



**St Helena
Government**

ST HELENA PUBLIC ACCOUNTS COMMITTEE

**REPORT TO LEGISLATIVE COUNCIL ON THE
FORMAL SESSION OF THE PUBLIC ACCOUNTS
COMMITTEE HELD ON 12 JUNE 2025**

Laid upon the Table 19 March 2026

St Helena Public Accounts Committee

Report to Legislative Council on the Formal Session of the Public Accounts Committee held on Thursday, 12th June 2025

1. Introduction

In accordance with Section 69 (6) of the Constitution of St Helena, Ascension and Tristan da Cunha, the Public Accounts Committee (PAC) hereby reports to Legislative Council on the Third Formal Session of PAC, held on 12th June 2025 to examine the Performance Audit Report: Fishing Operations Agreement, March 2025.

Current membership of the Committee is comprised of:

Chairman:	Mr Mark Yon
Vice Chairman:	Mr Bramwell Lumukwana
Members:	Hon Clint Beard
	Hon Dr Corinda Essex
	Hon Derek Thomas

The Committee is advised professionally by the Chief Auditor, Mr Brendon Hunt and administrative support is provided by the Clerk, Miss Anita Legg.

A transcript of these proceedings will be made available in the Public Library and on the St Helena Government (SHG) website at <http://www.sainthelena.gov.sh/public-accounts-committee/>.

2. Order Paper – Third Formal Session 2025, Thursday, 12th June 2025

I. Chairman's Address

II. Performance Audit Report: Fishing Operations Agreement, March 2025

I. Chairman's Address

The Vice Chairman welcomed all present and those joining via radio and live streaming.

As is customary, the Vice Chairman explained the Constitutional role of PAC in accordance with Section 69 of the Constitution of St Helena, Ascension and Tristan da Cunha, governed by Standing Order 26. He went on to explain the Committee's mandate which is to provide independent and objective scrutiny of how public funds are spent. The PAC is empowered to act independently, free from the direction or control of the Governor, the Executive Council or any other authority, and the Committee also holds the authority to summon individuals to provide oral evidence.

The Vice Chairman described the scrutiny function as a cornerstone of good governance, ensuring transparency, accountability and the responsible use of public resources. He went on to provide inspirational words by the renowned author and management expert Peter Drucker who said "What gets measured gets managed. Accountability is not just a principle; it is a practice that strengthens public trust and institutional integrity".

The composition of the Committee together with the key advisory and administrative support roles were then highlighted:

Chairman:	Mr Mark Yon
Vice Chairman:	Mr Bramwell Lumukwana
Members:	Hon Gillian Brooks Hon Dr Corinda Essex Hon Karl Thrower
Chief Auditor	Mr Brendon Hunt
Clerk	Miss Anita Legg

Of particular importance, the substantive Chairman, Mr Mark Yon was unable to attend this Inquiry therefore the Vice Chairman assumed Chairmanship in Mr Yon's absence. Also, the Committee was assisted by Deputy Chief Auditor, Mrs Vimbai Chikwenhere; Mr David Brown, Performance Audit Manager; Mr Happyman Makamure, Consultant to Audit St Helena on this particular topic (by virtual attendance); and Miss Morgan Thomas-Henry, Legislative Council Office Assistant.

This was the Third Formal Session of the PAC for 2025 and the Vice Chairman explained that the Committee would examine the Audit St Helena Performance Audit Report on the Fishing Operations Agreement. He invited all key stakeholders to the Inquiry from the St Helena Government (SHG), Ministers and the Executive Director from Saints Tuna Corporation (STC) and PQ Trading, St Helena Limited (PQTSH) to introduce themselves. Finally, the Vice Chairman thanked members of the public in the gallery for their presence and their interest in the work of the PAC.

He then proceeded with the business under scrutiny and explained that fishing is not merely an economic activity, it should be a lifeline for St Helena. Also, it should sustain

livelihoods, support food security and contribute to the Island's sustainable development. The fishing operations agreement under review is therefore of critical importance and the Vice Chairman felt it was our duty to ensure that it delivers value for money and serves the long-term interest of our community. The performance audit, or value for money report on the Fishing Operations Agreement was prepared by Audit St Helena under Section 29 (2) of the Public Finance Ordinance. It was laid before Legislative Council on 27th March 2025 in accordance with Section 29 (3) and is recorded as Sessional Paper 21/2025. The Report was subsequently referred to the PAC for scrutiny under Standing Order 26, Rule 2 (a) (iii).

In concluding the Formal Session, the Vice Chairman thanked everyone and added that PAC would evaluate the evidence heard and submit a report to Legislative Council on its findings, together with any recommendations. Thanks were also extended to South Atlantic Media Services for providing the live streaming and radio coverage, and to the listening public for their continued interest in the work and activities of the St Helena Public Accounts Committee.

The evidence taken at this Formal Session of PAC is summarised in the Main Conclusions overleaf.

II. Performance Audit Report: Fishing Operations Agreement, March 2025

Main Conclusions

The Committee concluded that the process to appoint the investor included non-transparent procurement practices. SHG bypassed the Procurement Board, selected PQTSH through a group established under Executive Council (ExCo), offered the winning bidder a £500k capital contribution that was never disclosed to the other four bidders and conducted only limited due diligence despite knowing PQTSH had no vessels of its own. In late 2019, five parties submitted expressions of interest to take over fisheries operations. Instead of using the statutory Procurement Board, Executive Council authorised the creation of an evaluation panel. This panel was ultimately composed of the Chief Secretary, Chief Economist, Director of Environment, Natural Resources & Planning (ENRP) and the Head of Finance which chose PQTSH in February 2020. Although other bidders had requested ongoing subsidies, PQTSH's bid stood out because it asked for a one-off £500k loan and promised no further call on public funding. ExCo converted this into a £500k grant for refurbishing the government-owned plant with no requirement for repayment. Crucially, none of the other four bidders were informed that SHG was now prepared to provide up to half a million pounds of capital support, nor were they given any opportunity to revise their proposals. Due diligence was limited to checks performed by Enterprise St Helena (ESH), which flagged no concerns despite the fact that it was acknowledged throughout the process that PQTSH did not yet possess or control any suitable offshore fishing vessels – such acquisition was always a future commitment.

A 14-month negotiation delay, fragmented oversight and persistent legal confusion resulted in the final agreements not being signed until April 2021, with the Memorandum of Understanding's (MOU) binding status now disputed despite originally being treated as part of the deal. Furthermore, the £500k capital injection by SHG was transformed from a loan into a non-repayable grant without any competitive re-testing of the market. After PQTSH was named the preferred bidder in February 2020, a task-and-finish working group – chaired by the Chief Economist and including ENRP, two Crown Counsel, the Chief Secretary and a PQTSH director – took 14 months to produce the final Factory Lease and Fishing Operations Agreement which were signed in April 2021 by the Chief Secretary (for SHG) and PQTSH. Day-to-day responsibility is split between the Head of ENRP (Fisheries) and the Economic Development Property Section (lease). The overall arrangement was intended to comprise the pre-agreement MOU, the Lease and the Fishing Operations Agreement, with working-group members and initial legal advice treating the MOU as expressly incorporated. However, later Attorney General opinions have contradicted this, creating ongoing uncertainty about its enforceability. Separately, Executive Council declined to allow the £500k to flow into the private company (or initially into local fishers' shareholding) and instead refashioned it as a direct, non-repayable subvention for refurbishing the government-owned asset, a significant shift from the original bid that was never put back to the other bidders for comparison.

The Committee concluded that the agreement was flawed and signed on the basis of incorrect legal advice. Despite 14 months of drafting by a task group that included two Crown Counsel who attended every meeting, the final Fishing Operations Agreement omitted any explicit obligations section for PQTSH, contained only vague references to the £500k matching contribution and vessel supply, and had weak termination clauses. SHG signed it because successive Attorney Generals declared it robust, but both parties now admit it is significantly defective. Nonetheless, repeated opportunities to vary or replace the agreement (in September 2024 and March-April 2025) have gone nowhere because neither side has taken the lead. The agreement was developed between February 2020 and April 2021 by the aforementioned task-and-finish group that held regular, sometimes contentious meetings. Two Crown Counsel from the Attorney General's Chambers were full members, providing continuous legal advice and drafted both the Lease and the Fishing Operations Agreement. The group, with Executive Council's backing, believed the earlier MOU was adequately incorporated by reference. At the time of signing, every legal officer involved consistently advised that the agreement was sound and enforceable. Only years later, under new Attorney Generals, did it become clear that the agreement is seriously defective: it contains no dedicated obligations section for PQTSH (while SHG and the local co-operative STC each have one), the critical £500k matching contribution and vessel-supply commitments are not expressly enforceable, the termination provisions are inadequate and key phrases in the preamble are ambiguous. The Chief Secretary, Head of ENRP and STC's Managing Director all now concede the agreement is significantly flawed. Despite this, and despite informal opportunities to vary or replace it in September 2024 and again in March-April 2025 (the latter as recommended by the Chief Auditor), no amendment has been made. PQTSH did not formally request variation, assuming that SHG would lead on proposing changes. Changing and conflicting legal advice plus a focus on short-term operational hurdles (vessels, quotas and registration) have repeatedly delayed resolution of this issue. Consequently, more than 4 years after signing, the same admittedly defective agreement remains in force.

From evidence provided to the Committee, it concluded that there was no enforceable requirement to flag vessels in St Helena and furthermore no local safety regime in place. The Committee further concluded that the insistence that PQTSH must register vessels locally stems only from the 2020 MOU, whose legal status remains disputed and which seems to have expired 8 months before the main agreement was signed. Moreover, St Helena has no statutory safety standards or certification regime for local or offshore fishing vessels, minimal restrictions exist and key safety regulations are still to be drafted and approved. The Committee considered that despite this vacuum, SHG continues to require full St Helena flagging even as the Committee questioned whether it might be possible for fishing licences alone – without flagging – to adequately protect crew safety, resources and the environment. Officials confirmed that no clause in the legally binding April 2021 Fishing Operations Agreement or Lease requires PQTSH vessels to be St Helena-flagged: the only source cited is the May 2020 MOU, which itself states is not legally binding. Further, although not mentioned in the formal session, the Committee noted that the Chief Auditor's report highlighted a provision in the MOU stating that it automatically expires after 3 months (in August 2020) unless extended by the Project Board, and no

evidence of such an extension was produced until at least March 2025. ENRP and previous legal advice treated the MOU as enforceable but new advice contradicts this former position. St Helena currently has no legislation or regulations setting safety standards for local or offshore fishing vessels, with the Ports Ordinance 2016 remaining unsupported by regulations, and work on a local-vessel safety policy still ongoing with the UK Maritime and Coastguard Agency (MCA). In the absence of any local safety regime, restrictions on vessels fishing in St Helena's offshore waters were described as "minimal at best". The existing 2020 Fishing Licensing Policy contains no crew-safety provisions but can impose environmental and resource-management conditions. The Chief Minister and the Minister for Safety, Security and Home Affairs did not accept that crew safety, resource protection and environmental safeguards could be adequately addressed through the licensing and certification process without mandatory St Helena registration/flagging, even though neither the UK nor territories such as the Falkland Islands impose such a requirement. Advantages of local flagging were said to include access to MCA expertise and greater government oversight given its duty of care for the crew of boats fishing in its waters, while acknowledged downsides include significant potential liability for SHG (highlighted by the Fishing Vessel *Argos Georgia* sinking investigation), and increased costs and administrative difficulties for operators. Despite the regulatory vacuum and the absence of any binding contractual obligation, the Committee was told that SHG continues to insist on St Helena registration as a pre-condition for offshore operations under the agreement with PQTSH.

The Committee was concerned to hear that exploratory licences and scientific data collection have not started because no suitable vessel has been provided. SHG had allocated PQTSH almost all of St Helena's bigeye tuna quota (590 mt in 2021 & 2022) and a small yellowfin share (26 mt), but the promised exploratory fishing never happened because PQTSH had no offshore-capable vessel ready at the time of the agreement and did not subsequently register one in St Helena. The International Commission for the Conservation of Atlantic Tunas (ICCAT) is the regional fisheries management organisation to which the UK (and therefore St Helena as an Overseas Territory) is party. St Helena's bigeye and yellowfin quotas form part of the overall United Kingdom Overseas Territories (UKOT) allocation, with the bigeye limit currently set at 1,575 mt across all territories, up from 1,000 mt at the time of the Fishing Operations Agreement. SHG successfully secured increases in St Helena's share through annual tropical-tuna management plans submitted to the Department for Environment, Food & Rural Affairs (DEFRA)/Foreign, Commonwealth & Development Office (FCDO). For 2021 and 2022 SHG formally allocated PQTSH 590 mt of bigeye (close to the full St Helena share) and 26 mt of yellowfin, in line with the exploratory quantities approved by Executive Council and the provisions of clause 2.2 of the Fishing Operations Agreement. Despite having the quota in place, SHG was unable to issue the actual exploratory licences for 2021-2022 (and none have been issued since) because PQTSH never had an offshore-capable vessel available, nor submitted a licence application for one that would be suitable. Officials confirmed that no alternative local vessel (e.g. the smaller *John Mellis*) was ever proposed by PQTSH for exploratory work, and the *John Mellis* was in any event considered too small for fishing the northern seamounts where bigeye are found. As a result, 4 years after the agreement was signed, no exploratory fishing has

taken place, no scientific data have been collected from the offshore fishery under this project and St Helena continues to under-utilise its ICCAT-allocated bigeye quota.

The Committee concluded that a 9-month deadlock on a critical culvert was caused by SHG's linkage of the resolution of this infrastructure defect to vessel delivery and failure to follow the agreement's own dispute-resolution clause. SHG refused to repair or allow repair of the 14-tonne-rated culvert, which is now needed because STC re-configured the factory loading to the rear, until PQTSH/STC delivered and registered an offshore vessel. The formal consultation and independent escalation process required by clause 4.1 of the Fishing Operations Agreement was not instigated by either party, with no independent representatives ever nominated, and export of containerised fish was effectively blocked from November 2023 as a result. The Fishing Operations Agreement (clause 4.1) requires issues to be resolved first by direct consultation and, if still unresolved, escalated to independent representatives jointly nominated by the parties. Neither step was followed with respect to the culvert. After it was declared unsafe for the reach stacker to drive across in November 2023, STC immediately flagged its urgency and repeatedly requested ministerial-level talks from December 2023 onwards. Despite internal technical meetings and an options paper produced by March 2024, Executive Council halted progress and, from mid-2024, explicitly conditioned any culvert solution on PQTSH/STC first procuring and registering in St Helena an offshore vessel – a separate contractual dispute. A Chief Ministerial instruction barred officers from further contact with STC until a full Attorney General review was completed, further delaying resolution. The first ministerial meeting did not occur until 17 September 2024 – almost 10 months after the problem was identified. The rear-loading reconfiguration that made the culvert critical had been carried out by STC, with prior government knowledge and Project Board oversight, to improve processing flow within the factory and ensure European Union (EU) export certification. (Previous operators loaded from the front and thus did not have to drive loaded containers over the culvert.) No independent representatives were ever nominated, and the clause 4.1 escalation process was bypassed entirely. As of the hearing, no firm date exists for culvert repair – it is one of several bridges in a £1m infrastructure bid, prioritised by risk. However, STC has been told it may self-fund a solution subject to planning approval. Until this occurs containerised fish exports will require workarounds to the extent they exist, at the risk of ongoing lost revenue for both STC and the Island.

The Committee determined that no direct financial return has been received as of yet from the refurbishment of the processing facility and at this time none can be forecasted. Four years after taking over the plant, STC had exported only three containers at the time of the hearing and fish landing volumes had collapsed versus 2019. SHG has requested that PQTSH/STC submit an updated business plan, which was still outstanding despite the government asking for it in 2024. Still, both sides now claim all major obstacles are cleared and offshore fishing should finally begin in July 2025. Fish landings and exports have fallen dramatically since the St Helena Fisheries Corporation SHFC was wound up in early 2020: only three containers were exported by STC in 2023 before the culvert issue halted containerised exports entirely from November of that year. SHG has stopped the previous direct subsidies but currently receives no rental income or other direct financial benefit from leasing the refurbished

plant, and the Chief Minister stated that the government still does not know when (or if) it will ever see a return because PQTSH/STC has not yet delivered the revised business plan requested in mid-2024. This plan would need to account for the much lower quotas and single-vessel operation, instead of the original three-vessel, 900-1,000 mt model. From the Head of ENRP's perspective, all of SHG's obligations are now met – licences issued, science protocols ready, and advice given on a culvert workaround – so no further obstacles remain on the government's side. STC's Managing Director stated that (1) procuring and licensing the *St Albatros* demonstrates commitment, (2) the Company has off-take agreements and buyer interest ready, and (3) the culvert is now being addressed at the company's own cost. As such, offshore fishing and scientific data collection can finally begin in July 2025. Both parties therefore assert that the long-delayed offshore fishery is at last about to start, but SHG remains unable to forecast any direct financial benefit until an updated business plan is provided and actual sustained exports materialise.

Turning to the future viability of the enterprise, the Committee noted that there remained an uncertain path forward with no further SHG investment. Four years on, Executive Council remains in the dark on progress. Despite an upcoming licence issuance and ongoing culvert talks, the Chief Minister harboured deep doubts over factory capacity, safety risks from vessels that are not MCA-certified, an outdated agreement, and the lack of an updated business plan (now promised by the end of June 2025). Both sides stressed collaboration and data collection as essential. Notwithstanding, STC sees exploratory quotas as potentially revocable and warns one vessel and one blast freezer are insufficient, while SHG rules out any additional funding regardless of the business plan's updated contents. The Chief Minister revealed that Executive Council has received no substantive updates on the Fishing Operations Agreement since its April 2021 signing, learning only days before the hearing of ENRP's plan to issue an exploratory licence on 1 July 2025, and STC's ongoing planning discussions for a culvert workaround. She expressed profound reservations about long-term success, citing the factory's inadequate receiving capacity (now limited to 5 tonnes/day, though STC's Managing Director said it could increase with more staff), an expired agreement timeline, unresolved safety gaps (no MCA certification for the *St Albatros* despite South African approval), and the absence of an updated business plan reflecting the lower quotas mentioned above. For the broader fisheries vision, the Chief Minister emphasised that the £500k refurbishment loan, later converted to a grant, was essential to the business but there have been regressions versus pre-2020 volumes of fish landed, with no appetite or fiscal capacity for further SHG investment. Viability must be proven on existing exploratory quotas before any expansion, and the agreement's narrow focus fails to address the full industry (e.g. inshore fishers, non-STC participants). STC's Managing Director echoed the need for multi-stakeholder cooperation (SHG, STC, fishers, public) to gather offshore data for defending future ICCAT total allowable catch (TAC) amounts and to build market consistency. He also highlighted single points of failure (e.g. only one freezer vessel) which require redundancy and capacity upgrades. However, he said these are not able to be addressed, and additional assets cannot be committed, until TACs stabilise following the exploratory phase. He committed to delivering the business plan by late June 2025, tied to current (experimental) quotas rather than the original 900 mt assumption, and defended the *St Albatros* as fully safe for

high-seas operations. Both parties agreed the sector's strategic direction hinges on immediate exploratory fishing to validate commercial potential, but prospects remain fragile amid communication breakdowns, mismatched expectations and no tolerance within government for more public funding.

Given significant public interest in the fishing industry and the related hearing, the Committee endeavoured to update several matters given developments that have occurred since the hearing date. Based on updates provided by SHG and STC, the Committee acknowledged that some progress has been made towards STC becoming fully operational. However, with only 5 years remaining on the agreement, a concerted and co-ordinated effort by all parties will be required to realise the benefits originally envisaged when the partnership was first established. At the time of the hearing, the *St Albatros* was moored in Jamestown's harbour but was not registered (flagged) in St Helena and had not begun licensed offshore fishing. The Committee has learned that the Attorney General's Chambers confirmed to the Minister of ENRP that STC vessels were not required to be registered in St Helena under the Fishing Operations Agreement. Whilst officials acknowledged that the *St Albatros* had been subsequently issued with fishing and exploratory licenses, it was confirmed that the vessel had completed only four offshore fishing trips from the date of the hearing through January 2026, visiting only the nearest seamount, and exploratory fishing (requiring trips to the farthest seamount) had not yet commenced. The Committee was concerned to hear that two early operational impediments were mechanical issues with the vessel and difficulties securing a regular local crew. The Committee was also concerned that the culvert still had not been refurbished to bear the load of the reach stacker carrying a full container of fish, but this was somewhat mitigated by STC self-funding a workaround (until a permanent solution is found) and still being able to export two containers from the date of the hearing through January 2026. Finally, the Committee was pleased to learn that PQTSH/STC had given Ministers an updated business plan as requested.

RECOMMENDATIONS

In relation to its scrutiny of the Performance Audit Report: Fishing Operations Agreement, March 2025, **PAC recommends that:**

1. Parties to the Fishing Operations Agreement should embark on a process to vary the agreement to address identified deficiencies by including the following:
 - a) Itemisation of PQTSH's responsibilities to be consistent with similar sections for SHG and STC;
 - b) More comprehensive termination provisions, such as breach of contract, force majeure, frustration, misrepresentation, mutual agreement and repudiation;
 - c) Those responsibilities from the MOU and from any other documents that are relevant to the overall objective of creating a viable and sustainable fishing sector;
 - d) An explicit reference to the agreement as the master document;

- e) The removal of preamble C with its listing of documents that form the 'background' to the agreement; and
 - f) A requirement for an updated business plan to be prepared and submitted to SHG on an annual basis.
2. Parties to the agreement should commit to using the existing dispute resolution process as specified in clause 4.1 of the agreement.
 3. SHG should take steps to create an enabling environment that fosters a co-operative relationship between the members of STC and the local fishers.
 4. SHG should implement quarterly monitoring and reporting mechanisms to include aspects of data collection, statistics, vessel performance and quota usage, and the return on its investment in forms such as facility rent.
 5. SHG should develop and issue the regulations underpinning the Ports Ordinance as soon as possible.

3. Concluding Remarks

The Public Accounts Committee acknowledges the work of the Chief Auditor and staff of Audit St Helena in assisting with the production of this Sessional Report to Legislative Council. The Committee also thanks attending officials from St Helena Government, Chief Minister Julie Thomas, Minister Christine Scipio and Mr Johan Bezuidenhout from Saints Tuna Corporation and PQ Trading St Helena Limited for providing evidence in response to our lines of inquiry.

This Sessional Report on PAC proceedings held on Thursday, 12th June 2025 is hereby authorised for issue to Legislative Council pursuant to Section 69 (8) of the Constitution of St Helena, Ascension and Tristan da Cunha.



Mark Yon
Chairman
11 March 2026