

# FISHERIES COMMITTEE

## OPEN MINUTES

**Fisheries Department**  
**Thursday, 2<sup>nd</sup> September 2021**  
**08:00am**

These minutes are draft minutes until confirmed by resolution at the next meeting of this committee

**Present:**

The Honourable Teslyn Barkman– Chairperson	TB
The Honourable Ian Hansen	IH
Director of Natural Resources – Dr Andrea Clausen	DNR
Dr Alexander Arkhipkin	AA
Mr Simon Young – Attorney General	SY
Mr David Jeffrey – Senior Public Policy advisor	DJ
Mr Stuart Wallace	SW
Mr Drew Irvine	DI
Mr Hamish Wylie	HW
Mr Michael Poole	MP
Mr Andreas Winter	AW
Ms Joanna Cox	JC

**Minute Taker:** Mrs Beverley Glanville BG

**Public:** 4

- 1 Apologies for Absence** ACTION
- 1.1** Chief Executive- Mr Andy Keeling
- 2 Declarations of Interest**
- 2.1** Industry representatives declared an interest for all items on the agenda.
- 2.2** SW and MP would like declare particular interest for Item 5-Fishery Patrol Vessel tenders as one of Fortuna’s group many be bidding for that contract and Item 9 for the Illex Fishery.
- 3 Confirmation of the Minutes of the Meeting held on the 3<sup>rd</sup> June 2021.**
- 3.1** Item 7.4 Remove “had” from the first line. BG
- 4 Matters arising from the Minutes held on the 3<sup>rd</sup> June 2021.**

- 4.1 Item 4.4 AA still to provide table to FFLG, also needs to be included in the Fishery update paper. AA
- 4.2 Item 4.4 AA to provide populations of seabirds and marine mammals to industry. AA
- 4.3 Item 4.3 MP asked when the Illex fee paper 2022 is due to go to Exco. DNR said it will go to ExCo on the 22nd September and because of the general elections the ITQ paper won't be able to go until the December meeting. DI mentioned that the fee paper usually goes through the committee, DNR said due to other commitment this did not happen. DI said that it may have slipped the last couple of years, but before that it was discussed in the committee. SW asked when they will get a chance to see the paper and discuss. TB said with the election being in early November there would be time. SY mentioned that there are two options. Option 1 - take it to the committee in December before the matter goes to ExCo, or Option 2 – talk to members outside the Committee forum. DNR said that she is waiting on a meeting with FIG Economist, Davide to move it forward and will meet with industry to discuss the general approach once there is a draft paper to present.

## 5 Fishery Update

- 5.1 DNR gave a brief update on the fishery. On the Staffing update we are currently advertising for a Programme Director. DNR said on ITQ Renewal the bill and a draft of the planned regulations will not be read and passed until the 16<sup>th</sup> September, so there is still time to get your feedback in.
- 5.2 TB remarked that it was great to see there has been a decrease to the mortalities of seabirds, due to the advice from the Seabirds and Marine Mammal Officer and being immediately carried out by the fishing vessels.
- 5.3 DI mentioned that he would like licence conditions earlier. DNR said she will discuss this with AA and the LO to see if we can improve the timeline on that. AA
- 5.4 SW asked what the Control & Enforcement audit entailed, DNR it was internal audit of our own procedures, systems and assets. We will brief industry, if and when we need to share any changes that will have impacts on the current way fisheries and industry work together.
- 5.5 SW asked if the economist and Programme director is one job or two, DNR said these will be separate jobs.
- 5.6 SW asked if there were any issues with IUU fishing, DNR said not in our fishing waters, but if we improve our surveillance maybe we will be able to see more and that is partly why the audit is being conducted. DNR said it was mainly about awareness and understanding and the history of IUU

vessels that may want to fish here.

## **6 Maritime Update**

**6.1** JC gave a brief overview of the paper.

**6.2** SW asked why we need to do anything different with Ship to Ship transfers, JC said that we are required to do this as part of the IMO III code process. SW asked what implications of the viability of there will be to the high seas fishery, JC said it depends on the designation of safe ports for this. SY added bunking activates within the 12-mile limit will also be taken into account, when it comes to the boundary of ship to ship transfer.

**6.3** HW asked if the ship to ship transfer regulations will be for the small things, i.e Parcels etc or the larger operations, JC replied it would be for the larger operations.

## **7 Finfish Licencing Advice 2022**

**7.1** DNR gave a brief overview of the paper.

**7.2** AW gave a presentation of the Finfish licencing advice for 2022. AW concluded that we have primarily focused on A licence (as the unrestricted licence option) so far, because that is how it is legislated. Therefore, A Licence would see a substantial increase in the number of fishing days because Hake is the main species out there. The G Licences would get a modest increase in fishing days and this is mostly due to the fact that it has been extensively under used in relation to assigning it to a half proportion in comparison to A & W Licences. W licences will see a decrease in the number of fishing days as we target the effort on the species that make up the license type, and not on the Hake that is currently caught as by-catch.

**7.3** TB asked if increasing the days of A licence would have any known effect or increase on bycatch of other species? AW replied it is still a fundamentally a TAE system meaning that a given licence is given number of days, not an absolute of the total limit that has been caught. The transition phase is that we are putting forward is how to establish a TAE format based on TAC considerations.

**7.4** HW mentioned that if all those fish were caught in the same grid square on the same day, he could see how this methodology could work, but as this is probably not the case how does it work in practice? AW said that was an empirical calculation based on what was done in 3 years during which a new licencing system was not in place. There is always a feedback factor if a new licencing system would change how vessels behaved and would have to be monitored and possibly adjusted as we went along.

DNR added we are looking at accrual data, distributions of the species and aligning it to who owns what and build a management system to manage

what is out there, where it is, and who owns it. This is an evolving management tool.

- 7.5** SW mentioned that he had a few of the fishing companies' views and asked if he could read them out, TB approved. SW listed:
- 7.6** One member said that are pleased that fisheries taking action to address the level of unlicensed catch (hake by G & W Licences) and the options regarding restrictions to G licences they would like no spatial restriction until May, this doesn't rule out applying further restrictions if the initial step is found to be insufficient. But perhaps better to take an incremental approach given the impact of target catch that spatial restrictions have. With regard to the options of A licence being just for Hake or remaining unrestricted, they don't have a strong view either way. They recognise that having a Hake only licence lessens the extent of the reduction of the W effort. So, given the substantial increase in A effort, they feel it might be fairer to make it a Hake only licence so that others are not penalised more than necessary.
- 7.7** Another company suggested that there could be an industry briefing on this stage, and have a discussion on this matter, DNR agreed. Regarding the MEP support, what is the nature of that support? DNR said that this was the paper she was referring to in the Fishery update paper when she mentioned she was going to be looking at getting a little bit more work done on how we would further move into TAC, how it would impact the existing licencing structure and what the economic impact would be on government and industry. DNR said that we have done our best as a first step, but we are asking them to take it further.
- 7.8** SW asked if the economic impact on Government was adverse would that stop the process? DNR said that MLA's have asked for the additional work until which will review current data and consider our new approach, but DNR doesn't expect there to be a nett negative impact at this point.
- 7.9** SW asked what are political questions being asked to call for this work, TB said that the Finfish review was needed to understand how our operational & scientific programme for finfish is working and getting more information on how to bring TAC to our fishery in the long run. The feedback from the MEP report highlighted a significant number of areas that we should be looking at better, SW asked a for a copy of this, TB approved. **TB**
- 7.10** SW asked TB what is not clear on the report, that needs further work. TB said we need more robust oversight of the fishery and what the change from TAC to TAE means and why we have approved a Programme Director for Fisheries to undertake the piece of work and a Fisheries Economist to give us more information on our fisheries.
- 7.11** The member also asked if the analysis within the paper would change if

catch reports over the analysis period were incorrect, e.g. under reporting of Hake by W licence holders? DNR said it probably would have made a difference, but we have had some catch verification during this period and that hasn't identified misreporting. DNR added that if there was a serious level of under reporting that she was sure it would impact in the final figures. MP asked about the margin of error on the stock assessments, AW said that the TAC values for migratory species are relatively weak assessments and that the values are based on proportion average catches over the 3 years so it is not perfect, but it is a start, using models that are fit for the quality of data we have. AW added that these calculations will need to be looked at every year and if there is any reason to believe that there is a margin of misreporting that can't be quantified, we can put some error bands on it.

**7.12** The member said they agreed with the principle of adjusting licence fees according to more or less effort, especially where W days are decreasing, but suggest that FIG factor in that the A,G and W days have reduced over the last decade with not always compensatory decrease in fees and suggest the modal should be a no nett increase on the industry. The company said with the workability of crane scales that the principle is fine, but the solutions are not yet workable for the weather conditions that we experience here and in Stanley Harbour. The company feel that the increased Observer coverage is a necessary part of the system and sensibly phased and risk-based implementation of it.

**7.13** They also mentioned that a risk-based system is generally used globally with is an efficient way of using public funds and the logic of such systems suggest that W days are the higher risked licences and would welcome a discussion on the principles.

**7.14** They note that not all vessels are equipped to accommodate observers and feel that practical allowances need to be made for it. The member asked how the DNR envisages paying for the observers and the company would like to see Hake unrestricted also. DNR said that industry have already requested a meeting to discuss this before it goes to ExCo and that they will arrange this. DNR asked SW in principle is everyone OK with what we are proposing and how we are trying to manage this. SW said that W quota holders will be less impressed than A quota holders and that no one has argued against the principal of it. **BG**

**7.15** HW said last time Licence quota fees were looked at it was decided that the 10% revenue ratio wasn't appropriate anymore and MLA's agreed with that and in this paper, it talks about it being used again. Also, if you are removing Hake catch from W & G licences then the idea that you just change the percentages isn't going to work economically and the fees for W holders needs to do more than just change by the number of days. HW also asked where the Skate licence stands? TB said Skate licence data was presented at the June FAC but couldn't remember the outcome. TB remarked she had noticed the 10% statement in the paper but believes this

was taking a historical data approach of what used to be applied rather than going forward. DNR added that the 10% is used to demonstrate the pattern of change rather than the actual change.

**7.16** DI asked for a copy of the presentation. AW to send to FIFCA. **AW**

**8 Pre-season Assessment survey-Loligo 2<sup>nd</sup> Season 2021**

**8.1** AW gave a presentation on the Pre-season Assessment survey-Loligo 2<sup>nd</sup> Season 2021.

**9 Illex Licence 2022**

**9.1** DNR gave a brief overview of Illex Licences 2022. DNR gave huge credit to the industry for the rescue crafts that were installed so quickly for the 2021 season, and the training of the crew to use them.

**9.2** DNR reminded the industry that the all licenced vessels in the Falklands must make Fisheries aware of any MOB ASAP, so that we can assist as much as possible.

**9.3** DNR said the coroner's report for the 2 deaths relating to Tuberculosis stated that the government must take action to work with industry to prevent such incidences from occurring again.

**9.4** DNR added that we will continue to encourage all companies not to use letters of credit, but that the facility will remain open on a case by case basis.

**9.5** DNR said on the subject of transhipments we need to make clarify that transhipment must take place in designated ports and harbours, for safety reasons. SW said the way transhipments currently work is to tranship a small amount and then to carry on fishing and it is an efficient way of conducting the South-West Atlantic squid fishery and feels this needs to be looked at.

**9.6** MP joined as the Industry Illex representative for this paper. MP said that the industry has asked for the number of B licences that are awarded each year (currently set at 106) to be increased to 110, DNR previously said that there needs to be more economic information to justify this. MP asked for a breakdown of what is needed to make that judgement; DNR said that they are two sides to this, the science and the economics. On the science side, we have no comprehensive scientific data from the Illex stocks in the South-West Atlantic, so to increase the level of fishing on a stock we know very little about is probably not going to be looked upon very well by external bodies. On the economic side, there wasn't any economic data collated around the time the licence numbers changed previously, but what appears to have happened is that the vessels didn't come because of low catches,

following that period, the number of licenses was set at 106 and has stayed at 106. This figure seems to be a reasonable number historically even when you look at moderate to low catch levels. DNR added that she does not understand the full costs associated with running a jigger in the South-West Atlantic. MP said that we have just had one of the highest years catches that there had ever been and if the Government doesn't consider increasing the number of licences now, then they are never going to consider it, in particular from the science perspective. MP said from the economic side of things, for a number of the Illex operators it is their only income and collectively, fishing vessel owners, partners and fishing companies have taken the view that they would be comfortable taking the risk of increasing the number of licences to 110 and hope this would be sufficient for the Government to give it a go.

**9.7** MP asked why FIG think that multiple licence applications are acceptable. DNR stated that neither herself or the government took a proactive approach to allow multiple applications, but we were approached. DNR checked the existing law and policy, and there was nothing to prevent a vessel owner making an application through one or more local companies, so DNR allowed this to happen. Additionally, some vessel owners are not content with the historical arrangements, and they want to change but are nervous about doing so in particular because of the representations made to them by powerful agencies. Additionally, DNR had evidence presented to her regarding some Taiwanese agents that have been extracting significant sums of money from owners by saying they have control of the priority list system, this was over and above any normal agency fee. It is in the Government's best interest to keep the money within the industry as we want the vessel owners to be economically robust so they can ride out any poor catch years. Additionally, we feel it is the vessel owner's responsibility to make investments in safety. We know that the local partners are helping them to do that, but the vessel owners need to contribute to this process also. While we are in this new and turbulent world the vessel owners should be given the option to have multiple licence applications. DNR apologised if this has been seen as not the best approach by some people in Taiwan, but for FIG it is very important they we encourage vessel owners to be able to make the very best business decisions for themselves and invest their money in things FIG as a regulator would like to see.

**9.8** MP said 4 out of 6 of the Illex operating companies have said that the policy of multiple applications comes with the downside of making the work on safety improvements more difficult. MP said that these companies felt uncomfortable spending time, money and building relationships with vessel owners, only for them to go with another local agent. DNR said until we have more a robust joint ventures, she takes MP's point but outlined it should be the vessel owners spending the money for safety improvements. DNR added that if very strong relationships with your partners are built, they would be confident to not to make multiple licence applications. DNR mentioned that next year she will be looking a multi-season approach, so

will give local partners more incentive to help encourage vessels owners and operators to work with industry on safety aspects.

**9.9** HW said the points the MP raised were overplayed and doesn't believe this to be a big issue. He added it is very important for the industry to build relationships with the vessel owners as if things aren't solid with the owners they will move if they are not happy.

**9.10** MP asked DNR what evidence there is for Safety and Economic performance when local agents don't have a direct relationship with vessel owners. DNR said this is where she has received verbal feedback from local partners and has seen some safety information from/on vessels, even with the existence of an agency in Taiwan with local agents. All parties believe they are getting better traction and having a stronger relationship.

**9.11** MP asked about the Illex scoring matrix and described it as being too open and without clear guidance. MP asked how the local agent to vessel owner relationships fair on the scoring board, DNR said where local agents do not have direct relationships with overseas partners and there are 2-3 layers of relationships between local agents and vessel owners then you would need to demonstrate that the information/training/change in approach facilitated by local partners is getting through the 2-3 layers. MP stated that he believed FIG was making an effort to legislate for what are company related relationships. TB responded that the Government isn't trying to legislate for commercial activities and that the scoring matrix has a level of subjectivity which allows for fluidity of different arrangements so long as the relationship can be outlined.

SW asked if the complete list of feedback will be in the ExCo paper, DNR confirmed it would be.

**9.12** HW added that the scoring area the Korean fleet would like to make strong representation on is the age of the vessels. The comments in the Fortuna letter ask to change the age of vessels weighting from 5% to 20% and HW wanted to point out that safe vessels are more about the safety management systems and the training of people on board than the age of the vessel. HW pointed out that in the Loligo fleet there are a lot of very old vessels and said the MSN 1873 compliance is the goal and should not have anything to do with the age of the vessel. DNR stated that MSN 1873 standard is an important point here, because the template for construction is not going to change any time soon this is a design issue not an age issue. DNR added it isn't suggested that the weighting should change.

## **10. ITQB: Fisheries (Conservation and Management) Amendment Bill**

**10.1** DJ gave a brief overview of the paper. TB asked DJ if there was going to be more information given about the penalisation for those who fall short and what structure this will take. DJ said the action plan guidance will definitely be provided.

- 10.2** SW expressed his thanks on governments' work of this bill and want the industry and FIG to continue to work together on the bill. SW said that on Item 12 where it says "which period will not be more than 6 years" the industry would like the director to fix some of the obligation for the period of ITQB. And Item 13.2 would like the words "expressed in Metric tonne" as this may cause issues as the target will be a percentage.
- 10.3** DJ said that it is done in percentages as FIG couldn't see how doing it any other way could work, but are open to suggestions.
- 10.4** DNR said this will all be shared with FIFCA, TB thanked DJ for helping get to this stage. DNR welcomed any feedback (in copy to MLA's) and will speak to the bill when it passed through the house around the 16th September 2021.

**11. Date of next meeting**

- 11.1** The date of the next meeting is 2<sup>nd</sup> December 2021 at 09:00

No Part 2.

Minutes confirmed this     day of December 2021

**Chairman**

**Secretary**