

*Integrated Fisheries Management*

**SUBMISSION TO IFAAC ON THE  
DRAFT ALLOCATION REPORT  
FOR THE WESTERN ROCK  
LOBSTER RESOURCE**

**Department of Fisheries submission to the Integrated  
Fisheries Allocation Advisory Committee**

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# Contents

|  |    |
|--|----|
| Contents .....   | 2  |
| 1.0 Underlying and key issues .....  | 3  |
| 1.1 Available data on the catch and effort of the recreational sector (note 3) .....                             | 3  |
| 1.2 Future management of the commercial wild harvest sector .....  | 5  |
| 1.3 Possible emergence of an aquaculture industry based on the capture and<br>grow out of puerulus (Note 7)..... | 6  |
| 2.0 Response to IFAAC report and findings.....   | 7  |
| 2.1 IFAAC recommendation 1 .....   | 7  |
| 2.2 IFAAC recommendation 2.....  | 9  |
| 2.2.1 Ministerial advisory process .....   | 10 |
| 2.2.2 Temporal and spatial separation .....  | 12 |
| 2.3 IFAAC recommendations 3, 4, 5, 6 and 7 (Note 3).....   | 12 |
| 2.3.1 Customary fishing.....   | 12 |
| 2.3.2 Determining the commercial and recreational allocations.....   | 13 |
| 2.3.3 Allocation Accountability .....  | 14 |
| 2.4 IFAAC recommendation 8.....  | 15 |
| 2.5 IFAAC recommendation 9.....  | 16 |

## **1.0 Underlying and key issues**

This section does not relate explicitly to IFAAC's recommendations. However the Department thought it important to be clear on a number of important underlying issues so that the context of this submission in responding directly to IFAAC's recommendations is understood.

### **1.1 Available data on the catch and effort of the recreational sector (note 3)**

Since the mid 1980s the recreational rock lobster catch has been estimated by a mail survey of recreational fishers. That survey is considered to have accurately captured the long-term trend of peaks and troughs of the recreational catch, but it is accepted that it has biases attached to it. The main bias is 'recall bias' resulting from the survey requiring participants to remember the number of times that they went fishing over the course of the previous season, as well as the numbers of lobsters they caught.

In recent times a different type of survey has been undertaken to estimate the recreational catch. This type of survey, known as a phone-diary survey, is undertaken at fortnightly intervals through the fishing season. It is considered to be less susceptible to recall and some other biases that are experienced by the mail survey and is therefore considered to provide a more accurate estimate of the recreational catch than the mail survey method.

Based on two phone diary surveys undertaken in the 2000/01 and 2001/02 fishing seasons, results suggested that the mail survey had overestimated the recreational catch by a factor of about 1.9. Previous mail surveys going back to the 1986/87 season were therefore adjusted downwards by this figure. A third phone diary survey undertaken in the 2004/05 season produced a different conversion factor between the mail and phone diary recreational catch estimates, but in the interests of maintaining consistency from year-to-year, the 1.9 conversion factor has been maintained as the current best estimate until a more reliable conversion factor can be determined.

Both the mail and phone dairy surveys were designed to provide an estimate of the recreational catch across the species' distribution and in doing so to establish a time series of data that can be used to better understand the trends in recreational catch. These survey techniques were not designed to support the IFM process – a process that requires both a more accurate and precise estimate. Accordingly there are considerable uncertainties associated with the catch and catch distribution estimates provided.

The Department believes it is possible to implement a program of data collection and analysis with the objective of providing estimates of recreational catch and catch distribution to a 10% standard error within a five-year period. The 5<sup>th</sup> new data point estimate would be for the 2010/11 season if the new program were to commence in

2006/07. Although five years of additional data would be optimal, the Department expects that the data set would be sufficiently improved and reliable after 3 years.

To achieve this goal it is necessary to drastically increase the number of recreational fishers surveyed each year and to develop a data validation system.

To achieve a 10% standard error for the catch as a whole, it is estimated that the phone diary survey would need to be based on 800 surveys - 400 rock lobster licence holders and 400 umbrella licence holders. This represents an increase of around 350 participants from the number currently surveyed.

To take the further step, and provide good estimates of catch that is separated north and south of 30° south would require the survey numbers to be yet further increased. For Zone C estimates, the sample size would need to remain at around 800 (as for the total fishery). However, due to the small number of fishers in Zone A/B, the sample size of recreational fishers surveyed for that zone would need to be even larger than for the Zone C estimate (actual sample numbers have been calculated for the mail survey – see below).

In the case of mail surveys, we currently send out 4,000 forms and get a return rate of approximately 50%, with a standard error of less than 10%. Estimates show that we could reduce the number of forms sent out to ~3,300 and probably still achieve the 10% standard error target.

To obtain a 10% standard error by zone for the mail survey, the number of forms sent out would decrease to around 2,853 for Zone C. However, based on the 2004/05 season, an estimated 5,255 forms would need to be sent out to increase the precision of the estimate in Zones A/B. Given that the total number of recreational rock lobster and umbrella licence holders in Zone B was 6,088 last season, this means that nearly everyone in that zone would need to be surveyed for the precision to be improved to the target level.

The large sample sizes for Zone A/B are due to the requirement of estimating a relatively small catch of about 50 tonne to within 5 tonne (10% standard error). This can be compared to the larger recreational catch in Zone C of about 300 tonne to within 30 tonne (10% standard error).

Serious consideration needs to be given as to whether it is sensible and practical to pursue a strategy that requires such a large sample size for the northern zones. This point is discussed in further detail under Department's response to the method of allocation proposed by IFAAC.

Taking action to reduce the standard error of estimate is not the total solution. There is scope in phone and mail surveys for mischievous individuals to manipulate the result. Given that the accuracy of catches upon which resource allocations to different sectors are based would need to be defensible if it were to be challenged, the Department needs to establish a data validation program for the recreational catch estimate.

There are two obvious possibilities for such a validation program. One would be to undertake extensive creel surveys through the season. However, given that there is 1,000 km of coastline to cover this would not be practical on an annual basis. In the long term a practical solution may be the introduction of a recreational tag system.

One field validation approach to cross-check the catch rates would be to undertake interviews with fishers during key periods of the year and key locations to enable a comparison of catch rate with catch rates from the phone-diary system.

The expansion of surveys aimed at achieving a more accurate and precise estimate of the recreational catch will obviously require additional funding. While the Department is committed to this expanded activity the source of those funds has not yet been identified.

## **1.2 *Future management of the commercial wild harvest sector***

The members of IFAAC will already understand how the current system of management for the commercial sector operates, and that a strategic review is underway to determine if in fact the current, or an alternate system is optimal.

The prospect that the management system could change is a significant IFM issue, and that is why the Department is raising it here. For completeness, a brief explanation of the existing system is also provided.

The existing commercial management system employs a variety of measures. On a broad level, the capacity of the fishery (total number of usable pots) is limited, thereby placing an overall cap on effort – a Total Allowable Effort (TAE). Unitisation of the effort in the fishery and relatively liberal transferability provisions allow market forces to determine what is the most efficient use of licences and available entitlement (pots). This system of management is known as an Individually Transferable Effort (ITE) system.

The commercial fishery is also divided into zones of access. This distributes effort across the entire fishery, rather than permitting the fleet to concentrate effort on areas of seasonally high productivity which result in a higher than acceptable exploitation rate. Zonal management also enables management controls aimed at addressing zone specific issues to be implemented.

Other management tools of note are those of a biological nature, specifically: protection of females in breeding condition, minimum carapace length and maximum carapace length.

The commercial rock lobster management system is generally recognised as successfully meeting key sustainability objectives, but the extent to which the fishery has optimised the economic and sociological benefits from the fishery are a matter of considerably more debate.

Consequently, the Government of Western Australia committed to a review of the management arrangements for the West Coast Rock Lobster Fishery in 2003.

The purpose of this review is to determine what is the best system of management for the fishery within the context of the established and well-documented principles of *Ecologically Sustainable Development* (ESD)<sup>1</sup>. Three broad categories of management options are being considered: (i) status quo (ii) an expanded individually transferable effort system; and (iii) a quota management system (QMS).

It is envisaged that the industry consultation and communication phase of this review will be completed towards the end of 2006 and that Government will be in a position to determine if the current system will remain or whether an alternate will be introduced. If there is to be a shift in the management regime it is possible that it could be implemented for the 2008/09 fishing season.

In designing mechanisms for allocating, monitoring and managing rock lobster catch shares it is important to be aware of this process and the range of outcomes that are possible. The Department is confident that sustainable management of the rock lobster resource is possible whether the management system is based on input, output or a combination of both forms of control. More detail on how the management process is to work is provided later in this submission.

### **1.3 Possible emergence of an aquaculture industry based on the capture and grow out of puerulus (Note 7)**

IFAAC identified the issue of western rock lobster within its report, and did not recommend any allocation for the purposes of aquaculture. The Department agrees that at this point in time no allocation should be made, but that should not preclude an allocation in the future should a viable industry emerge.

This approach is consistent with current policy. Specifically, in 2004 the Minister for Fisheries released Ministerial Policy Guideline 20, *Assessment of applications for authorisation with regards to rock lobster aquaculture*. This Guideline sets out the government's policy with respect to the development of a rock lobster aquaculture industry. The policy identifies the various forms of culturing techniques that could potentially be utilised. The technique considered to be most promising is the harvesting of puerulus from the wild and growing them to a marketable size in a controlled environment.

A published study<sup>2</sup> found that a significant quantity of puerulus could be harvested from the wild before there is any detectable impact on the catch that is currently available to be taken by the commercial or recreational fisheries.

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<sup>1</sup> In Australia, ESD is widely recognised as a natural resource management philosophy that seeks to provide balance to the competing ecological, social and economic objectives associated with the utilisation of renewable resources.

<sup>2</sup> FRDC Project 1998/302 – Rock Lobster enhancement and Aquaculture Subprogram: towards establishing techniques for large scale harvesting of pueruli and obtaining a better understanding of the mortality rates.

There is some commercial interest in this form of rock lobster aquaculture, albeit in its very early stages. As IFAAC has stated, the catch shares proposed under the current IFM process do not explicitly deal with the harvesting of puerulus, (or any other rock lobster life stage) for the purposes of aquaculture.

However, if an aquaculture industry emerges that is based on harvesting wild animals then some policy within the context of IFM will be required. A determination as to whether some future aquaculture industry receives a new allocation or is required to enter the industry through the market would be dependant upon the nature of the proposal, the question of biological neutrality and impact upon the ability of existing sectors to take their allocated share.

## **2.0 Response to IFAAC report and findings**

### **2.1 IFAAC recommendation 1**

In May 2005 the Department's submission to IFAAC examined four allocation models. These were:

1. across the whole fishery;
2. based on north (Zones A/B) and south (Zone C) zoning;
3. based on each of the current commercial fishery zones; and
4. based on specific area closures (either stand alone or in combination with the above three models).

The Department expressed a preference for Model 1, and arguments for this view included the fact that it is the simplest and accordingly the easiest to communicate and it would keep the cost of research, compliance and management in check.

In the IFAAC report Model 2 is preferred and the report cites the following justifications:

- It is consistent with existing management arrangements for the commercial fishery;
- It is consistent with the zonal approach taken in the draft decision rules framework for the fishery;
- It is anticipated that it will better support future re-allocation processes; and
- It has the support of the major stakeholders.

The Department generally acknowledges the soundness of the points cited by IFAAC in support of Model 2. However, the Department remains cautious about supporting separate northern and southern allocations. In addition to the arguments already cited in the Department's May 2005 submission supporting Model 1 there are a number of risks associated with Model 2 that do not exist under Model 1.

For good reasons Models 3 and 4 have been dismissed and therefore this submission will focus on the relative merits of models 1 and 2.

Model 2 not only allocates shares between the commercial, recreational and indigenous sectors but it also allocates these shares geographically within the commercial and recreational sectors. This is not an issue for the commercial fishery because the current system already partitions access, and alternate management scenarios under consideration would maintain the current zonal structure. However, separate allocations north and south of 30°S for the recreational fishery would represent a shift from the current management system and the implications need to be thought through carefully.

The limitations of estimates of the recreational catch have already been explained. Noting that there are plans to improve this information set, the existing uncertainties apply to both the quantum of catch and the distribution of catch. Therefore under Model 2 there is a risk that the geographic allocation of the recreational share will need adjustment once better estimates are available. This risk does not exist under Model 1. With respect to ongoing issues relating data, this submission has explained what would be required to give acceptable certainty around a northern estimate of recreational catch and the Department is wary that the costs of sampling required to support a regional allocation could outweigh any benefits. This would certainly be the case in the northern zones where a significant amount of resources would be required to estimate and manage a very small catch.

There is the possibility under Model 2 that the manner in which some recreational fishers access the resource will change and possibly be impeded. This point is most relevant for those fishers who currently fish both north and south of 30°S - the Department understands that a percentage of these fishers are amongst the highest individual catchers of recreationally taken rock lobster.

Model 2 dictates that there will be new layers of complexity in the management system that currently do not exist. Specifically, the Department will have to ensure that the recreational sector is managed within its northern allocation and its southern allocation rather than just its total allocation. To understand why this is complicated it needs to be recognised that not only does the abundance of lobster vary inter-annually but so to does the distribution of that abundance.

If allocation Model 2 is adopted, management and compliance difficulties are likely to be experienced at some point in the future when changes to give effect to reallocation or sustainability concerns need to be put in place on one zone or the other.

The recreational fisheries program has experienced difficulties in regard to differential management of a single species across zones or areas and the problems are generally accentuated close to whatever boundary is put in place.

One scenario is where there is a different bag limit on each side of the boundary. Fishers based at a location on the side of the boundary where the bag limit is low may travel by sea crossing the boundary and fishing for the species in the zone where there is a more generous bag limit. The problem arises when they return to their base with a bag limit that is illegally high for the zone they have returned to.

It cannot be assumed that they travel to the other zone just to access the larger bag limit. There may be a number of bona-fide reasons they prefer to fish in the other

zone and for matters of equity it then becomes a management imperative to come up with a mechanism that will allow these fishing practices to continue without putting the participants at risk of prosecution. From a compliance perspective it also creates difficulties and requires an increased enforcement presence to ensure people in the zone with the smaller bag limit and who are in possession of the bigger bag limit, have in fact caught those fish in the zone that has the bigger bag limit.

The Department regards the concentration of recreational catch in the metropolitan area as best argument in support of Model 2. A zonal allocation within the recreational sector would potentially allow management measures to be optimised and focused on the regional specific issues.

The current commercial sustainability package is a good example of how zonal management can be applied to good effect. Arrangements that are relevant to each zone and the status of the local resource have been implemented with majority industry support. This targeted approach has meant that the most severe measures exist in zones where the concern is greatest, and therefore fishers in zones where the concern is not so great are not forced to endure restrictions that could be considered unreasonable.

However, the fact that the commercial fishery is managed zonally is not a reason in itself for the recreational fishery to also be managed zonally and it is possible for regional or localised recreational management arrangements to be implemented under a Model 1 allocation if there is a need to do so.

The Department maintains that there are benefits associated with Model 1 that are not present in Model 2. Firstly Model 1 represents a more cautious approach to the initial allocation given the uncertainty that exists in the estimate of the quantum and distribution of recreational catch but it still achieves the result of explicitly allocating the resource between the sectors.

Model 1 also provides scope for the pattern of the recreational fishing to evolve without necessarily triggering a re-allocation. For example if the number of people living or visiting the central west coast continues to increase, or increases at a faster rate with better with the development of new and better infrastructure (e.g. Lancelin to Cervantes road), there is more scope for this change to be absorbed or managed within an overall allocation.

Using Model 1 for the initial allocation does not preclude the possibility that a re-allocation along the lines of Model 2 sometime in the future, should the identified risks be ameliorated. The same cannot be said if Model 2 is adopted initially, i.e. the ability to move to a whole of fishery allocation would be far more difficult.

The Department maintains that the allocation should be for the entire fishery.

## **2.2 IFAAC recommendation 2**

IFAAC has recommended that the western rock lobster management advisory process be reformed so as to encourage all sectors to discuss inter-sectorial issues. In its

recommendation IFAAC has drawn particular attention to the need to discuss and negotiate spatial and temporal separation

The Department supports this recommendation.

### **2.2.1 Ministerial advisory process**

Currently the advisory process for western rock lobster involves two separate statutory advisory committees.

The Rock Lobster Industry Advisory Committee (RLIAC) is the statutory advisory body on matters that affect rock lobster fishing. Meanwhile the Recreational Fishing Advisory Committee (RFAC) is the statutory advisory body on recreational fishing matters in general. Currently there is no advisory committee established that advises the Minister on customary fishing issues.

The functions of RLIAC as prescribed within the Act are as follows:

- to identify issues that affect rock lobster fishing;
- to advise the Minister on matters relating to the management, protection and development of rock lobster fisheries; and
- to advise the Minister on matters relating to rock lobster fisheries on which the advice of the Advisory Committee is sought by the Minister.

Although the vast majority of the business carried out by RLIAC relates to the management of the commercial West Coast Rock Lobster Fishery, it is in fact responsible, as an advisory committee, for all of the State's rock lobster fisheries and this includes the recreational component of the State's rock lobster fisheries and species other than western rock lobster. This is not well understood or currently represented by the role played by RLIAC - a point that is likely underpinned by the committee's composition. Ten of the 13 positions on the committee (14 if the Chairman is included) are reserved for members with industry-based expertise. Furthermore, the title of the committee (Rock Lobster *Industry* Advisory Committee), which was coined under the *Fisheries Act 1905*, assists in portraying a single focus on the management of industry.

The functions of RFAC as prescribed within the Act are as follows:

- To identify issues that affect recreational fishing;
- To advise the Minister on issues relating to recreational fishing and the management of recreational fishing;
- To advise the Minister on recreational fishing funding priorities; and
- To advise the Minister on any matter related to recreational fishing on which the advice of the Advisory Committee is sought by the Minister.

The functions of RFAC are clearer than those for RLIAC because there is no cross-sectorial responsibility – the committee's role relates to recreational fishing matters

which includes advising the Minister on matters that affect recreational fishing for western rock lobster.

That said rock lobster has not been amongst RFAC's high priority species. Typically the committee has devoted its energies to addressing finfish issues and other areas of specific need or concern such as marron.

Communication between these two committees on shared issues is limited and there have been occasions where there has been failure to communicate on matters that were truly cross-sectorial. Within the context of IFM the Department agrees with IFAAC that there needs to be a forum in which all sectors can engage on shared or cross-sectorial issues.

The Department believes that there should be one Ministerial Advisory Committee providing advice to the Minister on matters that affect all fisheries for western rock lobster. Such a committee could be called *the Western Rock Lobster Ministerial Advisory Committee*.

The newly formed WRLMAC would:

- replace RLIAC and take over its functions for western rock lobster;
- incorporate those functions of RFAC that relate to western rock lobster;
- explicitly establish a requirement to address western rock lobster customary fishing issues; and
- develop advice on the development of western rock lobster aquaculture where it impacts upon the wild capture fisheries.

For the newly formed committee to be successful it would need to have an appropriate composition and be supported by a management structure through which each sector could pursue their sector specific issues and leave the WRLMAC to focus on management of the resource and cross-sectorial issues.

Without limiting the scope of possibilities the Department offers the following composition and management structure as a sensible start point for discussion.

The WRLMAC would need to be independently chaired and include (at least) people with:

- expertise on the commercial use of western rock lobster, including catching, processing and marketing;
- expertise on the recreational use of western rock lobster – primarily catching;
- expertise on the customary use of western rock lobster, including catching and customary uses;
- expertise on the wider ecological and conservation values associated with the environment of which western rock lobster are a part;
- expertise on the wider socio-economic benefits and impacts associated with utilisation of western rock lobster; and

- expertise on the delivery of fisheries management services in accordance with the Act in particular how regulation can ensure sustainability and provide improved socio-economic benefits to the community.

In constructing this new committee careful consideration would need to be given to striking an appropriate balance of the various fields of expertise. For example the number of members with commercial fishery expertise would need to ensure the geographic issues that distinguish fishing in Mandurah from fishing in Kalbarri are adequately covered.

The Department recognises that RFAC and RLIAC are already busy committees, and in proposing that functions of these two committees be combined into one it is also recognised that there is a risk the new committee might struggle under the workload.

This is a legitimate concern. However the Department believes that the shift to management within an IFM framework also requires a shift in the way business is done. In particular, the various sectors need to be empowered to manage their own sector's interests and establish mechanisms for engaging directly with the Department and the Minister. This would leave the new committee to address cross-sectorial issues, audit and administer the expanded decision rules framework<sup>3</sup>, set management standards and assist in establishing the strategic vision.

## **2.2.2 Temporal and spatial separation**

All stakeholders have been consistent and similar in their advice to IFAAC on the nature of the competition, and sometimes conflict, between the commercial and recreational sectors and no further explanation is necessary in this submission.

The Department agrees with IFAAC that there is a need to investigate how the use of temporal and spatial separation strategies could benefit the management of allocations and aid sectors to take their allocation.

Such a process needs to be structured and inclusive. It is reasonable to expect that a specifically designed process in which the commercial and recreational sectors can discuss and negotiate the use of spatial and temporal management could reach a conclusion prior to the 2009/10 season.

## **2.3 IFAAC recommendations 3, 4, 5, 6 and 7 (Note 3)**

### **2.3.1 Customary fishing**

The Department supports a priority allocation of 1 tonne across the distribution of western rock lobster for customary fishing.

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<sup>3</sup> For details on what the Department regards as necessary in terms of expanding the decision rules framework, refer to section 2.5

### 2.3.2 Determining the commercial and recreational allocations

With respect to allocations for the commercial and recreational sectors, IFAAC has recommended that sectors should become accountable to their allocated share in 2009/10. In terms of the amounts to be allocated at that time IFAAC has based its decision on what the estimated catch share will be in 2009/10. If understood correctly, the underlying principle is that any change in the recreational proportion of the total take in the coming years is estimated and accounted for. In effect, the suggested allocation is not the current proportional take but an estimate of the proportional take in 2009/10.

This principle includes the possibility the recreational proportion of the total catch may increase. Allowing such an increase to occur does not mean that the sustainability of the fishery will be compromised. The Department will continue to monitor key indicators of sustainability and initiate an appropriate management response if and when sustainability becomes an issue. Further detail as to how the Department intends to manage this fishery to ensure sustainability is provided in section 2.5.

The Department supports the principle of IFAAC's approach but does not believe the existing recreational catch estimate should be relied upon to determine the allocation.

Specifically, the Department believes that:

- the commercial and recreational sectors should be accountable for their allocated catch share in the 2009/10 season; and
- the initial allocation should be based on the improved data gathered in 2006/07, 2007/08 and 2008/09 to estimate the catch shares in the 2009/10 season.

This submission has already discussed the shortcomings of the existing recreational data set and the associated uncertainties and the Department is concerned that there is a significant risk that the allocation proposed by IFAAC may be incorrect.<sup>4</sup>

In raising these concerns the Department acknowledges that in developing its advice on what the catch shares should be IFAAC has used the information made available to it, and that this information was obtained from the Department. The approach taken by IFAAC in developing its recommended catch shares represents one that is consistent with the guiding principles – in particular guiding principle (iii).

To address this problem the Department has the broad parameters of a program of recreational data collection and analysis established, and will make the development of a detailed project description a priority. This will occur so as to ensure the expanded survey and data validation processes commence in the 2006/07 season.

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<sup>4</sup> The Department has previously detailed its concerns with predicting recreational catch beyond the scope existing settlement data – see page 55 of the IFAAC report.

By the end of the 2008/09 season there will be three years of validated data providing a far more precise estimate of the quantum and distribution of the recreational catch. Furthermore, if these data are validated by a tagging system, it will be possible to re-calibrate prior estimates and in doing so establish a long time series of data that describes the trends in recreational catch and more accurately reflects the actual take over this period. This information can then be further interpreted in the context of actual puerulus settlement data and provide a far more robust estimation of the actual catch shares.

With the Department's commitment to developing an information set specifically to support the IFM process it is no longer necessary to speculate what the catch shares may be in 2009/10 because there will be a much better estimate available at the end of the 2008/09 season. The Department recommends that it be this estimate upon which the commercial and recreational sectors are allocated.

### **2.3.3 Allocation Accountability**

It is understood that each sector will be allocated a percentage of the total sustainable harvest. It then follows logically that with knowledge of what the sustainable harvest figure is, the percentage allocated gives rise to an actual tonnage entitlement for each sector.

However, the fact that the abundance of western rock lobsters is highly variable both temporally and spatially complicates this process because what is sustainable one year may not necessarily be translatable into another period of time.

To date the Department has managed this variability by monitoring key indicators of sustainability and managing an effort controlled system in a fairly fluid way. That is, the system has allowed catch to rise and fall as abundance naturally rises and falls.

The Department sees no reason for this system to change radically under IFM.

The Department intends to use a five-year moving average to monitor each sector's accountability against its allocations. Importantly this would be a retrospective management system, i.e. using known catches to assess a sector's position with respect to its allocation. The Department did entertain the development of a system based on predicted sustainable catches. However, errors of up to 10% in some seasons would make the administration of such a system highly problematic.

This retrospective management system using a five-year moving average has a number of benefits. In particular the use of a moving average removes to a great extent large inter-annual variability in a sector's proportional take and enables the Department to better identify the trends in a sector's catch as a proportion of a sustainable harvest. The allocation proportion would be built into the decision rules framework and if one sector reaches the upper bounds of its allocation that would trigger a review into why this occurred – noting that there are many reasons why this might occur and it is not limited to a sector's expansion. Such a review could feasibly have a number of outcomes including:

- a need for that sector to be actively managed back within its allocation;
- that sector entering the market to increase its share; or
- a finding that no management action is required because the expectation is that the sector will remain within its allocation in forthcoming seasons.

Under this system it would still be important for the Department to “set” an annual sustainable harvest. This is important because in a review situation a sector’s catch as a proportion of the sustainable harvest as opposed to the total catch for that year may provide insight into what is driving a shift in the percentage take.

## **2.4 IFAAC recommendation 8**

The Department supports IFAAC’s view that a re-allocation mechanism needs to be developed as a matter of some priority and prior to 2009/10.

The recent “Sharing the Fish “ conference has provided a useful backdrop from which such a mechanism can be developed. At this point in time the Department has not developed a detailed understanding of how the re-allocation mechanism is to be constructed, apart from committing to the development of a market based system. It is important that all key stakeholders be involved in a collaborative process to move this issue forward.

The Department in accordance with the IFM Government policy will be investigating a market-based system for reallocations. The Department will shortly commence preparation of a scoping paper on a market mechanism for reallocations. The scoping paper will outline the principles, system specifications, timeframes for development and implementation of a market mechanism. The scoping paper will be used as a basis for advice to the Minister and consultation with the sectors.

Some of the issues that will need to be discussed in the scoping paper include:

- What is traded i.e. fishing effort/catch/units/other?
- How the fishing effort/catch/units of both sectors can be compared?
- Are trades by outright purchase, lease or both?
- What legislative changes are required, if any, to implement a market based mechanism?
- How do the sectors ensure that a trade has the desired outcome?
- How is revenue generated by the recreational sector to purchase entitlements, i.e. increasing licence fees, Government grant, other etc.?
- Who holds the authority to trade for each sector and associated governance issues?
- If the commercial sector purchases some of the recreational sector’s entitlement, how those funds are held on behalf of the recreational sector.
- Should there be restrictions on how funds held on behalf of the recreational sector are used, i.e. can they be used for purposes other than acquiring western rock lobster entitlements?

- Should there be limits placed on trades i.e. should the recreational sector be permitted to trade all of its allocation, or should there be a minimum proportion specified?
- Should trading be in minimum lots, and if so what should they be?
- How are the benefits of a trade shared equitably between recreational fishers?

## **2.5 IFAAC recommendation 9**

Noting that IFAAC does not believe that allocations should be binding immediately, there are two separate time periods to consider in terms of managing the sectors - pre and post allocations becoming binding.

Prior to the allocations becoming binding it is the Department's intention to ensure the total take of lobsters remains sustainable and that the necessary management processes are underway to address issues that require resolution in advance of 2009/10.

If there is a need to take remedial action prior to 2009/10 than the general principle should be that both commercial and recreational sectors be adjusted so as each contributes in a meaningful way to the sustainability of the resource.

With regard to the development of regulatory structures post the 2009/10 allocation, the response under recommendation 2 and section 3.3 are also relevant. Further to that, it is useful to note that the Department intends to develop and evolve its decision rules framework policy.

In 2004 the Department released a discussion paper entitled *Development of a Fisheries Management Decision Rules Framework for the West Coast Rock Lobster Fishery*. This policy translates complex technical information into a readily understood definition of sustainability, establishes triggers for management action and describes appropriate management responses under the existing legislative framework. The simple objective of this policy is to ensure that the healthy status of the resource is not undermined by the absence or delay of appropriate management action.

Despite the fact that this decision rules framework is still in its draft form, it was used very successfully to develop the current sustainability package for the commercial fishery, and in doing so has proven to be a very effective and proactive management tool.

In its current form, the policy now recognises the recreational sector and the need for good management it, but does not create a decision-making framework for the recreational fishery as it has for the commercial fishery. The Department believes it is now important to take the next step and evolve the framework to explicitly include the recreational sector and to include management triggers based around commercial and recreational allocations.

The process of developing the decision rules framework in this way must be a joint one. This process should begin with the recreational sector and separately with the commercial sector soon.

It is the expanded decision rules framework that will underpin the Department's approach to managing the commercial and recreational sectors to ensure sustainability and each sector's accountability to its allocation.