

SCHEDULE B

FISHERY SPECIFIC POLICIES



**DEPARTMENT OF ENVIRONMENTAL AFFAIRS AND TOURISM
BRANCH MARINE AND COASTAL MANAGEMENT**

**POLICY FOR THE ALLOCATION AND MANAGEMENT OF
COMMERCIAL FISHING RIGHTS IN THE HAKE DEEP-SEA TRAWL
FISHERY: 2005**

**THIS POLICY MUST BE READ WITH THE GENERAL POLICY ON THE
ALLOCATION AND MANAGEMENT OF LONG-TERM COMMERCIAL FISHING
RIGHTS: 2005 (available at www.mcm-deat.gov.za)**

1 Introduction

This policy on the allocation and management of commercial fishing rights in the hake deep-sea trawl fishery is issued by the Minister of Environmental Affairs and Tourism ("the Minister"). This policy must be read with the General Policy on the Allocation and Management of Long Term Commercial Fishing Rights: 2005 ("the General Fisheries Policy" or the 'General Policy').

The purpose of this policy is to set out the considerations that will apply to the allocation of long-term commercial hake deep-sea trawl fishing rights. Many of these considerations are not new. They have been applied by the Minister and delegated authorities from the Department of Environmental Affairs and Tourism: Branch Marine and Coastal Management ("the Department") when allocating rights in the past and to an extent this policy documents those considerations.

Certain post-rights allocation management policies are also presented in this policy. A Hake Deep-sea Trawl Fishery Management Manual will be finalised with all right-holders during the course of 2006. This manual will stipulate in detail the management methodology and procedures for the fishery.

The Minister intends to delegate the section 18 power to allocate hake deep-sea trawl commercial fishing rights in terms of section 79 of the Marine Living Resources Act 18 of 1998 ("the MLRA") to a senior official of the Department. This policy document will guide the delegated authority in taking decisions on applications in this fishery.

2 Sector profile

Commencing in the 1890's, the demersal trawl fishery (deep-sea and inshore sectors) is South Africa's most important fishery and, for the last decade, it has accounted for approximately one half of the wealth generated from commercial fisheries. In the 1960's foreign distant water fleets moved into the Southeast Atlantic, leading to substantial over-exploitation of demersal fish stocks off South Africa and Namibia. The International Commission for the Southeast Atlantic Fisheries ("ICSEAF") was established in 1972 in an attempt to control the rapidly escalating fishery. But it was only the declaration of the 200nm Exclusive Economic Zone in

1978 and subsequent exclusion of foreign fleets that enabled South Africa to reclaim its fish resources and begin to rebuild the demersal resources.

Until **1978** the demersal fishery was largely unregulated and participants were not restricted by fishing limits. An annual total allowable catch ("TAC") was introduced in **1978** and individual quotas were introduced the following year. The fishery was also formally separated into deep-sea and inshore sectors. The Deep-sea Trawl allocation of the global hake TAC has remained remarkably stable, and between **1978** and **2004** it fluctuated between the levels of 140 000 tons (**1979**) and 133 000 tons (**2004**). The two species of Cape hakes contribute **80-90%** to trawl catches made on the West Coast (mainly deep-water hake) and **60-80%** to trawl catches made on the South Coast (mainly shallow-water hake). The balance is made up of various by-catch species many of which are utilised, and on average just over 90% of the catch is retained. The hake deep-sea trawling grounds are widespread on the Cape west coast in waters deeper than 200 metres. On the Cape south coast hake deep-sea trawlers may not fish in water depths of less than **110** metres or within **20** nautical miles of the coast, whichever is the greater distance from the coast, and trawling is focused primarily on two fishing grounds.

The Department manages the hake deep-sea trawl fishery as part of a "hake collective". In terms of the MLRA a "global" TAC for hakes (both species combined) is set annually by the Minister of Environmental Affairs and Tourism. Of the global hake TAC a reserve to cover bycatch in the horse mackerel fishery and, until **2004**, **1 000** tons for foreign fishing is set aside prior to distribution among the hake fishing sectors. Currently the global hake TAC (after deduction of the horse mackerel by-catch reserve) is distributed among the deep-sea trawl, inshore trawl, hake lone line and hake handline fishery sectors without regard to the hake species split in the respective fishery sectors. In terms of that arrangement, **83%** is allocated to deep-sea trawl, **6%** to inshore trawl and **10%** is shared between hake long line and hake handline. However, a sectoral allocation procedure that takes cognisance of the species taken by that sector and the contribution of that species to the global TAC may have to be developed in order to match hake exploitation to the productivity of the two hake species.

The hake deep-sea trawl fishery sustains about **8 800** direct jobs along South Africa's west and south east Cape coasts. Of these jobs, **90%** are held by persons from historically disadvantaged communities, while 40% are held by women. Working conditions in the hake deep-sea trawl industry are considered to be better than those that prevail in most other

fisheries. The majority of employees are employed on a full-time, year-round basis, with fixed salaries and employment benefits. The average annual income of crew (including skippers) is R63 000 per annum. Certain of the larger deep-sea trawl fishing companies are registered with the "Proudly **South** Afriin" campaign.

The hake deep-sea trawl fishery is an extremely capital intensive fishery. Existing participants have made substantial investments in vessels as well as processing and marketing infrastructure. The total value of assets in the fishery is estimated to be approximately **R2,2** billion. The market value of the landed catch is worth approximately **R2** billion annually at current market prices. Although vessels as small as 30 metres in length operate in the fishery, 66 percent of deep-sea trawlers are between **45** metres and 50 metres in length. Fishing trips vary from less than a week to more than **30** days.

3. **The medium-term rights allocation process**

In **1992**, the five largest companies in the fishery held **92** percent of the TAC. In 2004, the five largest companies shared less than **75** percent of the hake resource. In **1992** the smallest quota was 50 tons and the largest was 53 000 tons. Ten years later, the smallest quota was 336 tons and the largest was **45** 000 tons. The gap between the smallest and the largest allocations has been closing.

The "internal" transformation of the traditional companies, and the entry of black-owned and managed companies since **1992** has resulted in a significantly improved transformation profile in **this** fishery. The medium-term rights allocation records show that:

- 74 percent of the current participants are black-owned and managed;
- 42 percent of right-holders are small- and medium-sized enterprises;
- 25 percent of the TAC is held by black-owned companies (in **1992**, this was zero percent).

4. **Over-arching sectoral objectives**

The South African hake deep-sea trawl fishery is the only hake fishery in the world to have been awarded the prestigious Marine **Stewardship** Council certificate (www.msc.org). The

MSC certification is a stamp of approval that indicates that the fish products originate from a sustainable and responsibly managed fishery.

In order to maintain and develop the global image of the South African hake deep-sea trawl fishery, the allocation of commercial fishing rights will be informed by South Africa's domestic, regional and international obligations. Among these obligations is the need to ensure the long-term sustainable utilisation of hake stocks and to manage all known impacts of trawling on the marine ecosystem. This includes measures to manage, prevent and reduce by-catch.

Other, equally important, over-arching objectives for allocating long-term fishing rights in this fishery are to:

- Notably improve the transformation profile of the hake deep-sea trawl fishery by increasing black ownership of the TAC and to redistribute the TAC so as to affirm right holders with smaller allocations in this fishery that are transformed and have performed well;
- Create an environment that attracts investment and stimulates job creation; and
- Support the economic viability and environmental sustainability of the fishery.

5. Duration

Having regard to –

- the transformation profile of the fishery;
- the capital intensity of the fishery;
- the fact that part of the deep-sea trawl fleet is ageing and requires replacement;
- the need to maintain the economic stability and increase the international competitiveness of the fishery;
- the fact that this fishery is MSC certified; and
- the fact that the deep-water hake resource is well managed in terms of reliable and current data,

commercial rights will be allocated for a period of 15 years (01 January 2006 to 31 December 2020). The Department will regularly evaluate right holders against predetermined performance criteria (see further paragraph 12 below).

6. New Entrants

The hake deep-sea trawl fishery is presently over-subscribed with 53 right-holders. The current levels of catch have been reviewed and a conservative management plan has been implemented over the past three years. The TAC has been reduced and further reductions may be required in the near future. New entrants may be admitted but the total number of participants in this fishery will not be increased.

7. Evaluation Criteria

All applications will be screened in terms of a set of "exclusionary criteria". New entrant applicants and previous right-holder applicants will thereafter be separately assessed in terms of a set of weighted "comparative balancing criteria". A cut-off score or rank will then be determined in order to select the successful applicants. A proportion of the TAC will then be allocated to each successful applicant in terms of a set of "quantum criteria".

7.1 Exclusionary Criteria

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

- (a) **Form of the Applicant:** Applications will only be considered from entities incorporated in terms of the Close Corporations Act 69 of 1984 and the Companies Act 61 of 1973. Natural persons (i.e. individuals or sole proprietors) will not be granted rights. Current natural person right holders must apply in the form of a close corporation or company and will be treated as medium term right holder applicants provided that they comply with the guidelines set out in the General Policy.

- (b) Compliance: If a right holder applicant, or its members, directors or controlling shareholders have been convicted of an offence in terms of the MLRA, the applicant will not be allocated a hake deep-sea trawl right. This does not include the payment of an admission of guilt fine. Rights will also not be allocated to a right holder applicant if the applicant, or its members, directors or controlling shareholders that have had a fishing right cancelled, suspended or revoked in terms of the MLRA, or assets seized under the Prevention of Organised Crime Act 121 of 1998 or the MLRA.

Decisions may be reserved on applications if a right holder applicant (or its members, directors or controlling shareholders) that are being investigated for breaches of the MLRA. A decision on such an application will be made after the completion of the investigation.

The Department requires every right-holder to pay a levy on targeted fish landed. Right-holders that have under-reported catches to, inter alia, avoid the payment of levies will be excluded. Right-holders that have not paid levies will be penalised in the comparative balancing process as set out below. Should such an applicant nevertheless qualify for a right, a fishing permit will not be issued until the outstanding monies have been paid to the Department.

- (c) Paper Quotas: Paper quotas, as defined in the General Policy, will be excluded.
- (d) Access to a suitable vessel: Applicants will have to demonstrate a right of access to a suitable vessel (see further paragraph 8 below for the description of a suitable vessel).

72 Comparative Balancing Criteria

Right-holder applicants and potential new entrants will be evaluated in terms of the following balancing criteria, which will be weighted to assess the strength of each application. The criteria stated below must be read with the corresponding criteria in

the General Policy for further detail. ~~This~~ applies in particular to the “transformation” criterion.

(a) Transformation

One of the objectives with the process of allocating long-term fishing rights in this fishery is to improve on the present level of transformation. As set ~~out~~ in the General Fisheries Policy, applicants will be assessed on –

- The percentage black and women ownership and black and women representation at top salary, board of directors and senior official and management levels;
- Whether employees (other than top salary earners) benefit from an employee share scheme;
- Affirmative procurement;
- Compliance with the Employment Equity Act 55 of 1998 and the representivity of blacks and women at the various levels of employment. The delegated authority may also have regard to the wage differentials between the highest and lowest paid employees;
- Compliance with legislation on skills development and the amounts spent on ~~the~~ training of blacks and participation in learnership programmes; and
- Corporate social investment.

(b) Investment in the Fishery

As far as right-holder applicants are concerned, the delegated authority will specifically consider:

- Investments in suitable vessels and other fixed assets. In respect of vessels, investment in the form of shareholding will also be considered. Right-holder applicants will not be rewarded for having concluded conditional vessel purchase agreements.

- Investments in processing and marketing. In this regard, the delegated authority may reward right-holder applicants that have invested in hake processing factories and marketing activities.

As far as new entrant applicants are concerned, the delegated authority will consider investments made in other sectors in the form of vessels, fixed assets, processing and marketing infrastructure. All new entrant applicants will be required to demonstrate that they have the knowledge, skill and capacity to participate in the hake deep-sea trawl fishery.

(c) Performance

Applicants that without good reason over- or under-caught by more than 10 percent over the medium-term period will be penalised. Financial performance will be measured as indicated in the General Fisheries policy.

(d) Value-Adding and Enterprise Development

The delegated authority may have regard to enterprise development and to the ability of applicants to add value to hake through processing.

(e) Jobs

The hake deep-sea trawl fishery provides about 8 800 jobs. Salaries average R63 000 annually for sea-going employees.

Job creation and increases in jobs as a result of the allocation of medium-term fishing rights may be taken into account, and in particular, applicants that have provided their employees with –

- Full-time employment;
- Medical aid and pension; and
- Safe working conditions.

Jobs created per tonnage fish allocated during the medium-term rights allocation process will be assessed.

(9) By-catch

The volume of by-catch landed by participants in ~~the~~ hake deep-sea ~~trawl~~ fishery remains of Concern to the Department. The targeting of high value by-catch species **such as** kingklip (*Genypterus capensis*) and monkfish (*Lophius vomerinus*), is of particular concern **as** assessments **indicate** that present catch levels for both species are not sustainable. Kingklip abundance on the ~~south~~ coast is particularly low.

The **Department** has determined the maximum annual by-catch allowances for kingklip to be 3 000 tons and for monk to be 7 000 tons. These by-catch allowances shall apply to the hake fishery **as** a whole. Prospective applicants will be required to demonstrate what by-catch mitigation and reduction measures they have been implementing or, if ~~new~~ entrant applicants, would invest in to ensure adherence with the above **by-catch** limitations. The delegated authorii may also have regard to what measures have been put in place or will be invested in to reduce ~~snoek~~ (*Thyrsites atun*) by-catches.

(g) Environmentally sustainable practices

The practice of trawling is known to cause damage to sea beds. To date there ~~is~~ no **conclusive data** indicating the extent of the damage caused. The delegated authority, in applying the precautionary management principle, will take into account whether an applicant has or intends to –

- reduce damage to sea beds; and
- **be** more energy and fuel efficient (also applicable to processing factories).

(h) Local Economic Development

The delegated authority may take into **account** whether the **applicants**, particularly right-holders with smaller allocations and new entrant applicants, have elected to land their catches and have them processed in centres outside of ~~the~~ large metropolitan

areas such as Port Elizabeth and Cape Town. If the delegated positively scores these applicants, this must not result in penalising the larger hake deep-sea trawl right-holders that have made substantial investments in processing and marketing facilities in Cape Town and Port Elizabeth.

(i) Non-payment of fish levies

Right-holder applicants will be penalised if their levies payable to the Department are outstanding for a period longer than 60 days at the date of application.

(i) Compliance

If the applicant, its members or its directors or controlling shareholders have paid admission of guilt fines for contraventions of the MLRA, its regulations or permit conditions, the applicant will be penalised.

7.3 Quantum criteria

In this fishery, the mechanism for allocating quantum will form the subject of further consultation with applicants once the applications in the fishery have been assessed and the successful applicants have been identified. Subject to the outcome of the consultation process, the following three principles will be applied in respect of the allocation of quantum.

Firstly, the allocation of quantum to successful medium term right holder applicants will be determined with reference to the quantum held by right holders in 2005.

Secondly, the delegated authority must endeavour to redistribute at least 10% (ten percent) of the TAC to right holders with small allocations, provided that these entities are sufficiently transformed and performed well during the medium term process.

Thirdly, and in addition to the above two principles, the delegated authority shall be entitled to allocate quantum based on criteria intended to achieve the objectives of this policy, such as transformation and performance. These criteria must be designed in a

manner which should ensure that all successful applicants, regardless of the size of their previous allocations, will be able to benefit if they meet the criteria.

8 Suitable Vessels

A suitable hake deep-sea trawl fishing vessel is a vessel that is –

- Registered by SAMSA as having a minimum registered length of approximately 30m;
- Is geared to fish using the trawling method; and
- Is fitted with a functioning vessel monitoring system.

9 **Multi-Sector** Involvement

Right-holders in the hake deep-sea trawl fishery are not precluded from holding rights in any fishery in the Cluster A and Cluster B fisheries. Right-holders in the hake deep-sea trawl fishery (including their members, controlling shareholders and members of their executive management team) will not be allowed to hold commercial fishing rights in the Cluster C and Cluster D fisheries. The same applies to traditional line fish.

10. Application fees and levies

The fees for this fishery will be determined having regard to:

- The cost of the entire rights allocation process, including consultation, receipting, evaluation of applications, verification, appeals and reviews; and
- The value of the fish being allocated over the duration of the right.

The annual levies payable with effect from 1 January 2006 will be determined after consultation with right holders. The levies paid will be utilised by the Department for mitigating the annual costs of management, compliance and research.

11. Management measures

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

11.1 Ecosystem approach to fisheries management

This fishery will be managed in accordance with the ecosystem approach to fisheries ("EAF"). An ecosystem approach to fisheries management is a holistic and integrated approach which recognises that fishing and associated land-based activities impact *on* the broader marine environment. This part of the hake deep-sea trawl fishing policy does not attempt to provide a policy statement on EAF in the hake deep-sea trawl fishery. The EAF in the hake deep-sea trawl fishery will be detailed further in the Fishery Management Manual for the hake deep-sea trawl fishery. South Africa remains committed to the target date of 2010 for the implementation of an EAF in the commercial fisheries.

11.2 Consolidation of participants

After the allocation of 15 year commercial fishing rights in this fishery, the Department will facilitate the consolidation of the number of right-holders active in the fishery, particularly where:

- Right-holders share the same shareholders, offices or management team; or
- Smaller right-holders opt to consolidate their business operations.

Consolidation of right-holders is however subject to the Department's approach to monopolies (see paragraph 11.5 below).

11.3 Fisheries management areas and marine protected areas

The hake deep-sea trawl fishery targets two types of hakes along the west, south and south east coasts of the Cape. Should the proposed Namaqualand Marine Protected

Area be designated, the harvesting of hake would then effectively be separated into three distinct areas as trawling activities along the west coast would be split north and south of the MPA.

The Department also intends to reduce the sharing of fishing grounds by hake trawlers and hake longliners. Section 15 of the MLRA makes provision for the declaration of fisheries management areas. The Department will consider declaring such management areas in an attempt to address the potential user conflict between longliners and trawlers.

11.4 Vessels and fishing effort

There are presently 100 hake deep-sea trawl fishing vessels that operate in South African waters. The majority are older vessels requiring replacement. The upgrading of the fleet may result in an increase in the fishing effort. The Department will carefully evaluate the cumulative effect of the introduction of further and new vessels into the fleet. Right-holders will not be permitted to introduce vessels capable of expending effort far in excess of their allocations. In addition, the Department may consult with the Fishery Industrial Body on all applications to introduce further or new vessels into the fishery.

11.5 Monopolies

While the Department will encourage the consolidation of right-holders in this fishery, the Department is opposed to monopolies which may operate to the detriment of smaller right-holders. The Department is concerned, in particular, that the smaller right-holders in the fishery are not able to fully realise the value of their allocations due to their size. The Department will not at this stage determine a maximum threshold of the TAC that any one right-holder may hold or control but will monitor whether any large right-holders act in a manner contrary to fair competition practices.

11.6 TAC ratios – trawl : line

The current TAC ratio of trawl : line will by and large be maintained. The ratio will however be reviewed once further data become available on the relative impacts of trawling and long lining.

12. Performance measuring

The Department will institute a number of formal performance measuring exercises for the duration of the commercial fishing rights. It is envisaged that the first performance measuring exercise will take place after two years and thereafter every three years.

Although the Department will finalise the precise criteria against which right-holders will be measured after the allocation of commercial fishing rights, and after consulting with right-holders, the following broad performance-related criteria may be used:

- transformation;
- investment in vessels, factories and gear;
- sustainable utilisation, and in particular by-catch mitigation and reduction and the biological and ecological impacts of trawling;
- compliance with applicable laws and regulations.

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.

13. Observer programme

The Department's current observer programme will be expanded to include compliance observation. In addition, the Department will progressively increase the observer coverage of this fishery. Right-holders will be required to bear the costs of the observer programme.

14. Permit conditions

Permit conditions for this fishery will be issued annually. The permit conditions will be determined after consultation with right holders in this fishery and will be subject to revision as and when it may be necessary.



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TAK MARIENE I USBES

**BELEID AANGAANDE DIE TOEKENNING EN BESTUUR VAN
KOMMERSIËLE VISVANGREGTE IN DIE DIEPSEE STOKVIS-
TREILVANGSVISSERY 2005**

DIE BELEID MOET SAAMGELEES WO ET DIE
ALGEMENE BELEID AANGAANDE DIE OEKEI EN
BESTUUR I LANGTERMYN KOMMERSIËLE I
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1. Inleiding

Hierdie beleid vir die toekenning en bestuur van kommersiële visvangregte in die diepsee stokvistreilvisserij word uitgereik deur die Minister van Omgewingsake en Toerisme (die "Minister"). Hierdie beleid moet saamgelees word met die Algemene Beleid oor die Toekenning en Bestuur van Langtermyn Kommersiële Visvangregte: 2005 ("die Algemene Visvangteleid" of "die Algemene Beleid").

Die doel van hierdie beleid is om die oorwegings van toepassing op die toekenning van langtermyn kommersiële visvangregte vir die diepsee stokvistreilvisserij uiteen te sit. Baie van hierdie oorwegings is nie nuut nie. Hulle is in die verlede deur die Minister en gedelegeerde owerhede van die Departement van Omgewingsake en Toerisme: Tak Mariene en Kusbestuur (die "Departement") gebruik by die toekenning van regte en tot 'n mate beliggaam hierdie beleid sodanige oorwegings.

Sekere bestuursbeleidsrigtings vir die periode na die toekenning van regte verskyn ook in hierdie konsepbeleid. 'n Bestuurshandleiding vir die Diepsee Stokvis-treilvisserij sal met al die regtehouers in die loop van 2006 gefinaliseer word. Hierdie handleiding sal in fyn besonderhede die bestuursmetodes en -prosedures vir die visserij uitstippel.

Die Minister is voornemens om die artikel 18-magte in terme waarvan kommersiële visvangregte van die diepsee stokvistreilvisserij toegeken word ingevolge artikel 79 van die Wet op Lewende Mariene Hulpbronne 18 van 1998 (die WLMH) aan 'n senior beampte van die Departement te deleger. Hierdie beleid sal die gedelegeerde owerheid lei in sy besluite oor aansoeke in hierdie visserij.

2. Sektorale profiel

Sedert sy aanvang in 1890's is die bodemtreilvisserij (beide aanlandig en aflagdig) Suid Afrika se belangrikste visserij en vir die laaste dekade is di verantwoordelik vir ongeveer die helfte van al die rykdom wat geskep word deur kommersiële visserij. In die 1960's het buitelandse langafstand vloete in die Suidoos Atlantiese Oseaan inbeweeg wat gely het tot die wesentlike oorontginning van bronne van bodemvis spesies langs die Suid-Afrikaanse en Namibiese kuslyne. In 1972 is die Internasionale Kommissie vir die Suidoos Atlantiese Visserij

("IKSOAV) geskep in 'n poging om die snel groeiende vissery te beheer. Dit was egter eers die verklaring van die 200 seemyl Eksklusiewe Ekonomiese Sone en die daaropvolgende uitsluiting van buitelandse vaartuie in **1978** wat Suid Afrika in staat gestel het om weer op sy visbronne aanspraak te maak en begin om die bodemvisbronne weer op te bou.

Tot **1978** was die bodemvissery grootliks ongereguleerd en deelnemers was nie beperk deur visvangperke nie. 'n Jaarlikse TTV was ingestel in **1978** en individuele kwotas die jaar daarna. Die vissery was ook amptelik verdeel tussen diepsee- en kustreilsektore. Die diepseetreil se gedeelte van die globale TTV het merkwaardig stabiel gebly en tussen **1978** en 2004 het dit gewissel tussen vlakke van **140 000 ton (1979)** en **133 000 ton (2004)**. Die twee spesies van Kaapstokvis dra **80-90%** by tot alle treilvangste op die Weskus (hoofsaaklik diepsee stokvis) en **60-80%** van treilvangste op die Suidkus (hoofsaaklik vlakwater stokvis). Die balans word aangevul deur verskeie byvangste spesies, waarvan baie benut word en gemiddeld word net oor die **90%** van vangste behou. Die **diepsee-stokvistreilgebiede** is wydverspreid op die Kaapse weskus in water dieper as 200 meter. Op die Kaapse suidkus mag treilers nie visvang in water vlakker as 110m nie of binne 20 seemyl vanaf die kus nie, watter een ook al verder is, en word daar hoofsaaklik gefokus op twee visvanggebiede.

Die Departement bestuur die diepseetreilvissery as deel van 'n "stokvis kollektief". Ingevolge die WLMH stel die Minister van Omgewingsake en Toerieme jaarliks 'n "globale" TTV vir **stokvis** (gekombineerd vir beide spesies). Voor die verdeling tussen die stokvisvangssektore word daar uit die globale stokvis TTV 'n reserwe opsygesit om byvangste te dek in die maasbanker vissery asook, tot en met 2004, 1000 ton vir buitelandse vissers. Huidiglik word die globale **stokvis** TTV (na aftrekking van die maasbanker byvangs reserwe) verdeel tussen diepseetreil, kustreil, stokvislanglyn- en stokvishandlynvisserye sonder dat die verdeling van die stokvis spesies tussen die verskillende sektore in ag geneem word. In terme van daar reëling, word 83 persent van die TTV toegeken aan die diepsee treilvissery, 6% aan die kustreilvissery en 10% word verdeel tussen stokvislanglyn en stokvishandlyn. 'n Sektorale toekenningproses wat die spesie wat in daardie sektor gevang word en die spesie se bydra tot die globale TTV, in ag neem, moet moontlik ontwikkel word ten einde ontginning van stokvis met die produktiwiteit van die twee spesies te paar.

Die diepsee **stokvis-treilvissery** onderhou ongeveer 8 800 regstreekse werksgeleenthede langs Suid-Afrika se wes- en **suid-oostelike** Kaapse kus. Van hierdie werksgeleenthede word 90%

gevol deur persone uit histories benadeelde gemeenskappe, terwyl vroue 40% vul. Werksomstandighede in die diepsee stokvis-treilvisserij word beskou as beter as dit wat tans bestaan in meeste ander visserij. Die meerderheid van die werknemers word op voltydse, jaar-uit basis in diens geneem met vasgestelde salarisse en indiensnemingsvoordele. Die gemiddelde jaarlikse inkomste van die bemanning (insluitende kapteine) is R63 000 per jaar. Sekere van die groter diepsee treilvisvangmaatskappye is geregistreer by die "Trots Suid-Afrikaans"-veldtog.

Die diepsee stokvis-treilvisserij is 'n uiters kapitaal-intensiewe visserij. Bestaande deelnemers het aansienlike beleggings in vaartuie sowel as prosesserings- en bemarkingsinfrastruktuur gemaak. Die totale waarde van bates in die visserij word op meer as R2,2 biljoen geskat. Die markwaarde van die jaarliks gelande vangste is ongeveer R2 biljoen teen huidige markpryse. Hoewel vaartuie so klein as 30 meter lank in die visserij werkzaam is, is 66 persent van diepsee treilers tussen 45 en 50 meter lank. Visvangtogte op see duur van minder as 'n week tot meer as 30 dae.

3. Die prosesse van medium-termyn regtetoekenning

In 1992 het die vyf grootste maatskappye in die visserij 92 persent van die TTV gehou. In 2004 het die vyf grootste maatskappye, minder as 75 persent van die stokvisbronne gedeel. In 1992 was die kleinste kwota 50 ton en die grootste 53 000 ton. Tien jaar later is die kleinste kwota 336 ton en die grootste 45 000 ton. Die verskil tussen die kleinste en die grootste toekennings raak kleiner.

Die "interne" transformasie van die tradisionele maatskappye en die toetrede van maatskappye in swart besit en onder swart bestuur sedert 1992 het gelei tot 'n aansienlik verbeterde transformasieprofiel in hierdie visserij. Die medium-termyn toekenningsrekords dui daarop dat:

- 74 persent van die huidige deelnemers in swart besit en onder swart bestuur is;
- 42 persent is klein of medium grote ondernemings;
- 25 persent van die TTV word deur maatskappye in swart besit gehou (in 1992, was dit nul persent).

4. Oorkoepelende sektorale doelwitte.

Die Suid-Afrikaanse diepsee stokvis-treilvisserij is die enigste stokvis-visserij in die wêreld waaraan die gesogte **Marine Stewardship Council**-sertifikaat (www.msc.org) toegeken is. Die MSC-sertifikaat is 'n merk van goedkeuring wat aandui dat visprodukte uit 'n volhoubare en verantwoordelik-bestuurde visserij afkomstig is.

Om die internasionale beeld van die Suid-Afrikaanse diepsee stokvis-treilvisserij in stand te hou en te ontwikkel, sal daar ag geslaan word op Suid-Afrika se verpligtinge op nasionale, streeks- en internasionale vlakke wanneer visvangregte toegeken word. Onder hierdie verpligtinge tel die behoefte om die langtermyn volhoubare gebruik van stokvisvoorraad te verseker en om al die erkende impakte van treilvisserij op die mariene ekosisteem te bestuur. Dit sluit in maatreels in wat byvangste bestuur, voorkom en verminder.

Ander, ewe belangrike, oorkoepelende doelwitte by die toekenning van langtermyn visvangregte in hierdie visserij is om:

- Die transformasieprofiel van die diepsee stokvis-treilvisserij merkbaar te verbeter deur swart eienaarskap van die TTV te vermeerder en deur die TTV te herverdeel ten einde regtehouers met kleiner allokasies in hierdie visserij, wat getransformeer is en goed presteer het, te ondersteun;
- 'n Omgewing te skep wat belegging aanlok en werkskepping stimuleer; en
- Die ekonomiese lewensvatbaarheids- en omgewingsvolhoubaarheid van die visserij te ondersteun.

5. Tydsduur

Met inagneming van -

- die transformasieprofiel van die visserij;
- die kapitaal-intensiteit van die visserij;
- die feit dat deel van die diepsee treilervloot verouderd is en vervang moet word;

- die behoefte om ekonomiese stabiliteit in stand te hou en internasionale mededingingheid van die vissery te verhoog;
- die feit dat hierdie vissery MSC gesertifiseer is; en
- die feit dat die diepsee stokvisbron goed bestuur word ingevolge betroubare en huidige data,

sal kommersiele visvangregte vir 'n tydperk van 15 jaar toegeken word (1 Januarie 2006 tot 31 Desember 2020). Die Departement sal gereeld regtehouers evalueer teen voorafbepaalde prestasiekriteria (sien paragraaf 12 hier onder).

6. Nuwe inkomelinge

Die diepsee stokvis-treilvisserij is tans oor-onderskryf met 53 deelnemers. Die huidige vangsvlakke is hersien en 'n konserwatiewe bestuursplan is oor die afgelope drie jaar geïmplementeer. Die TTV is verminder en verdere afnames mag nodig wees in die nabye toekoms. Nuwe inkomelinge kan toegelaat word, maar die totale aantal deelnemers in hierdie vissery sal nie vermeerder word nie.

7. Evaluasiekriteria

All aansoeke sal volgens 'n stel "uitsluitingskriteria" gesif word. Nuwe aansoekers en bestaande regtehouers wat aansoek doen sal daarna apart evalueer word in terme van 'n stel gelaai Vergelykende balanseringskriteria". 'n Afsnypunt of rangorde sal dan bepaal word om die suksesvolle aansoekers te bepaal. 'n Gedeelte van die TTV sal dan aan elke suksesvolle aansoeker toegeken word in terme van 'n stel "kwantumkriteria".

7.1 Uitsluitingskriteria

Behalwe vir die kriteria beskryf in die algemene beleid aangaande die indiening van die aansoeke en wesenlike tekortkominge, sal die gedelegeerde owerheid aansoekers uitsluit wat versuim om aan die volgende vereistes te voldoen:

- (a) Vorm van aansoeker: Slegs aansoeke van entiteite geïnkorporeer ingevolge die Wet op Beslote Korporasies 69 van 1984 en die

Maatskappyewet 61 van 1973 sal in aanmerking kom. Regte sal nie toegeken word aan natuurlike persone (d.w.s. individue of eenmansake) nie. Natuurlike persone wat bestaande regtehouers is moet aansoek doen in die vorm van 'n **beslote** korporasie of maatskappy en sal as medium termyn regtehouers behandel word indien hulle aan die **riglyne** uiteengesit in die Algemene Beleid voldoen.

- (b) **Wetsnakoming:** Indien 'n regtehouer aansoeker of sy lede, direkteure of beherende aandeelhouders skuldig bevind is aan 'n **misdryf** ingevolge die WLMH nie, sal 'n reg nie aan die aansoeker toegeken word nie. Dit sluit nie die betaling van 'n skulderkenningsboete in nie. Regte sal ook nie toegeken word aan 'n regtehouer-aansoeker indien die aansoeker of sy lede, direkteure of beherende aandeelhouders se visvangregte gekanselleer, opgeskort of ingetrek is ingevolge die WLMH of daar op hul bates **beslag** gelê is in terme van die Wet op die Voorkoming van Georganiseerde Misdaad 121 van 1998 of die WLMH nie.

Besluite kan gereserveer word oor die aansoeke van regtehouers wat ondersoek word vir **oortredings** van die WLMH. 'n Besluit oor so 'n aansoek sal geneem word na afhandeling van die ondersoek.

Die Departement vereis dat elke regtehouer 'n heffing betaal op die geteikende vis wat geland word. Regtehouers wat vangste ondergerapporteer het ten einde, *inter alia*, die betaling van heffings te vermy sal uitgesluit word. Regtehouers wat nie heffings betaal het nie sal gepeenaliseer word in die vergelykende balanseringsproses soos hieronder uiteengesit. Sou sodanige aansoeker egter nietemin vir 'n reg **kwalifiseer**, sal 'n visvangpermit nie uitgereik word nie alvorens die uitstaande gelde aan die Departement betaal is nie.

- (c) **Papier-kwotas:** Papier-kwotas, soos gedefinieer in die Algemene Beleid, sal uitgesluit word.

- (d) **Toegang** tot 'n geskikte vaartuig: Aansoekers sal moet aantoon dat hulle 'n reg van toegang tot 'n geskikte vaartuig het (sien verder paragraaf 8 hieronder vir die beskrywing van 'n geskikte vaartuig).

72 Vergelykende balanseringskriteria

Aansoekers wat regte hou, asook potensiele nuwe inkomelinge, sal evalueer word ingevolge die volgende balanseringskriteria, wat gelaai sal word ten einde die sterkte van elke aansoek te bepaal. Die kriteria hieronder uiteengesit moet saamgelees word met die ooreenstemmende kriteria in die Algemene beleid vir verdere detail. Dit is in besonder van toepassing op die "transformasie" kriterium.

(a) Transformasie

Een van die doelwitte met die toekenning van langtermyn visvangregte in hierdie visserij is om die huidige transformasievlak te verbeter. Soos in die Algemene Visvangbeleid bepaal, sal aansoekers evalueer word op grond van -

- Die persentasie swart en vroue eienaarskap en verteenwoordiging op top salarisvlakke, die direksie en senior beampte en bestuursvlakke;
- Of werknemers (anders as top salaristrekkers) voordeel'trek uit 'n werknemeraandeleskema;
- Regstellende aankope;
- Nakoming van die Wet op Diensbillikheid 55 van 1998 en die verteenwoordigheid van swart persone en vroue op die verskillende diensvlakke. Die gedelegeerde owerheid mag ook die verskil in besoldigingsvlakke tussen die hoogste en laagste betaalde werknemers in ag neem.
- Nakoming van wetgewing oor vaardigheidsontwikkelings die bedrae spandeer op die opleiding van swart persone en deelname aan leerskap programme; en
- Korporatiewe maatskaplike belegging.

(b) Belegging in die vissery

Met betrekking tot bestaande regtehouers, sal die gedelegeerde owerheid die volgende spesifiek in aanmerking neem:

- Beleggings in geskikte vaartuie en ander vaste bates. Met betrekking tot vaartuie sal beleggings in die vorm van aandeelhouing ook in aanmerking geneem word. Regtehouer aansoekers sal nie beloon word vir die sluit van voorwaardelike koop-ooreenkomste nie.
- Beleggings in prosessering en bemarking. In hierdie verband mag die gedelegeerde owerheid aansoekers beloon wat in stokvisprosesseringsfabrieke en bemarkingsaktiwiteite betrokke is.

Wat nuwe inkomeling aansoekers betref, sal die gedelegeerde owerheid oorweging gee aan beleggings gemaak in ander sektore in die vorm van vaartuie, vaste bates, prosesserings- en bemarkingsinfrastruktuur. Daar sal van alle nuwe inkomeling aansoekers vereis word om aan te toon dat hulle die kennis, vaardigheid en kapasiteit het ten einde aan die diepsee stokvistreilvisserij deel te neem.

(c) Prestasie

Regtehouers wat sonder goeie rede meer of minder as hul toekenningse gevang het (met meer as 10%), sal penaliseer word. Finansiële prestasie sal gemeet word soos aangedui in die Algemene Visserybeleid.

(d) Waardetoevoeging en ondernemingsontwikkeling

Die gedelegeerde owerheid mag oorweging skenk aan ondernemingsontwikkeling en aansoekers se vermoë om waarde toe te voeg tot stokvis by wyse van prosessering.

(e) Werksgeleenthede

Die diepsee stokvis-treilervissery verskaf ongeveer 8 800 werksgeleenthede. Salarisse is gemiddeld R63 000 per jaar vir werknemers wat seevarend is.

Werkskepping en die vermeerdering van werksgeleenthede as gevolg van die toekenning van mediumtermynregte mag in ag geneem word, en in besonder aansoekers wat hulle werknemers voorsien het met—

- Voltydse werk;
- Mediese fonds en pensioen; en
- Veilige werksomstandighede.

Werksgeleenthede geskep is per tonnemaat vis toegeken gedurende die medium-termyn toekenningsproses sal beoordeel word.

(f) Byvangste

Die volume byvangste wat geland word deur deelnemers in die diepsee stokvistreilvissery bly 'n bron van kommer vir die Departement. Veral die tekening van hoë waarde byvangspesies soos koningklip (*Genypterus capensis*) en monnikvis (*Lophius vomerinus*) is besonder kommerwekkend omdat opnames daarop dui dat die huidige vangste van beide spesies baie volhoubare vlakke is. Koningklip-talrykheid aan die suidkus is veral laag.

Die Departement het die maksimum byvangsperk vir koningklip op 3000 ton per jaar vasgestel en dié van monnikvis op 7000 ton. Hierdie byvangstoegewings is op die hele stokvisvissery van toepassing. Daar sal vereis word van voornemende aansoekers om aan te toon watter byvangsmitigasie en verminderingsmaatreëls hulle in werking gestel het of in die geval van nuwe inkomeling aansoekers, in gaan investeer ten einde te verseker dat aan bogenoemde byvangsbeperkings voldoen word. Die gedelegeerde owerheid mag ook in ag neem watter maatreëls ingestel is of waarin investeer sal word ten einde die byvangste van snoek (*Thyrsites atun*) te verminder.

(g) **Omgewingsvolhoubare praktyke**

Dit word erken dat die gebruik van treilvangs skade aan die seebed berokken. Tot op datum is daar geen afdoende bewys van die omvang van die skade aandui wat veroorsaak word nie. Die gedelegeerde owerheid, in die toepassing van die versigtigheidsbeginsel, sal in ag neem of die aansoekervan voornemens is, of reeds-

- skade aan die seebed te verminder; en
- meer energie en brandstof doeltreffend te wees (ook van toepassing op prosesseringsfabrieke).

(h) **Plaaslike ekonomiese ontwikkeling**

Die gedelegeerde owerheid mag in ag neem of aansoekers, veral regte-houers met kleiner toekennings en nuwe inkomeling aansoekers, gekies het om hulle vangste te land en te prosesseer in sentrums buite die groot metropolitaanse gebiede S00S Kaapstad en Port Elizabeth. Indien die gedelegeerde owerheid positiewe punte toeken aan hierdie aansoekers, mag dit nie lei tot die penalisering van groter diepsee stokvistreilvang regtehouers wat wesentlike beleggings gemaak het in prosessering- en bemarkingsfasiliteite in Kaapstad en Port Elizabeth nie.

(i) **Nie-betaling van heffings**

Regtehouer aansoekers sal penaliseer word as hul heffings betaalbaar aan die Departement vir 'n tydperk langer as 60 dae agterstallig is op datum van hulle aansoek.

(j) **Wetsnakoming**

Indien de aansoeker, sy lede of direkteure of beherende aandeelhouers skulderkenningboetes betaal het vir oortredings van die WLMH, die wet se regulasies of permitvoorwaardes sal die aansoeker penaliseer word.

7.3 Kwantumkriteria

In hierdie visserij sal die meganisme vir die toekenning van kwantum die **onderwerp** wees van verdere konsultasie met aansoekers nadat die aansoeke in die visserij **oorweeg** is en die suksesvolle aansoekers **geïdentifiseer** is. Onderhewig aan **die** uitkoms van die konsultasie proses, sal die volgende **drie** beginsels toegepas word met betrekking tot die toekenning van kwantum.

Eerstens, die toekenning van kwantum aan suksesvolle medium-term regtehouers sal vasgestel word met **verwysing** na kwantumgehou deur regtehouers in 2005.

Tweedens, die gedelegeerde owerheid moet **poog** om ten minste 10% (**tien** persent) van die TTV **te** herverdeel aan regtehouers met klein toekennings, **indien** hierdie entiteite voldoende getransformeer is en goed presteer het gedurende die **medium-term** proses.

Derdens, en bykomend tot die bogenoemde twee beginsels, sal die gedelegeerde owerheid by magte wees om kwantum toe **te** ken gebaseer op kriteria wat daarop gemik is **om** die oogmerke van hierdie beleid **te** bereik, **soos** transformasie en prestasie. Hierdie kriteria moet **ontwerp** word **op** 'n wyse wat **moet** verseker dat **alle** suksesvolle aansoekers, afgesien van die groter van hulle vorige toekenning, **daarby** kan baat vind indien hulle aan die kriteria voldoen.

8. Geskikte vaartuie

'n Geskikte vaartuig vir die diepsee stokvis treilvisserij is 'n vaartuig wat -

- By SAMVV gesertifiseer is met 'n minimum geregistreerde **lengte** van ongeveer 30 meter;
- Toegerus is om met die treilnetmetode vis te vang; en
- Toegerus is met 'n werkende vaartuigmoniteringstelsel.

9. Multi-sektorale betrokkenheid

Regtehouers in die diepsee stokvistreilvisserij word nie verhinder om regte in enige ander visserij in Groepe A en B te hou nie. Regtehouers in die diepsee stokvistreilvisserij (insluitende hulle lede, beherende aandeelhouers en lede van hulle uitvoerende bestuursspan) sal nie toegelaat word om kommersiële visregte in Groepe C en D te hou nie. Dieselfde geld vir tradisionele lynvis.

10. Aansoekgelde en heffings

Die aansoekgelde vir hierdie visserij sal bepaal word met inagneming van:

- Die koste van die hele regtetoekenningsproses, met inbegrip van konsultasie, ontvangs, evaluering van aansoeke, verifikasie, appelle en hersienings; en
- Die waarde van die vis wat toegeken word oor die duur van die reg.

Die jaarlikse heffings wat met ingang 1 Januarie 2006 betaalbaar is, sal hersien word na oorlegpleging met regtehouers. Die heffings betaal sal deur die Departement gebruik word vir die mitigasie van jaarlikse kostes van bestuur, wetsnakoming en navorsing.

11. Bestuursmaatreëls

Die bestuursmaatreëls wat hier onder bespreek word, weerspieël sommige van die Departementse hoofvoornemens vir die bestuur van hierdie visserij nadat regte toegeken is.

11.1 Ekosisteenbenadering tot bestuur van visserij

Hierdie visserij sal bestuur word ooreenkomstig die ekosisteenbenadering tot die bestuur van visserij ("EBV"). 'n Ekosisteenbenadering tot visserijbestuur is 'n holistiese en geïntegreerde benadering wat erken dat visvang en verwante aktiwiteite op land die breek mariene omgewing beïnvloed. Hierdie deel van die beleid vir die diepsee stokvistreilvisserij, is nie daarop gerig om 'n beleidsverklaring te voorsien oor

EBV in die diepsee stokvistreilvisserie nie. Die EBV in die diepsee stokvistreilvisserie sal verder uitgestippel word in die Bestuurshandboek vir die Diepsee Stokvistreilvisserie. Suid-Afrika bly verbind tot die teikendatum van **2010** vir die inwerkingstelling van 'n **EAF** in die kommersiele visserie.

11.2 Konsolidasie van deelnemers

Na die toekenning van kommersiële visvangregte vir **15** jaar in hierdie visserie, sal die Departement die konsolidasie van die aantal regtehouers wat **aktief** is in die visserie fasiliteer, veral waar:

- Regtehouers dieselfde aandeelhouers, kantore of bestuurspandeel, **of**
- Kleiner regtehouers verkies om hul sakebedrywighede te konsolideer.

Die konsolidasie van regtehouers is egter onderworpe aan die Departement se benadering tot monopolie (sien paragraaf **11.5**).

11.3 Visseriebestuursgebiede en mariene beskermde gebiede

Die diepsee stokvis-treilvisserie teiken twee soorte **stokvis** langs die Kaapse **wes-**, **suid-** en suidooskus. Indien die voorgestelde Namakwalandse Mariene Beskermde Gebied verklaar word, sal die oes van stokvis **effektiewelik** verdeel word in drie bepaalde gebiede aangesien **treilvisvangbedrywighede** langs die weskus na die noorde en die suide van die MBG verdeel sal word.

Die Departement is ook van voorneme om die deel van visvanggebiede deur stokvistreil- en stokvis-langlynvisserie te verminder. Artikel **15** van die **WLMH** maak voorsiening vir die verklaring van visvangbestuursgebiede. Die Departement **sal** oorweeg om sodanige bestuursgebiede te verklaar in 'n poging om potensiele gebruikerskonflik tussen treilvisserie en langlynvisserie aan te spreek.

11.4 Vaartuie en vangspogings

Daar is tans 100 diepsee treilvaartuie in Suid-Afrikaanse waters bedrywig. Die meerderheid is ouer vaartuie wat vervang moet word. Die opgradering van die vloot mag 'n verhoging in die vangspoging tot gevolg hê. Die Departement sal die bykomende vangspoging as gevolg van verdere en nuwe vaartuie wat in die vloot ingebring word, met sorg evalueer. Regtehouers sal nie toegelaat word om vaartuie te gebruik wat in staat is om baie meer vangspoging te ontplooi as wat hulle in terme van hulle toekenning kan vang nie. Verder mag die Departement met die Bedryfsliggaam van die Visvangsektor ooreenstemmend pleeg in verband met aansoeke om verdere of nuwe vaartuie in die sektor te benut.

11.5 Monopolieë

Terwyl die Departement konsolidasie van regtehouers in hierdie die visserij sal aanmoedig, is die Departement gekant teen monopolieë wat tot nadeel van die kleiner regtehouers kan werk. Die Departement is veral bekommerd dat die kleiner regtehouers in die visserij nie in staat is om die waarde van hulle toekennings ten volle te realiseer nie, vanweë hul grootte. Op hierdie stadium sal die Departement nie 'n maksimumdrempel van die TTV wat enige enkele regtehouer mag hou of beheer instel nie, maar sal monitor of enige groot regtehouers op 'n wyse optree wat strydig is met billike mededingingspraktyke.

11.6 TTV-verhoudings - treilvangvisserij : langlynvisserij

Die huidige TTV-verhouding van treilvisserij : langlynvisserij sal grotendeels behou word. Die verhouding mag egter hersien word indien verdere data oor die relatiewe impak van die onderskeie visserye beskikbaar word.

12. Prestasiemeting

Die Departement sal 'n aantal **formele** prestasiemetingoefeninge instel vir die duur van **de** kommersiële visvangregte. Daar word **beoog** om die **prestasiemetingoefening** na twee jaar **uit te** voer en dan elke drie jaar daarna.

Alhoewel die Departement die presiese **kriteria** waaraan die regtehouers na die toekenning van kommersiële visvangregte gemeet sal word sal finaliseer na die toekenning van kommersiële visvangregte, en na oorlegpleging met regtehouers, mag die volgende **breë prestasie-verwante kriteria** gebruik word:

- transformasie;
- belegging in vaartuie, fabriek en **toerusting**;
- volhoubare benutting, en in besonder die vermindering van byvangste en die vermindering van die biologiese en ekologiese impak van treilvisvangs;
- nakoming van toepaslike **wette** en regulasies.

Die oogmerk met prestasiemeting sal wees om te verseker dat die **doelstellings** van die vissery bereik word en dat bestuursmetodologieën prosedures geskik is en op datum bly.

13. Waarnemerprogram

Die Departement se huidige waarnemersprogram sal uitgebrei word om waarneming vir wetstoepassings-doeleindes in **te sluit**. Die Departement sal verder die dekking van waarneming van hierdie vissery progressief uitgebrei. Daar sal van regtehouers **verwag** word om die koste van die waarnemingsproses te dra.

14. Permitvoorwaardes

Permitvoorwaardes vir hierdie vissery sal jaarliks uitgereik word. Die **permitvoorwaardes** sal vasgestel word **na** konsultasie met regtehouers in hierdie vissery en sal **onderworpe** wees aan hersiening soos en wanneer dit nodig mag wees.



**DEPARTMENT OF ENVIRONMENTAL AFFAIRS AND TOURISM
BRANCH MARINE AND COASTAL MANAGEMENT**

**POLICY ON THE ALLOCATION AND MANAGEMENT OF LONG-
TERM COMMERCIAL FISHING RIGHTS IN THE HORSE
MACKEREL FISHERY: 2005**

**THIS POLICY MUST BE READ WITH THE GENERAL POLICY ON THE
ALLOCATION AND MANAGEMENT OF LONG TERM (FISHING
RIGHTS: 005 : : www.mcm-deat.gov.za)**

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1. Introduction

This policy on the allocation and management of commercial fishing rights in the Horse Mackerel fishery is issued by the Minister of Environmental Affairs and Tourism ("the Minister"). Interested and affected parties are advised that this policy must be read with the General Policy on the Allocation and Management of Long-term Commercial Fishing Rights: 2005 ("the General Fisheries Policy").

The purpose of this policy is to set out the considerations that will apply to the allocation of long-term commercial horse mackerel fishing rights. Many of these considerations are not new. They have been applied by the Minister and delegated authorities from the Department of Environmental Affairs and Tourism: Branch Marine and Coastal Management ("the Department") when allocating rights in the past and to an extent this policy documents those considerations.

Certain post-rights allocation management policies are also presented in this policy. A Horse Mackerel Fishery Management Manual will be finalised with all right-holders during the course of 2006. This manual will stipulate in detail the management methodology and procedures for the fishery.

The Minister intends to delegate the section 18 power to allocate commercial horse mackerel fishing rights in terms of section 79 of the Marine Living Resources Act 18 of 1998 ("the MLRA") to a senior official of the Department. This policy document will guide the delegated authority in taking decisions on applications in this fishery.

2. Biological status of the fishery

The southern African subspecies of horse mackerel (*Trachurus trachurus capensis*) is found along the entire South African coast, but the largest concentrations of adult fish are found on the Agulhas Bank, near the continental shelf break. Juveniles occur inshore, mainly on the west coast, where they are caught by the purse-seine fishery during the first quarter of the year.

The South African horse mackerel stock is comparatively small by world standards. The status of the South African stock is still being assessed. For this reason, the horse mackerel fishery is

managed in terms of a precautionary maximum catch limit ("PMCL"). The PMCL has fluctuated between 22 000 and 54 000 tons since 1990.

It is important to note that the Cape horse mackerel is highly nomadic. Local availability is variable and dependent on environmental conditions.

3. Profile of the Fishery

The horse mackerel resource is harvested mainly by targeted mid-water trawling but there are substantial targeted and incidental catches in the hake-directed bottom trawl fishery. In addition, juvenile horse mackerel is taken as a by-catch in the purse-seine fishery on the west coast. While generally low, the catch of juveniles by the purse-seine fishery has on occasion been substantial and is currently subject to a strict limit of 5 000 tons per annum.

Management of the horse mackerel resource in South African waters is hampered by a lack of data, particularly the lack of suitable time-series of abundance indices. The most reliable current abundance index is derived from the demersal trawl surveys using bottom trawl gear. However, as the Horse Mackerel resource is semi-pelagic, this index most likely underestimates the size of the resource. Consequently, the status and productivity of the resource is less well known relative to other South African resources such as hake, sardine and anchovy. The data on horse mackerel is inadequate because the primary research focus of monitoring surveys has been the assessment of established fisheries such as hake and sardine.

The majority of horse mackerel is caught by a single midwater directed trawler. The majority of horse mackerel is transhipped and exported without landing or processing in South Africa. The fish are exported to West Africa, earning approximately R2.50 per kilogram. The value of the catch is worth approximately R55 million annually.

4. The medium-term rights allocation process

In 2001, medium-term rights for targeted mid-water trawling were allocated to 17 successful applicants, of which five were new entrants. The new entrants were allocated 500 tons (currently 542 tons) each and the rest of the PMCL was divided among existing right-holders.

The allocation considered previous allocations and scores achieved in a comparative balancing assessment.

The medium-term allocation records show that:

- **41** percent of the current participants are black owned;
- **29** percent of the current participants are black managed;
- **37** percent of the **PMCL** is held by black owned companies.

5. Over-arching sectoral objectives

The over-arching objectives of allocating long-term fishing rights in this fishery are to:

- Notably improve the transformation profile of the horse mackerel fishery;
- Create an environment that attracts investment and stimulates job creation;
- Support the economic viability and environmental sustainability of the fishery; and
- Encourage the landing and processing of horse mackerel for human consumption in South Africa.

The Department will recognise two types of horse mackerel directed effort. Firstly, there will be those right holders that target horse mackerel using a dedicated mid-water trawler. These right-holders may only use a mid-water trawl net and all hake harvested will be regarded as a by-catch. The hake by-catch limitations will apply in this regard.

Secondly, those right-holders that hold a hake deep-sea trawl right in addition to a horse mackerel right may carry both deep water and mid-water trawl nets. All hake caught in this instance will be deducted from the right-holder's hake allocation and all horse mackerel from the right holder's horse mackerel allocation. The right-holder will have to specify the trawl net (midwater or demersal) used for taking each catch.

Right-holders will be required to specify which option they intend exercising.

6. Duration of rights

Having regard to –

- the transformation profile of the fishery
- the capital intensity of the fishery;
- the need to encourage landing of horse mackerel in South Africa and increase the number of **South** African jobs in this fishery;
- the need to increase the economic stability and competitiveness of the fishery; and
- the fact that the horse mackerel resource requires further research,

commercial rights will be allocated for a period of 10 years (**1 January 2006 to 31 December 2015**). The Department will regularly evaluate right holders against predetermined performance criteria (see paragraph **13** below).

7. New Entrants

The Department considers this fishery to be optimally exploited and the total number of participants in this fishery will not be increased. However, the poor transformation profile of the sector, coupled with the fact that horse mackerel is harvested and mostly exported without processing occurring in South Africa, means that the delegated authority will consider new entrant applicants to replace existing right holders.

8. Exclusionary criteria

Applications will be screened in terms of a set of "exclusionary criteria", and thereafter evaluated in terms of a set of weighted "comparative balancing criteria". A cut-off score will then be determined in order to identify the successful applicant. A proportion of the **PMCL** will then be allocated to each successful applicant in terms of a set of "quantum criteria".

81 Exclusionary criteria

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

- (a) Form of the applicant: Applications will only be considered from entities incorporated in terms of the Close Corporations Act **69** of **1984** and the Companies Act **61** of **1973**. Natural persons (i.e. individuals or sole proprietors) will not be granted rights. Current natural person right holders must apply in the form of a close corporation or company and will be treated **as** medium term right holder applicants provided that they comply with the guidelines set out in the General Policy.
- (b) Compliance: **If** a tight holder applicant, or its members, directors or controlling shareholders have been convicted of an offence in terms of the MLRA, the applicant will not be allocated a horse mackerel right. This does not include the payment of an admission of guilt fine. Rights will also not be allocated to a right holder applicant if the applicant, or its members, directors or controlling shareholders that have had a fishing right cancelled, suspended or revoked in terms of the MLRA, or assets seized under the Prevention of Organised Crime Act **121** of **1998** or the MLRA.

Decisions may be reserved on applications from if a right holder applicant (or its members, directors or controlling shareholders) that are being investigated **for** breaches of the MLRA. A decision on such **an** application will be made after the completion of the investigation.

The Department requires every right-holder to pay a levy on targeted fish landed. Right-holders that have under-reported catches to, *infr* alia, avoid the payment of levies will be excluded. Right-holders that have not paid levies or will be penalised in the comparative balancing process as set out below.

Should such an applicant nevertheless qualify for a right, a fishing permit will not be issued until the outstanding monies have been paid to the Department.

- (c) **Paper quotas:** Paper quotas, as defined in the General Policy, will be excluded.
- (d) **Access to a suitable vessel:** Applicants will have to demonstrate a right of access to a suitable vessel (see paragraph 9 below).

8.2 Comparative balancing criteria

Right-holder applicants and new entrant applicants will be evaluated in terms of the following balancing criteria, which will be weighted to assess the strength of each application. The criteria stated below must be read with the corresponding criteria in the General Policy for further detail. This applies in particular to the "transformation" criterion.

(a) Transformation

One of the objectives during the process of allocating long-term fishing rights in this fishery is to improve on the present levels of transformation. As stipulated in the General Fisheries Policy, applicants will be assessed and scored on –

- The percentage black and women ownership and black and women representation at top salary, board of directors and senior official and management levels;
- Whether employees (other than top salary earners) benefit from an employee share scheme;
- Affirmative procurement;
- 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 delegated authority may

also have regard to the wage differentials between the highest and lowest paid employees;

- Compliance with legislation on skills development and the amounts spent on the training of blacks and participation in learnership programmes; and
- Corporate social investment.

(b) Investment in the fishery

As far as right-holder applicants are concerned, the delegated authority will specifically consider:

- Investments in suitable vessels and other **fixed** assets. In respect of vessels, investment in the form of shareholding will also be considered. Applicants may also be rewarded for having concluded agreements in terms of which operating or other **costs** are shared;
- Investments in processing and marketing infrastructure. The delegated authority will specifically seek to reward those applicants that undertake to land and process horse mackerel in **South** Africa.

As far as new entrant applicants are concerned, the delegated authority will consider investments made in other sectors in the form of vessels, fixed **assets**, processing and marketing infrastructure. All new entrant applicants **will** be required to demonstrate that they have the knowledge, skill and capacity **to** fish for horse mackerel.

(c) Jobs

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

- Full time employment;
- Medical aid and pension; and
- Safe working conditions.

Jobs created per tonnage fish allocated during the medium-term rights allocation process will be assessed.

(d) Value-adding, local marketing and enterprise development

The delegated authority may have regard to enterprise development and the ability of applicants to add or who intend to add value to horse mackerel by processing fish products for local and international markets. The delegated authority will reward the landing and selling of horse mackerel in South Africa.

(e) Performance

Applicants that without good reason over- or under-caught by more than 10 percent of its allocation will be penalised. Financial performance will be measured, as indicated in the General Policy.

(f) Payment of fish levies

Right-holder applicants will be penalised if their levies are outstanding for a period longer than 60 days at the date of application.

(g) By-catch

The impact of trawling for horse mackerel on dolphins, pelagic sharks and sunfish is a concern. Applicants able to demonstrate steps taken to reduce the impact of mid-water trawling on these species will be positively scored.

The hake by-catch in the horse mackerel targeted mid-water trawl fishery is expected to be just under two percent of the horse mackerel catch. Prospective applicants will be required to demonstrate what by-catch mitigation and reduction measures they have been implementing or - if new entrant applicants - would invest in to ensure adherence to the above by-catch limitations.

(h) **Compliance**

If the applicant, its members or ~~its~~ directors or controlling shareholders have paid admission of guilt fines for contraventions of the **MLRA**, its Regulations or permit conditions, the applicant will be penalised.

8.3 Quantum criteria

In this fishery, the mechanism for allocating quantum will form the subject of further consultation with applicants once the applications in this fishery have been assessed and the successful applicants have been identified. Subject to the outcome of the consultation process, the following three principles will be applied in respect of the allocation of quantum.

Firstly, the allocation of quantum to successful medium term right holder applicants will be determined having with reference the quantum held by right holders in 2005.

Secondly, the delegated authority must endeavour to redistribute at least 10% (ten percent) of the TAC to right holders with small allocations, provided that these entities are sufficiently transformed and performed well during the medium term process.

Thirdly, and in addition to the above two principles, the delegated authority shall be entitled to allocate quantum based on criteria intended to achieve the objectives of this policy, such as transformation, value-adding and local marketing of horse mackerel for human consumption. These criteria must be designed in a manner which should ensure that all successful applicants, regardless of the size of their previous allocations, will be able to benefit if they meet the criteria.

9. Suitable vessels

A suitable horse mackerel fishing vessel is a vessel that is –

- Either a mid-water directed vessel geared for mid-water trawling or a suitable hake deep-sea trawl vessel that is capable of carrying a mid-water trawl net;
- Is **SAMSA** certified; and
- Is fitted with a functioning vessel monitoring system.

⁵ It is important to note that the Department does not intend to allow a further mid-water directed trawler into this fishery based on current resource data.

10. Multi-sector **involvement**

Right-holders in the horse mackerel fishery are not precluded from holding rights in any fishery in the Cluster A and Cluster B fisheries. Right-holders in the horse mackerel fishery (including their controlling shareholders and members of their executive management team) will not be allowed to hold commercial fishing rights in the Cluster C and Cluster D fisheries, including traditional line fish.

11. Landing sites

Unless specified otherwise in individual permit conditions, only the South African ports of Saldanha, Cape Town, Hout Bay, Mossel Bay and Port Elizabeth may be used to land catches.

12. Management measures

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

12.1 Ecosystem approach to fisheries management

This fishery will be managed in accordance with the ecosystem approach to fisheries ("EAF"). An ecosystem approach to fisheries management is a holistic and integrated policy which recognises that fishing and associated land-based activities impact on the broader marine environment. This part of the horse mackerel fishing policy does not attempt to provide a policy statement on **EAF** in the horse mackerel fishery. The **EAF**

in the horse mackerel fishery will be detailed further in the Fishery Management Manual for the horse mackerel fishery. South Africa remains committed to the target date of 2010 for the implementation of an EAF in the commercial fisheries.

122 Consolidation of participants

After the allocation of 10-year commercial fishing rights in this fishery, the Department will facilitate the consolidation of the number of right-holders active in the fishery, particularly where:

- Right-holders share the same shareholders, offices or management team;
or
- Smaller right-holders opt to consolidate their business operations.

123 Precautionary maximum catch limit

The resource will be managed using a PMCL and gear restrictions. The PMCL will be determined annually and will be based primarily on an age-structured surplus production model that uses catch data and survey biomass estimates. In addition, the PMCL may be adjusted in terms of the perturbation experiment with the purpose of eliciting responses from the resource, thereby improving the information content of the data available for stock assessments. The method of annual PMCL determination may be **modified** during the rights period, based on available data and improved assessment procedures.

Part of the PMCL will be allocated among right-holders for targeted fishing using bottom and mid-water trawl gears, and **part** will be held in reserve to cover by-catch in the hake-directed demersal fishery. In addition, the pelagic purse-seine fleet will not be permitted to catch more than 5 000 t of horse mackerel.

13. Performance measuring

The Department will institute a number of formal performance measuring exercises for the duration of the commercial fishing rights. It is envisaged that the first performance measuring exercise will take place after two years and thereafter every three years.

Although the Department will finalise the precise criteria against which right-holders will be measured after the allocation of commercial fishing rights, and after consulting with right-holders, the following broad performance-related criteria may be used:

- transformation;
- investment in vessels, factories and gear;
- sustainable utilisation, and in particular by-catch mitigation and reduction of the ecological impacts of trawling;
- compliance with applicable laws and regulations.

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.

14. Application fees and levies

The application fee for this fishery will be determined having regard to:

- The cost of the entire rights allocation process, including consultation, receipting, evaluation of applications, verification, appeals and reviews; and
- The value of the fish being allocated over the duration of the right

The annual levies payable with effect from 1 January 2006 will be determined after consultation with right holders. The levies payable will be utilised by the Department for mitigating the annual costs of management, compliance and research.

15. Observer programme

The Departments current observer programme will be expanded to include compliance observation. In addition, the Department will progressively increase the observer coverage of this fishery. Right-holders will be required to bear the costs of the observer programme.

16. Permit conditions

Permit conditions for this fishery will be issued annually. The permit conditions will be determined after consultation with right holders in this fishery and will be subject to revision as and when it may be necessary.