existing work conducted on impediments to Islander development of their fisheries resources.

The TSRA, DAFF and Indigenous Business Australia (IBA) have also been in discussions to assess whether and how IBA might consider providing assistance to advance Islander aspirations.

The TSRA consultancy and ABARE report will answer some of the questions being asked by the CFG and may also assist with the previous information requests from PZJA decision 19.2D.2 and the Minister on 18 August 2006. Additionally, the CFG have identified that the following information (if it is not covered by the TSRA consultancy and ABARE report) will be required to assist the indigenous sector decide a quota sharing arrangement within 2 years of a quota management system being implemented:

- Who is eligible to be out there fishing under a TIB licence?
- Who is out there fishing (who has a TIB licence)?
- Where are they fishing?
- What species are they catching?
- Who are full-time fishers and who are part-time fishers?
- Who is catching most of the quota?
- Who should be eligible to be out there fishing using Islander quota?
- What are the options for quota allocation?
- What balance of quota allocation would be most equitable?
- What process of quota allocation would give the greatest economic potential?
- What are the additional capacity building programs that are available to support this process?

<b>TORRES STRAIT PROTECTED ZONE JOINT AUTHORITY</b>	<b>Meeting No. 20 26 October 2006</b>
<b>PRAWN FISHERY – 2007 Management Arrangements</b>	<b>Agenda Item 5.1 FOR DECISION</b>

## RECOMMENDATIONS

### Prawn Fisheries Management Advisory Committee

5.1.1 The TSPMAC recommends that the PZJA **NOTES** the preliminary analysis of the trends in catch and effort for the 2006 season that indicate an above average stock biomass for tiger and to a lesser extent endeavour prawn during the 2006 season.

5.1.2 The TSPMAC recommends that the PZJA **AGREES** that management arrangements for the Torres Strait Prawn Fishery (TSPF) for 2006 be rolled over for the 2007 season, while the Management Plan for the fishery is being developed. Specific roll-over provisions, which will be resolved in the long term through the development of the management plan and the introduction of an effort-based unit system, include:

- (a) a total allowable effort cap of 9,200 days for the fishery;
- (b) allowing the trade in any quantity of whole days;
- (c) a minimum holding of 34 days during 2007; and
- (d) the boat replacement policy being suspended during 2007 in order to further assist the industry to restructure itself.

5.1.3 The TSPMAC recommends that the PZJA **AGREES** to adopt the Fisheries Management Notice (FMN) to modify the specifications for Turtle Exclusion Devices (TEDs) in the fishery to comply with the United States requirements for import approval.

### Standing Committee

5.1.4 The PZJA Standing Committee recommends that the PZJA **AGREES**:

- (a) to roll-over the 2006 management arrangements for the TSPF for the 2007 season; and
- (b) to endorse the FMN 81 (**Attachment 5A**) and Explanatory Statement<sup>2</sup> giving effect to modified specifications for TEDs.

5.1.5 The PZJA Standing Committee recommends that the PZJA **NOTES**:

- (a) that the TSPF is the only commercial fishery in the Torres Strait that Islanders do not hold licences in and that in its operations it is more characteristic of other Australian Government-managed fisheries;
- (b) that effect will be given to the 2007 management arrangements for the TSPF through conditions on the licences issued by the QDPI&F on behalf of the PZJA; and

<sup>2</sup> AFMA will table the Explanatory Statement at PZJA 20

- (c) that the PZJA Standing Committee strongly supported the proposed minimum holding of 34 fishing days to encourage trading of effort and autonomous adjustment of the fishery; and
- (d) the likelihood that current exemptions from minimum holding of 34 days during 2007 will not apply under management plans (expected to commence in 2008).

## **BACKGROUND**

### ***Fishery Trends***

A preliminary analysis of the trends in catch and effort for the 2006 season were presented to TSPMAC2 at its meeting of September 2006. The preliminary trends in the catch data suggests that 2006 will be the best season on record for tiger prawn catch rates, indicating a high tiger prawn stock biomass. The endeavour prawn catch rates are also higher than for recent years. The preliminary trends in the effort data for 2006 indicate that fishing effort in 2006 will be well below average and possibly lower than 2005.

### ***Management Arrangements for 2007***

Agreement has now been reached with industry that the proposed TSPF Management Plan will implement a fully transferable effort unit system for the fishery. As discussed in Agenda Item 5.2, it is recommended that the current holding of fishing days by operators will be converted to effort units on a 1:1 basis once the plan takes effect.

A number of management arrangements for the fishery were varied or suspended for the 2006 season following the tender process. This included the suspension of the boat replacement policy, variation of the minimum day holding requirement from 50 to 34 and trading of effort policy. It is recognised that these issues will be addressed under the TSPF Management Plan, which is planned to be implemented by the beginning of the 2008 fishing season.

### ***Fisheries Management Notice – TED Flotation Requirements***

In order for any fishing nation to export wild caught prawns to the US market, it must be able to demonstrate that it meets the conditions set down by the US Department of State to ensure that its fishing practices do not harm turtles. Following a visit in early 2006 by a US delegation, TSPMAC and industry have considered amending the specifications for TEDs in order for the TSPF to remain compliant with the minimum design standards for TEDs set by the US.

At the TSPMAC1 in June 2006, members discussed the attached draft FMN. The major issue of discussion was the issue of flotation, with industry members concerned that the content of the FMN was not consistent with the advice provided by US delegates during a visit to Innisfail. This matter was subsequently resolved following further discussions with industry and technical experts from the US Government.

## **DISCUSSION**

### ***Fishery Trends***

A review of the tiger prawn stock assessment for the fishery will be undertaken late in 2006. Work on the development of an endeavour prawn stock assessment model will also commence in late 2006, but results from that process are not expected to be available until mid 2007.

The TSPMAC will review the outcomes for the tiger and endeavour prawn assessments in mid 2007 with a view to recommending a revised TAE for the fishery for the 2008 season. In light of the pending assessment work and an expectation that there will not be a significant shift in the fishery trends, it is recommended that the TAE for the 2007 season be maintained at 9,200 days.

### ***Management Arrangements for 2007***

The TSPF Management Plan will commence in 2008 following the commencement of proposed amendments to enable the PZJA to implement management plans. As discussed under agenda item 8 the amendment bill has been assigned an “A” status for the Spring 2006 sittings meaning that it may be introduced but not passed. Accordingly there is a high probability that the amendments will not be in place to commence before the 2008 season. Accordingly, management arrangements for the 2007 fishing season need to be determined by the PZJA. Therefore, it is proposed to roll over the current (2006) provisions while the Management Plan is being drafted.

The TSPMAC was advised by industry representatives at the TSPMAC meeting of 19 – 20 September 2006, that industry has no concerns with the 2006 management arrangements being rolled over for the 2007 season.

### ***Fisheries Management Notice – TED Floatation Requirements***

Advice from the US accreditation team was sought following TSPMAC1 in June 2006 regarding the floatation requirements for TEDs. The US accreditation team advised that floatation is required for bottom opening TEDs for accreditation, but marking of the floats is not required.

At TSPMAC2 in September 2006, members were advised that the adoption of the minimum design specifications will enable fishers to comply with the US requirements for prawn import approval. The TSPMAC members agreed to the adoption of the attached FMN.

In anticipation of these legislative amendments by 1 March 2007, the US Accreditation team has reported favourably on the TSPF. Another visit by the US to the fishery will be conducted prior to the commencement of the 2007 season to verify the implementation of the amendments to their specifications. It is anticipated that accreditation will be received for a five-year period from the US following their next visit.

<b>TORRES STRAIT PROTECTED ZONE JOINT AUTHORITY</b>	<b>Meeting No. 20 26 October 2006</b>
<b>PRAWN FISHERY – Management Plan</b>	<b>Agenda Item 5.2 FOR DECISION</b>

## **RECOMMENDATIONS**

### **Prawn Management Advisory Committee**

5.2.1 The TSPMAC recommends that the PZJA **AGREES** that the draft Management Plan at **Attachment 5B** be provided to the Office of Legislative Drafting (OLD) as drafting instructions in order to produce a draft Management Plan that can be used for wider consultation and provide the basis of a Regulatory Impact Statement.

5.2.2 The TSPMAC recommends the PZJA **NOTES Attachment 5C** on clarification of units from the June 2006 TSPMAC meeting.

## **BACKGROUND**

At the June 2006 TSPMAC meeting members were presented with a preliminary draft of the proposed TSP Management Plan. Members discussed the draft document at length and made several suggestions for recommended changes. The TSPMAC also agreed that a small working group be set up to progress the draft Management Plan out-of-session. The working group was tasked with expanding the “measures by which objectives are to be attained” and the “performance criteria/indicators to assess measures taken” sections of the draft plan. The aim was to complete the work via email/phone conference as much as possible. The working group proved to be a successful concept. It conducted two teleconferences on 24 July and 31 August 2006 and resolved some outstanding issues with the proposed management arrangements under the draft management plan.

The second draft of the Management Plan was presented at the TSPMAC meeting of September 2006, for comment and decision on sections of the Management Plan that required TSPMAC consultation. The members reached agreement on the sections of the Management Plan that required decision and agreed that once the amendments in relation to the decisions made were completed, the draft Management Plan could be provided to the Office of Legislative Drafting (OLD) as drafting instructions.

## **DISCUSSION**

### ***Management Plan***

If the PZJA agrees that the draft Management Plan be forwarded to the OLD as drafting instructions, it is anticipated that the OLD will be able to provide legally drafted version of the Management Plan in early 2007. Once the OLD draft of the Management Plan is received, it will then be used for wider consultation with stakeholders and form the basis of a Regulatory Impact Statement. It is anticipated that the stakeholder consultation will be completed before June 2007 and that the final version of the Draft Management Plan will be tabled at PZJA 21 for approval.

The draft Management Plan for the TSPF is the first draft plan to be finalised for the Torres Strait fisheries. Essential it continues the current input-based management system. Under the

current system industry, have been allocated a number of fishing days which varies according to individual operators. In addition, the proposed TSPF Management Plan makes provisions for the unitisation of effort in this fishery.

### ***Clarification of Units***

At the June 2006 TSPMAC meeting it was proposed, that with the move to the Management Plan, that levies for the fishery be calculated on a per unit basis. Following in-depth discussion at the June 2006 TSPMAC meeting, the members recommended that a time-based effort unit system be used. Time based effort units were acknowledged, by the members, to equate to an overall percentage of the sustainable total fishing effort in the prawn fishery, also known as TAE that will be set by the PZJA for the fishery. Further clarification of the unit based system (Attachment 5C).

<b>TORRES STRAIT PROTECTED ZONE JOINT AUTHORITY</b>	<b>Meeting No. 20 26 October 2006</b>
<b>PRAWN FISHERY – Observer Program</b>	<b>Agenda Item 5.3 FOR NOTING</b>

## RECOMMENDATIONS

### Prawn Fisheries Management Advisory Committee

5.3.1 The TSPMAC recommends the PZJA:

- (a) **NOTES** the 2005 trip report for the observer program in the fishery (**Attachment 5D**); and
- (b) **REQUESTS** that trip reports from 2006 trips for the observer program are released as soon as possible to allow the TSPMAC time to review the objectives of the program prior to the commencement of the 2007 season.

### Standing Committee

5.3.2 The PZJA Standing Committee recommends that the PZJA **NOTES** that the AFMA observer program will make the 2006 report available before March 2007.

## BACKGROUND

The Torres Strait Prawn Fishery (TSPF) observer program commenced in March 2005. The program was initiated in response to numerous references to an observer program in the Bycatch Action Plan as the only feasible way to collect the required information on the TSPF to address the provisions of the *Environment Protection and Biodiversity Conservation (EPBC) Act 1999* and retain export approval. It is also specifically referred to in the Strategic Assessment recommendations by the Department of the Environment and Heritage (DEH) for the fishery. Funding has been provided for about 190 observer days in 2006/07.

## DISCUSSION

Collection of wildlife observations, vessel activity and catch data which are not available through official logbooks is the main focus of the observer program. In particular, wildlife interaction with threatened, endangered and protected (TEP) species is reported for observed shots. The fate and life status of turtles, sea snakes and seahorses is recorded for each shot. The observers also record the fate and life status of other discarded bycatch such as Tropical Rock Lobsters. Catch composition, length frequency and sex information of the three main prawn species (Brown Tiger, Endeavour and Red Spot King) are also recorded and analysed as part of the report.

Representatives of the observer program presented details of the findings for the 2005 report in the Torres Strait Prawn Fishery (TSPF) at the September 2006 TSPMAC meeting and asked that the TSPMAC provide feedback and/or further details of other data that would be beneficial to the TSPMAC. The TSPMAC felt that it would be in a stronger position to provide feedback to the observer program once it has had the opportunity to review the 2006 program report for the TSPF.

<b>TORRES STRAIT PROTECTED ZONE JOINT AUTHORITY</b>	<b>Meeting No. 20 26 October 2006</b>
<b>PRAWN FISHERY – Bycatch Reduction Workshop</b>	<b>Agenda Item 5.4 FOR DECISION</b>

## RECOMMENDATIONS

### Prawn Management Advisory Committee

5.4.1 The TSPMAC recommends that the PZJA **REQUESTS** that the Australian Maritime College, CSIRO Marine & Atmospheric Research (Cleveland) and AFMA invite and encourage Torres Strait prawn fishers to attend the industry workshop scheduled for late November 2006 to evaluate the potential of a range of new, innovative options to reduce bycatch in prawn trawl fisheries.

5.4.2 The TSPMAC recommends that the PZJA **REQUESTS** agencies to identify funding opportunities to encourage attendance at the workshop by TSP Industry.

### Standing Committee

5.4.3 PZJA Standing Committee recommends the PZJA **NOTES** the TSPMAC recommendation 5.4.1 and that:

- (a) the Bycatch Reduction Workshop is a Northern Fisheries Management Advisory Committee (NORMAC) initiative;
- (b) Torres Strait industry participants have been invited to participate on an opportunistic basis; and
- (c) the Standing Committee recommends that the costs should be met by licence holders.

## BACKGROUND

In 2006, the Federal Minister for Fisheries, Senator Ian Macdonald announced a one-off structural adjustment package for Commonwealth fisheries managed under the Fisheries Management Act 1991. Amongst other issues, this announcement included a tender to support the surrender of Commonwealth fishing authorizations, as well as a directive to reduce bycatch in all fisheries by 50% by 2008. This directive does not apply directly to the Torres Strait fisheries as these are managed under the *Torres Strait Fisheries Act 1984*.

To achieve this bycatch target in the Northern Prawn Fishery (NPF), the fishing industry either needs to substantially improve the performance of existing BRD designs or develop new, more efficient designs. The proposed workshop is designed to discuss BRD technology and one of several initiatives by the industry to address the Ministerial directive.

The workshops will be held in Cairns and Darwin, and possibly southern QLD at dates yet to be determined, but likely to be late November 2006 to coincide with the end of the tiger season in the NPF and/or March 2007 to coincide with the beginning of the banana prawn season in the NPF. Members and industry will be advised of the dates and locations of the workshops once they are finalised.

## DISCUSSION

A first step towards reaching the bycatch target is for the fishing industry and scientific community to pool their resources and expertise. It was this approach that successfully led to the smooth introduction of effective TED designs into the fishery in the late 1990's. The Australian Maritime College, CSIRO Marine & Atmospheric Research (Cleveland) and AFMA are now planning an industry workshop to bring fishermen and scientists together to evaluate the potential of a range of new, innovative options to reduce bycatch.

A key component of the workshop will be international and Australian specialists presenting information on bycatch reduction measures currently being investigated. These options include the use of low-opening/long-lead-ahead trawls, use of electricity or water turbulence to 'attract' fish towards escape openings, or soft-brush ground gear. At this workshop input by fishermen into a plan for future BRD research will also be sought.

It is proposed that this workshop will then be followed by annual gatherings between fishermen and scientists, to learn of developments in BRD research and discuss future research activity.

Recommendation 11 from the Strategic Assessment report for the TSPF by the Department of the Environment and Heritage states that the *"PZJA will continue to pursue reduction in the amount of bycatch taken in the TSPF through the refinement of bycatch mitigation technology and will investigate methods for increasing the survivability of bycatch species. Any suitable methods identified should be implemented in a timely manner"*.

Participation by TSPF operators in the proposed workshops and implementation of any options identified would help address this recommendation. It presents a unique opportunity for operators to participate in an event that has been set up and funded by another prawn trawl industry. Significant costs could be saved by operators participating on an opportunistic basis in this workshop, rather than conducting a fisheries specific workshop for the TSPF.

Most of the costs of running the workshop are met through FRDC funding. However, the Northern Prawn and East Coast Trawl Fisheries each contribute to the workshop directly to provide incentives for their fishers to attend. The TSPMAC discussed potential funding opportunities to also contribute to the workshop to encourage Torres Strait Prawn Fishers to attend.

The PZJA Standing Committee felt that the workshop presents a good opportunity for Torres Strait prawn fishers to discuss new BRD technology. However, given the already high costs of managing the Torres Strait Fisheries and introducing new Management Plans, the Standing Committee felt that further government funding was not warranted.

<b>TORRES STRAIT PROTECTED ZONE JOINT AUTHORITY</b>	<b>25-26 October 2006</b>
<b>PRAWN FISHERY – Finances</b>	<b>Agenda Item 5.5</b>

## RECOMMENDATIONS

### Prawn Management Advisory Committee

5.5.1 The TSPMAC recommends that the PZJA:

- (a) **NOTES** the expenditure against the 2005/06 AFMA budget for the fishery (at **Attachment 5E**);
- (b) **AGREES** that the levy for the fishery in 2007 continues to be calculated using the current formula for fixed and variable components;
- (c) **NOTES** that options are being considered for the calculation of levies under a unit-based system beyond 2007.

## BACKGROUND

As per section 6(1) of the *Agreement Between the Commonwealth of Australia and the State of Queensland: Relating to the cost of management of fisheries in the area of Australian jurisdiction in the Torres Strait Protected Zone established under the Torres Strait Treaty*, the Commonwealth and the State shall share the costs and revenue of managing PZJA fisheries. Currently, the Torres Strait prawn fishery is the only fully cost recovered Torres Strait fishery.

### *2005/06 Budget Acquittal*

The 2005/06 budget for the Torres Strait Prawn fishery (**Attachment 5E**) consists of components from both AFMA and DPI&F. Acquittal of expenditure against the 2005/06 budgets for AFMA and DPI&F have been completed by the agencies.

### *Process for 2006/ 2007 Levies*

The Governor-General is empowered under the *Fisheries Levy Act 1985* to make Regulations for the purposes of collecting levy in relation to licenses issued under the *Torres Strait Fisheries Act 1984*. Federal Executive Council procedure requires that the Minister approve, and propose to the Governor-General, the Regulations.

Levy is imposed in the Fishery in respect of a licence granted for the fishery and also in respect of the number of fishing days authorised by that permit. This levy is calculated to cover the budgeted costs for managing the fishery. The budget covers the anticipated costs of logbook collection, data entry, surveillance, licensing, observer coverage and other administration.

Once the levies have been calculated approval from the Executive Council will be sought for implementation of the levies for the 2007 season.

## **DISCUSSION**

### ***2005/06 Budget Acquittal***

Acquittal of AFMA's component of the 2005/06 budget for the fishery has resulted in a surplus of \$52,805. The industry component of this is \$32,980, and will be deducted from the 2006/07 budget during the levy calculation process.

Acquittal of DPI&F's component of the 2005/06 budget for the fishery has resulted in a minor deficit of less than \$1000.

### ***Process for 2006/2007 Levies***

The current levies are calculated using fixed (licence) and variable (day) components to give a licence fee and a per day fee. The fixed cost component equates to approximately 60% of the total management costs for the fishery and consists of logbooks, surveillance and administration and management, of which industry contributes 100%, 50% and 60% of costs respectively. The variable cost component equates to approximately 40% of the total management costs for the fishery and consists of data entry, surveillance and administration and management, of which industry contributes 100%, 50% and 40% of costs respectively.

It is proposed that during the 2006/07 fiscal year, the current methodology for determining levies will be maintained. However, with a reduction in both vessels and days in the fishery following the tender process conducted for the 2006 season, costs per licence holder will increase.

Any surplus from the 2005/06 budget for the fishery will also be offset against the 2007 levies. The industry members at the September meeting of the TSPMAC, did not express any objections to any 2005/06 budget surplus being offset against the 2007 levies.

At the TSPMAC meeting of September 2006, the members agreed that the levies for the fishery in 2007 should continue to be calculated using the current formula for fixed and variable components.

It is anticipated that the levies for the 2007 season will have been calculated and submitted for approval at the Federal Executive Council meeting that is scheduled for 13 December 2006. Following approval by the Federal Executive Council, the levy regulations will then be submitted to the Governor-General for approval.

Following approval by the Governor-General, the levies for the 2007 season will take effect.

### ***Levy Relief***

On 9 May 2006 the Australian Government Minister for Fisheries, Forestry and Conservation announced a levy relief package worth \$500,000 over two years, for Australian operators in the TSPF. The package will be delivered in equal portions over the 2007 and 2008 fishing seasons.

The package will provide relief for Australian operators while the new management arrangements announced on November 2005, including unitisation and the formalisation of Treaty catch sharing obligations to PNG, are being implemented.

Operators needing to adjust their business activities are encouraged to do so during the levy relief period, to secure their future viability. Once the relief period has concluded the PZJA policy of full cost recovery will again apply.

*EXAMPLE - levy relief*

If the expected management costs for the coming season are \$550,000, of which \$300,000 is fixed costs and \$250,000 is variable costs, and levy relief of \$250,000 is being provided, then the levies would be calculated as follows (noting that levy relief does not apply to levies on any days accessed under 'preferential entitlement'):

$$\text{Relief on fixed costs} = \$300,000 / \$550,000 \times \$250,000 = \$136,364$$

$$\text{Relief on variable costs} = \$250,000 / \$550,000 \times \$250,000 = \$113,636$$

Fixed costs to be recovered on licences

$$\$300,000 - \$136,364 = \$163,636$$

$$\text{New fixed levy component} = \$163,636 / 61 \text{ licences} = \$2,682.56 \text{ per licence}$$

Variable costs to be recovered on units

$$(86.85\% \text{ of } \$250,000) - \$113,636 = \$103,489$$

$$\text{New variable levy component} = \$103,489 / 6867 \text{ Australian units} = \$15.08 \text{ per unit}$$

New total levy

$$(\text{No. licences held} \times \$2,682.56) + (\text{Total No. units held} \times \$15.08)$$

***Calculation of levies under a unit based system***

The move to the Management Plan following the 2007 season and the issue of units under the plan has provided an opportunity for the TSPMAC to review the way levies are calculated for the fishery beyond 2007. Options being considered by the TSPMAC include calculating the levy on a per unit basis only or continuing to base the levy on an analysis of a split of costs between fixed (licence) and variable (day) costs.

<b>TORRES STRAIT PROTECTED ZONE JOINT AUTHORITY</b>	<b>Meeting No. 20 26 October 2006</b>
<b>TURTLE AND DUGONG FISHERY - Outcomes of Consultation on Strategic Assessment Report</b>	<b>Agenda Item 6.1 FOR NOTING</b>

## **RECOMMENDATIONS**

- 6.1 The TSFMAC recommends that the PZJA **NOTES** that:
- (a) AFMA, with assistance from the TSRA and DEH, has carried out extensive consultation with Torres Strait communities on the Turtle and Dugong Fishery Strategic Assessment Report;
  - (b) a number of submissions including some from Torres Strait communities have been received during the public comment period which closed on 8 September 2006;
  - (c) AFMA is currently reviewing those comments and, in light of those comments, will be submitting a final Turtle and Dugong Fishery Strategic Assessment Report for consideration by the PZJA for submission to the Minister for the Environment and Heritage;
  - (d) the TSFMAC notes the significance of the impacts of this report and that it requires full and thorough consideration and that the TSFMAC will consider the report out of session;
  - (e) the TSFMAC has asked the CFG to convene a working group of interested parties to provide for the continued interface between the TSFMAC and the Department of the Environment and Heritage in preparing recommendations to the TSFMAC on the assessment report; and
  - (f) the TSFMAC recommends that the PZJA consider the final report out-of-session before providing it to the Australian Government Minister for the Environment and Heritage.

## **BACKGROUND**

The Australian Fisheries Management Authority (AFMA) has prepared a draft assessment report for the Torres Strait Turtle and Dugong fisheries under the strategic assessment framework of Part 10 of the *Environment Protection and Biodiversity Conservation Act 1999*. Unlike all other Australian fisheries that have gone through the strategic assessment process the Torres Strait Turtle and Dugong fisheries are traditional subsistence fisheries. However, because these fisheries fall under Commonwealth fisheries management as a result of Australia's obligations under the Torres Strait Treaty, they must be strategically assessed.

The Australian Government Minister for the Environment and Heritage will use the assessment report and public comments received to make decisions on the strategic assessment of the impacts of the fishery management regime on relevant matters of National Environmental Significance (Part 10) and Species and Communities (Part 13).

A letter from AFMA inviting public comments on the draft Report was sent to anyone who has an interest in the Turtle and Dugong fisheries. Comments were expected to come from people all over Australia, including environmental groups concerned about the status of turtle and dugongs.

The PZJA agencies recognise that Indigenous people across Torres Strait not only have a direct role in management of this fishery, but also have a wealth of traditional knowledge about turtle and dugong. In order to facilitate a better understanding of the strategic assessment process and to give Islanders an opportunity to comment, an extensive consultation program was conducted.

Representatives from AFMA, the TSRA and DEH visited Torres Strait and adjacent area communities during July, August and early September 2006 to talk to Community Fisher Representatives and communities about turtle and dugong issues and to get comments on the draft report.

## DISCUSSION

At the conclusion of the public comment period the following submissions had been received:

Company or Organisation	Abbreviation	Stakeholder Group
James Cook University - Townsville	JCU	Academic & Research Institution
Torres Strait Regional Authority	TSRA	Government
Great Barrier Reef Marine Park Authority	GBRMPA	Government
World Wildlife Fund – Australia	WWF	NGO
Hammond Island Community	Hammond Is.	Indigenous Community
Mabuiag Island Community	Mabuiag Is.	Indigenous Community
Torres Strait & Northern Peninsula Area (NPA) Communities <sup>#</sup>	TS & NPA	Indigenous Communities

<sup>#</sup> Feedback was provided by the following Indigenous communities through meetings held across Torres Strait and the Northern Peninsula Area: Erub (Darnley) Island, Masig (Yorke) Island, Moa Island, Warraber (Sue) Island, Poruma (Coconut) Island, Boigu Island, Saibai Island, Dauan Island, Iama (Yam) Island, Mer (Murray) Island, Bamaga, Sesia, New Mapoon, Injinoo and Umagico.

Although the number of responses was fewer than anticipated, there were a number of useful comments provided. Some respondents, who commented on the terms of reference and were expected to comment on the draft report, may have been satisfied that their comments had already been addressed in the draft report.

A number of respondents supported the concept of community-based management of turtle and dugong. There was some discussion of the requirements for effective community-based management, including the need for adequate funding. Particular reference was made to the possible role of sea rangers in any future community-based management arrangements. The issue of delegating appropriate enforcement powers to enable sea rangers to carry out this role was highlighted.

The issue of the Torres Strait Regional Sea Claim and Native Title generally was mentioned.

There was support for a more coordinated approach to turtle and dugong management involving GBRMPA, the Queensland Environmental Protection Agency and Papua New Guinea (PNG).

As expected, there was considerable comment on the cultural, social and economic significance<sup>3</sup> of turtle and dugong hunting to Torres Strait and Aboriginal communities. This section of the report will be expanded to address these issues.

A number of technical issues in relation to such matters as stock delineation, acknowledgement of sources and the geographical area covered by the report were raised and will be addressed in the final report.

The role of alternative economic incentives including possible access to other fisheries resources was raised.

The need for better information on turtle and dugong stocks was accepted, but concerns were raised about the implications of applying the precautionary principle too strenuously in the absence of such information.

The need for more research, including research into people's understanding about turtle and dugong and their motivations for hunting them, was identified and the need to involve Indigenous people in this research was highlighted.

Concerns were expressed about the involvement of PNG nationals in the taking of turtle and dugong including as traditional visitors.

AFMA intends to incorporate these comments into the final report for circulation to the TSFMAC by 19 October 2006 and to the PZJA out-of-session.

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<sup>3</sup> Though the sale of turtle and dugong products is strictly prohibited consumption of turtles and dugongs partially obviates the need to purchase other alternative sources of protein from the retail outlets hence there is an important economic aspect to the harvest of these species.

<b>TORRES STRAIT PROTECTED ZONE JOINT AUTHORITY</b>	<b>Meeting No. 20 26 October 2006</b>
<b>TURTLE AND DUGONG FISHERY - Update on NAILSMA Process</b>	<b>Agenda Item 6.2 FOR NOTING</b>

### **Fisheries Management Advisory Committee**

6.2 The TSFMAC recommends that the PZJA **NOTES**:

- (a) the NAILSMA project is gaining momentum and there is general support in the participating communities for the project; and
- (b) the TSRA has only been successful in securing funding for NAILSMA activities in eight out of the 22 Torres Strait communities.

### **BACKGROUND**

In 2003 the Australian Government announced \$3.8 million in Natural Heritage Trust funding for a cross-regional Dugong and Marine Turtle Management Project to be coordinated by Northern Australia Land and Sea Management Alliance (NAILSMA).

TSRA is one of five (5) regions participating in the cross-regional project, which is currently funded for two (2) years.

A Regional Activity Plan (RAPTS) was developed on behalf of the TSRA by the CRC Torres Strait, to provide a strategic framework to guide the implementation of the project in the Torres Strait region.

The RAPTS includes four key components:

- Community management plans for dugong and marine turtle;
- Monitoring programs;
- Catch sharing; and
- Education and awareness-raising.

The TSRA was successful in securing \$480,000 from NAILSMA in September of 2005, allowing for the partial implementation of the RAPTS via a staged approach. The TSRA Board nominated Badu, Iama and Boigu Islands to participate in the project on a pilot basis with available funding from NAILSMA. The Minister for Fisheries granted the TSRA a further \$700,000 to allow for the broader implementation of the RAPTS. This funding will enable an additional five (5) communities to participate in the pilot stage of the project, pending finalisation of the funding agreements. The TSRA Executive has nominated Horn, Mabuig, Erub, Mer and Dauan as the additional communities to participate in the project.

The project officially commenced on 30 January 2006, with the employment of a Dugong & Turtle Project Facilitator within TSRA. Community Project Officers have now been employed on Badu, Iama and Boigu Islands by the respective Island Councils.

## **DISCUSSION**

### *Project Management*

The Dugong & Marine Turtle Management Project is gaining momentum and there is strong support for the project in the participating communities, and more broadly across the region.

It is a priority to recruit the remaining five (5) project officers, which will allow them to be actively involved in driving the planning and monitoring at the community level. A Project Liaison Officer will also be employed by TSRA to assist with the delivery of the project in the additional participating communities.

TSRA is finalising the contract for the second \$700,000 extension, after some delay, to enable these communities to take part in the project. However, negotiations are well advanced between all parties.

### *Education*

A school information package has been developed for educational purposes as part of the project. Recent discussions with Queensland Education aim to negotiate the presentation of the package to a Regional Education Forum next month and seek endorsement from State School Principals around the region. The Discussion Group members have been assisting the regional facilitator with content and comment and project officers have been requested to add to the content. The package aims to be a working document in each state school, allowing tailoring and adjustment.

### *Regional Forum*

A regional information sharing forum is a key milestone under the RAPTS. The TSRA is currently planning the forum for Torres Strait Islander and Aboriginal representatives to consolidate their aspirations for dugong and marine turtle management. Islander representatives are developing the agenda and topics to be discussed. At this stage, it is envisaged that key agency and technical representatives may be invited to attend the forum to promote direct and improved communication between communities, management agencies and research entities in relation to dugong and turtle issues.

<b>TORRES STRAIT PROTECTED ZONE JOINT AUTHORITY</b>	<b>Meeting No. 20 26 October 2006</b>
<b>PZJA CONSULTATIVE STRUCTURE - Process for Bringing Matters to the PZJA</b>	<b>Agenda Item No. 7.1 FOR DECISION</b>

## RECOMMENDATIONS

### **Fisheries Management Advisory Committee**

7.1.1 The TSFMAC recommends the PZJA **NOTES** the TSFMAC has advised stakeholders that as a first preference, matters to be brought before the PJZA be referred through the appropriate PZJA consultative mechanism, noting that the PZJA consultative mechanisms, including specific working groups, provide a robust and transparent avenue for input into PZJA decisions and communication with PZJA Members.

### **Prawn Management Advisory Committee**

7.1.2 The TSPMAC noted the recommendation and acknowledges the formal consultation process and agrees in principle to the structure and process, but this process should not exclude stakeholders pursuing other processes as necessary.

### **Standing Committee**

7.1.3 The PZJA Standing Committee recommends that the PZJA **NOTES** the PZJA consultative structure provides a robust and transparent avenue for input into PZJA decisions and communication with PZJA members.

7.1.4 The PZJA Standing Committee recommends that the PZJA **AGREES** that as a first preference:

- (a) matters be brought to the PZJA's attention the via consultative mechanisms established to support consultation with stakeholders and best practice fisheries management outcomes;
- (b) materials tabled at PZJA meetings will be referred to the PZJA consultative structure so that members can be advised of the views of the Torres Strait Fisheries and Prawn Management Advisory Committee(s) and relevant working groups; and
- (c) this process be articulated in (*Torres Strait Fisheries Management Advisory Committee and Associated Committees and Working Groups*) Fisheries Management Paper No. 1.

## BACKGROUND

PZJA 19.16.2 requested PZJA Agencies to provide advice at PZJA 20 on how future proposals should be provided to it for consideration in an orderly and timely fashion.

Over the course of 2006, stakeholder groups have made a number of direct approaches to PZJA members with a view to revisiting or amending decisions of the PZJA after they have been made. Information was tabled at the PZJA 19 Stakeholder Forum with a request for PZJA comment on that information by the completion of the Authority meeting.

## **DISCUSSION**

PZJA's consultative mechanisms are designed to seek the views of all sectors in the Torres Strait Protected Zone fisheries. These mechanisms were established, in part, to ensure that the traditional inhabitants (in the Protected Zone) are consulted from time to time on licensing arrangements in respect of the Protected Zone commercial fisheries (Article 26 (4) of the Torres Strait Treaty). They also serve as a mechanism for discussing broader fisheries management issues and provide an interface with non-traditional inhabitant commercial fishing interests, researchers, and Papua New Guinea.

It is important for PZJA stakeholders to have the capacity to communicate with PZJA Members. It is anticipated that there will be continued direct approaches to PZJA members. However, the PZJA consultative structure provides Torres Strait fishers and their representatives with a robust and transparent avenue for input into PZJA decisions and communication with PZJA Members.

<b>TORRES STRAIT PROTECTED ZONE JOINT AUTHORITY</b>	<b>Meeting No. 20 26 October 2006</b>
<b>PZJA CONSULTATIVE STRUCTURE – Roles and Membership</b>	<b>Agenda Item No. 7.2 FOR DECISION</b>

## RECOMMENDATIONS

### Fisheries Management Advisory Committee

#### 7.2.1 The TSFMAC recommends the PZJA **NOTES**:

- (a) the TSSAC met in September to consider issues relevant to the CRC Torres Strait Ltd including the annual and final reports for the research projects;
- (b) following the cessation of the CRC, the TSSAC, AFMA and other PZJA agencies need to review the research prioritisation and funding process again;
- (c) this was the last meeting of the TSSAC in its dual role of serving the PZJA and the CRC;
- (d) the TSFMAC has recommend the TSSAC be more active in exploring
  - i) greater focus on fisheries management outcomes
  - ii) greater input from funding and stakeholder organisations
  - iii) future funding arrangements.
- (e) the TSFMAC intention to:
  - i) review the TSSAC membership and
  - ii) ensure collaboration with the TSPMAC on R&D needs and priorities.

#### 7.2.2 The TSFMAC recommends the PZJA **AGREES**:

- (a) that responsibility for the appointment of advisory committee and Working Group members is delegated to the PZJA Standing Committee with reporting requirements for the Standing Committee being as for the PZJA;
- (b) to the revised policies for the operation and administration of advisory committees and Working Groups (**Attachment 7A**) and Fishery Assessment Groups (**Attachment 7B**) to reflect this and other changes;
- (c) that Resource Assessment Groups, in the absence of other relevant subcommittees, should be recognised as the primary source of advice on Total Allowable Catches for the Torres Strait Fisheries; and
- (d) that Resource Assessment Groups (RAGs) should make recommendations on Total Allowable Catches (TACs) directly to the PZJA ensuring the TSFMAC should be provided with a reasonable opportunity to comment on the TAC advice from the RAG in relation to social, economic and operational issues before the PZJA makes a final decision but that this process should not delay decision making.
- (e) to a revised Terms of Reference for the TSSAC to reflect its return to being solely a PZJA advisory body; and

- (f) to proposed research recommended by the TSSAC, including a project to conduct a TRL abundance survey in November this year.

### **Prawn Management Advisory Committee**

7.2.3 The TSPMAC recommends that the PZJA **NOTES** the outcomes of the TSSAC meeting held 7 – 8 August 2006.

7.2.4 The TSPMAC recommends that the PZJA **REQUESTS** that the TSSAC incorporate into its Terms of Reference, its role on providing advice on a range of issues for the Torres Strait Prawn Fishery, including stock assessment advice.

7.2.5 The TSPMAC recommends that the PZJA **APPROVES** the inclusion of a Department of Agriculture, Fisheries and Forestry (DAFF) officer as a permanent observer on the TSPMAC.

### **Standing Committee**

7.2.6 The PZJA Standing Committee recommends that the PZJA:

- (a) **NOTES** 7.2.2 (a), pending further consideration of the role of the Standing Committee (agenda item 7.4) it is currently possible for officers in Queensland and AFMA to make these decisions under delegated power;
- (c) **AGREES** to the revised Fisheries Management Paper 1 and Fisheries Administration Paper 1 to reflect the role of the PZJA Standing Committee; and

### **BACKGROUND**

Fisheries Management Paper No. 1 (FMP 1), which forms Attachment 7A, outlines the policy for operation of the Torres Strait Fisheries Management Advisory Committee and associated advisory committees and Working Groups. Fisheries Administration Paper No. 1 (FAP 1), which forms Attachment B outlines the policy for operation of Torres Strait Resource Assessment Groups (RAGs). Currently there is only a RAG for the TRL fishery although in future other fishery-specific RAGs may be established.

Both policies include general terms of reference and the selection/appointment procedure for the Chair and members of the various groups.

Neither paper formally includes the PZJA Standing Committee in the consultative structure. It has existed since PZJA 17 but there has been no recorded decision of the PZJA that formally establishes the Standing Committee.

With respect to membership on the Torres Strait Prawn Management Advisory Committee (TSPMAC), in 2006 DAFF became more involved in the workings of the TSPMAC in association with the structural adjustment process being undertaken in the Prawn fishery and the additional funding that was provided by the Australian Government for levy relief and research purposes. DAFF officers are also directly involved in bilateral discussions with PNG in regard to the Prawn fishery.

### **DISCUSSION**

Subsection 40 (7) of the *Torres Strait Fisheries Act 1984* (the Act) allows that the PZJA may establish advisory committees, and Subsection 40 (8) states that subject to this section, the PZJA may adopt its own rules of procedure. At the present time, appointments to committees and Working Groups are made by the PZJA. However, in view of the PZJA's strategic decision-making role, the PZJA agencies believe that the PZJA should not be obligated to make decisions on what are essentially operational matters. Instead the PZJA agencies

propose that the PZJA formalise the Standing Committee and delegate the responsibility of making decisions on appointments to Torres Strait advisory committees and Working Groups to it. However, an issue arises as to whether or not the PZJA Standing Committee could be a delegate under the *Torres Strait Fisheries Act 1984*. While individual officers of both the Commonwealth and Queensland governments are delegated a number of roles, the Standing Committee itself, does not have any delegated authority under the *Torres Strait Fisheries Act 1984*.

Options available to resolve this issue are the implementation of Standing Committee decisions with respect to appointments by individual officials through a greater exercise of current delegation powers or the incorporation of the delegation to Standing Committee as part of the legislative amendments currently underway on the *Torres Strait Fisheries Act*. The TSPMAC and PZJA Standing Committee were strongly in favour of the latter option.

The relevant policy papers (FMP 1 and FAP 1) have been revised to provide the agencies with more flexibility in the operation of advisory committees and to reflect recent changes to the Torres Strait consultative structure (including the change from Torres Strait Prawn Working Group to Torres Strait Prawn Management Advisory Committee).

With respect to DAFF's membership on the TSPMAC, anticipated negotiations between PNG and Australia in the prawn fishery and the administration of the Australian Government levy relief and research assistance fund will require that DAFF continues to play a role in the TSPMAC. As such it would be beneficial for a DAFF officer to be approved by the PZJA to participate as a permanent observer on the TSPMAC.

At the TSPMAC meeting of September 2006, the members agreed that as DAFF are currently involved in a number of prawn fishery issues, a DAFF officer should be approved as a permanent observer of the TSPMAC.

<b>TORRES STRAIT PROTECTED ZONE JOINT AUTHORITY</b>	<b>Meeting No. 20 26 October 2006</b>
<b>PZJA CONSULTATIVE STRUCTURE - Appointments</b>	<b>Agenda Item No. 7.3</b>

## **RECOMMENDATIONS**

### **PZJA Standing Committee**

7.3 The PZJA Standing Committee recommends that the PZJA **AGREES** to the appointment of:

- (a) Mr Neil Green to the vacant Finfish Working Group Industry position;
- (b) Mr Phillip Hughes to the vacant Tropical Rock Lobster Working Group Industry position; and
- (c) Dr Ashley Williams to the vacant Finfish Working Group Research position.

## **BACKGROUND**

At its 19<sup>th</sup> meeting the PZJA agreed to endorse new members for relevant advisory committees and working groups established under the Torres Strait Fisheries Consultative Structure. The members were selected in accordance with selection and appointment procedures specified in PZJA Fisheries Management Paper No.1.

At that time there were vacant industry member positions on the Finfish Working Group (FFWG), Tropical Rock Lobster Working Group (TRLWG), the Prawn Management Advisory Committee (TSPMAC) and a vacant research member position on the FFWG.

Fisheries Management Paper No.1 (FMP1) outlines the policy for Torres Strait MACs and Working groups. This includes the selection/appointment procedure for the Chair and members. The process for appointment of PZJA agency members and industry members, as set out in FMP1, differs in that agency members are nominated from within each agency whereas industry members must be nominated and assessed by an Assessment and Ranking Panel (7.3.2 of FMP1). In this regard all industry members and relevant industry organisations are provided the opportunity nominate for consideration for appointment to the working group. The PZJA ultimately determines the industry member appointments on the advice of the Assessment and Ranking Panel.

The normal process for appointing research members involves relevant research agencies nominating suitable researchers with PZJA determining the research member appointment after considering nominations.

Traditional inhabitant members are selected through an open process administered by the TSRA. Nominees are sought from within the community fisher group with TSRA and AFMA liaising when member appointments are required.

## **DISCUSSION**

Nominations were sought to fill the vacant positions mentioned above. All licence holders in the relevant fisheries were invited to nominate for the positions. A single nomination was received for TRLWG, two nominations were received for the FFWG however one subsequently withdrew. As the nominations closed for the parallel TSPMAC process in early October the successful nominees will be selected and presented for endorsement at PZJA 21 or out of session.

An Assessment and Ranking Panel was not created for the TRLWG or FFWG as only a single applicant for each working group remained. These applicants were deemed suitable for the working groups, a summary of their experience is listed below.

### **Mr Phillip Hughes – TRLWG**

- Began fishing commercially in 1974
- Owner operator of a Torres Strait licence since the early 1980s
- Active involvement in management meetings, committees and workshops
- Lives and works from Thursday Island allowing efficient networking skills with other industry members.

### **Mr Neil Green – FFWG**

- 32 years of experience in the fishing industry
  - o 20 years as a fisherman
  - o 11 years as a seafood marketer
  - o 1 year as an industry representative
- President of the Queensland Seafood Industry Association (QSIA)
- Active involvement in management meetings, committees and workshops

As there are few research agencies working in the region and only one working on finfish an official nomination process was not deemed necessary. Rather the appointment of Dr Ashley Williams seems the logical choice for the FFWG. Dr Williams is a Program Leader for CRC Reef. Having completed a PhD studying Red Throat Emperor, Dr Williams has recently been involved with the Torres Strait Spanish Mackerel stock assessment and a project evaluating the eastern Torres Strait Reef line fishery.

<b>TORRES STRAIT PROTECTED ZONE JOINT AUTHORITY</b>	<b>Meeting No. 20 26 October 2006</b>
<b>PZJA CONSULTATIVE STRUCTURE - PZJA Standing Committee Role</b>	<b>Agenda Item No. 7.4 FOR DECISION</b>

### **Standing Committee**

7.4 The PZJA Standing Committee recommends that, subject to further consultation with stakeholders in the context of the legislative amendments process, the PZJA **AGREES** to create a more streamlined PZJA administration process including the following elements:

- (a) the PZJA determine strategic policy directions and parameters;
- (b) the PZJA Standing Committee be formally created under the *Torres Strait Fisheries Act 1984* to advise the PZJA on strategic policy and to hold delegations to decide matters within agreed PZJA policy parameters.

### **BACKGROUND**

The Standing Committee was informally established at the PZJA 17 meeting (1-2 February 2005) to implement the PZJA 17 decision for “officials from Commonwealth, Queensland and TSRA to meet at least one month prior to draft the agendas and papers and arrange for distribution to stakeholders”.

The Standing Committee consists of Senior Executives from the Department of Agriculture, Fisheries and Forestry (DAFF), the Australian Fisheries Management Authority (AFMA), the Queensland Department of Primary Industries & Fisheries (QDPI&F) and the Torres Strait Regional Authority (TSRA). The Standing Committee is chaired by the DAFF representative and the secretariat is provided from within DAFF.

In accordance with section 38(3) of the *Torres Strait Fisheries Act 1984* (the Act) only representatives from AFMA and the Queensland Government may hold delegations from the PZJA. A number of AFMA and QDPI&F officers do hold delegations to perform all functions of the PZJA.

### **DISCUSSION**

Over the past few years the PZJA has been implementing policies and procedures to assist in streamlining the administration of the PZJA and to improve the quality of its decision making process. This includes new policies to guide its consultative structure, compliance risk assessments and environmental strategic assessment reporting and recommendations. This framework is likely to be complimented by the creation of management plans and potentially harvest strategies for fisheries.

In this context there are a range of decisions which will be required to implement and report on implementation of these policies and procedures.

Under the Act, these functions could be delegated to AFMA and/or QDPI&F. However, this does not adequately recognise the roles of DAFF and the TSRA in current decision making processes.

Since its inception in 2005, the Standing Committee has become an increasingly important body to seek consensus positions between PZJA agencies and to direct staff in developing policy and processes to assist the PZJA decision making process.

It is recommended that the Standing Committee would be an appropriate body to take on the role of implementing and reporting on implementation of agreed PZJA policies and procedures. Appropriate amendments would be required to the Act to enable this function to occur. Examples of delegated functions could include:

- appointment of members and observers of the consultative structure set out in Fisheries Management Paper No. 1 and Fisheries Administration Paper No. 1;
- determination of Total Allowable Catches within the parameters of PZJA agreed harvest strategy based on the advice of any relevant resource assessment group or the Scientific Advisory Committee;
- any decisions required under Fisheries Management Plans;
- reporting to the Minister for the Environment and Heritage on progress with implementing strategic assessment recommendations;
- determining compliance targeting within the compliance risk assessment; or
- decisions on out-of-session matters identified by the PZJA as suitable for Standing Committee decision.

Under this arrangement Standing Committee would likely be required to meet on a more regular basis, say every 6 – 12 weeks, to consider and determine matters.

It is anticipated that the current Standing Committee role of providing strategic advice to the PZJA would continue in conjunction with the current consultative structure processes. The Standing Committee could also report to the consultative structure and the PZJA on the use of its delegated functions.

As this is a new role it is envisaged that stakeholder consultation would occur within the context of the proposed legislative amendments process.

<b>TORRES STRAIT PROTECTED ZONE JOINT AUTHORITY</b>	<b>Meeting No. 20 26 October 2006</b>
<b>TORRES STRAIT FISHERIES LEGISLATIVE AMENDMENTS</b>	<b>Agenda Item 8 FOR DECISION</b>

## RECOMMENDATIONS

### Fisheries Management Advisory Committee and Prawn Management Advisory Committee

- 8.1 The TSFMAC and TSPMAC recommend the PZJA **NOTES** that:
- (a) the MACs have considered materials prepared by the Department of Agriculture, Fisheries and Forestry (DAFF) to facilitate consultation on proposed amendments to the *Torres Strait Fisheries Act 1984*; and
  - (b) DAFF has commenced consultation with Torres Strait fishers on proposed amendments and has informed the MACs on consultation mechanisms and proposed timetable.

### Standing Committee

- 8.2 The PZJA Standing Committee recommends the PZJA **AGREES** that the materials prepared to facilitate consultation on proposed amendments be sent to PZJA stakeholders and others affected by the *Torres Strait Fisheries Act 1984*.

## BACKGROUND

PZJA 19.3 agreed that amendments to the *Torres Strait Fisheries Act 1984* (the Act) were required in order to implement new management arrangements in the Torres Strait fisheries and requested DAFF prepare drafting instructions for the Australian Government Office of Parliamentary Counsel so that a *Torres Strait Fisheries Amendment Bill (2006)* can be drafted.

Consistent with the PZJA's request, and based on consultation with PZJA agencies, the Department developed drafting instructions based on a set of PZJA agreed principles (**Attachment 8A**) to

- (a) ensure that Torres Strait fisheries can be managed sustainably under appropriate output controls;
- (b) improve operational and administrative efficiency of Torres Strait fishery management arrangements; and
- (c) seek consistency with the *Fisheries Management Act 1991* (Cth) and the *Fisheries Act 1994* (Qld), except as required by the Torres Strait Treaty or established operational and policy practices.

A detailed description of proposed amendments was tabled at the Torres Strait Prawn and Fisheries MACs (**Attachment 8B**). This document will also be provided to representative groups and relevant native title bodies (a requirement under the *Native Title Act 1993*).

To facilitate awareness of proposed amendments, DAFF has prepared the publication *Torres Strait Fisheries Act 1984: Consultation on proposed amendments* (**Attachment 8C**). This document will be distributed to licence holders by mail after PZJA 20. An outline of the consultation process is provided on page 5.

The *Torres Strait Fisheries (Amendment) Bill 2006* has been assigned an “A” status in the Spring 2006 sitting period by the Parliamentary Business Committee. This means a Bill should be drafted and introduced, but not necessarily passed, in the Spring 2006 sitting period (which ends in December 2006). The exact timetable for drafting is dependent on the legislative priorities for the Government.

## **DISCUSSION**

Proposed changes to the Act have been developed from a variety of sources including TSFMAC deliberations and consultation with PZJA agencies.

Comments provided by stakeholders will be taken into account when legislative drafting commences. When an amendment bill is prepared, the Department will make it available to PZJA stakeholders for further comment.

The PZJA will consider the final form of an Amendment Bill before it is passed by the Australian Parliament. In doing so it will have regard to the views expressed by Torres Strait fishers (traditional, community and non-community) and others affected by proposed changes.

The consultation process is outlined on Page 5 of Attachment 8B.

<b>TORRES STRAIT PROTECTED ZONE JOINT AUTHORITY</b>	<b>Meeting No. 20 26 October 2006</b>
<b>LONG TERM POLICY - Commonwealth Harvest Strategy</b>	<b>Agenda Item 9.1 FOR NOTING</b>

## RECOMMENDATIONS

### Fisheries Management Advisory Committee

9.1.1 The TSFMAC recommends the PZJA **NOTES** progress in developing a Commonwealth Harvest Strategy Policy (the Policy) for fisheries managed under the *Fisheries Management Act 1991* (Commonwealth Fisheries) and that:

- (a) a “20/40” harvest strategy is in place in Commonwealth Fisheries until the Policy is finalised; and
- (b) although the Policy does not apply to Torres Strait Fisheries, the TSFMAC will provide advice to the PZJA on the utility and applicability of the Policy to fisheries managed by the PZJA after the guidelines have been released.

### Standing Committee

9.1.2 PZJA Standing Committee recommends that the PZJA **NOTES**:

- (a) recruitment and, hence, stock levels in the Torres Strait Prawn and Tropical Rock Lobster fisheries is highly variable and influenced by a range of factors not always related to traditional, recreational and commercial harvest;
- (b) given the variability of these stocks, the direct applicability of the 20:40 principles to these fisheries requires appropriate consideration; and
- (c) AFMA has a statutory obligation to advocate the adoption of the principles of the Commonwealth Harvest Strategy in internationally managed fisheries.

9.1.3 Subject to the finalisation of the Commonwealth Harvest Strategy the PZJA Standing Committee recommends the PZJA **NOTES** the desirability of pursuing the objectives of the Commonwealth Harvest Strategy as an interim approach, while exploring options to manage sustainable commercial harvest and pending agreement with jurisdictions and agencies with an interest in the Torres Strait Fisheries.

## BACKGROUND

In December 2005 the Minister for Fisheries, Forestry and Conservation issued a Ministerial Direction (the Direction) to the Australian Fisheries Management Authority (AFMA) to implement a series of measures to improve the management of Commonwealth Fisheries (**Attachment 9A**).

The Direction was gazetted 20 December 2005 under Section 91 of the *Fisheries Administration Act 1991* and does not apply to Torres Strait Fisheries.

The Direction calls for the management of Commonwealth Fisheries consistent with a “world’s best practice Commonwealth Harvest Strategy Policy that has the objectives of managing fish stocks sustainably and profitably, putting an end to overfishing, and ensuring that currently overfished stocks are rebuilt within reasonable timeframes”.

While the Commonwealth Harvest Strategy is in development, the Ministerial Direction applies a default setting of a “20/40” harvest strategy. This interim measure obliges AFMA to reduce the harvest rate immediately breeding stocks are assessed to have been reduced below 40 per cent of pre-fished levels and targeted fishing to cease altogether when breeding stocks are below 20 per cent of pre-fished levels.

The Department of Agriculture, Fisheries and Forestry has prepared the draft Commonwealth Harvest Strategy Policy (the Policy) in consultation with affected Management Advisory Committees and this strategy is currently with the Minister for Fisheries, Forestry and Conservation for consideration. The stated objective of the Policy is to manage fisheries in an ecologically sustainable manner so as to maximise their economic returns to the Australian community.

Key features of the Policy include:

- a requirement to set target and limit reference points that identify safe levels of fishing, and the point beyond which further fishing would reduce a fish stock below sustainable levels. These are expressed by:
  - setting the target biomass ( $B_0$ ) or the desired condition of a fish stock, at a level equal to or greater than the stock size required to produce the maximum economic yield. This is a state which allows net economic returns to be maximised. It should also ensure that overfishing and overcapitalisation in a fishery are avoided; and
  - setting a limit reference point for the biomass equal to or greater than half the stock size required to produce the maximum sustainable yield;
- the requirement for management action in certain circumstances, for example the reduction of fishing activity as the size of a fish stock approaches the limit reference point and the introduction of recovery plans should a stock become overfished;
- guidance on how to apply the Policy in particular situations, such as when there is only limited information available about a particular stock; and
- an attempt to align the Policy with the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) in order to provide a assurance that the management of the fish stocks occurred in accordance with the EPBC. It is expected that the Policy and guidelines will be released together in late 2006.

## **DISCUSSION**

While the Policy does not directly apply to Torres Strait Fisheries, the Ministerial Direction requires that “for internationally-managed fisheries ... the relevant international agreement will prevail where it includes an acceptable scientific process for setting sustainable catch levels. In such fora, Australia will advocate its domestic policy settings as best practice.”

Application of a “20/40” harvest principle in Torres Strait commercial fisheries could determine:

- Beche-de-mer, pearl shell – potentially at or below 20% of  $B_0$ ;
- In the prawn and trochus fisheries both stocks would likely be determined as at or above 40%  $B_0$  however, because of the boom and bust nature of stocks some consideration of how to apply the 20:40 strategy would be required;

- The Spanish mackerel stocks (using 2002/03 data) are likely to be at or above 40%  $B_0$  however, increases in effort could cause the fishery to reach the 40%  $B_0$  trigger; and
- The 2005 TRL stock assessment holds that the stock is not presently overfished but fully exploited therefore presently at or above 40% of  $B_0$ .

The fisheries specific comments above would require further investigation and are only intended as preliminary comments.

<b>TORRES STRAIT PROTECTED ZONE JOINT AUTHORITY</b>	<b>Meeting No. 20 26 October 2006</b>
<b>LONG TERM POLICY Strategic Approach to Aquaculture</b>	<b>Agenda Item 9.2 FOR NOTING</b>

## **RECOMMENDATIONS**

### **Fisheries Management Advisory Committee**

9.2 The TSFMAC recommends the PZJA **NOTES** Queensland Department of Primary Industry and Fisheries' intention to investigate aquaculture development in the Torres Strait and to provide a progress report to PZJA 21.

## **BACKGROUND**

At its 19<sup>th</sup> meeting the PZJA noted a paper regarding the links and potential conflicts between current fisheries management and future aquaculture development in the Torres Strait. It was decided that DPI&F would provide a presentation on a strategic approach to aquaculture to the next meeting of the TSFMAC.

Commercial and traditional fisheries management in the Torres Strait is the responsibility of the PZJA, while aquaculture is managed by the Queensland Government through the DPI&F (noting that the Department of State Development, Trade and Innovation (DSDTI) has a client management role).

The Queensland Government has identified aquaculture as a priority industry for the State. A strategic approach to development of marine aquaculture on a regional basis has been identified as a priority activity to proactively facilitate the sustainable development of the aquaculture industry in Queensland.

The Torres Strait has been identified as a priority area for aquaculture industry development, and as such DPI&F will seek to ensure that potential aquaculture areas in the Torres Strait are investigated on a strategic basis.

At the TSFMAC meeting held on 26 & 27 September 2006 Ms Samantha Miller from the Aquaculture Policy and Development section of DPI&F briefed the TSFMAC members on the planned approach to developing Aquaculture in the Torres Strait Protected Zone. A range of development models were presented including islander focused developments and joint ventures with external investors. Members noted the brief with some community fisher group members appearing optimistic about the prospect of developing aquaculture in the region.

## **DISCUSSION**

QDPI&F plans to work with Torres Strait communities who have an interest in aquaculture to achieve the following:

- Provide profitable aquaculture in the Protected Zone,
- Support for indigenous business development,
- Increase investment, employment and training,
- Encourage sustainable food production,
- Reduce red tape and streamline the approvals process.

Currently there are a number of impediments to the development of aquaculture:

- a shortage of appropriate sites available for aquaculture,
- regulatory complexities,
- approval requirements for marine aquaculture are complex and conducted on an 'ad hoc' case-by-case basis, leading to considerable uncertainty for investors and the community,
- individual site assessments must be undertaken by the proponents,
- there is a lack of a strategic approach to the development of the aquaculture industry, so it is difficult to address potential cumulative impacts, including impacts to existing users such as traditional and commercial fishers as well as local residents.

The Queensland Government has recognised the need for an integrated, strategic approach for aquaculture to address these impediments. The DPI&F in partnership with the DSDTI is leading a program to develop a coordinated framework for marine and land based aquaculture in Queensland. Collaboration with a range of Commonwealth and State agencies, local governments, industry, stakeholder peak bodies, and the community will also be vital to the long-term success of the program.

The aims of a strategic approach to aquaculture are to:

- Provide greater clarity for investors and the community regarding the future development of the marine aquaculture industry, by establishing broad principles (location, type and scale of aquaculture development, ownership, capacity building and training) at the regional and local level,
- Engage stakeholders early in the process and address conflict proactively,
- Ensure that aquaculture takes place in appropriate sites, i.e. areas that will support sustainable marine aquaculture development with minimal impact on:
  - existing management,
  - environmental values (the ecosystem),
  - other users of the resource, (eg. traditional and commercial fishers),
  - economic impacts at regional and local scales.
- Provide a high degree of certainty of approval for aquaculture in appropriate sites, by streamlining the assessment processes for appropriate sites, through addressing environmental concerns up front,
- Provide a management framework to achieve environmental, social, and economic objectives.

The Queensland Government will achieve strategic aquaculture development in Torres Strait through extensive consultation with indigenous groups, industry and other management agencies. Suitable formal agreements for defined aquaculture sites will also be developed to cover sites ready for investment. A range of partnership options for different scales of aquaculture development will be explored.

DPI&F has facilitated the completion of a significant consultancy: "Scoping study of indigenous aquaculture opportunities in the Torres Strait and the North Queensland region". This report utilised consultation with island communities and provides some key recommendations on aquaculture development in the region.

Aquaculture development can impact on harvest fisheries in a number of ways, however the collection of broodstock is often seen as an issue that causes resource conflicts between the aquaculture and wild harvest sectors. Broodstock collection in the Torres Strait may occur as a part of normal fishing operations by licensed fishers and in line with the regulations. However if the collection can not be achieved through these means a PZJA scientific permit may be issued. Permits are considered on a case by case basis with the impacts on sustainability and on other fisheries considered during the permit assessment process.

<b>TORRES STRAIT PROTECTED ZONE JOINT AUTHORITY</b>	<b>Meeting No. 20 26 October 2006</b>
<b>COMPLIANCE - Licence Sticker System</b>	<b>Agenda Item 10.1 FOR DECISION</b>

## RECOMMENDATIONS

### Fisheries Management Advisory Committee

10.1 The TSFMAC recommends the PZJA:

- (a) **AGREES** to implement the guidelines for the Torres Strait Fishing Boat Registration Sticker System at **Attachment 10A**; and
- (b) **REQUESTS** amendments are made to the Torres Strait Fisheries Regulations 1985 to give effect to the boat registration sticker system.

## BACKGROUND

A significant number of boats in the TSPZ currently in use are different from the boat identified on the licence, most commonly as a result of the holder replacing the identified boat with another without seeking a licence amendment. It is further known that there are a number of boats in use that display a distinguishing symbol and for all intents and purposes outwardly appear to be legally licensed, but do not actually have a current licence in force.

To assist with the enforcement of this issue it was decided at PZJA 18 that agencies would develop a boat registration sticker system, managed through DPI&F Licensing in Brisbane. The system will require licence holders to display registration stickers on Traditional Inhabitant Boat and Transferable Vessel Holder licensed boats to provide enforcement officers and others with a means of visually identifying whether the boat is the one authorised to be used under the licence. Under the proposed system the Queensland Water Police will also be able to easily determine whether boats are registered; currently they must seek a list of TIB licence holders from Queensland Boating and Fisheries Patrol (QB&FP) to verify current boat registrations.

Amendments to the *Torres Strait Fisheries Regulations 1985* (the Regulations) will be required to give effect to the system.

## DISCUSSION

The attached Guidelines for the Torres Strait Fishing Boat Registration Sticker System have been developed in consultation with licensing staff, fishery managers and the QB&FP.

The sticker system will apply for all boats licensed to fish in the Torres Strait Protected Zone with the exception of Prawn endorsed boats. Prawn endorsed vessels are not considered to have a high risk from unlicensed fishing and are monitored via VMS. Cross endorsed PNG vessels will also be required to display a sticker under the system.

The implementation date for the system will be dependant on the timeframe for amending the Regulations. Advice from the Licensing section of DPI&F indicates that the infrastructure for the system will be in place before the amendments are made.

The Regulations will need to be amended to facilitate the following:

- Requirements to affix the sticker to the licensed boat, to remove the sticker once the boat is unlicensed, or once the following year's sticker is received and affixed.
- Requirements to maintain a plainly visible and legible sticker.
- Offences with on the spot fines, for not doing any of the above, including affixing the sticker to a boat other than the one recorded on the licence.
- Requirements to declare in writing that a sticker is lost, damaged, or removed for boat replacement and be countersigned by Justice of the Peace/CDec or Island Community Council Chairperson.

The Commonwealth Office of Regulatory Review (ORR) has determined that a RIS is not required (ORR ID 8267) to make these amendments. This will significantly reduce the amount of work required for PZJA agencies to implement the system.

<b>TORRES STRAIT PROTECTED ZONE JOINT AUTHORITY</b>	<b>Meeting No. 20 26 October 2006</b>
<b>COMPLIANCE - Domestic Compliance Update</b>	<b>Agenda Item 10.2 FOR DECISION</b>

## **RECOMMENDATIONS**

### **Fisheries Management Advisory Committee**

10.2.1 The TSFMAC recommends the PZJA **NOTES** the domestic compliance update (**Attachment 10B**).

### **Prawn Management Advisory Committee**

10.2.2 The TSPMAC recommends that the PZJA **AGREES** to reschedule the completion of a compliance risk assessment for the Torres Strait Prawn Fishery until after the introduction of new management arrangements for the Prawn, Tropical Rock Lobster and Finfish Fisheries under fishery-specific management plans.

### **Standing Committee**

10.2.3 The PZJA Standing Committee Recommends the PZJA **NOTES** 10.2.2 and **AGREES** to undertake the Compliance Risk Assessment for the TSPF prior to the implementation of the TSPF Management Plan.

## **BACKGROUND**

Queensland Boating and Fisheries Patrol (QB&FP) carry out the compliance programs for the Torres Strait under an agreement between the Commonwealth of Australia and the State of Queensland relating to the cost of management of fisheries in the area of Australian jurisdiction.

In response to the PZJA's concerns that the compliance programs for the fisheries under its authority were being compromised for a number of reasons, the Australian Fisheries Management Authority (AFMA) undertook compliance risk assessments for the Torres Strait in 2004. The executive summary of the risk assessment and compliance plan was tabled at TSFMAC in July 2004 with the full risk assessment endorsed at PZJA 17.

While there is no specific requirement under the Strategic Assessment to complete a second compliance risk assessment for the Prawn fishery, the recommendations do require PZJA to develop within 1 year a strategy and timeframes for implementing any resultant recommendations arising from the formal compliance risk assessment. With this in mind it is appropriate to ensure that a compliance risk assessment is completed after the management plan is implemented. This would account for any changes in the management arrangements that have occurred from the time when the first assessment was undertaken.

QDPI&F has an officer who specializes in the completion of compliance risk assessments. The compliance risk assessment used adheres to the Australian Standard for risk management and uses a process which identifies, evaluates and ranks the risks associated with non-compliance with fishery management arrangements. The process has regard to the sustainability of target fish stocks, environmental impacts, ecology and conservation value of

the fishery (including impacts on bycatch and protected species) and the community perception of compliance delivery.

## **DISCUSSION**

Due to the diverse nature of fishing activities and limited compliance resources in the Torres Strait Protected Zone (TSPZ) it is important that compliance matters are addressed in a holistic rather individual fishery fashion. With a suite of new management arrangements being drafted for the major fisheries in the TSPZ a compliance risk assessment for all fisheries combined has been proposed. With the management plans for the Tropical Rock Lobster, Finfish and Prawn Fisheries not due for implementation until late 2007 it may be more appropriate to postpone any further compliance risk assessments until after the management plans are implemented.

The QDPI&F process for a compliance risk assessment equates to approximately 4 weeks of work for the Senior Project Officer (QB&FP) for each fishery. The risk assessment process involves an internal meeting of key stakeholders. This part of the process can probably be delivered via a two day workshop of key participants on Thursday Island. It is therefore not cost effective to produce a separate assessment for each of the fisheries in the TSPZ.

<b>TORRES STRAIT PROTECTED ZONE JOINT AUTHORITY</b>	<b>Meeting No. 20 26 October 2006</b>
<b>COMPLIANCE - Foreign Compliance Update</b>	<b>Agenda Item 10.3 FOR NOTING</b>

## **RECOMMENDATIONS**

### **Fisheries Management Advisory Committee**

10.3.1 The TSFMAC recommends that the PZJA **NOTES**:

- (a) the progress in respect to the development of a foreign fishing vessel (FFV) disposal facility and the Horn Island transitory facility; and
- (b) the update on FFV apprehensions in the Torres Strait region.

### **Standing Committee**

10.3.2 The PZJA Standing Committee recommends that the PZJA **NOTES** cooperation between the Queensland and Australian Governments to manage illegal fishing in the Torres Strait area.

## **BACKGROUND**

In May 2006 the Australian Government announced that additional funding would be made available to combat illegal fishing by FFVs in northern Australian waters. Among the initiatives announced were the construction of a boat disposal facility in the Torres Strait and the modification of the already planned transitory facility on Horn Island to increase its capacity.

## **DISCUSSION**

### ***Foreign Fishing Vessel Disposal***

Disposing of boats at sea is of concern to communities and the Australian Government alike. Steps are being taken to address at-sea disposal as quickly as practicable and a number of processes are currently underway to establish alternative means for disposing of FFVs.

There are a range of issues and requirements that must be considered in developing a vessel disposal facility. One of the more important considerations is addressing the quarantine and environmental risks.

Before an apprehended FFV can be brought onto land for disposal it is essential that any quarantine risks are dealt with. Quarantine risks include insects (eg. mosquitos, termites, borers, ants etc), rodents, birds and other animals.

AFMA is currently working with AQIS to identify a suitable area to establish a number of moorings where FFVs can be inspected by AQIS staff and action taken where quarantine risks are identified. The site will also need to be at a location where there is sufficient shelter to provide a safe working environment for any person required to work on or around the vessels whilst on the moorings.

AFMA has requested tenders for the provision of vessel caretaking services prior to destruction. Caretaking includes ensuring that all the boats satisfy AQIS requirements, are secure and remain floating. The tender period is now closed and a decision is pending.

As part of Australian Government's over all effort to cease the practice of disposing of boats at sea, AFMA has sought tenders for providing a service on a short term basis for disposing FFVs whilst permanent longer term arrangements are developed. Under the short term arrangement the contractor will be required to not only dispose of the FFVs but provide the site where it is to be done. The tender period for this contract is now closed and a decision is pending.

In respect to the longer term arrangements for vessel disposal, AFMA has recently called for an expression of interest to identify land for a permanent FFV disposal facility. This expression of interest closes on 10 November 2006. Upon an appropriate location being identified, separate tender processes will be undertaken for the facility's construction and its operation.

### ***Horn Island Transitory Facility***

Construction of the Horn Island Transitory facility is near completion. Additional work is still to be undertaken to bring the facility to an operational condition.

The facility will be used as temporary accommodation for persons suspected of illegal foreign fishing in Australian waters. It will have the capacity to hold up to 20 detainees for periods up to 72 hours.

AFMA has requested tenders for the caretaker contract. The tender period closed on 14 June 2006 and a decision on this is pending. It is anticipated that the facility will be operational in the coming months.

### ***Update on FFV apprehensions in proximity of the Torres Strait area.***

Since 1 January 2006 there have been 76 FFVs apprehended and crews brought into Thursday Island for processing before being transferred to Darwin for either repatriation or the laying of charges. Crew numbers have varied from 7 to 14 persons per vessel. Of the 76 FFVs apprehended 17 were either in or in very close proximity to the TSPZ. The balance were apprehended in the eastern regions of the Gulf of Carpentaria.

Adverse weather conditions have resulted in FFV numbers being low in the region in recent weeks. This situation is expected to change in the coming months as conditions improve.

<b>TORRES STRAIT PROTECTED ZONE JOINT AUTHORITY</b>	<b>Meeting No. 20 26 October 2006</b>
<b>OUTCOMES OF PNG BILATERAL MEETING</b>	<b>Agenda Item 11 FOR NOTING</b>

## **RECOMMENDATIONS**

### **Fisheries Management Advisory Committee**

11.1 The TSFMAC recommends the PZJA **NOTES**:

- (a) the outcomes of the bilateral fisheries talks between Australia and Papua New Guinea (PNG) on 23-24 August 2006; and
- (b) the proposed share of the catch for the period 1 December 2006 to 30 November 2007 for the Australian jurisdiction and the proposed PNG entitlement in the Article 22 fisheries.

### **Prawn Management Advisory Committee**

11.2 The TSPMAC recommends the PZJA **NOTES**:

- (a) the outcomes of the bilateral discussions with PNG in relation to the prawn fishery; and
- (b) the outcomes of the catch sharing and preferential entitlement discussions with PNG.

## **BACKGROUND**

Officials from Australia and Papua New Guinea (PNG) meet annually to discuss fisheries matters of mutual importance. Central to those discussions are the agreements on catch sharing arrangements for the shared fisheries of the Torres Strait Protected Zone (TSPZ). Under the Torres Strait Treaty, both parties must share the catch for fisheries to which joint conservation and management measures apply. The shared fisheries are the Prawn, Rock Lobster, Spanish Mackerel, Pearl Shell, Turtle and Dugong fisheries.

## **DISCUSSION**

### **Summary of Bilateral Discussion outcomes**

The major outcomes from the 2006 bilateral fisheries talks can be summarised as follows:

- Catch sharing arrangements for the Turtle and Dugong Fishery were carried over for 2007. The Turtle Fishery will continue to be an artisanal fishery in the PNG jurisdiction. Australia asked PNG to consider managing their turtle fishery as 'traditional' take only, for discussion at next year's meeting. The National Fisheries Authority (NFA) made an undertaking to assist the PNG Department of Environment and Conservation with an education campaign of turtle and dugong resource use and management. PNG are still very interested in the proposed Daru workshop.
- Australia to endorse up to seven PNG prawn trawlers to operate in the Australian jurisdiction of the TSPZ for no more than 2,070 fishing days.
- PNG to endorse up to seven Australian prawn trawlers to operate in the PNG jurisdiction of the TSPZ for no more than 253 fishing days.
- In the Tropical Rock Lobster Fishery a catch sharing arrangement was determined that recognises the distribution of the stock across both jurisdictions of the TSPZ and the

extent of its use in each jurisdiction. PNG agreed they would take less catch from the Australian jurisdiction in recognition of their large harvest in their own jurisdiction. PNG were granted 1500 days access to the Australian jurisdiction. PNG reaffirmed their commitment to the ban on cray trawling in the Gulf of Papua Prawn Fishery.

- PNG expressed interest in reactivating their entitlement in the Spanish Mackerel Fishery. Historically they have not used the entitlement and last year an agreement to suspend catch sharing for 2006 was made to simplify the management arrangements in place in the fishery. QDPI&F will prepare a discussion paper on catch sharing arrangements in the Spanish Mackerel Fishery as the basis for determining final catch sharing arrangements.
- It was agreed that catch sharing arrangements in the Pearl Shell Fishery would be rolled over for 2007, i.e. to continue to suspend catch sharing. There is no sign of stock recovery. PNG expressed their interest in a 10 year Pearl Shell closure. AFMA have prepared a discussion paper, which they will circulate to stakeholders before the issue is discussed again with PNG.
- On compliance issues, PNG expressed their strong interest in forming joint patrol arrangements, once PNG patrol boats are based at Daru. PNG sought to build closer ties with Australia on surveillance and compliance generally. The NFA recognised there were some problems with trial licences in the “dog-leg” area and that they may not be renewed as a result. Australia informed PNG that it would be exercising its new powers to detain illegal PNG fishers in the new Horn Island facility, particularly to address illegal beche-de-mere fishing at Warrior Reef.
- On research and data, PNG committed \$50,000 to joint prawn research and recognised the importance of joint research for capacity building. This is in addition to the \$50,000 already committed by PNG to joint TRL research. PNG and Australia will seek to exchange officers to facilitate data exchange, once PNG have tidied up their data-base (anticipated by October).

### **Summary of Catch Sharing Preferential Entitlement outcomes**

A Prawn Catch Sharing Working Group was established and met on 20<sup>th</sup> September composed of senior members from Australia and PNG and their respective industry to consider two matters:

- 1) To determine access and arrangements for Australian operators wishing to utilise the Australian share of the Prawn Fishery in PNG jurisdiction in 2007.
  - The Australian delegation undertook to work with Australian industry members to determine the process for selecting Australian operators for Treaty endorsement.
  - The exact conditions of access would be outlined by PNG following an official request from the Australian Government to endorse an Australian vessel(s) to operate in PNG jurisdiction, noting the following matters would be expected to be covered:
    - Adherence to PNG law;
    - Observer coverage – PNG may reconsider the requirement to have 100% observer coverage before the start of the 2007 fishing season but it was unlikely to remove this requirement for vessels operating in the PNG jurisdiction during the tropical rock lobster migration period (September – October);
    - Vessel Monitoring System (VMS);
    - Data reporting;
    - Vetting; and
    - Customs and immigration issues.

- The costs of facilitating Treaty Endorsement of Australian operators could need to be further discussed with industry noting that they would need to be full cost recovered.
- 2) To establish broad principals for a comprehensive suite of preferential entitlement arrangements for operators to access any unused entitlements in either jurisdiction developed out-of-session for endorsement at the 2007 bilateral meeting.
- The working group agreed that discussions on preferential entitlement should be built on the results of previous discussions on the access arrangements for Australian vessels for the 25% of the prawn fishery in the PNG jurisdiction for 2007.
  - The working group reviewed the way both PNG and Australian operators would obtain access to the various sections of catch in the fishery under a preferential entitlement system.
  - PNG indicated they were still waiting to receive legal advice on the potential for PNG to charge Australian operators access fees for accessing fishing entitlements under the preferential entitlement instrument outlined under Article 25 of the Torres Strait Treaty. PNG will provide further information to the Australian Government on this issue after he received this advice
  - The proposed timeline for developing preferential entitlement arrangements in the Torres Strait fisheries:
    - August – Bilateral fisheries meeting;
    - September/October – Parties liaise with industry on take up of catch and obtain expressions of interest in preferential entitlements;
    - October/November – Parties express interest in preferential entitlement through written submissions;
    - December/January – Parties consider submissions and respond to written submissions. Arrangements are formalised;
    - February – Fees paid (if applicable) and licences are issued and cross endorsed;
    - March – Fishing season commences.