



DEPARTMENT OF AGRICULTURE, FORESTRY AND FISHERIES

**POLICY FOR THE ALLOCATION AND MANAGEMENT OF FISHING RIGHTS IN THE
TUNA POLE-LINE FISHERY: 2013**

**THIS POLICY MUST BE READ WITH THE GENERAL POLICY ON THE ALLOCATION OF
FISHING RIGHTS: 2013**

(Available at www.daff.gov.za)

**This document is also available in Afrikaans, isiXhosa and isiZulu
Hierdie dokument is ook in Afrikaans, isiXhosa en isiZulu beskikbaar
Lencwadi iyafumaneka nangolwimi lwesiBhulu, lwesiXhosa nolwesiZulu
Lencwadi iyatholakala nangolwimi lwesiBhunu, lwesiXhosa nolwesiZulu**

(In case of any inconsistency, the English text prevails)

TABLES OF CONTENTS

1. Introduction	1
2. Profile of the fishery	1
3. The 2005/2006 long-term fishing rights allocation process	4
4. Objectives	5
5. Granting of fishing rights	6
6. Evaluation criteria	6
7. Application fees	11
8. Provisional list	11
9. Management measures	12
10. Permit conditions	13
11. Glossary of terms	13

1. Introduction

This policy for the allocation of fishing rights in the tuna pole-line fishery is issued by the Minister of Agriculture Forestry and Fisheries (“the Minister”) and shall be referred to as the “**2013: Tuna Pole-Line Fishery Policy**”. The fishery name has been changed from “tuna pole” to “tuna pole-line” as this is a better description of all the fishing gear used, namely, pole, rod and reel and trolling. This policy must be read with the General Policy on the Allocation and Management of Fishing Rights: 2013 (“the 2013: General Policy”).

The Minister intends to delegate the section 18 power to allocate fishing rights in terms of section 79 of the Marine Living Resources Act 18 of 1998 (“the MLRA”) to an official of the Department of Agriculture, Forestry and Fisheries (“the Department”).

This policy sets out the objectives, criteria and considerations that will guide the allocation and management of fishing rights in the tuna pole-line fishery. It should be noted that this fishery is separate to the large pelagic fishery which utilises longline gear to catch tuna and swordfish.

2. Profile of the fishery

2.1 Description of the fishery

The tuna pole fishery was established in 1979 due to a large run of yellowfin, which resulted in approximately 5,000 tonnes landed in that year. When the yellowfin failed to appear the following year the fishery started targeting albacore. The tuna pole fishery uses poling gear to target schooling juvenile albacore in the southeast Atlantic, largely for export to canning markets. Yellowfin in recent years have been increasingly targeted with rod and reel. Yellowfin are largely exported to fresh tuna markets, with limited quantities sold on the domestic market. Other tuna species landed include bigeye and skipjack, but these species make up less than one percent of the annual catch.

South Africa’s catches of albacore has declined over the last two decades, from about 8 000 t per annum in the 1990s to approximately 3 000 t per annum in recent years. One of

the main reasons for this decrease occurred when Namibia declared its independence and consequently access to one of the main fishing areas, namely Tripp Seamount, was no longer available to South African vessels. The removal of this fishing ground also reduced incentives for vessels to search for albacore along the west coast of South Africa. Rising fuel costs also served to constrain fishing activities to fishing grounds which are close to the major tuna pole fishing harbours of Hout Bay and Cape Town.

Other factors that have also contributed to the decline in catches is the manner in which the tuna pole fishers have been limited to a large extent to fish in one sector only with little or no access to rock lobster and traditional linefish species. These species improved the economic viability of the fishing operations, particularly when tuna were not available. In recent years concerns have also been expressed regarding the increased number of seismic surveys conducted along the coast, which is thought to have altered the movement patterns of tuna. In the last decade an increasing number of fishers have diversified their fishing operations to target yellowfin using rod and reel to supplement the revenue derived from reduced catches of albacore. Consequently, yellowfin catches have increased and fluctuates between 500 – 1 000 t per annum.

Both the Indian Ocean Tuna Commission (IOTC) and International Commission for the Conservation of Atlantic Tunas (ICCAT) have expressed concerns regarding the stock status of albacore and yellowfin in the Atlantic and Indian oceans respectively. According to the 2011 ICCAT stock assessment for south Atlantic albacore it indicated that the resource is over-exploited and under-going overfishing. (There was large uncertainty regarding the outcome of this assessment and as a result a new assessment was requested by Member Parties to be brought forward to 2013.) A precautionary approach was adopted to rebuild the southern Atlantic albacore stock, which resulted in ICCAT reducing the Total Allowable Catch, and in so doing has allocated a combined quota of 10 000 t for South Africa and Namibia to manage.

Strict management measures and monitoring procedures are in place to ensure that South Africa does not exceed its allocated quota. Despite declines in albacore catches, South Africa remains the second largest producer of albacore in the South Atlantic Ocean. Other important fishing countries for albacore in the South Atlantic Ocean are Taiwan, Namibia, Brazil and Japan. Currently, South Africa is not limited to a yellowfin tuna quota in the

Atlantic or Indian Ocean.

Over the years, two types of vessels have emerged in this fishery ranging from 10-28 m overall length (LOA), and ranging from R2-15 million in value. The first are large vessels (> 20 m) with onboard freezers, capable of spending 30 days at sea with a crew of 20 or more. The second type is smaller ice vessels that spend approximately 3 – 10 days at sea and carry less than 20 crew members. Many of the vessels currently utilised are old, with an average age of approximately 30 years. This policy therefore takes into account the capital intensiveness of the fishery and the need to retain skilled crew.

Some vessels of less than 10 m in length were allowed into the fishery as they had some tuna performance in the medium term rights allocation period. However, these vessels are not deemed to be suitable for this fishery given the distances of the tuna fishing grounds from shore, the safety aspects and the limited tuna performance and job creation that these vessel types can provide.

2.2. Life history and management of tuna

Sub-adult (8-12 kg) albacore (*Thunnus alalunga*) is the main target of the tuna pole fishery. In recent years the fishing gear used by the tuna pole fishery has diversified to include rod and reel to target large (>50 kg) yellowfin tuna (*T. albacares*) off Cape Point. The diversification occurred to capitalise on increased abundance of yellowfin in some years, which assisted to supplement the income derived from albacore. Albacore prefers cool temperate water and is more abundant along the west coast of South Africa. In contrast, yellowfin prefers warmer water and is more abundant along the south and east coast of South Africa. Both tuna species have wide geographic distributions occurring in all the major ocean basins. They are also highly migratory fish, with the same stocks fished by many different fishing nations.

Consequently, these stocks are managed globally by Regional Fisheries Management Organisations (RFMOs). These are inter-governmental bodies that are responsible for the management of these resources, including stock assessments, allocating country quotas, and adopting conservation and management measures. The RFMO responsible for the management of tuna and tuna-like species in the Atlantic Ocean is the ICCAT and its

counterpart in the Indian Ocean is the IOTC. South Africa is a long-standing member of ICCAT and is in the process of acceding to the IOTC. The albacore currently fished by the fishery is considered to be part of the southern Atlantic albacore stock, which is managed by ICCAT and South Africa's yellowfin catches is thought to be derived from the Indian Ocean stock. The latter is a hypothesis that is currently being investigated by the Department.

Southern Atlantic albacore spawn in the western Atlantic and migrations follow the South Atlantic gyre. During the summer months (October to May) the sub-adult and juvenile component of the resource form surface schools which migrate north along the west coast of South Africa. Impacts of other countries fishing activities and environmental conditions such as food availability, ocean fronts and weather are thought to play a large role in determining the abundance of the migrating schools in South Africa's coastal waters. Yellowfin, in contrast, spawn in tropical waters of both the Atlantic and the Indian Ocean. It is hypothesized that some of the large adult yellowfin in the Indian Ocean use the Mozambique and Agulhas currents to undertake extensive migrations to feeding areas off Cape Point. Like albacore the abundance of the resource in South African waters is highly variable and is thought to be influenced by environmental conditions and fishing pressure on the high seas and in coastal waters of East African countries.

Due to the seasonal nature of the fishery, the tuna pole fishery has been granted additional access to other species such as snoek (unlimited), yellowtail (bag limit of 10 per person per trip), oceanic squid (unlimited), dorado (unlimited) and angel fish (unlimited) during the long-term fishing rights allocation process of 2005/2006.

3. The 2005/2006 long-term fishing rights allocation process

In 2005, the Department allocated 191 commercial tuna pole fishing rights, thereby authorising 198 of 200 vessels and more than 2 600 crew to target tuna using the pole method. This fishery was undersubscribed and all applicants that met the essential requirements in 2005 were allocated a right. 54.06 % of the rights were allocated to blacks or black-owned and controlled entities. In terms of female shareholding, 29.19 % of rights were allocated to females or female-owned and controlled entities.

Policy for the allocation and management of fishing rights in the Tuna pole-line fishery: 2013

Long-term fishing rights were only awarded to legal entities. No rights were allocated to individuals in the fishery. The fishery is operated by entities that can be described as small, medium and micro-sized enterprises (SMMEs). A significant number of right holders have performed poorly during this period with some right holders not applying for permits in some years.

Furthermore, the Department is aware that historically disadvantaged individuals have been approached to improve transformation profiles of entities, but in a number of cases this ownership has not materialized in any benefits to these people. The Department views this as "fronting" and it is not condoned.

4. Objectives

4.1. The objectives of allocating fishing rights in the tuna pole-line fishery are to:

- (a) promote transformation, broaden meaningful participation (increase participation, value-creation, and linkage) and growth;
- (b) improve the quality of jobs through the promotion of permanent employment and allocation of rights to SMMEs owned by historically disadvantaged persons
- (c) promote adherence to fair labour practices;
- (d) to promote food security and poverty alleviation;
- (e) allocate rights to applicants reliant on tuna pole/line as their main source of income;
- (f) promote further investment in vessels;
- (g) facilitate the recovery of over-exploited and collapsed fish stocks;
- (h) achieve optimum utilisation and ecologically sustainable development of marine

living resources;

- (i) promote youth and female ownership and development; and
- (j) Improve RFMO engagement.

5. Granting of fishing rights

Fishing rights are granted in terms of section 18 of the MLRA. All rights granted shall be valid from the date of allocation for a period not exceeding 15 years, where after it shall automatically terminate and revert back to the State.

5.1. Form of right holder

Applications will only be considered from South African-owned companies, close corporations and co-operatives.

5.2. Duration of rights

Fishing rights will be granted in the tuna pole-line fishery for a period not exceeding 15 years. The duration of fishing will be determined by the delegated authority taking into account amongst other things, the level of transformation in the fishery, the capital intensity of the fishery, the need to encourage further investment and economic growth, the current knowledge of the biological status of the target species and the performance of participants in the fishery.

6. Evaluation criteria

Applications will be screened in terms of a set of "exclusionary criteria". All applicants will thereafter be separately scored in terms of a set of weighted "comparative balancing criteria". A cut-off will then be determined in order to select the successful applicants and effort will be allocated to each successful applicant.

Policy for the allocation and management of fishing rights in the Tuna pole-line fishery: 2013

6.1. Exclusionary criteria

Apart from the criteria described in the 2013: General Policy pertaining to the lodgement of applications and material defects, the delegated authority will exclude applicants that fail to meet the following requirements:

(a) **Compliance**

Applicants, including their members, directors or controlling shareholders that have been convicted of a serious transgression of the MLRA (without the option of the payment of a fine) will be excluded. Applicants, including their members, directors or controlling shareholders that have had any fishing right cancelled or revoked in terms of the MLRA will also be excluded. Minor infringements, including the payment of admission of guilt fines, may be taken in to account as a balancing criterion and may also adversely affect an application.

(b) **Paper Quotas**

Applications from paper quota applicants, as defined in the 2013: General Policy, will be excluded.

(c) **Non-utilisation**

Applicants that failed to effectively utilise their tuna pole-line fishing rights between the period 2007 to 2012 or who have not collected a permit for any particular reason without providing a reasonable explanation and/or supporting documentation may be excluded.

(d) **Access to a suitable vessel**

An applicant will be required to demonstrate a right of access to a vessel suitable for the harvesting of tuna pole-line. Access may be in the form of ownership, part-ownership, catch agreement, charter agreement, or bank guarantee in the case of a purchase of a vessel or to build a vessel. If an applicant intends purchasing a

vessel then additional proof of a purchase agreement must be provided. If in the case of a new build vessel then the vessel plans and cost from the vessel building company must be provided.

6.2. Balancing criteria

Applicants will be evaluated in terms of the following balancing criteria, which will be weighted in order to evaluate and assess applications:

(a) Transformation

Applicants will be assessed and scored on –

- (i) The percentage of black and women ownership and black and women representation at top salary, board of directors, members and senior official and management levels;
- (ii) Whether employees (other than top salary earners) benefit from an employee share scheme;
- (iii) Compliance with the Employment Equity Act 55 of 1998 and the representivity of blacks and women at the various levels of employment below senior official and management level. The Department may also give regard to the wage differentials between the highest and lowest paid employees;
- (iv) Compliance with the Basic Conditions of Employment Act, 1997 (No. 75 of 1997) (BCEA). Applicants that comply with the BCEA will score more points than applicants not complying.
- (v) Affirmative procurement;
- (vi) Compliance with legislation on skills development and the amounts spent on the training of blacks and youth and participation in learnership programmes;

and

(vii) Corporate social investment.

(b) Investment in the fishery

Investment in the tuna pole-line fishery related to vessels, processing, and human capital will be considered.

(c) Fishing performance

- (i) The fishing performance of applicants holding fishing rights in the tuna pole fishery will be examined to determine if they have effectively utilised their fishing rights.
- (ii) Applicants that did not harvest any tuna pole during a fishing season or who have not collected a permit for any particular season without providing a reasonable explanation and/or supporting documentation may be excluded.
- (iii) Applicants with existing rights that targeted tuna pole stocks over tuna or which predominantly fished in Namibia will be penalised.

(d) Reliance on tuna pole-line

Preference will be given to applicants who rely on the harvesting of tuna pole-line for a significant portion of their gross annual income above applicants deriving income from sources outside the fishery.

(e) Local economic development

- (i) The delegated authority will take into consideration the landing of catches in fishing harbours outside the metropolitan areas to promote local economic development.

- (ii) The delegated authority may, in order to ensure that all fishing communities share in the marine living resources, use landing sites/fishing harbours as scoring or tie-breaking criteria.
- (iii) Applicants are encouraged to land or process fish in harbours and fishing communities that are economically depressed.

(f) **Job creation**

Job creation and increases in jobs as a result of the allocation of long-term fishing rights will be rewarded, and in particular, in respect of applicants that have provided their employees with –

- (i) permanent employment;
- (ii) medical aid, pension and provident fund;
- (iii) safe working conditions in accordance with the applicable legislative requirements; and
- (iv) an employee share scheme as a shareholding entity of the right holder.

(g) **Payment of levies**

Applicants that were granted fishing rights in 2005/2006 will be required to provide proof that they are up to date on the payment of their levies on fish landed at the date of submitting their applications.

6.3. Suitable vessels

- (a) A suitable vessel in the tuna pole-line fishery is a vessel that:
 - (i) has a minimum South African Maritime Safety Authority (SAMSA) overall length (LOA) of approximately 10 meters;

Smaller vessels will not be considered even if they have been used to catch tuna in the past;

- (ii) is certified by SAMSA to have a minimum operational range of 40 nautical miles (Category B vessel);
 - (iii) has a functioning vessel monitoring system at the time of applying for a vessel licence if the application is successful;
 - (iv) is equipped with freezer or ice facilities; and
 - (v) is a commercial tuna vessel as opposed to a luxury yacht, recreational vessel or recreational charter vessel.
- (b) In order to verify if the vessel meets the suitable vessel criteria, applicants would need to submit photos of the vessel as well as copies of the SAMSA registration certificate.

6.4. Multi-sector involvement

Applicants in the tuna pole-line fishery (including their controlling shareholders and members of their executive management team) will not be precluded from holding commercial fishing rights in other fishing sectors.

7. Application fees

No application fees will be payable for applications in this fishery.

8. Provisional lists, representations and consultations

- 8.1. The delegated authority may issue provisional lists for comment on any aspect relating to an application in this fishery.

- 8.2. The delegated authority may request comment on any of the information provided by an applicant and on the basis of the comments received make a final decision.
- 8.3. The delegated authorities may invite representations regarding the assessment of the applications before making final decisions.

9. Management measures

The management measures discussed below reflects a number of the Department's principal post- right allocation management intentions for this fishery.

9.1. Ecosystem approach to fisheries

This fishery will be managed in accordance with the ecosystem approach to fisheries ("EAF"). An ecosystem approach to fisheries management is a holistic approach that maintains or improves the health of an ecosystem and balances the diverse societal needs and values. This approach also defines the ecosystem in its broadest sense and includes ecological, social, economic and governance systems.

9.2. Performance measuring

Successful applicants will be subjected to a number of performance measuring exercises for the duration of the fishing rights. The purpose of performance measuring will be to ensure that the objectives of the fishery are being met and that management methodologies and procedures remain current and suitable for the fishery.

9.3 Utilisation of fishing right

Successful applicants that fail to utilise their tuna pole-line fishing rights for one season without any reasonable explanation, will have their rights cancelled or revoked in terms of the provisions of the MLRA.

9.4 Grant-of-right fees

All successful applicants may be required to pay a grant-of-right fee. The Department will determine the applicable grant of right fee payable for each fishery after consultation with the successful applicants in each fishery. The grant-of-right fee for each fishery will be subject to the approval of the Minister and the Minister of Finance.

10. Permit Conditions

Permit conditions for this fishery will be issued annually. The permit conditions will be determined after consultation with the successful applicants in this fishery, but subject to the requirements of any applicable regional fishery management organisation and will be revised as and when it may be necessary.

11. Glossary of terms

- 11.1. "Application period" means the period commencing with the publication of the invitation to apply for a fishing or harvesting right in the sector and ending on the date on which the appeals authority finally decides the appeals in the sector. "Department" means the Department of Agriculture, Forestry and Fisheries.
- 11.2. "ICCAT" means International Commission for the Conservation of Atlantic Tunas.
- 11.3. "IOTC" means Indian Ocean Tuna Commission.
- 11.4. "LOA" means the length overall which is the maximum length of a vessel's hull measured parallel to the waterline.
- 11.5. "Member Parties" means member states that have acceded to an RFMO.
- 11.6. "RFMO" means the Regional Fisheries Management Organisation.

- 11.7. "Right holder" means a person that was granted a fishing right during the period 2005 – 2006 in a specific fishery, or became a right holder in a fishery by way of an approved transfer of a fishing right.
- 11.8. "Rights" means fishing or harvesting rights granted in terms of section 18 of the Marine Living Resources Act, 1998 (Act No. 18 of 1998).
- 11.9. "SMME" means Small, Medium and Micro-sized Enterprises.
- 11.10. "The 2013 General Policy" means the General Policy on the Allocation and Management of Fishing Rights: 2013.
- 11.11. "The Minister" means the Minister of Agriculture, Forestry and Fisheries.
- 11.12. "Total allowable catch" means the maximum quantity of fish of individual species or groups of species made available annually or during such other period of time as may be prescribed, for combined recreational, small-scale, commercial and foreign fishing.
- 11.13. "Total applied effort" means the maximum number of fishing vessels, the type, size and engine power thereof or the fishing method applied thereby for which fishing vessel licenses or permits to fish may be issued for individual species or groups of species, or the maximum number of persons on board a fishing vessel for which fishing licences or permits may be issued to fish individual species or groups of species.