

**SUBMISSION ON CONSULTATION DOCUMENT ON FISHERIES RESEARCH
SERVICES PROPOSED FOR 2004/05 AND 2004/08 STATEMENT OF INTENT
INCLUDING OUTPUT PLAN FOR 2004/05**

Introduction

1. The Hoki Fishery Management Company Limited and the Squid Fishery management Company Limited (“HFMC and SFMC”) make this submission on the ‘Consultation Document on Fisheries Services Proposed for 2004/05’ on behalf of the commercial quota owners in these fisheries. It has been in consultation with members of the fishing industry and incorporates points raised at the Plenary meeting on 4 February 2004.
2. The submission is in two parts. Part I addresses the 2004/08 Statement of Intent including Output Plan for 2004/05 (SOI) and Part II comments on proposed research projects in the FRS.
3. In principle, both HFMC and SFMC supports the concept but our support is qualified as many of the elements of the framework for the directions and goals of the New Approach to Fisheries Management are unavailable, and therefore we cannot comment on how it may eventually apply in practice.
4. While the vision of where we need to get is acceptable (i.e. the ultimate outcome of the “new approach”), we believe there should be a great deal more on how this will be achieved and the steps required to achieve this.
5. Given the absence of a number of key elements (e.g. rights framework for recreational fishers, gaps in standards etc), both HFMC and SFMC support SeaFIC concern that the proposed timetable is not achievable. The transition requires not only the development of policies, but also engaging with and educating stakeholders who will be affected by the proposed changes.
6. The seafood industry has seen revenues tumble dramatically in the last three years and the economic forecasts for 2004/05 are poor. At the same time, management, research and administration costs have been rising. Given the current economic state of the industry, great care is needed in the commissioning of research to ensure only essential and cost-effective projects are undertaken. In this submission HFMC identifies a number of research projects that are not high priority and that we recommend should be withdrawn.
7. Both HFMC and SFMC support the question raised by SeaFIC and particularly look forward to receiving written answers to the following issue:
 - i) Are there plans for a framework that would allow full cost recovery from non-fishing users who have an adverse impact on the aquatic environment, and if so, the feasibility and workability of such framework?
 - ii) What constitutes an “adverse effect” and what is the process for determining “acceptable limits” in the proposal to place the burden of proof on fishers to demonstrate that the exercise of their rights did not cause adverse effect beyond the acceptable limit?
 - iii) How will a demonstration that the adverse effect was acceptable be made operational?

- iv) When will MFish complete a rights-based management framework for recreational fishing?
- v) What are the performance standards driving the New Fisheries Management Approach?
- vi) What is the timeframe that MFish has for completing these standards?
- vii) What will the variance between performance standards for stock strategies and fish plans?
- viii) When will MFish release its Working Group report about observer services?

PART I – STATEMENT OF INTENT

Strategic Plan

- 8. This issue is fully addressed by SeaFIC in their submission. HFMC and SFMC have sighted the submission and endorse its comments on Strategic Plan and look forward to formally receiving a response from the

New Fisheries Management Approach

- 9. This issue is fully addressed by SeaFIC in their submission. HFMC and SFMC have sighted the submission and endorse its comments on Standards, Allocation of Rights, Participation in Management, Fisheries Intervention Plans, Measuring progress, Consultation and Criteria for assessing quality of policy.
- 10. For consultation to be meaningful, it requires that both parties engage in the process. Over the past few years HFMC and SFMC have raised a number of issues and sought clarification. We have never received a formal reply to these issues. We believe this is an important point and look forward to the Ministry's answer to the questions raised in this submission and that of SeaFIC's formally.

Ministry Outputs to Achieve its Contributing Outcome

Output 11: Utilisation and sustainability advice provided

- 11. As discussed above, the completion of the rights framework for recreational fishing should be a major priority. HFMC and SFMC agree with SeaFIC and are very disappointed that it is not even mentioned. This is especially so in view of the earlier parts of the SOI that propose new directions, increased responsibilities etc, all of which have this framework as an essential component.

Output 21: Utilisation and sustainability of New Zealand's fisheries resources measured

12. HFMC and SFMC note that an analysis of research projects from 1999-2003, based on information available on the MFish website, reveals that a high proportion of projects were never commissioned and of those that were, 91% were let to a single research provider, NIWA. In fact many of the projects on received a single bid (from NIWA).
13. HFMC and SFMC agree that it makes sense to consider partnerships, multi-year projects.
14. This is, however, an area of considerable complexity and requires serious and extensive consideration. The SOI is unclear as to how MFish proposes to approach the issue.
15. HFMC and SFMC endorse the development of a Seafood Industry Research Strategy (SIRS) commissioned by SeaFIC. The intention of this work is to understand fully the operating environment for research in the seafood and marine sectors, and to consider how the industry should seek to work with the Crown and research providers to achieve desirable outcomes.

Output 26: Observer services provided

16. HFMC and SFMC have long been concerned at the inability of the Observer project to deliver on the MFish Outputs. We endorse the establishment of the “Observer Project and look forward to the anticipated planning and cost estimation for 2004/05 and that may lead to trip sharing and cost reductions.

Output 31: Utilisation and sustainability reported

17. HFMC and SFMC agree with SeaFIC that is the key output for the “new approach to fisheries management” including the development of standards, fish stock strategies, fisheries plans and the implementation of the rights based framework. It seems rather strange, therefore, that none of these new initiatives appear in the “results” part of this Output. Instead of being driven by management objectives for specific fisheries, the “results” are a reiteration of the old, unsatisfactory process/service driven advice papers.

Output 41: Statutory decision process administered

18. This output provides for the evaluation of applications from stakeholders to harvest aquatic life or to farm aquatic life. One of the performance measures in this output is that the Ministry will resolve marine farming applications “on a timely basis”.
19. SeaFIC submits that this performance measure has to be made far more explicit; so far the “timeliness” has not borne any resemblance to commercial reality.

Output 51: Commercial fishing rules enforced

20. HFMC and SFMC believe this output class is completely lacking in accountability. The output description makes it clear that the industry is paying for the “maintenance of the Ministry’s compliance capacity” and the allocation of cost (not up for consultation here) allocates the majority of this output to middle-depth fisheries even though they use a small proportion of the required capacity. We submit that the allocation of costs with respect to this output needs a complete review.

Output 52: Customary fishing rules enforced

21. This issue is fully addressed by Te Ohu Kai Moana in their submission. HFMC and SFMC has sighted the submission and endorses its comments on this Output.

PART II – FISHERIES RESEARCH SERVICES.

22. HFMC and SFMC supports the issues raised by SeaFIC concerning consultaion on Fisheries Research Services.
23. For the first time, MFish has provided cost estimates at the discussion stage of the SOI. While this is a step forward. MFish may have prepared explicit and detailed cost estimates, but what is provided in the draft SOI is very crude and at times unhelpful. Project costs given as “\$0-\$50,000” or \$50,000 - \$100,000” do not inspire confidence – this could lead to research providers tailoring their bids to fit the upper end of these ranges.
24. HFMC and SFMC endorse the comments made by SeaFIC that the seafood industry has seen revenues tumble dramatically in the last three years and the economic forecasts for 2004/05 are poor. At the same time, management, research and administration costs have continued to rise. Given the current economic state of the industry, great care is needed in the commissioning of research to ensure only essential and cost-effective projects are undertaken.
25. HFMC and SFMC supports SeaFIC recommendation that for the reasons given above the following project which are either non-essential or excessively costly, be withdrawn:
 - OEO2004/01 - Estimation of the Abundance of black oreo and smooth oreo in selected areas
 - ORH2004/01 - Estimation of the abundance of orange roughy in selected areas
 - HOK2004/03 - Estimation of spawning hoki biomass using acoustic surveys (to be replaced by an industry acousrtic project)
 - HOK2004/04 - Estimation of mortality of juvenile hoki
 - HOK2004/05 – Stock discrimination of hoki
 - SNA2004/05 - Biomass estimation for snapper in SNA 1
 - STA2004/03 - Validation of growth zones in stargazer otoliths
 - ENV2004/04 - Characterisation of seabird captures in New Zealand fisheries
 - ENV2004/05 - Modelling of impacts of fishing-related mortality on New Zealand seabird populations

HOKI AND MIDDLE DEPTHS FISHERIES

Project: Estimation of spawning hoki biomass using acoustic surveys

Project Code: HOK2004/03

26. HFMC has been working for two years with NIWA to produce high quality industry-based acoustic biomass estimates. The Hoki stock assessment WG has accepted these estimates for use in stock assessment.
27. The hoki quota has fallen in recent years from 250,000 tonnes to 200,000 tones and then to 180,000 tonnes. In 2004/05 it is expected that a further reduction in quota will take place. Revenues from hoki have fallen approximately 40% from 2002 to 2004 (estimated) and will decline further in 2004/05.
28. HFMC and SFMC recommend tthat this project be withdrawn and be replaced by an industry/commercial vessel based acoustic project.

Project: Estimation of mortality of juvenile hoki

Project Code: HOK2004/04

29. This work was first suggested by industry during an industry meeting held in late 2003, to which some NIWA scientists were invited. The work is now underway, funded through the HFMC and being done in conjunction with NIWA.
30. HFMC and SFMC recommend that this project should therefore be withdrawn.

Project: Stock discrimination of hoki

Project Code: HOK2004/05

31. It is not clear from the rationale why this proposed research is important. What are the fishery management implications? If a stock discrimination technique is found that works, what then will follow?
32. Considerable effort has already been expended in this area, with no success. On HFMC comissed NIWA produced a report in 2003 which suggested it was unlikely such work would be successful. HFMC and SFMC firmly believe that Industry should not be forced to pay for scientific experiments that have a low chance of success at any time, but especially at a time when the industry is facing financial difficulties.
33. HFMC and SFMC recommend that this project should be withdrawn.

AQUATIC ENVIRONMENT

Project: Estimation of New Zealand sea lion incidental captures in New Zealand Fisheries.

Project Code: ENV2004/02

34. The cost estimate for this project (0 - \$50,000) is risible. The work involved is nothing more than checking simple calculations already undertaken by SeaFIC. We are not aware that in the many years of checking, any errors have been found.
 35. The project is not really a research project at all. There is no technical need for it. Rather, it exists to meet a political need – that someone other than industry does the simple sums that are used for management purposes.
 36. HFMC and SFMC recommend that this project should be withdrawn..
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Project: Characterisation of seabird captures in New Zealand fisheries.

Project Code: ENV2004/04

37. Like SeaFIC, both HFMC and SFMC are genuinely impressed at MFish attempts to take finally a more strategic approach in this area, although we cannot support the projects in their current form and believe they should be withdrawn. Work should not be undertaken at any cost and should not be proposed in such unfocused and unspecified terms.
 38. It is unclear how this project relates to the National Plan of Action for Seabirds (NPOA), which is the intended overarching framework for seabird research.
 39. We note that specific objective 5 duplicates a research project already levied 4 years ago under the Department of Conservation CSL Programme: \$107,000 levied from Industry in 2000 to design a protected species observer programme (CSL OBS 2000/2).
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Project: Modelling of impacts of fishing-related mortality on New Zealand seabird populations.

Project Code: ENV2004/05

40. Please see the comments at paragraphs 72-74, 75-77 and 115. We note that this research project is so vast (7 specific objectives) and yet so poorly specified that it dooms itself to failure and duplicates the responsibilities of the Department of Conservation to produce Population Management Plans for protected species.
41. The project should be withdrawn.

STOCK ASSESSMENT METHODS

Project: Catchability of trawl surveys

Project Code: SAM2004/03

42. The Orange Roughy Management Company recently invited tenders to undertake a project on the feasibility of estimating trawl survey catchability. The results of that work are planned be presented to the Deepwater stock assessment WG during 2004. Given that the work is already being carried out and will be presented soon, this project should be withdrawn.

Project: Medium –term research plan

Project Code: SAM2004/02

43. As agreed at the SOI consultation meeting on 4th February 2004, this work should be Crown funded. Like SeaFIC, both HFMC and SFMC are concerned that MFish would consider commissioning the preparation of a medium term research plan, potentially from a research provider with vested interest in the business opportunities that would be created. Medium term research plans need to be determined in consultation with stakeholders and, in general, driven by management needs. An exception might be made for SAM projects where the needs are better determined by scientists directly, but still the task must fall to MFish and not be outsourced.