



16 December 2022

Anne Weitheger  
Manager Policy  
Ministry for Primary Industries  
PO Box 10420  
Wellington

Dear Anne

Seafood New Zealand, Fisheries Inshore, Deepwater Group, and the Federation of Commercial Fishermen are presenting the attached submission on Alternative Methods for Disposal of Landed Fish.

We see the need for alternative disposal options as a consequence of the ill-advised, ill informed, inappropriate and unnecessary introduction of a retrogressive landings policy. MPI and the Government proceeded to amend the policy without understanding the impacts or the nature of the consequential problems they would cause by changing the policy.

Our overriding interest is that the integrity of the fisheries management regime and the Quota Management System (QMS) is not compromised by the need to address the consequential problems. We will not support any option that will result in blackmarket sales of unreported fish to occur or provide for profits to be generated from fishing on deemed values.

We would prefer that all QMS fish is landed to a Licensed Fish Receiver and thereby enters a rigorous product transfer reporting and reconciliation regime.

We acknowledge that Licensed Fish Receivers do not have to accept all fish offered to them but that the majority of receivers do so. We will continue to encourage that. It may be that, faced with increased volumes of unwanted fish, the receivers may be less willing to accept all landings. For that reason, additional disposal options need to be available to fishers who find themselves saddled with the need to dispose of unwanted fish.

We support the option of fishers being able to land unwanted fish directly to waste management operators but note that it will have logistical problems for fishers and will entail less than optimal documentation.

We support the option of fishers being able to provide otherwise unwanted fish to any charitable organisation but note that many receivers currently donate commercially desirable fish to such organisations.

We cannot support an option that would allow fishers to sell fish, wanted or unwanted, on-line directly to consumers without being an LFR. If fishers wish to establish a commercial activity selling commercial fish, they should register and operate as a Licensed Fish Receiver. The costs and requirements of doing so are not prohibitive. We are unable to see how the rigour and integrity of the current fisheries management regime can be maintained under the option proposed that does not have adequate documentation for audit. Allowing fishers an on-line sales capability as proposed provides opportunities for undesirable practices and behaviours to emerge that we have spent the last two decades removing from the New Zealand seafood industry.

We would request that we meet to discuss the details that should be put in place for whatever option is recommended and would be grateful if your staff could contact us directly to arrange that conversation.

Regards.



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Seafood New Zealand



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## COMMENTS ON ALTERNATIVE METHODS OF DISPOSAL FOR LANDED FISH

### MPI Discussion Paper No 2022/19

1. Thank you for the opportunity to comment on the discussion paper.
2. This submission by Seafood New Zealand (SNZ) represents the views of Seafood New Zealand (SNZ), Fisheries Inshore New Zealand Ltd (Fisheries Inshore), the Deepwater Group and the Federation of Commercial Fishermen (the Feds). Collectively, these organisations represent the fishers that will be most affected by the amendments to the Fisheries Act (the Act) which require the landings of additional volumes of fish. Collectively these fishers provide the fish to the 80% of New Zealanders that consume our fish and do not have the ability to catch it themselves.
3. Use of the word “we” in the submission refers to these organisations.
4. In summary,
  - i. We are dealing with an unnecessary problem caused by an ill-advised decision of Government to implement a revised landings and return to sea policy.
  - ii. We are unsure as to the extent of the problem with decisions yet to come from the Minister of Oceans and Fisheries on the exceptions to the wider landing obligation.
  - iii. We are uncertain as to whether or not Licensed Fish Receivers (LFR) will or will not accept all fish, including that unwanted for commercial consumer sales. We believe that LFRs in general accept all fish, including unwanted fish, from fishers and view the disposal of unwanted fish as being an integral cost of business.
  - iv. Our overriding interest is to maintain the integrity and rigour of the fisheries management regime and the Quota Management System (QMS). We do not support any options that would compromise that unless such options are absolutely necessary.
  - v. Our preference is that all QMS fish to be landed should be landed to a LFR. That would ensure that all catch is monitored, managed and transferred between the catching and the processing and the distribution sectors within a regime that ensures rigour and integrity. We will continue to encourage that. Any other option involves a compromise of those standards.
  - vi. We accept there needs to a contingency option that would enable fishers to dispose of fish to a waste management organisation in the event that no commercial avenues are available. We recognise that will compromise the rigour and integrity of the fisheries management regime and would encourage MPI to implement the most pragmatic but rigorous management regime possible.
  - vii. We support that fishers should be able to donate unwanted fish to charitable organisations but MPI should note that a number of LFRs already donate commercially desirable fish to such organisations.
  - viii. We cannot support that fishers should be permitted to operate an on-line retail facility selling direct to consumers without becoming an LFR and therefore subject to the same levels of monitoring and audit as are all other LFRs. If fishers wish to sell fish commercially through an on-line facility in competition with existing retailers, they should be required to become a LFR and operate within that regime. The MPI objective

is to provide alternative options to dispose of unwanted fish, not to create a soft retail facility that provides for the sale of both wanted and unwanted fish. Any other option than a LFR regime provides opportunities for fishers to engage in unwanted and illegal activities such as the selling of unreported catch or fishing profitably on deemed values financed catch. Our quota-holders cannot support any measures that might result in such activities taking place.

5. We would like to be involved in further discussion on the details of the policy. Any queries in respect of this submission or further discussions should be directed to Jeremy Helson, Seafood New Zealand, [Jeremy.Helson@seafood.org.nz](mailto:Jeremy.Helson@seafood.org.nz), 021 272 8727.

## A PROBLEM CREATED BY GOVERNMENT POLICY

6. Our submissions on the Fisheries Amendment Bill rejected the underlying concept that all fish in the Quota Management System (QMS) needed to be landed. With the advent of cameras on inshore fishing vessels, we recommended an alternative approach whereby the Ministry for Primary Industries (MPI) supplied and operated cameras would be used to monitor returns to the sea, in the same manner as they are to be used from March 2023 to monitor permitted returns. MPI chose not to support that option and progressed with the Government's decision to land all QMS fish unless exceptions otherwise applied. We continue to view the Government's decision as ill-informed, ill-founded, inappropriate and a retrograde step that is not consistent with the direction of travel of best practice international fisheries management.
7. The amount of unwanted fish to be landed remains unknown and will in large be determined by the Minister's future decisions on exceptions that will replace Schedule 6 and the Minimum Legal Sizes (MLS) previously in operation. Any decisions to remove the MLS will surely result in additional volumes of unwanted fish to be disposed of.
8. Fish recorded as returned to the sea, dead or alive, under MLS provisions currently total around 156 tonnes per annum. The Government policy as enacted in the Act cannot be viewed with any merit when it will patently result in the needless killing of many tonnes of juvenile fish that are alive and should, under any sustainability perspective, be returned to the sea to contribute to future spawning abundance.
9. Around 1,200 tonnes of fish have been returned to the sea each year under Schedule 6 provisions. If only 1/3<sup>rd</sup> of those fish are required to be landed in the new regime, then the disposal of a further 400 tonnes of unwanted fish on land will need to be addressed. Had those fish been commercially valuable, they would not have been voluntarily discarded under Schedule 6 provisions.
10. To those totals must be added any unwanted fish that are currently illegally returned to the sea. Contrary to the alarmist statements of uninformed environmental advocates as to the extent of catch that was being illegally returned to the sea, industry is of the view that the volume of such fish now to be landed might be as low as 100 tonnes, with the bulk of the fish being by-catch of stocks that are not in any way subject to sustainability pressures.
11. The landings obligation in the Act is focused on those illegal returns. The review and removal of Schedule 6 and MLS provisions are being implemented to simplify the monitoring and detection of illegal returns to the sea through the use of cameras. It is disappointing to see sound sustainable management of fishstocks set aside to provide for a simplified enforcement regime.

Our experience with cameras to-date indicates that species identification, let alone fish lengths, are difficult to assess using raw camera footage. We doubt that the benefit sought by monitoring returns to the sea by using cameras will be realised unless the cameras are used in a more technologically advanced manner.

12. On the basis of the above estimates, an additional 650 tonnes of unwanted fish might need to be disposed of on land. That fish is of greater ecological value should it be returned to the sea. Live juveniles would add to the future sustainability of target commercially desirable stocks, other live and dead fish would be returned to become feed for the marine food chain, in some cases for the very seabirds that have become accustomed to feeding from vessel returns and the populations of which Government now seeks desperately to protect, in some cases to swim free until industry finds a profitable use for them and in other cases the carcasses will become part of the wider marine food chain.
13. We remain disappointed that provisions were not included in the Act to allow for the wider use of electronic monitoring to be used to monitor the return of all fish to sea, rather than the current monitoring of returns being limited to compliance objectives that have no effect on sustainability.
14. Industry is of the view that, had the landings policy primarily addressed the illegal returns, the volume of additional fish now to be landed might be low and would probably be able to be handled through existing LFR channels. We are aware that some LFRs accept unwanted fish for disposal but do not charge fishers for the service. The associated costs are absorbed and recovered through wider business activity. Other LFRs may charge fishers for the costs of dealing with the waste issue created.
15. While industry might have been able to cope with the disposal of previously illegally discarded fish, they may not have the ability to cope with additional volumes from any Schedule 6 or MLS dropouts. Just as the marine domain has trouble coping with the pollution of the terrestrial world, so too will the terrestrial world have trouble with dealing the pollution of unwanted catch from the marine world. The magnitude of the problem will not become known until the Minister has finished making decisions on the review of existing landing exceptions. At that time, depending on the Minister's decisions, policy options may need to be reviewed.
16. Fishers go to sea to catch fish they can sell for a commercial return that is greater than the full costs of their operations. We note MPI holds an optimistic but highly unrealistic perspective of how fishers should operate. No fishing methods are so effective in their selectivity that bycatch can be eliminated. All fishing catches unwanted fish, unwanted by nature of species, size and condition. Fishers do their best to minimise unwanted by-catch but it cannot be eliminated. Increasing the cost of dealing with unwanted by-catch by forcing fishers to land it is short-sighted and unlikely to result in a wholesale change of fishing gear that will eliminate by-catch.
17. If on the other hand, industry is proved wrong and gear selectivity is so improved that only wanted fish are caught, that success may only result in forcing an ecosystem into an imbalance through different fishing levels with unwanted repercussions and an excessive abundance of unwanted fish species and predators, within the ecosystem. For example, a number of operators ascribe the decline of paddle crab abundance to the removal of set-netters who formerly targeted rig and school shark. We have heard from recreational fishers of the super-abundance of spiny dogfish with the removal of the ability to sell shark fins as a legal activity, even though our regime ensures that is done in a sustainable and humane manner.

18. Industry naturally looks to maximise returns from fishing and LFRs have sought ways to utilise unwanted fish. Industry has been at the forefront of marketing a wider range of species to consumers. Alternative uses such as pet foods, fertiliser, and meals remain viable options. Some unwanted fish or fish waste may make their way into nutraceutical products. Unlike the fisheries of some other nations that look to also maximise the use of the fish (eg Iceland that has a total catch limits from 5 fisheries of more than 3 times the combined NZ fisheries TACCs from more than 100 fisheries. That means the supplies of the raw product available from New Zealand's waters are, in general, too small for viable industries to be established. That does not mean industry has stopped trying to find a means to utilise all catch. Companies continue with their quest. If Government was keen to offer industry a carrot rather than the stick it wields, a more sustainable profitable industry resolution might have been arrived at without the need for the stick approach.
19. We would be uncomfortable should a market emerge for the sale of small juvenile fish. Commercial operators have already been vilified for selling small gurnard for example. They are not allowed to return small gurnard to the sea and must under current provisions land them. Selling fish for human consumption provides the best return to the industry and the industry should not be vilified for selling small fish if the exceptions review removes MLSs and obligates that all small fish be landed. The Government's policy change and decisions on the exceptions may force an industry already facing hard times into selling small fish to maximise their return. It is the fishers, not the Government, who will be criticised for those Government decisions.
20. We are not certain that LFRs will not take the additional fish to be landed. We are unaware whether MPI has approached existing LFRs to discuss with them the options, their attitude and capacity to take additional landings of unwanted fish. We would be disappointed if MPI has proceeded with the development of the new landings options without first meeting and discussing the circumstances with LFRs. If the additional fish is landed to LFRs within the existing documentation and reconciliation regime, the integrity of the landings regime and the QMS is maintained. For that reason, the primary objective of MPI should be to see all QMS fish landed to LFRs.
21. Industry as a whole is aware of the need to address the issue of fish not wanted for current utilisation preferences. The issue may be one of the matters addressed through the Industry Transformation Plan. We see no incentives being offered to LFRs to address their waste streams or to develop utilisation options for the additional levels of unwanted fish that will be foisted on them as a consequence of the Government's decisions.

## CURRENT PROVISIONS IN THE ACT

22. Fishers currently have two options under section 191 of the Fisheries Act (the Act) to generally dispose of QMS fish. They are:
  - i. to land the fish to a Licensed Fish Receiver, licensed and operating under provisions and regulations enabled in the Act, or
  - ii. to undertake s191(2) transaction commonly but erroneously tagged as a wharf sale.
23. Section 191(2) transactions are required to take place within the vicinity of the vessel from which they were caught, not the wharf or point of landing. Vessels undertaking s191(2) sales may tie up at a wharf to sell fish but the majority of s191(2) sales, we understand, are sold from trailered vessels by set-netters or long-liners. Around 25 tonnes of fish are sold through

s191(2) sales each year. That amounts to around 0.006% of fish landed to LFRs. The need to be within the vicinity of the catching vessel effectively limits the extent of sales as most councils now do not permit public access to the wharves where our vessels are berthed or land their catch.

24. Under the new policy, a fisher may well be left to dispose of fish required to be landed but unwanted by either an LFR or consumers. The fish may be of a species or a size or condition that makes them unwanted and unsaleable to a willing consumer or processor.
25. LFRs are required to maintain detailed records including the species, weights and fishstock description of all fish landed, processed and disposed of with sales dockets where the product is sold. All movement of the product to other parties must be recorded and reported to MPI. The accounts must be audited annually by an MPI auditor and MPI compliance staff regularly review, reconcile and audit the reports to verify the accuracy of the reporting.
26. By comparison, fishers with s191(2) sales are required only to keep dockets and to report the aggregate of transactions in their disposal reporting. We understand that at no time has MPI conducted an audit of the process and the paperwork available is insufficient to ensure the integrity of the fisheries management system is maintained. While the current levels of use of this mechanism and its potential gap does not impugn our overall system, we should not seek to increase that unless accompanied by a more stringent monitoring system that maintains the overall integrity of our fisheries management regime.

## The Options

27. MPI has provided three options to provide fishers with additional options to dispose of fish not wanted by LFRs or unable to be sold as a s191(2) sale. They are:
  - Option 1: Disposal to waste management operators, including landfills
  - Option 2: Donation to charitable organisations that could receive food donations
  - Option 3: Sale of fish online, aligned to s191(2) sale conditions.
28. Our interest in the options primarily arises in maintaining the integrity of the fisheries management process and providing the right incentives to achieve that objective.

### *Option 1 Disposal to waste management operators*

29. We do not see disposal of unwanted fish to waste management operators as a desirable outcome under any circumstances.
30. There can be no certainty that waste management operators will accept otherwise unwanted fish. There can be no certainty that fish which is said to have been transferred to waste management operators has in fact been so transferred. That opens an opportunity for black-market sales.
31. The need to arrange and transfer the unwanted fish to a waste management operator will impose a logistical problem on the fishers. Most have no facility to store the fish until the waste operator agrees to take it or pick it up. Most fishers will only want to return to port, reprovision with ice, bait and food and then look to return to sea. The need to arrange disposal of the unwanted fish will delay that return and reduce the revenue of fishers while increasing the costs through the disposal charges.

32. We are not confident that the proposed processes to verify the disposal will meet the disciplines applicable to LFRs. These disciplines have been developed and implanted over a long period to ensure the integrity of the overall system. At a minimum, fishers must get a receipt for the transfer of the fish. Photographing the bins provides a minimum level of transparency.
33. Of concern to us is the low quality and low volume of monitoring and enforcement activity. If this option is to be made available, FNZ Compliance will need to establish a programme to audit transactions for both the fisher and waste management facility.
34. However, in the event that there are no other avenues to dispose of unwanted catch, this option must be provided given the Government's policy changes.

*Option 2: Donation to charitable organisations that could receive food donations*

35. MPI proposes that fishers may dispose of unwanted fish to charities registered under the Charities Act 2005. While we endorse the altruistic value of the option, we have reservations as to whether the option is realistic or pragmatic. If the fish is unwanted by the LFR on the basis of being unable to extract value from the fish, it is highly unlikely that a charitable organisation will be interested in using the fish.
36. We would not want to see a limitation on the distribution of unwanted fish for altruistic reasons to only registered charities. There may be other organisations such as iwi or hapu organisations, Marae or other beneficiary organisations that might be able to use the product. We believe the limitation should be removed.
37. We are also not comfortable with the optics that will be created from it being suggested that when this route is publicised (as it will be) that the commercial fishing industry considers that charities serving the needs of the poor and needy are only deserving of the fish other consumers do not wish to consume. The charities have an expressed preference for commercially sized fish and target species. A number of LFRs commonly provide commercially desirable but otherwise unwanted or surplus fish to such organisations on a free or discounted basis. Those LFRs have not sought to publicise that contribution so that service is not known nor recognised by society. But serving unwanted fish to such organisations will be pounced on by our detractors as evidence of the lack of community spirit of the fishing sector.
38. Again, we would have trouble with the integrity of the transfer of fish to beneficiary organisations. We are aware that some LFRs are also working with Iwi to operate a pataka kai for customary use. Those operations are required to be accounted for with same level of documentation integrity as all other LFR disposals. We see no reason to reduce that level of integrity.

*Option 3: Sale of fish online, aligned to wharf sale conditions*

39. We cannot support the option as presented. The objective for the consultation is to provide a disposal option for **unwanted fish**, not to provide an alternative retail option for fishers to dispose of both wanted and unwanted fish with low levels of product documentation that can only serve to weaken the integrity of New Zealand's fisheries management regime.
40. MPI has provided no indication as to how it will restrict the use of the channel to only the disposal of unwanted fish. It is quite clear from the consultation paper that it has no intention



to do so. It appears to be merely seeking to provide a second tier retailing outlet for fishers to augment their fishing returns at the expense of the regime's integrity.

41. It is highly likely that the fish sold through an online facility would be fish wanted by consumers and consist of the same fish species and size that an LFR would accept. It is equally highly likely that the fisher would be left with unwanted fish to dispose of, taking the issue back to the same objective of how to dispose of unwanted fish.
42. If fishers wish to establish a commercial operation selling commercial fish online as a commercial venture, then we consider they should register and operate within the ambit of a registered LFR. It is not necessary that MPI should establish an alternative regime that goes well beyond the Cabinet approvals.

Creating and Operating as an LFR

43. The costs and obligations of establishing an LFR operation are not excessive. It costs \$2,875 to apply to be an LFR. The applicant needs to furnish details as to the location of the LFR, the expected source of fish, any processing to be undertaken and the expected distribution of the fish. LFRs must provide monthly returns as to fish accepted during the month and must provide an annual audit report, undertaken by a suitably qualified person and an annual inventory return. There is a fee of \$1.30 per report line for the monthly return and the LFR also has to cover the cost of getting the audit done but no fee for submitting it. The annual cost of operating as an LFR limited to receiving and moving fish is low. It is only where the LFR seeks to add value or process the fish that additional costs under the Animal Products or Food Act are incurred. That is a separate business decision to that of becoming an LFR. The cost of disposing of unwanted fish is a business cost to be taken into account in the context of the total fishing activity and should not be seen as a separate cost.
44. LFRs are subject to regular inspections and reviews to verify the returns. These controls maintain the integrity of the fisheries management regime.
45. There are currently some 190 registered LFRs but only 134 were operative in 2021.

<b>Greenweight tonnes handled</b>	<b>Number of LFRs</b>	<b>Permit Holders landing to LFRs</b>	<b>Average Number of Permit Holders Landing to the LFRs</b>
10,000+	6	161	26.8
1,000-10,000	10	281	28.1
500-1,000	6	231	38.5
250-500	13	212	16.3
100-250	14	162	11.6
10-100	42	217	5.2
5-10	12	28	2.3
1-5	18	31	1.7
<1	13	22	1.7
0	56	Currently not receiving fish	
<b>Total</b>	<b>190</b>	<b>1,345</b>	<b>7.1</b>

46. We note that 43 of the LFRs have a total of 80 clients between them. We are informed that many of the small LFRs deal only with their own catch and that the fishers operate in a range

of fisheries including potting, trawling, seining and set-netting and in a range of fishstocks including crayfish, paua, snapper, kahawai, flounder and mullet.

47. LFRs currently operate in 90 different localities throughout New Zealand. Many have arrangements to deposit fish waste in landfills but are under increasing pressure not to do so as councils seek to reduce the capacity of landfills.
48. As can be seen from the above statistics of fish handled, LFRs can operate with a wide range of throughput volumes. The costs of being an LFR do not appear to limit LFRs setting up to handle the fish from a single operator. Those costs are offset by the additional revenue generated by being able to distribute fish rather than relying on an independent LFR to handle the fish. In some localities, an LFR has been established to provide a consolidated activity servicing a number of local fishers.
49. As an LFR, depending on the activities the owners intend to undertake, they will need to comply with the provisions of the Animal Products Act. If they only wish to store product before transferring it to a processor or retailer, they will need to be a listed animal material depot with an appropriate plan. Should they wish to process the fish beyond the state it is landed, e.g. filleting, they will need to have either a risk management programme under the Animal Products Act 1999 or a food control plan under the Food Act 2014. Being listed as an LFR does not allow a fisher to automatically process fish or seafood for trade. Fish sold directly to a consumer must operate under the Food Act. There are no exemptions for fishers other than fish sold under wharf sale conditions.

#### The Integrity of the QMS System Not to be Compromised

50. The elimination of black-market or unreported fish and deemed value fishing have taken decades to address and quota-holders see no reason or value to create opportunities to permit such behaviour. We and our quota-holders would be extremely concerned if providing a facility to sell fish online without the rigour and discipline of an LFR incentivised detrimental activity, such as:
  - i. fish being caught on deemed values and
  - ii. unreported fishbeing sold through the facility. That is simply not acceptable.
51. The selling of fish to another party that is itself subject to a stringent reporting and auditing regime inherently has a more robust and more reliable outcome than a process that links the fisher directly to the consumer. Where the fisher trades only with a consumer, it is simple for the fisher to under-report his catch, sell the unreported fish to a waiting consumer and either misreport the quantity of fish sold on the receipt or not bother with receipts. There is no robust documentation to be audited, cash sales are untraceable.
52. In the case of a transaction with an LFR, the LFR is subject to MPI reporting and auditing processes and, assuming the LFR is an independent party to the fisher, the LFR has every incentive not to misreport the landings. Equally, the fisher has no incentive to misreport his landings to an LFR as the LFR return is used to balance his catch returns. That the two parties are independently audited by MPI ensures integrity of the reporting of landings.
53. The current provisions requiring the vicinity of the vessel make it difficult for s191(2) sales to occur from bulk harvesting vessels such as trawlers, Danish seiners and long-liners. The

limited accessibility limits the risk of unreported fish being sold to consumers. Allowing on-line sales will effectively remove the vessel vicinity constraint and thus provide the opportunity for significantly increased levels of unreported extractions. It is not appropriate that MPI should seek to facilitate that outcome.

#### Causing Unnecessary Conflict between Contracted Fishers and ACE Providers

54. In our submission, we raised the issue that allowing fishers to operate in their own interest selling fish online may not be well received by LFRs for whom the fisher also fishes on a contract basis. We have heard of fishers who have sought to operate what is effectively an online service using *E-catch* functionality but who have met LFR opposition and have had to cease the activity. We would not want to generate any such conflict by the introduction of a non-LFR online retailing facility. It would be unnecessarily disruptive and might be detrimental to the interest of the fishers.

#### No Increase in the Volume to Be Sold

55. We certainly would oppose any increase in the levels of fish that can be sold to any individual purchaser in any day or in any transaction.

56. The s191(2) provision allows for direct sales to a consumer. It is difficult to think of common reasons why the average consumer would need to purchase a quantity of finfish greater than 10 kilogrammes per day. It is doubtful if most s191(2) sales exceed 5 kilos per transaction.

#### Option Not Supported

57. For the above reasons, we would not support the introduction of such a facility unless it could be strictly confined to the distribution of fish unwanted by a commercially registered LFR and if the quality of management information parallels the rigour and integrity of the current LFR reporting. In the absence of being unable to maintain the integrity of the management regime, we note that if fishers wish to establish a commercial trading business selling fish online to retail consumers, then the opportunity to register and operate an LFR already exists and is already used by a number of fishers.

58. We are aware that private sales by fishers proved extremely valuable to Australian rock lobster fishers when their export markets collapsed and they were forced to seek alternative domestic markets. We would support the use of the Chief Executive's powers under s297(1)(a)(xiv) of the Act to enable alternative outlet channels to be implemented in times of such need if it proved necessary. We would also note that the existing LFRs that handle such product would have alternative domestic channels available to sell the fish if the export market collapsed.

59. We would not support however any regulation or attempt to enable fishers to operate in the retail market without the need to preserve the integrity of the current fisheries management regime. Any attempt by the Government to do so reflects a lack of commitment by the Government to maintaining sustainable fisheries.

60. If MPI wishes to allow fishers to operate online sales opportunities, then the new opportunity must operate to the same level of product flow integrity and audit as within the existing LFR model.

## APPROVAL PROCESSES

61. We are concerned that, prior to exercising an option to dispose of the fish to a waste management operator or a charity, a fisher would need to declare they had attempted to dispose of their catch to an LFR. Logistically that might be less easy to operate if proof is needed. We would not want to see a situation where a fisher would need to seek approval from a fishery officer or the like prior to disposing of the unwanted fish.
62. The practice of photographing bins does not provide the same integrity levels of disposal reporting as that required for LFRs. However, providing that the fish involved are strictly unwanted fish, we would accept the practice as being a pragmatic outcome. In the case of an online sales facility, we would expect that the transaction and reporting requirements for such facilities would be of no lesser standard and rigour than those applying to LFR operations.
63. Given the resources and costs needed to establish an online retail facility and the need to establish supplier/consumer relationships, any fishers seeking to establish an online facility needs to have some certainty and security of operation. For those reasons, the regulations would need to enable a long-term future for the operations. In respect of the other options for unwanted fish, given that there will most likely always be unwanted catch, the options need to be long-term. Should industry be able to develop markets or alternative product forms for what are unwanted fish, the need for a contingency backstop of waste management should decline but some unwanted fish may still need to be disposed of. Equally if the level of unwanted fish taken by LFRs declines, the need for a contingency backstop will decline but we would support a waste management option.