

To the Committee Secretary

Senate Standing Committees on Rural and Regional Affairs and Transport

## THE FISHERIES QUOTA SYSTEM INQUIRY

Hi, I am Shane Dugins, a 38-year veteran of the Southern and Eastern Scale fish and Shark Fishery (SESSF) mostly as a gillnet fisherman targeting Gummy Shark but also South East Trawl, Inshore Trawl and Victorian cray fishing experience. I am chair of the Sustainable Shark Fishing Association (SSFA) and a member of the South East Management Advisory Committee (SEMAC). I find myself at the end of my fishing career due to the quota system. The instability in management rules, (removal of input controls and soon to be removal of method controls), the fluctuation in TACs which all drive the lease price and the beach price up have made it impossible for me to take the final step in my working life of owning my own viable fishing business outright. I hope this inquiry will lead to a turning point in this industry and would like to thank you for the opportunity to make comment to this inquiry into the fisheries quota system and examining whether the current 'managed microeconomic system' established around a set of individual transferable quotas results in good fishing practice, with particular reference to:

### A. Good fishing practice that is ecologically sustainable with an economic dynamic that produces good community outcomes.

1. With the removal of input controls in the Gillnet Hook and Trap sector (GHAT) to rely on the ITQ system only, this has not been achieved because of the oversupply of gummy shark to Melbourne markets. This has resulted in a lesser price to the operator and in some cases a poorer quality product which effects everyone from the consumer to operator profit and those in between.
2. This season Gummy Shark have been easy to catch for most fisherman which has resulted in quota becoming hard to find to cover any extra catch. Many vessels have had to stop fishing 2 months before the new season starts, the results of this are no cash flow for the fishing business, no wages/turnover for skippers, crews, maintenance staff, Co Ops, Transport Company's, fish shops, restaurants the list goes on and on so it is difficult for me to see any good community outcomes come from quota managed fisheries.
3. In some sectors that have very low observer coverage, it has resulted in high grading and unrecorded discards because of trying to maximise the kilogram return to the vessel after quota cost which is not ecologically sustainable.

### To move forward:

AFMA could reinstate input controls in the GAHT and remove effort in all sectors with another buy back or some sort of licence amalgamation scheme which has proven to be successful in the past. AFMA also needs to have reasonable amounts of observer coverage or implement electronic monitoring across all commonwealth fishing vessels to increase accuracy of reporting of discards, without an accurate total mortality count on the main target species it is impossible to set accurate TACs and the quota system cannot work effectively.

### B. How the current quota system effects community fishers:

1. The effect on community fishers is less income for skipper and crew employed on fishing vessels as we are paid according to the percentage of fish sales and the quota fee has to come off the financial return per kilo to the fishing company.
2. It has taken away any opportunity to become an owner operator in this industry because of the over inflated price of quota to buy. To lease quota is not a viable option in my view and the banks are not interested in lending money due to the insecurity caused by quota and the ever-changing harvest rules.
3. It is becoming harder all the time to find crew that want to make a career out of the fishing industry because they do not see a future in it and the financial reward is nothing like it was pre ITQ system. The fishing industry is hard on the body and now on the mind as well because we have lost confidence in AFMA's ability to manage. It is not something most people can do as they get older there for the financial reward needs to be high to make a career out of this industry.
4. Some operators are not game to speak out at the current ITQ system through fear of being denied access to quota and markets.

#### To move forward:

AFMA could become the quota price setter and broker and supply quota to actual fisherman on the water in a fair and justifiable manner. This would help to reduce the profiteering by large interest groups of quotas and return it to its original intent of protecting fish stocks from over fishing.

#### C. Whether the current system disempowers small fishers and benefits large interest groups.

1. Most certainly, small fishers are no longer in a free marketing environment as when they lease quota, they are dictated what price and which processor to deal with. As most ITQ kilograms per year are reduced, these problems are being magnified year by year which is slowly forcing small fishers to sell up giving even more control to large interest groups.

#### To move forward:

If AFMA was the price setter and broker for quota, it would return power to small fishers and allow them to set up a business plan for the future which would hopefully become attractive for banks to reinvest themselves in this industry.

#### D. The enforceability of ecological value on the current system, and the current systems relationship to the health of the fisheries.

1. Since the introduction of the ITQ system in the SESSF I think Australian Fisheries Management Authority (AFMA) has been negligent in adequately monitoring on board behaviour in some sectors of the SESSF after the introduction of the ITQ system. AFMA is really good at counting landed catch but has no idea of real total mortality of individual species in these sectors. Which makes it difficult to set accurate TACs or implement rebuilding strategies that work. Since the introduction of the ITQ system there has been many species that have either failed completely or showing signs of stress and no species under a rebuilding strategy has rebuilt to a targetable biomass except Orange Roughy East, where the fishing ground was closed to all fishing for around 20 years (now taken up largely by international factory Trawlers. WOW!!). Through my experience as a natural historian and observer on the water I have witnessed some species start to rebuild but sadly they are caught and killed by non-size selective methods before they grow big enough to reproduce or become of marketable size.

**To move forward:**

Electronic monitoring should be implemented across all commonwealth fisheries with at least 10% review or more of footage unless deemed unnecessary by AFMA. This would identify problem areas in each sector, then management could develop tools to deal with these specific issues. Until something like this happens any species under a rebuilding strategy hasn't a hope in hell of rebuilding to the point it can be targeted and AFMA is failing in its objective of maximizing the economic benefit to the AUSTRALIAN community.

**E. Whether the current system results in good fishing practice that is ecologically sustainable and economically dynamic, and produces good community outcomes.**

1. No, I do not believe current system achieves what it set out to because of all the pre mentioned comments and overall, as a long serving member of this industry I believe the future looks bleak for processor's, Co Ops, fish and chip shops, actual fishers on the water, family incomes associated with these small businesses and most of all the actual fish species themselves.

**To move forward:**

AFMA needs to be stronger at management instead of being a police man only. They need to stop cowering to large interest groups, Radical green groups / individuals and work better with the real fisherman that have spent a life time on the water.

**F. Any other related matters:**

1. The discrimination towards the Gillnet sector in the SESSF continues, from harsher management responses to interactions, stricter and far dearer monitoring obligations. Unjustifiable area closures to stricter trip limits on most unquoted species. This is all causing an economic disadvantage to operators in this sector even though it was described by a leading shark scientist as a model fishery that could be used as an example to other countries around the world. This statement was made well before the introduction of the quota system. The mental torment caused by the above-mentioned issues has been soul destroying for most long-term fisherman and caused many of my colleges to walk away in recent years leaving a huge gap in knowledge and potential mentoring for the next generation of fisherman, if any.
2. One simple question needs to be asked and answered. How does the quota system protect juvenile and unmarketable fish species?
3. I am happy to make myself available to this committee for any clarification of the issues I have mentioned.

Regards

Shane Dugins