

**LIST OF ORGANISATIONS MAKING SUBMISSIONS  
ON THE PROPOSED COST RECOVERED FISHERIES SERVICES  
FOR 2009/10  
AND  
PROPOSED COST RECOVERY LEVIES  
FOR 1 OCTOBER 2009**

Full name of organisation	Short version
Area 2 Inshore Finfish Management Co Ltd	Area2
NZ Rock Lobster Industry Council	NZRLIC
New Zealand Seafood Industry Council Ltd	SeaFIC

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**ISSUES RELATING TO THE PROPOSED COST RECOVERED FISHERIES SERVICES**

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## ISSUES RELATING TO THE PROPOSED COST RECOVERED FISHERIES SERVICES

Issue 1	General comments in relation to cost recovered fisheries services
Organisation	NZRLIC: page 2

### Submission details

#### NZRLIC

With regard to what are best referred to as 'generic cost recovered fisheries services' - in particular Fisheries Compliance - I could rehash the historical complaint about lack of strategic compliance planning (and activity), lack of accountability and absence key performance indicators relevant to the levy burden on CRA and PHC quota share owners. But you have heard all that from the NZ RLIC before (at least since 1997) and it has been ineffectual in terms of the final outcomes. On behalf of the NZ RLIC I have far greater confidence that our submissions on rock lobster research projects will be more influential as a consequence of the far more cooperative and collaborative planning processes operated under the auspices of the NRLMG.

### Ministry analysis

The comments from NZRLIC are noted. With respect to the compliance issues, the “inform and assist” compliance model being introduced to the Ministry will provide an added incentive to ensure that strategic plans clearly relate to risk and deployment models respond accordingly.

### Recommendation

It is recommended that you:

- (a) note the comments from NZRLIC; and
- (b) note the Ministry response..

Issue 2	New initiative: Increased Observer coverage
Organisation	SeaFIC: page 1 para3

### Submission details

#### SeaFIC

3 My understanding of this approval was a three year programme totalling \$6m, \$1m in 2008/09, \$2m in 2009/10 and \$3m in 2010/11. The Minister's statements on the approval did not indicate this was a permanent budget increase.

### Ministry analysis

The consultation documents for the 2008/09 fisheries services clearly showed that this new initiative was not limited to three years, but that, if approved, it would become a permanent part of the Ministry's baseline.

The industry did not raise the issue of time limited funding in its submissions on the 2008/09 fisheries services document or the cost recovery levies for 1 October 2008, the latter being a submission made after the 2008 Budget announcements.

### Recommendation

It is recommended that you:

- (a) note the comments from submitters; and
- (b) note the Ministry response.

Issue 3	Estimates: Crown revenue and receipts
Organisation	SeaFIC: page 1 para4

### Submission details

#### SeaFIC

4 The description for this item should be amended to be “Revenue forecast to be paid by fishers who have overfished” as against the current reference to quota-holders who have overfished.

### Ministry analysis

The Ministry acknowledges that the wording could be improved. We will attend to this as part of the 2009/10 Supplementary Estimates process.

### Recommendation

It is recommended that you:

- (a) note the comments from submitters; and
- (b) note that the Ministry will amend the description of this item as part of the 2009/10 Supplementary Estimates process for Vote Fisheries.

Issue 4	The consultation document
Organisation	SeaFIC: pages1-2; paras 5-7

#### Submission details

#### SeaFIC

5 The Ministry has provided an abbreviated level of material for this year's consultation. The Ministry has deleted any detailed information not related to cost recovery from the material provided.

6 While the reduced information may be considered to be in accord with the statutory obligations for consultation, it provides little recognition of the need for accountability, transparency and collaborative relationship building in the management and utilisation of a shared resource. How the Ministry is prioritising and allocating its resources and efforts is not available in the Statement of Intent, the Estimates information, the consultation material or the levy model.

7 While industry's submissions in the past may have had little impact on decisions on matters wider than cost recoverable expenditures, we were at least informed and given the opportunity to comment on the other Ministry activities which impacted on our interests in New Zealand fisheries. We hope that this does not presage a wider reduction of industry involvement and engagement in areas such as research planning and development of fisheries plans.

#### Ministry analysis

In February 2009, you agreed to the adoption of a single consultation process with fisheries stakeholders, with the consultation limited to those services subject to cost recovery. The statutory requirement to consult on services had been removed from the Fisheries Act 1996 some years earlier, but it is still reasonable to consult on those services that are subject to cost recovery from commercial stakeholders.

The decision to adopt this course arose from that premise and was also in recognition of the dwindling responses in earlier years from stakeholders on the proposed fisheries services for those years as shown in the table below.

Year	Number of written submissions
2001/02	13
2002/03	9
2003/04	12
2004/05	11
2005/06	12
2006/07	8
2007/08	8
2008/09	7

Stakeholders were advised of this change in a letter issued on 25 February 2009. There was no formal feedback to the Ministry on the content of this letter.

There is no requirement for the Ministry to consult on non-cost recovered services and it is a matter for the Government to determine what Budget initiatives will be considered in any year.

Industry's comments that how the Ministry is prioritising and allocating its resources and efforts is not available in the Statement of Intent, the Estimates information, the consultation material or the levy mode are curious. The information required by these documents is necessarily at a high level and would not in any event contain the details on prioritisation inferred by industry.

More targeted engagement between the Ministry and stakeholders is being promoted for 2009 and beyond. It will be designed to achieve outcomes desired to meet Government priorities.

The Ministry will continue to consult stakeholders, in an efficient and appropriate manner, in a number of Ministry planning processes including developing a long term fisheries strategy, developing fisheries plans and research planning.

### Recommendation

It is recommended that you:

- (a) note the comments from submitters; and
- (b) note the response from the Ministry.

Issue 5	Output expense Fisheries Information
Organisation	SeaFIC: page 2; paras 8-12

### Submission details

8 We note that research activity will be decreased as a result of the expenditure review. We note that, while forecast research expenditure levels are increased for 2009/10 to reduce the level of carry forward, the commitment budget for further research has been reduced.

9 The Ministry has long lamented the decline in the level of funding allocated to research. While industry might have disagreed with how that funding has been utilised in the past, we have supported the Ministry's case for increased research expenditure. It is disappointing that the expenditure review trimmed \$1.8 million off the priority research budget. While we advocated a reduction of \$1 million in the observer budget, we advocated that funding should be transferred to the research budget to bolster the level of research.

10 We note that the carry forward of research expenditure has increased significantly over recent years and is estimated by the Ministry to be \$8 million. We are sceptical that the Ministry will be able to achieve a \$5m reduction in that carry forward due to resource shortages in the research provider market. Industry has been already levied for much of that carry forward and it is not the role of industry to act as the banker for the Ministry.

11 In respect of the performance measure relating to the percentage of catch from assessed stocks, we would be concerned if the Ministry considered it desirable to undertake stock assessments for all stocks. Formal stock assessments are expensive and the low economic value of many stocks, especially those in the inshore, precludes such stock assessments as being an effective management tool.

12 In respect of observer coverage of fishing activity, we note the Ministry limits its performance measure to observer delivery levels in the SQU6T fishery. Industry considers that a more generic performance measure referring to delivery rates across all fisheries is more appropriate than focusing on a single stock delivery level.

### Ministry analysis

The industry comment that research expenditure has been reduced as a result of the line by line review does not provide a full picture of the 2009/10 funding. The \$1.8 million savings noted in their comments has been substantially provided through reductions in indirect costs. Stock assessment research has not been affected by this review. It is also important to note that \$1.7 million in savings (\$1.09m of which is in fisheries information) from the expenditure review was passed on to industry through reductions in the costs of services subject to cost recovery.

Further, the 2009 Budget provided additional funding to undertake research into recreational catch. The purpose of this is to provide a national estimate of catch for key recreational species such as snapper, blue cod, kahawai, rock lobster and paua. This will lead to better information on which to base decisions on allocation of shared stocks between recreational and commercial interests.

There needs to be a balance between the resourcing of research and that for Observer services. The two are not interchangeable. It is a matter for the Minister to determine where that balance lies. He has decided that the \$1m will remain in the observer output.

A sizeable portion of the carry forward from 2008/09 into 2009/10 relates to late requests from industry to defer a major Orange Roughy trawl survey (\$2.2m), and the need to provide for completion of the International Polar Year project (\$1m).

The performance measure relating to the percentage of catch from assessed stocks does not suggest that the Ministry intends to undertake stock assessments for all stocks; on the contrary, it suggests that we will continue to focus on high volume, high value stocks.

Industry has commented that the Ministry should adopt a more generic measure referring to delivery rates across all fisheries rather than limit this to observer delivery levels in the squid 6T fishery. The delivery performance measures for observer services cover the following:

Indicator	Expected achievement
Total observer coverage days delivered	7,866 +/- 10%
Number of Ministry required days delivered, excluding monitoring of interactions with protected species.	3,886 +/- 10%
Days coverage to monitor interactions between commercial fishing and protected species	900
Coverage of fishing activity (% of tows) in the squid 6T fishery.	30%
Coverage in those fisheries where coverage is a condition of the fishing permit (Planned days in 2009/10, 1078)	100%
Coverage of bottom trawl fisheries in the South Pacific Regional Fisheries Management Area	100%

#### Recommendation

It is recommended that you:

- (a) note the comments from submitters; and
- (b) note the response from the Ministry.