



**Addendum to the Queensland  
Seafood Industry Association  
Submission to the Senate  
Standing Committee on Rural  
and Regional Affairs and  
Transport inquiry regarding the  
Fisheries Quota System**

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## 1) Introduction and Overview

This addendum follows a Queensland Seafood Industry Association (QSIA) submission made to the Senate Standing Committees on Rural and Regional Affairs and Transport Committee (the Committee) in March 2021. Queensland commercial fishers have endured a hollow, unbalanced reform process over the last 5 years and at its core was the introduction of new quota fisheries.

The Committee has requested additional views 1 year into the so-called fisheries reform process. Commercial fishers have endured the brunt of ill conceived, ideological and data poor processes and to date:

- There has been no regulatory impact statement (RIS) of new quota fisheries;
- There was never a full audit of each fishery to determine catch history before quota levels were established;
- There is no policy from the Queensland Government to increase quota levels if environmental factors allow them to do so; and
- The catastrophic failure of the management of the Queensland Spanish Mackerel (SM) fishery (a quota managed fishery for almost two decades) demonstrates the flaws in quota management system.

This addendum extends the original QSIA submission and is supported by:

- Moreton Bay Seafood Industry Association;
- Gulf of Carpentaria Commercial Fishermens Association; and
- Green Shirts Movement.

## 2) Views of industry bodies regarding quota management

Moreton Bay Seafood Industry Association

- Internationally, quota managed lead to a huge amount of waste when the commercial fisher has reached a quota limit. Fisheries managers and politicians do not care about this.
- The so-called fisheries reforms is highlighting flaws in stock assessments.
- There is no structural adjustment, live with reform or get out.
- Harvest strategies have been developed with little notice of what commercial fishermen have said.
- One question that no one in fisheries management) will answer – Why have total allowable catches not been tried before quota was rushed in?

Gulf of Carpentaria Commercial Fishermens Association

- Quotas are seen as an easier and cheaper management tool to reduce overfishing and overcapacity, aimed at improving the sustainability by reducing overcapacity. Surely there are other means to reduce this overcapacity in those fisheries that are deemed overfished, without introducing catch quotas across all sectors?
- Some demonstrated negative aspects of this approach include: general reductions in local employment and large regional economic impacts – especially in small scale fisheries and remote / small communities – like ours.
- It's a social and commodity issue, a shared resource that has various sectors claiming ownership – some paid for, however most of the resources users in Queensland access it for free.
- In Queensland, with our massive number of registered boat owners and the general increase in recreational fishing training by professional fishers online, module style education courses; and the massive improvement and affordability in amazing fishing power technology (outboard reliability and fish finders) these days, has shifted the extraction levels of the public resources far and wide.

- How could a government impose a catch quota system on known commercial fisheries that have operated for decades with sustainable fisheries, with data poor information from all sectors except the commercial sector?
- It's an easy option and will in time lead to fewer and large company monopolies (non-local or even overseas based) that control the harvesting, processing and marketing of the catch. With the potential loss of domestic sales and all quality seafood exported. It won't be an easy option for commercial fishing families, domestic buyers, or associated small business and communities that could disappear with the advent of catch quotas.
- Please explore other catch controls across the sectors to maintain the sustainability levels, if sectors outside of the commercial sector keep increasing how could a fair and equitable quota system work.

#### Green Shirts Movement

- Terms of scientific consensus and settled science are used as the justification for imposing catch quota systems of our commercial fishing sector.
- Yet currently those tasked by government regulators with the job of estimating species-specific populations, neglect to sample zones with enormous biomass potential.
- This selective and incomplete surveying is akin to conducting a census to estimate population but failing to recognise or include metropolitan areas.
- It is little wonder that the current modelling gives commercial fishermen little faith in the government science behind limits, biomass baselines, or around the governments timeframes around the rebuilding of what the sector is told are imperilled stocks.

### 3) Spanish Mackerel Fishery

The SM fishery has been under quota management arrangements for almost two decades. The mismanagement of the SM fishery has led to displaced commercial fishers from one fishery to another and puts pressure on a different resource and increases social conflict. If commercial SM fishers are not able to work in their chosen fishery, they are likely to move into a different fishery. This continues to speak to the urgent need for a properly funded RIS.

There has been no assessment on the impacts of any regulatory changes on either the harvest or post-harvest sectors. A reduced quota value will lead to less fish harvested and a significant reduction in the availability of SM. The outcome will be:

- The SM stock assessment and proposed changes by Fisheries Queensland has led to a significant decrease in the value of all primary licence and endorsement values under Fisheries Queensland management.
- Many long-term fisherman have already sold out and left the industry since "consultation period" started due to the management options proposed making their operations unviable.
- Fisheries Queensland stock assessment and recommended harvests in other fisheries (e.g. Saddletail Snapper) has meant there are no alternative fisheries they feel confidence in diversifying into therefore the only alternative is to leave the industry.
- Local seafood wholesalers and retailers have already been forced to source replacement product from international suppliers (primarily Indonesia) as evidenced by the recent visit to Cairns by Fisheries Queensland upper management where they were proud to state they had the privilege of eating SM whilst at a local high-end restaurant to later find out the product was actually imported from Indonesia.
- Increased imports of wild caught SM from countries with extremely poor or non-existent fisheries management;
- Increased imports of aquaculture substitutes containing trace elements well above the accepted levels of human consumption; and
- Increased domestic aquaculture substitutes.

Feedback has been provided to the Queensland Government on the deficiencies of the science used to develop the current SM stock assessment. Some key concerns include:

- In the SM fishery working group, members were advised that they were not there to 'question the science'.
- The working group was meant to meet monthly during 2021, a single meeting was held in May 2021 and the second meeting held in Feb 2022.
- In 2004 as a result of the zoning of the Great Barrier Reef (GBR), commercial fishers lost between 60-73% of their access to SM stocks. The data collection process used to inform the current stock assessment did not sample SM in the Green zones (spawning aggregation areas) of the GBR.
- Working group members have no faith in the validity of the data used by Fisheries Queensland.
- In 2018, stocks were considered sustainable (this figure was 40-60% of the unfished biomass), and this status was based on departmental data. With a change in the modelling used by Fisheries Queensland the stocks are now being assessed as unsustainable. This new form of modelling has also seen on paper, a massive reduction in biomass estimates for several species. Numerous scientists globally are now questioning this new modelling.

It should be noted that in the SM fishery working group the commercial sector and most of the recreational representatives do not agree with the stock assessment and agree with the reviewer's conclusion – Klaer. (2021): "I am unable to support the conclusions regarding future harvest levels for the east coast SM stock until reservations regarding the most appropriate central value for steepness for the base-case are resolved".

Essentially, the current science underpinning the SM stock assessment will lead to catastrophic reductions in the value of SM quota:

- How could a quota managed fishery that has been sustainable for almost 20 years, now face alleged collapse only after a 'new' stock assessment method is used?
- How can the incompetent management of this fishery not lead to compensation for commercial fishers that have their quota allocations devalued?

Finally, the silent stakeholder (the community / seafood consumer) has been missed in the mismanagement of this quota managed fishery.

#### **4) Spanner Crab, East Coast Inshore Net and Coral Trout Fisheries**

The examples in this section present support the view that quota managed fisheries create significant long-term issues for commercial fishers and create markets that lead to the near monopolisation of access to quota.

Each example was provided by a working commercial fishing business operator.

#### 4.1) Spanner Crab Fishery

What has been the impact of quota on your business?	What, if any, industry impacts have you seen because of quota management in your fishery?	Other comments
<ul style="list-style-type: none"> <li>• Initially, I lost 50% of my quota which meant my business was shut down for four months. This occurred right before covid 19 pandemic which then had an impact on the whole fishing industry.</li> <li>• The main impact was loss of income occurring due to the quota reduction seeing myself and my two employees without income for several months. Following this the pandemic flowed on which saw a huge reduction in our local and international customer base due to lockdowns etc.</li> <li>• In current and subsequent years, I have had to invest in leasing or buying quota to maintain my livelihood. This has been a large financial and mental burden. As you never know from year to year whether you can source extra quota. This creates stress and worry.</li> </ul>	<ul style="list-style-type: none"> <li>• A lot of the smaller operators are unable to source quota and are shut down.</li> <li>• The larger processors have the majority of quota and basically control the fishery.</li> </ul>	<ul style="list-style-type: none"> <li>• A lot of the smaller operators are unable to source quota and are shut down.</li> <li>• The larger processors have the majority of quota and basically control the fishery.</li> </ul>

#### 4.2) East Coast Inshore Net Fishery

What has been the impact of quota on your business?	What, if any, industry impacts have you seen because of quota management in your fishery?	Other comments
<ul style="list-style-type: none"> <li>• Quota was allocated based on drought years, so quota allocated is insufficient to cover for abundant years. We can no longer benefit from the ameliorating effects of abundant seasons as we used to be able to do.</li> <li>• Needed to lease additional quota to cover catches because it's a much better season this year because of the rain throughout the year and it appeared that we were going through our quota too quickly. This means that our expenses have then risen by having to lease quota and at the same time the prices for our catches dropped - also because of the abundance this year so our overall net profit (our family income) is much less than it would have been without the quota.</li> <li>• Quota in the zone that you need it to be in is very hard to get because everyone needs every kg of quota they have - unless they're playing "investor" and not catching fish themselves. This means it is also time-consuming searching online and through phone calls to find quota to lease.</li> <li>• If unable to get quota, because it is a multi-species fishery, we have to dump quality fish whenever we catch them incidentally when targeting other species</li> </ul>	<ul style="list-style-type: none"> <li>• We know some fishermen (most likely those have some other income) are not bothering to fish for the small volumes of quota that they have to avoid wasting fish by having to throw back fish and not be able to cover costs with profitable catches.</li> <li>• I'm not seeing other commercial fishermen at work in my area anymore - just recreational fishers who can catch pretty much as much as they like and can end up catching far more over the year than what I can catch as a commercial fisher, and they don't have to pay a cent to be able to keep their fish. I'm sure that makes the department heads very happy since anyone looking at the department's Facebook page could be excused for believing it is now the department for recreational fishing.</li> <li>• It certainly opens a void which the unscrupulous recreational anglers will no doubt take advantage of and sell or swap their fish on a black market since supply is shorter.</li> <li>• We know fishermen who are depressed because they have too little quota so can't bring themselves to go fishing without having to throw the more valuable quota species out of a mixed species catch.</li> </ul>	<ul style="list-style-type: none"> <li>• The forced implementation of a quota system onto our inshore net fishery which is a mixed species fishery represents a complete and utter betrayal of public and industry trust in the State's fisheries management.</li> <li>• Denying the public access to THEIR marine resources UNLESS they catch their own is actually a theft of public resources and food stolen out of the population's mouth.</li> <li>• Closed areas have thousands of square miles of protected fisheries so in reality implementing quotas represented NO added benefit for stocks.</li> <li>• We were allocated quota for King Threadfin for an area where we cannot access it because of the net free zone that had been implemented and the department took no notice of that situation. That was just adding insult to injury. What are we supposed to do with that quota that we will be charged fees for but which we cannot access the fishing grounds to even catch? Why can't we transfer that quota to our own zone where the grounds are not closed?</li> <li>• This all goes to prove that the fisheries managers and others pushing quotas onto the inshore net fishery, lied through their</li> </ul>

<p>that we can still catch. That is an unreasonable and environmentally irresponsible government-enforced waste of fisheries resources and also is like burning money right when we could have benefitted from a more abundant season to compensate for less-abundant seasons.</p> <ul style="list-style-type: none"> <li>• So, being in a multi-species fishery, what are we expected to do if we've caught the quota for one or two species? To go to work to attempt to catch other fish we have quota for will force us to waste the quota species we no longer are allowed to \ catch. Not going to work earns nothing at all so then if we don't have sufficient financial resources to simply stay off the water, we are forced to have to go and waste fish.</li> <li>• The likelihood of catching exactly the amount of fish that we have quota for (whether allocated, bought or leased) is very slim and means that we are only likely to utilise our full quota when we catch more than we have quota for which means we then must throw dead fish. To avoid having to throw back dead fish because of insufficient quota, we will always have to either stop fishing for the fish before we have used up our entire quota which means every year we will be paying for quota we cannot use OR we must waste fish to fully utilise our quota allocation. Neither scenario is responsible nor profitable nor sustainable nor fair. In other words, the department will be</li> </ul>	<ul style="list-style-type: none"> <li>• Because fishermen stop fishing altogether rather than throw fish, there seems to be less volume of all species of fish available on the market than would have been available without the quota system. This is unfair to the public whose resource it is. It is also unfair to the fisherman who then must survive without that extra income.</li> <li>• We've had some other more cashed-up fishers pestering us to sell our quota to them ever since the system was first implemented. We knew this would happen as investor-types take over the fishery and recognise leasing quota as being a money-spinner without doing the hard yards of catching the fish. This does not necessarily feed people though, and we expect this is going to be repeated every single year.</li> <li>• With total allowable catches (TAC's) in the northern regions for school mackerel and quota only in Area 5 (our net fishery is now zoned into 5 regions), there was either a race to fish in the north before the TAC was caught or because of the unexpected abundance this season, so much product in the market place at the same time resulted in market prices dropping. This was at the same time as we needed to lease additional quota to cover us for potential bigger catches than we had quota to cover. This then meant that our profit margin suffered a double whammy. This same issue would have</li> </ul>	<p>teeth when they said it would make our businesses more profitable.</p> <ul style="list-style-type: none"> <li>• The evidence of the realities of the impacts of quotas on small fishing businesses was available from other fisheries world-wide yet Fisheries Queensland still insisted that we had to be forced onto a quota system. All the promises were nothing but lies.</li> <li>• In poorer seasons no one would be wanting to "lease" additional quota because it would be un-necessary so no-one will make money off quota in those years except the government because all the time we'll be paying the department more money off the top just to have the quota we qualified for so it represents just another money grab by the government to allow us to continue doing what we always did.</li> <li>• As has happened all around the world with quota management and as we told the dept at the time, quota management is only good for investors and brokers and even then, only for a time. We are already seeing this happening. Otherwise, there is no benefit for anybody except the business that ends up "owning" all the quota in a monopolistic situation, despite the "promises" the fisheries managers made that fishermen would have greater flexibility and greater security and the product would secure better prices. The benefits to the "last business standing" does not translate into long-lasting</li> </ul>
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<p>charging us licence fees for product we cannot keep without wasting resources.</p> <ul style="list-style-type: none"> <li>• In better seasons, our overheads are now higher if we can lease additional quota to cover for the bigger catches, but our gross income is lower if we're unable to get the quota we need since we have to throw back fish that are dead. Our profit margins have dropped significantly through having to source additional quota to lease just to avoid dumping product according to government dictates. This is totally irresponsible when supply is so far below demand already.</li> <li>• Our price /kg for school mackerel dropped by \$10/kg on the open market auction system simply because of the abundance being caught at the same time this year and on top of that we had to pay \$4.40/kg to lease quota to make sure we didn't run out. The prices in the private market are lower than the top open market prices.</li> <li>• Of course, while we are having to lease extra quota, that is quota that someone else is not catching but is making \$4.40/kg for doing nothing other than lease it out to others. There is no more fish out of the abundance of a good season to benefit the public.</li> <li>• For the first time in about 15 years we had a good run of grey mackerel so ended up having to look for grey mackerel quota to lease to cover us because the quota being</li> </ul>	<p>affected other fishers also as the drop in prices was across the board. Some fishers would have missed out on obtaining sufficient additional quota. In future years this will mean there will be increased competition for quota which will be reflected in its cost and as time goes on the profit margin will be eroded just in a race to get sufficient quota that will not necessarily result in higher prices for the actual fish.</p> <ul style="list-style-type: none"> <li>• Before August was over the TAC's in some areas were already caught while there was still abundant fish around and still almost half the year left to work.</li> </ul>	<p>benefits to all the ones who must exit the fishery to leave that one standing. It also does not convert into more fish in the market for the public to eat.</p> <ul style="list-style-type: none"> <li>• This means that over time, while the demand for seafood rises because of population increase, the supply can only stay stagnant or reduce depending upon the desire there is on the part of fishers to actually seek to catch it given the prices and costs to do so, availability of quota and the stresses involved. It must be remembered that while the demand for the product increases the value of the product - so too will that same demand increase the cost of quota so little to no financial benefit accrues to actual fishermen.</li> <li>• There's a reason the department didn't do a RIS - they knew that the data from overseas quota fisheries did not support the "promises" they made - they knew that the costs so out-weighed the benefits that a cost-benefit analysis would be prohibitive of introducing such an archaic form of management under the rules they're expected to obey.</li> <li>• We are convinced that our complaints will be met by deaf ears in the department because these very problems were exactly what they wanted to instigate. If not, they would have listened to us as we expounded the realities of quota fisheries from around the world.</li> </ul>
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<p>based on years when they didn't turn up was far less than needed to cover catches in good seasons.</p> <ul style="list-style-type: none"><li>• Again, because they were thick this year the price dropped while we needed to lease quota. That price also dropped by about \$10/kg and the quota cost us \$3.10/kg.</li><li>• At the present time, just having to lease quota to prevent throwing fish has cost us \$10,000 that we would not have had to spend without quota management, and that doesn't include the Fisheries Queensland fees for the quota species. That \$10,000 cost just to avoid throwing fish when they were here after years of poorer seasons is the shot in the arm that normally would give us a better buffer, so we were more resilient in future poorer seasons. Instead of keeping that for a buffer for us now, we had to give that to someone else who didn't even have to go to sea to get that money.</li><li>• Yes, we could do the same but if everyone stays home and puts their quota up to lease to make easy money, the value of the quota will drop dramatically because demand dictates value and if there's no demand, the quota is worth nothing. That in turn would also mean no fish for our customer base.</li><li>• Rather than giving us greater security, it has caused much more stress and concern in a season of abundance when we should have been enjoying the fact</li></ul>		
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<p>that better catches make up for less abundant seasons. This means there is no break from stress in our business operations and that situation is due entirely to the fact that the government-imposed quota management upon us.</p>		
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### 4.3) Coral Trout Fishery

What has been the impact of quota on your business?	What, if any, industry impacts have you seen because of quota management in your fishery?	Other comments
<ul style="list-style-type: none"> <li>In 2020/21 Fisheries Queensland reduced the total allowable commercial catch (TACC) in Coral Trout quota by 200 tonnes.</li> </ul>	<ul style="list-style-type: none"> <li>Under the State's harvest strategy 200 tonne was the maximum reduction allowable at any one year (Fisheries Queensland wanted to reduce it by over 300 tonnes).</li> <li>The direct result was 19/20 quota season I was leasing quota for as low as 88cents.</li> <li>The moment the reduction was announced the lease value went straight to \$7.50 plus GST.</li> <li>My first few month's of 2021 season, I was unable to secure Coral Trout quota at an affordable price that would make targeting the species viable and subsequently sort employment completely external to the fishing industry that had been my only source of income for many years.</li> <li>In that period, I lost many regular customers and have been unable to regain their business since gaining access to quota around the \$5/kg mark.</li> <li>The live trout export industry has been closed since early 2022 and the beach price of the product plummeted to a low of \$18-20/kg yet quota remains at a high level at \$5.50 plus GST.</li> <li>Many boats have been forced to tie up and several operators have left the</li> </ul>	<ul style="list-style-type: none"> <li>Ultimately the value of quota has seen a large increase in cost to our business and we have been unable to pass that cost on in its entirety to the consumer.</li> </ul>

	industry entirely after many decades in the fishery.	
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