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MINISTRY OF FISHERIES RESPONSES TO:



**SEAFOOD INDUSTRY
COUNCIL**

The New Zealand Seafood Industry Council Ltd

SUBMISSION ON

MINISTRY OF FISHERIES

RESEARCH CO-ORDINATING
COMMITTEE MEETING
16 and 17 OCTOBER 2007

AND

PROPOSED RESEARCH PROJECTS FOR 2008/09

5 November 2007

Introduction

1. The New Zealand Seafood Industry Council Ltd ('SeaFIC') makes this submission on the Fisheries Research Services (FRS) for 2008/09 on behalf of the commercial seafood industry. SeaFIC is the primary umbrella organisation representing the generic interests of all sectors of the New Zealand seafood industry. Our shareholders collectively represent around 95% of the seafood industry by value. This submission has been compiled by SeaFIC staff in consultation with relevant members of the seafood industry and incorporates points raised at the Research Coordinating Committee ('RCC') meeting on 16 and 17 October 2007. Specific comments are provided for proposed research projects in the FRS where we have views. We begin by making some generic comments. The remainder of the submission addresses specific research proposals where warranted.

The Process

2. Overall, the RCC and RPG meetings went well this year, the RCC papers were distributed ahead of time, the meetings were well chaired and valuable contributions made by some parties present.
3. We note that the meeting of 16 October was attended by 24 staff from the Ministry of Fisheries ("MFish"), many of whom made no contribution whatsoever to the discussion or proceedings. While it may have proved a learning opportunity for the many new faces, we question the value of such attendance for the full day. However, while we are disappointed that not all of the senior fishery managers were present while "their" fisheries were discussed, we recognise that all "offices" were represented.

Research Strategic Overview

4. We re-iterate our concerns expressed in past years that the RCC fails to achieve the purpose for which it was established. MFish documents refer to the role of the RCC as follows:

"The RCC serves as a consultative forum within which fisheries stakeholders can discuss and evaluate future directions for fisheries research. The purpose of the RCC is to discuss, evaluate, co-ordinate the development of, and recommend proposed future research activity."

5. On the first day of the RCC, the lack of a strategic direction of fisheries research and the need to allocate scarce resources (finance and manpower) was raised but there was little engagement on the issue. Unless there is some discussion and consensus on the strategic objectives for fisheries research, the RCC cannot address matters in a unified manner. This was evident throughout the remainder of the meeting, particularly in respect of the aquatic environment projects.
6. Reference was made to the role of fisheries plans in overcoming the absence of the fisheries research strategy. SeaFIC is of the view that fishery plans should reflect good fishery-specific planning processes and hence provide important guidance to fishery-specific research and prioritisation. However, fishery plans do not necessarily advance the establishment of an overall research strategy and prioritisation process for the available funds and resources. The fishery planning process may or may not replace the need for research planning groups, but it will not replace the need for a *nationally based*, multi-sector, strategic approach to the allocation of resources.
7. The absence of discussion on the strategy and prioritisation of research at the RCC meant that the RCC reverted to its historic role of looking briefly at each project and confirming or amending its merit and thus its proposed priority ranking. That is not the principal intended role of the RCC and effectively denies industry stakeholders the opportunity to be involved in the strategic allocation of research expenditure, much of which is then cost recovered from industry.
8. We would recommend that MFish provide, prior to the RCC meeting each year, a strategic research plan which provides stakeholders with an indication of where MFish at least sees the priority areas for fisheries research expenditure in the coming years. While sectors produce medium-term strategic plans, without such a strategic view of the national perspective, it is difficult for stakeholders to perceive or discuss overall research priorities and the allocation of resources.
9. “Priority” as used in the context of the RPG process must be linked to intended management outcomes, with first ranking given to research which informs TAC and Sustainability decisions. Proposed research in support of relationship building must move to “low priority” - if it has to be there at all. Several of the proposals appear to be precursors to MFish-led “Fishery Plans”. There is no place for those projects in the RCC round until the goals and objectives of “Fishery Plans” are agreed by stakeholders and endorsed by the Minister of Fisheries.

MFish response

The Ministry notes the comments from SeaFIC concerning the need for a strategic research plan. The research planning process is designed to maximise the input from stakeholders and the Ministry values the input from these groups. However, the Ministry considers that it is the role of the Ministry to advise the Minister on the priorities for the range of research needs competing for restricted resources. The Ministry agrees that the Fish Planning process itself does not overcome the need for

prioritization and an integration exercise is required to ensure resources are appropriately targeted.

Allocation of Research Effort

10. The MFish proposals for 2008/09 research show significant changes from the actual patterns of previous years, as indicated in the following table:

MFISH RESEARCH PROJECTS BY NATURE			
	2003/04 Approved %	2006/07 Approved %	2008/09 Proposed %
Stock assessment and monitoring	96.7	85.2	61.5
Mitigation	0	0	0
Protected species population studies	0.6	10.5	11
Other Aquatic Environment	1.6	3.5	26.8
Methodology	1.1	0.8	0.7
Total	100.0	100.0	100.0

11. SeaFIC does not accept that the proposed allocation is appropriate or in the best interests of credible fisheries management. SeaFIC considers that the prime focus for MFish research should be that which has a direct fisheries management application. Stock assessments, and the related biological sampling and harvest estimates, are critical to sustainable fisheries management. In SeaFIC’s opinion, stock assessment and monitoring should accordingly be the priority area for funding and the funding level for those activities should be returned to the previous higher levels. In respect of aquatic environmental research, while MFish has a key role in managing the environmental effects of fishing, SeaFIC considers MFish should focus its research on understanding and managing the environmental effects of fishing rather than carrying out baseline environmental and ecological research.

MFish response

The Ministry notes SeaFIC's comments on the mix of projects approved in 2003/04 and 2006/07 and those proposed for 2008/09, but suggests that using the number of projects (rather than their cost) and comparing approved packages in some years with proposed projects for others does not make for a robust analysis. Nevertheless, the Ministry agrees that stock assessment, together with the related biological sampling and harvest estimates, is a priority and has consistently channeled a very high proportion of funding into these areas. Research aimed at understanding and managing the environmental effects of fishing averaged just 6–7% between 2003/04 and 2007/08 and has never exceeded 10% in a year. All this work has direct fisheries management application that is consistent with the Fisheries Act, the Ministry's Statement of Intent, and the Strategy for Managing the Environmental Effects of Fishing (SMEEF). The Ministry does not commission baseline environmental or ecological research as fisheries services.

Even so, the Ministry is pleased to see that SeaFIC supports additional spending on stock assessment and related research. Inflation has had a bigger erosive effect on stock assessment research than the modest increase in research aimed at understanding and managing the environmental effects of fishing, some of which has been funded by a (Crown funded) New Initiative on benthic effects. A fairly sizeable increase would be needed to return the research budget even to its 2003 spending power.

Baseline Environmental and Protected Species Research

12. SeaFIC notes the high levels of research proposed for 2008/09 for baseline environmental and protected species research.
13. Much of the proposed research in the aquatic environment portfolio addresses deficiencies in our knowledge regarding the population size and dynamics of protected species and the structure and functioning of the marine ecosystem, rather than specific adverse effects of fishing. In the case of protected species research, we were informed by MFish that since DOC was unable to undertake the appropriate level of research from its limited appropriation, MFish felt obliged to fulfil the need for this basic information. The same situation clearly applies in wider marine environmental research with the Ministry for the Environment showing reluctance to become involved in baseline research and only limited Crown funding being available *via* FORST programmes. The apparent abdication by these Crown agencies has created a vacuum that MFish is trying unsuccessfully to fill. Whilst we recognise the need for baseline research on the marine environment (and the frustrations of researchers – and the seafood industry - that funding in this area is generally very limited in New Zealand), we nevertheless consider that MFish-funded research must specifically address fishery management needs.

14. We note that the Act contains the following definitions:

“Fisheries services means outputs produced for ...and includes:

- a. the management of ...*
- b. the enforcement of provisions;*
- c. research relating to fisheries resources, fishing and fish farming, including stock assessment and the effects of fishing (and fish farming) on the aquatic environment.”*

15. We do not agree that baseline environmental research fits into the scope of fisheries services.

16. We cannot support the continued expansion of MFish research into the areas of baseline environment and protected species research, the domains of the Ministry for the Environment and Department of Conservation respectively, without there being a policy decision by Cabinet as to the roles of the different parties and some adjustment to research budgets to ensure that the quality of fisheries management is not compromised.

17. We recommend that the parties concerned provide government with an assessment of the current state of baseline environmental and protected species research in order to address the future funding of the research and ensure that the appropriate mandates are provided to the relevant Crown agencies.

MFish response

The Ministry notes SeaFIC’s comments on the appropriateness of funding some components of the proposed research through this process. The Ministry would like to reiterate that it does not commission baseline environmental or ecological research as fisheries services; the projects proposed under the aquatic environment theme are aimed at understanding and managing the environmental effects of fishing and specifically address fishery management needs, precisely as requested in SeaFIC’s submission. As a key part of the Ministry’s Contributing Outcome “The health of the aquatic environment is protected”, the 2007–12 Statement of Intent identifies (page 13) a Strategy of “Setting standards that define the acceptable level of risk to the health of the aquatic environment from the use of fisheries”. The key work element for this Strategy is “Gathering information required to develop and set standards; including facilitating research on effects of fishing on the marine environment, seabirds, and marine mammals”. The Foreword to the SOI (page 1), signed by the Minister of Fisheries, states quite clearly that “The information contained in the SOI is consistent with the policies and performance expectations of the Government”.

This does not mean that the Ministry is necessarily happy with the amount or focus of baseline marine environmental research conducted in New Zealand. SeaFIC is quite correct that FRST is the predominant funder of such research, with significantly smaller

amounts provided by MFish (through Biodiversity funding), DOC, and other agencies. The purchasing power of such funding has declined steadily since 1998 and an increasing proportion has been directed to (arguably necessary) communication of results, relationships with end users, and “outreach”. MRST’s Environmental Research Roadmap, published earlier this year, identifies only coastal marine science (as a modest component of their Land Water & Coast Theme) as a priority research area for the near future, so the likelihood of a large increase in marine environmental research in the near future does not seem large. Within this context, the Ministry will continue to prioritise its spending on different areas of research to minimize risks to the quality of fisheries management as suggested by SeaFIC.

SeaFIC suggests that some of the work proposed by MFish for 2008/09 should be funded or already have been completed by the Department of Conservation or the Ministry for the Environment (DOC or MfE). Although DOC has a specific mandate for work on protected species, the Ministry has a general mandate for research on the environmental effects of fishing that includes protected species. If there is a need to understand and manage an effect of fishing on a protected species but insufficient information is available or planned, it is part of the Ministry’s mandate to generate that information, contingent on the availability of funds. There will always be competition for funds and, although funding for aquatic environment projects has increased, it has always been a minor part of the Ministry’s portfolio and has never exceeded 10% of the spending on fisheries services in a year. DOC’s SOI states that its current capability allows it to assess the threat status of only 10% of New Zealand’s native species and monitor change in status for only about 3%, suggesting some pressure on the Department’s budgets too. The Department’s SOI did indicate, however, that new marine research (for 2007/08 and beyond) will focus on the Sub-Antarctic Islands and the unique marine biodiversity present around those World Heritage sites. The Minister of Conservation stated in his foreword to the SOI that “This Statement of Intent provides a programme for delivering core outcomes, consistent with the policies and performance expectations of the Government”.

It was not clear from SeaFIC’s submission precisely what types of research MfE ought to be funding, although that Ministry’s website and SOI indicate that MfE does commission some research. MfE administers the Biodiversity Condition and Advice Funds jointly with DOC, although these funds have a very strong focus on terrestrial biodiversity, and Central Government agencies and “research, survey or resource inventory work” are specifically excluded. Only a few million dollars is available in this pool to cover a very broad spectrum of biodiversity issues, and the likelihood of it making any substantive difference to marine environmental research seems negligible. MfE also administers the Sustainable Management Fund. This too has a strong terrestrial and freshwater focus, and its stated purpose is “to support community groups, iwi, businesses and local government in taking practical actions that produce long-term environmental benefits”. Again, the likelihood of work under this fund making any substantive difference to marine environmental research seems negligible. The Minister for the Environment has endorsed the work programme priorities in MfE’s SOI and confirmed that the information this

Statement of Intent contains is consistent with the policies and performance expectations of the Government.

In combination, these three SOIs and statements by the Ministers of Fisheries, Conservation, and Environment clearly demonstrate MFish's mandate to conduct the research necessary to understand the risks to the aquatic environment posed by fishing, including on protected species, and to develop and set appropriate standards. They also suggest that the balance of work among the departments is consistent with government policies. Nevertheless, as foreshadowed in MRST's Environmental Research Roadmap, the Ministry is currently working with MRST to explore whether a Marine Science Strategy should be prepared and the timeline for developing this. Such a strategy could address some of the broader issues of marine science funding raised by SeaFIC in their submission. In addition, Fisheries Plans, their attendant objectives and required services, and the various Environmental Standards under development by the Ministry should all provide guidance on future research directions.

Budgetary Pressures

18. SeaFIC acknowledges that research spending by MFish is subject to financial restraints through the appropriation process.
19. Increased government appropriations will flow to those sectors where additional added value can be created. With major commercial fisheries having been fished down to sustainable levels, there may be no or little increase in the direct value of catch in the future. The MFish focus on restriction and control of fisheries has not engendered a positive growth outlook for the fishing industry. Increases in Government research appropriations cannot be expected under such a scenario.
20. We consider this is a serious matter that requires a comprehensive and integrated review of how the available research funds should be utilized in the most efficient and effective manner.
21. We noted earlier our concern that MFish continues to expand its research focus into research areas that are the domain of other departments. However there are some measures MFish can take to ease budgetary pressures. We highlight for MFish's attention:
 - the high level of non-project costs being incurred in research activities through high corporate overhead;
 - the apparent preference of MFish to engage scientific staff at the expense of the research project budget;
 - the continuation of inefficient, high cost research methods rather than consideration of alternative more cost-efficient approaches;

- the high cost of observer services caused by inefficient management and poor operating framework for such services; and
 - MFish's inability to provide a strategic direction for fisheries research.
22. We are happy to provide specific examples of these problems on request. These matters have been brought to the attention of MFish in previous years but there is little evidence that they have been recognised and addressed. Better use of the funds available to MFish for research would offset some of the problems related to tight financial constraints. As funders of the bulk of fisheries research activities, the industry considers a review of MFish science operations would be useful.

MFish response

The Ministry notes SeaFIC's comments on budget pressures and the strategic direction for fisheries research. Fisheries research services and projects are required to assess the risks posed to sustainability and, ultimately, to utilization. The fact that most of the major commercial stocks have now been "fished down", as SeaFIC correctly points out, means that risks to sustainability (and utilization) are higher than they would be at higher stock levels. Investment in research should be driven by these risks, not by the direct value of the catch.

The Ministry reiterates that it does not commission baseline environmental or ecological research as fisheries services but has considered SeaFIC's suggested measures to ease budgetary pressures. It is not clear how a strategic direction for fisheries research would necessarily ease budget pressure, though it could be useful as a prioritizing framework. Observer services, corporate overheads, and the size of the science team at MFish are not directly related to the fisheries research budget, and it is not clear from SeaFIC's submission what precisely is being suggested. The Ministry does agree, however, that inefficient research methods should be replaced by more modern, cost effective approaches to understanding and mitigating risks. This is a normal part of the operation of the fisheries assessment and aquatic environment working groups and research planning groups, and we urge SeaFIC to continue their involvement in these forums.

The Ministry is surprised that SeaFIC should suggest a review of MFish science operations when a review the Ministry's systems and processes (commonly referred to as the "stock assessment process" and the "sustainability round") is already underway. This review was announced by the Acting Chief Executive on 5 October and the reviewers will report the results by Friday, 30 November 2007. No doubt SeaFIC and other stakeholders will be kept informed.

Cost Recovery

23. We continue to have problems in respect of the application of cost recovery to research projects.
24. SeaFIC has been advised that Principle (b) in section 262 of the Fisheries Act 1996, makes it clear that conservation services or fisheries research services provided in the general public interest cannot be attributed to, and cost recovered from, industry. Principles (a), (c) and (d) specify the nature of services that can be recovered. Principle (d) allows for fisheries and conservation services “provided to avoid, remedy or mitigate a risk to, or an adverse effect on, the aquatic environment or biological diversity” to be cost recovered.
25. The Cost Recovery Working Group convened by the Minister earlier this year has considered this vexed question at some length. While the report has not been finalised, it is SeaFIC’s understanding that group agreed baseline aquatic environment research, protected species and risk assessment research should be considered as “general public interest” research and are not recoverable from industry under the legislation. General public interest research includes:
 - research carried out to provide information on the current state of the aquatic environment, biological diversity or a protected species;
 - research carried out to understand or model the population structure of the mammals and seabirds that interact with commercial fishing; and
 - research to determine whether (and to what extent) commercial fishing provides a risk to, or an adverse effect on, the aquatic environment, biological diversity or a protected species (unless industry agreed there was an adverse effect to be addressed).
26. The working group also recognized that, while fishing has effects, not all effects are adverse. Cost recovery is only possible where there is proven or accepted adverse effect and the research is based on mitigating or reducing that effect.
27. To implement those findings does not require a rule change or a legislative amendment. To determine the cost recoverability of a service, both the principles and the rules need to be considered. The principles hold precedence. It is only if the service accords with Principles (a), (c) or (d) and not with Principle (b) that the cost recovery rules need be considered. The working group has also recognised the disjunction between the principles in the Act and the rules. Some of the rules may be redundant or inappropriate but a proper assessment of the cost recoverability in terms of the legislated provisions would preclude the application of redundant or inappropriate rules. It is not sufficient for MFish to rely only on the rules when considering cost recoverability without having first considered the legislated principles in the Act.

28. We note that a number of projects now seeking approval under the Fisheries Information output were previously funded from “public good” sources such as MFish’s Biodiversity Research funding programme or FRST grants. We are unable to agree that the same projects or those of a similar ilk having been accepted in the first instance as being in the public interest can now be regarded as being not in general public interest and thus be cost recoverable.
29. We consider that the wrong cost recovery rules have been applied to the following Aquatic Environment research projects, and hence that cost recovery intentions should be amended as proposed below.

Project	Mfish proposal	SeaFIC proposal
PRO 2008/01 Risk assessment of protected bycatch species	Cost recovered	Crown
PRO2008/02 Abundance, distribution, productivity of Hector’s and Maui’s dolphins	Cost recovered	Crown
PRO2008/08 Abundance and distribution fur seals	Cost recovered	Crown
ENV2008/03 Bycatch of basking sharks	Cost recovered	Crown
ENV2008/04 Productivity deep water sharks	Cost recovered	Crown
HAB2008/01 Distribution and biodiversity rhodolith beds	Cost recovered	Crown
ENV2008/04 Trends in mesopelagic biomass using acoustic backscatter data	Cost recovered	Crown
GEN2008/01 DNA database commercial marine invertebrates	Cost recovered	Crown

MFish response

The Ministry notes SeaFIC’s concerns over cost recovery and agrees that Section 262(b) of the Fisheries Act is clear that conservation services or fisheries research services provided in the general public interest cannot be attributed to, and cost recovered from, industry. The Ministry does not recover the costs of projects provided in the general public interest and does not commission baseline environmental or ecological research that might be considered to be in the general public interest as fisheries services.

Section 262(d) provides for costs to “be attributed to the persons who caused the risk or adverse effect”. Repeatedly, our advice is that this does not limit cost recovery to “proven” adverse effects, because both risks and adverse effects are included in the

principles. The definition of “effect” in the Fisheries Act (Section 2) is very broad and includes direct, indirect, past, present, future, cumulative, and potential effects of fishing. Thus, the cost recovery principles in the Act provide for cost recovery to address risks and potential adverse effects. Further, the definition of “fisheries services” includes (part c) “research relating to ... stock assessment and the effects of fishing” (not necessarily “adverse effects”). Thus, the Ministry cannot agree with SeaFIC’s proposition that “Cost recovery is only possible where there is proven or accepted adverse effect and the research is based on mitigating or reducing that effect”. The Ministry recognizes that a review of cost recovery is underway and the Cost Recovery Rules or Principles may change in the future. In the meantime, the Ministry will continue to operate under the principles laid out in the Act and the current regulated rules.

The Ministry has considered SeaFIC’s proposed alterations to the cost recovery proposals notified by the Ministry following the RCC. Project ENV2008/04 will be listed as Crown funded but the other projects are aimed at understanding and managing the environmental effects of fishing and cost recovery is appropriate under the current rules.

Affordability / Value of Research

30. Included in the priority setting standards for the RCC is an evaluation of the costs and benefits of the project. It is rare to find comments or information on costs and benefits made available in the project descriptions which enables the reader to assess the relative value of projects.
31. We note that there are a number of projects where the cost of the research constitutes a significant proportion of the value of the fishery, e.g. BYX2008/01, SCI2008/01, SCI2008/02 and SKI2008/01. These are not highlighted to the RCC. With additional research, observer, compliance and other MFish costs to be added, it is difficult to assess the relative cost or benefit to the fishery of the project. We will reserve our comments on affordability and relative value to a wider response on the MFish Statement of Intent when the levies can be better estimated.
32. SeaFIC acknowledges that fishery plans may offer an opportunity for the cost of research projects and research expenditure to be evaluated in terms of the worth to the fishery and that such a process may introduce a cost-benefit rationale to research activities. Until that happens, SeaFIC is concerned that the absence of such an evaluation may lead to a sub-optimal allocation of research expenditure.

MFish response

The Ministry agrees that affordability is an issue for some research projects particularly in small or low value fisheries. Either some mechanism to spread the cost of research over more than one year and/or finding cost efficiencies through industry involvement in the programmes are required.

Project Specifications

33. The project specifications provided by MFish continue to vary significantly in content and structure and fall short of the standard and content to underpin the RCC's consideration. Greater consistency is required in the presentation of the proposed projects to allow for prioritising of all projects.
34. In terms of the criteria provided by which the projects should be prioritised by the RCC, there is insufficient project detail to allow for proper consideration of those criteria. For example, many projects do not include statements related to:
- the relevance of the output to fisheries management;
 - the risks and benefits of the project; and
 - the implications for the fishery;
35. There are a number of projects that are at variance with the decisions made by the Research Planning Groups that initiated and developed the proposals. There are also a number of occasions when the Committee found it necessary to restructure and refocus projects to gain added value. This is disconcerting given the level of scrutiny that should have already been applied to the projects.

MFish response

The Ministry has sought to improve the quality of the information provided in the project descriptions at the RCC to allow direct comparison of the priority of the various research projects. The Ministry considers that the RCC is a further step in the process and therefore is an appropriate forum for making changes to research projects put forward by the Research Planning Groups.

Observer Services

36. Observer services are handled as a series of separate projects under the various research theme sections. Since common issues exist, we have consolidated our comments in this section.
37. The table below contains the projected programme:

MFISH OBSERVER SERVICES				
Programme	2005/06	2006/07	2007/08	2008/09
Deep-water	614	665	940	940

Mid-depth	1,828	1,809	1,822	1,761
Squid	879	960	900	900
Pelagic	1,139	1,420	1,553	1,727
Scampi	0	125	200	210
Compliance	100	150	150	150
Total	4,560	5,129	5,565	5,688

MFish response

The Ministry considers that the above table is misleading in that presents a mix of different measures of past and future observer days. The days listed for 2007/08 and 2008/09 are the initially proposed days for planned future coverage, from the original research proposals tabled at the RCC meetings. However, the days for 2005/06 and 2006/07 are a mixture of initially proposed days, finally proposed days (after adjustments made in response to budget cuts or balancing of DOC and MFish days) and, apparently, days delivered (for Deepwater).

The correct, comparable figures are shown in the two tables below, the first showing the initial total days proposed in research plans, and consulted on, and the second showing final planned days after adjustments. The final planned MFish days were reduced in a number of cases from initial proposals, in response to internal requests to make MFish budget cuts, or to balance total days delivered back to planned overall totals after incorporation of DOC days into the total plan (resulting in some reduction in the number of MFish levied days). Note that such intended adjustments have already been indicated in the second table below for the current (2007/08) and future (2008/09) observer programmes.

MFISH OBSERVER SERVICES – Proposed MFish days				
Programme	2005/06	2006/07	2007/08	2008/09
Deep-water	790	790	940	940
Mid-depth	1822.5	1,822.5	1,822.5	1,761
Squid	960	960	900	900
Pelagic	1,224	1,510	1,520	1,727
Scampi	0	200	210	210
Compliance	100	150	150	150
Total	4,896.5	5,432.5	5,542.5	5,688

MFISH OBSERVER SERVICES – Final plan MFish days				
Programme	2005/06	2006/07	2007/08	2008/09
Deep-water	734	790	940	940
Mid-depth	1784	1,809	1,761	1,750
Squid	879	960	900	900
Pelagic	1,139	1,420	1,395	1,574
Scampi	0	125	200	210

Compliance	100	150	150	150
Total	4,636	5,254	5,346	5,524

38. In the last three years, delivered observer days have averaged 75% of the programme. In view of the inability of MFish to deliver the scheduled programme, we believe it is unrealistic of MFish to continue to increase the programme as per the above table. We consider it is even more unrealistic in view of the call in the Dolphin Threat Management Plan for increased observer coverage. Those additional demands have not been incorporated into MFish programmes.

MFish response

The Ministry considers that delivery against planned days has been far higher than 75% in the past, being well over 80%. Much of the reason for low delivery rates in recent years has been the rapid increase in planned coverage of inshore fisheries to meet needs identified by clients, against the inevitably slower build-up of observer capacity to do so. For example, it has taken a few years to develop observer capacity, and resolve observer placement difficulties, in the domestic tuna troll fleet, which was one of the reasons for increased observer requirements. For the past two years, less than half of the planned observer coverage of tuna troll could be obtained. However, in the current season, coverage against plan has been about 92% to date, and the Observer Programme expects to attain at least 75% coverage against plan by the end of the fishing year. It has also proven to be extremely difficult to obtain placements on inshore trawl fisheries, and focussed efforts are currently underway to facilitate the placing of observers on inshore vessels, to improve observer coverage against the plan for this sector.

39. All programmes refer to the observer data representing the only detailed quantification of catch on a tow-by-tow basis. Estimates of work patterns suggest that some 20% of observer time is spent on that task. The new catch reporting forms are based on a tow by tow analysis of catch with up to 8 stocks being recorded. SeaFIC also notes that protected species and non-fish bycatch will be reported via a regulated MFish form from 1 April 2008. As a result, observer coverage will no longer be the only tool to allow quantification of fisheries catch and bycatch. We would expect the observer needs to have taken those developments into account.

MFish response

The estimate that only 20% of observer time is spent on C&E estimation on a tow-by-tow basis emphasises the importance of the other tasks conducted by observers, the most important of which are the length-frequency and biological sampling of target and by-catch species, including those ultimately discarded, or those whose contribution to catches is so small that vessels do not report them in their list of the top 5 or 8 species caught. The importance of observer length-frequency sampling was strongly emphasised,

and direct requests made for this to be increased, during the 2007 middle-depths WG discussions of hoki, and RCC discussions of sampling of other species, as a result of the increasing processing or packing of fish at sea, and the resultant increasing bias or aggregation of data collected during shed sampling. As a direct outcome of the RCC meeting, a WG was convened to specifically look at alternate options to shed-sampling for collecting representative length-frequency data, particularly the option of increased observer coverage. The new reporting forms will not generate any length-frequency or biological data, and the observer program remains the most effective way of collecting such data.

Introduction of new C&E reporting forms requiring reporting of inshore catches on a tow-by-tow basis should go a long way toward improving the data for sectors that haven't submitted tow-by-tow data in the past. However there will still be a need for adequate, representative observer coverage to validate these catch returns. This will be particularly important in the inshore fisheries, where the new forms are being introduced, and where observer coverage has been poorest in the past. It is certainly not expected that introduction of the new forms will result in improvement in reporting of by-catch discards and high-grading. A recent review conducted by MFish of observer coverage rates by fishery and FMA ascertained that coverage of currently observed fisheries (some fisheries are not observed at all) has averaged 4.4% per year over the past five years (noting that a few fisheries are well covered at much higher levels, but that most are covered at very low levels, well under the 4.4% average). Rather than reducing coverage, MFish would hope to increase coverage to at least 10% on all fisheries, without reducing the coverage in those important fisheries where existing coverage levels have been recommended by the stock assessment working groups.

40. We also note the shellfish project description continues to assert that the scampi fishery has not been observed in recent years. That is incorrect, with programmes of 125 days in 2006/07 and 200 in 2007/08.

MFish response

The Ministry agrees that the scampi figures were not correct.

41. It appears to us that MFish does not manage the observer programme to achieve any strategic or fishery management objectives. In essence, the previous year's programme is merely rolled over without proper consideration as to the need for fisheries management and scientific information, the delivery of the service and MFish developments. That perception is emphasised when project descriptions as to the needs for the service are neither reviewed nor amended. We note that MFish has proposed a number of projects to optimise observer sampling.

MFish response

The planned observer requirements for each year are specifically reviewed, and revised if so recommended, by the stock assessment and research planning working groups each year. Existing coverage levels simply reflect past requests by these

working groups, or recommendations in medium-term research plans, and so should directly reflect the objectives of those WGs and plans. If the coverage plan has not been changed, then this is because the working group processes have not recommended specific changes. The observation that a number of projects have been proposed to review observer coverage is correct. However, as a direct result of the prioritization process conducted at the annual RCC meetings (in which all key stakeholders participate), these projects have repeatedly been accorded a Tier 2 priority status, and have therefore not been funded.

42. Our considered view is that the observer programme needs to be comprehensively reviewed. We have regularly raised the need for MFish to review the delivery of the service. However, we consider a wider multi-sector review of the objectives, the options and the practices of monitoring needs to be undertaken as a matter of urgency. This review should include consideration of alternative monitoring approaches, the need for compliance monitoring and the operational standards to be achieved. That would provide a suitable policy framework as the basis for further work on sampling coverage and observer standards as envisaged in the projects related to optimisation of observer sampling and protected species monitoring. Without review, observer services will continue to be managed on an ad hoc basis at significant cost to the industry and of dubious value to fisheries and aquatic environment management. A review would also allow for a re-examination of the cost recovery of monitoring services.

MFish response

The Ministry notes that numerous review processes have been conducted, or are underway:

In 2007, the middle-depths working group specifically identified, and discussed, the need to optimise observer coverage in the hoki fisheries, to address increasing shortcomings with shed sampling as a result of increased processing at sea by a number of larger vessels. These WG discussions were followed up by a more detailed hoki observer review discussions between MFish and NIWA, resulting in specific proposals to shift observer days between hoki fleet components, but within existing total coverage levels, to offset the shortcomings in shed sampling. Although recognising the potential value of increased observer coverage, this review process specifically remained within existing coverage levels. This review also made broad recommendations regarding optimisation of observer sampling of other species caught in the South Island / Sub-Antarctic hoki-targeted, mixed-species middle-depths fishery. As far as possible, all changes proposed by this review were incorporated into the 2008/09 observer programme plan.

Some reductions were also made in planned observer coverage of the SBW fishery for 2008/09, after internal review of stock assessment WG recommendations of numbers of samples required, vs. observer days required to collect those samples.

MFish also conducted a full review of actual % coverage levels of all currently observed fisheries by fishery and FMA, ascertaining that average coverage over the past five years has been 4.4%. Recent developments have emphasized the likely need for increased coverage to improve monitoring of seabird by-catches to evaluate adherence to the impending seabird standard, possible additional requirements to improve estimates of fishery-induced marine mammal mortalities, and the related need to specifically improve observer monitoring of the inshore trawl fishery.

With regard to actual day-to-day observer work, observers currently follow the instructions given to them. A possible need to revise these instructions, and particularly to consider options for allowing more flexibility in the priorities, and therefore tasks conducted by observers, has been discussed at a number of fora. These discussions were initiated in response to requests by SeaFIC representatives to consider ways of improving the representivity of observer sampling of sporadically caught species, such as silver warehou in the hoki/middle-depths fishery. This has resulted in ongoing discussion of options related to 'decision trees' to guide dynamic allocation of observer effort during trips.

Specific Comments on Proposals

SNAPPER FISHERIES

PROPOSED PROJECT FOR 2008/09

SNA2008/03

Relative Abundance of SNA 8

43. SeaFIC supports this proposal and agrees with the changes made to the project description after the RCC meeting to make this a fishery characterisation and CPUE project only. Although an interim assessment may be of interest, it is certainly lower priority than the characterisation/CPUE.

MFish response

The Ministry notes SeaFIC's comments.

INSHORE FINFISH FISHERIES

PROPOSED PROJECTS FOR 2008/09

BNS2008/01**Relative Abundance of BNS 1, 2, 3, 7, and 8**

44. SeaFIC supports this pilot survey and that the survey design will be reviewed and signed off by the Inshore Working Group before the survey begins.
45. We note that Specific Objective 3 (i.e., to tag and release live bluenose) is not in fact an objective but is a task: the objective is to provide information on stock structure and movements.
46. We disagree with the statement on page 3 of the FRS which states that this research is necessary because to “better monitor these stocks it has been recognised that an abundance index is required, as traditional CPUE is not useful.” CPUE has in fact been successfully used under the AMP to monitor these stocks, although SeaFIC recognises that the development of a fisheries independent index would improve the potential to monitor these fishstocks. It is also likely that the newly introduced longline catch/effort forms will greatly improve the quality of future CPUE analyses based on longline data.

MFish response

The Ministry notes SeaFIC’s support for this project. Specific objective 3 and the project description have been modified to reflect the comments from SeaFIC.

BUT2008/01**Characterisation of the Cook Strait Butterfish Fishery**

47. SeaFIC considers this to be low priority.
48. This fishery has a TAC that is allocated approximately two thirds to non-commercial. It is unlikely that a fishery can be characterised by studying a single catch component. There is no evidence that suggests any sustainability issue in this fishery; utilisation is provided for in the TAC setting.

MFish response

The Ministry notes SeaFIC’s comments. This project is medium priority and it is unlikely that the work will go ahead in 2008/09 given current funding levels.

BYX2008/01

Monitoring the Length and Age Structure of Commercial Landings of Alfonsino in BYX 3

49. It was our understanding at the RCC that this project had been downgraded from High to Medium priority? We do not support a High rating; it should be designated medium as agreed.
50. We note that sampling must be representative of the fishery – the rationale should clearly state this. The alfonsino fishery is location specific, with age and sex structure varying by location.
51. The specific objectives should not predetermine the sampling methodology; i.e., it should not prescribe shed sampling as the sampling technique. In fact, shed sampling is likely to be a poor choice unless full cooperation is obtained to keep individual fishing events separated.
52. We support the survey design being reviewed by the Inshore Working Group prior to the implementation of the project. We also support the suggestion made at the RCC to convene a separate Working Group which will attempt to coordinate and optimise a range of species sampling programmes.
53. We consider that the cost of the project will be at the lower end of the cost band structure; i.e., around \$150,000 maximum.

MFish response

The Ministry notes SeaFIC's comments and the view that the priority should be downgraded to medium. However, while there was considerable discussion on changing the priority there was no agreement to reduce the priority to medium. The project description and specific objectives have been modified to reflect the other comments above, namely the importance of collecting representative samples, allowing flexibility in the way in which samples are collected, and ensuring that the location of fish sampled is known .

FLA2008/01

FLA 1 Setnet CPUE Standardisation

54. SeaFIC supports this project. However, we recommend that an additional objective be added that requires a full characterisation of this fishery. This characterisation would be presented to the Working Group prior to undertaking the CPUE standardisation.

MFish response

The Ministry notes SeaFIC's support for this project. The requirement for a full characterisation will be made clear in the project description.

FLA2008/02

Biology of FLA Species – black flounder

55. In comparison to the other proposals we consider this project is only of Medium priority and could be delayed for a year. We note that a research provider suggested at the RCC meeting that the cost band be increased and that this has been done by MFish. However we still consider this to be low cost research, at the lower end of the cost estimate band (probably around \$25,000).

MFish response

The Ministry notes SeaFIC's comments. The cost band has been decreased. Although the priority for this project is high, it is assigned as a Tier 2 project and it is unlikely that this work will go ahead in 2008/09 given current funding levels. This work is less urgent than other research

GUR2008/01

Shed Sampling of GUR 1

56. We support the review of the survey design by both the Inshore Working Group and the establishment of a Shed Sampling Working Group.
57. The success of the proposal relies on the agreement of fishermen to separate their catch by tows on the vessel and to be rigorous in the application of this methodology through the term of the project. This should be aided by the 1 Oct 2007 introduction of the TCER and LCER catch-effort forms. However before this proposal is tendered, MFish must have the support from stakeholders; i.e., that the fishermen will separate their catch.
58. The Hector's Dolphin Threat Management Plan process may have cost recovery implications. The final nature and extent of this work, including the priority of this work, should be reviewed after the decision is made on the Threat Management Plan for Hector's and Maui's dolphins currently under consultation.

MFish response

The Ministry notes SeaFIC's comments. A technical working group to review current shed and other catch sampling projects will meet early in 2008.

GUR2008/02

Shed Sampling of GUR 2

59. We note that the priority has been elevated to 'Very High'. See our comments above on GUR2008/01. We would like the newly established Shed Sampling Working Group to consider all the proposals with a shed sampling component at the same time to enable consistent methodology and potential efficiencies.

MFish response

The Ministry notes SeaFIC's comments. A technical working group to review current shed and other catch sampling projects will meet early in 2008.

HPB2008/01 Trends in age structure of hapuku stocks

60. We consider that specific objective 3 which is to design a fishery sampling plan to collect information from stocks or fishery sectors (including recreational fisheries) for hapuku and bass that currently do not have sufficient samples to determine current age structure, should be dropped from this project. This is too broad an objective and does not warrant the priority against objectives 1 and 2. It could be considered subsequently after the results of the first two objectives are analysed.

61. As a consequence this project should be considered at the low end of its cost band

MFish response

The Ministry notes SeaFIC's comments. Preliminary examination of the current otolith archive suggests that there are many important areas for which there are insufficient samples. Dropping objective three would further delay our ability to start collecting samples from these regions.

INS2008/01 Relative Abundance of ELE 3, GUR 3 and FLA 3 using a Hybrid Survey

62. We note that the priority has been elevated to 'Very High'. This survey is strongly supported by SeaFIC.

MFish response

The Ministry notes SeaFIC's strong support for this project. The design phase will now be funded through Other Services and be reviewed in June 2008. INS2008/01 has therefore been modified from a design project to coordination of the implementation of either a full or pilot survey in the summer of 2008/09. The estimated cost range has not been changed, but it is possible that the actual costs could be higher.

63. We note that the priority has been elevated to 'Very High'. SeaFIC considers that the objectives of this project can probably be accommodated within the SeaFIC project noted, and that MFish managers and scientists have been invited to participate in the steering group for that project.
64. SeaFIC is concerned, especially given that MFish managers and scientists have accepted invitations to be part of the SeaFIC-funded project steering group, that the post-RCC note added to the project description states that "there are some transparency concerns with SeaFIC doing this work". SeaFIC specifically rejects any implication that it carries out research in a non-transparent manner. We note that:
- The RCC comment questioning the transparency of Industry research was made by Mr. Barry Weeber of ECO. We are not aware of his stated concern being more widely held by RCC participants.
 - In subsequent conversations in the margins of the RCC meetings, Mr. Weeber stated that his concerns related to "other" industry research, not SeaFIC research. He also agreed that these arose from historical, not current research (examples were not provided).
65. SeaFIC considers that all research that informs the management of NZ fisheries should be carried out via a transparent process with adequate working group and other peer review. This transparency must be applied equally to research carried out (or contracted by) government, industry and other stakeholders (or interested parties).
66. SeaFIC notes that the cost recovery of the project is to be confirmed. SeaFIC considers that methodological developments, whether for stock assessment or direct management application, are properly Crown funded.

MFish response

The Ministry notes SeaFIC's concern regarding the note about the transparency of SeaFIC research and has removed this comment. The project will be 100% Crown funded.

67. The note that: rig may be covered by a Starr and Manning project. If that is the case then rig will be replaced with a substitute species - is incorrect. Starr and Manning are studying school shark.

68. Should this be a high priority? How many tag returns have there been up to now? This information should be provided. SeaFIC does not support the proposal as currently written and presented.

69. Note: tag returns are not a definitive indicator of stock relationships. There are very few tagging events for SPO. SeaFIC notes the agreement to follow up on the intended annual reporting of tag recoveries as part of the data management regime.

MFish response

The Ministry notes SeaFIC's comments. The confusion between rig and school shark has been clarified. This work is a high priority and the project description has been revised to better reflect the clear management need for this work. The work does not rely on tagging data alone. We are asking research providers to consider all available data that could shed light on these issues, for example spatial patterns in CPUE are often informative for inferring possible fish movements

JDO2008/01 Monitoring JDO 2

70. This project is not supported by SeaFIC and the Area 2 Inshore Finfish Management Company. It should have low priority.

MFish response

The Ministry notes SeaFIC's comments. The priority for this project is medium and it is unlikely that this work will go ahead in 2008/09 given current funding levels.

RBY2008/01 Stock Assessment for RBY 2

71. Based on a SeaFIC CPUE analysis of the catch/effort data for RBY 1, SeaFIC considers it unlikely that an equivalent analysis in RBY2 will be successful.

72. We consider that this proposal should have a low priority.

MFish response

The Ministry notes SeaFIC's comments and the CPUE objective has been removed. The priority for this project is medium and it is unlikely that this work will go ahead in 2008/09 given current funding levels.

SPE2008/01 **Reproductive biology, growth, and distribution of sea perch
(*Helicolenus percooides*)**

73. SeaFIC notes that the SPE 3 AMP is due for a full review in 2008 and there was a review of SPE 4 by NIWA in 2007. Therefore this project does not seem to be necessary. We recommend that it be dropped from the research programme.

MFish response

The Ministry agrees that this is some uncertainty regarding the need for this work and that there are possible overlaps with recent and upcoming work. Therefore the project has been withdrawn and hopefully specific research needs can be better formulated in future proposals.

EEL FISHERIES

PROPOSED PROJECTS FOR 2008/09

EEL2008/01 **Recruitment of Freshwater Eels**

74. SeaFIC supports this project but estimate that the cost will be at the low end of the cost estimate band (i.e., around \$250,000).

MFish response

The Ministry notes SeaFIC's comments

EEL2008/02 **Modelling Longfin Eel Populations**

75. This project is subject to a review of project EEL2007/02: Modelling longfin eel populations. If that review is not productive and useful SeaFIC will not support further development of the model.

MFish response

The Ministry notes SeaFIC's comments. This project will only proceed subject to a review of the modelling work by the Eel Working Group.

EEL2008/04 **Recruitment of Glass Eels**

76. SeaFIC supports this project, however it is our understanding that there is still a possibility that FORST funding could continue. We ask that MFish thoroughly

investigates with FORST the reasons why they have decided to stop funding this project as this has never been explained in a satisfactory manner.

77. We also understand that there is other FORST research planned that this proposal could be incorporated into. We do not support Industry having to pay for this public good research in addition to Eel2008/01 and Eel 2008/02 particularly after the large cuts in TACC in 2007 for the North Island stocks. We also consider that more thought could be put into the research design, for example could the glass eel sampling include the same rivers that are studied for elver recruitment.

MFish response

The Ministry notes SeaFIC's comments. The Ministry will investigate the possibility of continued FORST funding. In the meantime, this project has been designated as a Tier 2 project for funding.

NON - COMMERCIAL FISHERIES PROJECTS FOR 2008/09

AKI2008/01 Shellfish monitoring in the Auckland Fisheries Management Area

78. SeaFIC recommends that this project be withdrawn.
79. The Research Planning Group had recommended that this project not go forward in 2008/09. The design is poor and it does not provide good scientific advice for management decisions.
80. As presented, the project relies heavily on project AKI2007-01 to provide the necessary review and determine whether this research should continue. SeaFIC considers this to be inappropriate. It is unrealistic to expect the providers of AKI2007-01 to sort out the Ministry's management objectives. SeaFIC considers that this series of projects cannot be considered good science, and any belief that the resulting management decisions have an appropriate scientific basis is seriously misplaced.

MFish response

The Ministry notes SeaFIC's comments. This project is subject to a review of the survey design and management objectives for intertidal shellfish in the Auckland region. The development of the Northern Shellfish Fish Plan will determine the management objectives for the intertidal shellfish populations. It is necessary to have a placeholder project for required research to support these management objectives.

PELAGIC FISHERIES

PROJECTS FOR 2008/2009

KAH2008/03 Estimation of movement of kahawai within QMA 1

81. Industry supports the design for this programme being undertaken prior to July 2008 and funded from Other Services and the management of tag returns being incorporated into the Gamefish Tagging Programme. We note that the nature and extent of this programme will depend on the outcomes from the design project and the review by the Northern Inshore Working Group.

MFish response

The Ministry notes SeaFIC's comments. Subject to available funds, the design of this work will be undertaken using Other Services funds so project KAH2008/03 will focus on implementation.

PEL2008/03 Catch sampling of pelagic fish in QMA 1

82. We support the 'note' which states that the final nature and extent of this programme will be determined by MFish in consultation with industry and research providers to find cost effective means to achieve the required shed sampling.
83. We would see this project as one of the proposals which will be reviewed by the new Shed Sampling Working Group.

MFish response

The Ministry notes SeaFIC's comments. A technical working group to review current catch sampling projects will occur early in 2008.

OBS2008/xx Research Observer Services – Pelagic Fisheries

84. We note that for Table 1 (Observer sea days planned and sea days achieved from 2001/02 – 2006/07) the actual days are up to 400 days below the number of days planned. We consider the planned days for the next two years may far too optimistic. The Observer Programme for a variety of reasons cannot meet the number of days asked for. A realistic assessment of achievable days needs to be made instead of the continued over recovery of funds from industry.

MFish response

The Ministry notes SeaFIC's comments. The number of days requested is that required to meet information needs.

SHELLFISH FISHERIES

PROJECTS FOR 2008/09

SCA2008/04

Scallop growth

85. SeaFIC considers that this proposal should remain a Medium priority and should not have been elevated to High without a full explanation of that ranking being provided.

MFish response

The Ministry notes SeaFIC's comments. This project is medium priority and it is unlikely that the work will go ahead in 2008/09 given current funding levels.

SCI2008/05

Scampi routine sampling stations

86. SeaFIC considers that this project has a lower priority than SCI2008/04.

MFish response

The Ministry notes SeaFIC's comments.

SUR2008/01

Characterisation of kina fisheries

87. SeaFIC considers that this project should be ranked as a Medium priority.

MFish response

The Ministry notes SeaFIC's comments. The project has been designated as a Tier 2 project and would be subject to New Initiative funding.

ANTARCTIC FISHERIES

PROJECTS FOR 2008/09

88. SeaFIC supports the four proposed projects.

MFish response

The Ministry notes SeaFIC's support for these projects.

HOKI AND MIDDLE DEPTHS FISHERIES PROJECTS FOR 2008/09

HOK2008/01 Estimation of spawning hoki biomass using acoustic surveys

89. SeaFIC considers that acoustic surveys of the Cook Strait spawning grounds are only justified on a bi-annual basis.

MFish response

The Ministry notes SeaFIC's comments. MFish agrees that the acoustic survey of the eastern hoki spawning grounds could be on a bi-annual basis. As there is a survey scheduled for 2008 this project could be deferred and the next survey proposed for 2010.

HOK2008/02 Estimation of proportion spawning in hoki and potential demographic factors affecting recruitment

90. SeaFIC supports this proposal and notes that the Hoki Working Group will meet in late 2007 to review the methods from the recent study and alternatives, and to determine whether a suitable protocol may be established to identify spawners from the previous winter season. As a consequence, this proposal is contingent on an acceptable methodology.

MFish response

The Ministry notes SeaFIC's support.

GSH2008/01 Age validation of dark and pale ghost sharks

91. SeaFIC supports this proposal but considers that the cost estimation should be a band lower; i.e., \$50,000 to \$75,000. We would expect samples could be provided by observers and from trawl surveys.

MFish response

The Ministry notes SeaFIC's support. The cost is likely to fall close to the upper limit of the band.

MID2008/01 Characterisation and fishery monitoring of middle depth species

92. SeaFIC supports this proposal and agrees that the species chosen for review should be informed by management needs at the time, including the views of quota holders. We note the need for observer coverage to provide adequate sampling of these species, possibly on a rotational basis. This could potentially be influenced by the needs of this project. We look forward to being consulted on which criteria will decide which species needs to be reviewed most urgently.

MFish response

The Ministry notes SeaFIC's support.

PEL2008/04 Catch-at-age of mackerels in QMA 3 and 7

93. SeaFIC supports this proposal but notes that the cost estimation has increased since the RCC. However, we would expect that this project should come in at the lower end of the new cost band (i.e., around \$75,000).
94. If research costs are likely to exceed that amount, SeaFIC reserves the right to withdraw support for the project.

MFish response

The Ministry notes SeaFIC's support.

SBW2008/01 Stock assessment of southern blue whiting

95. SeaFIC notes that the specification of this project may change in the event of an agreed Fishery Plan to be put in place, but that a general need for this project will remain.

MFish response

The Ministry notes SeaFIC's comments.

SKI2008/01 Monitoring the length and age structure of commercial landings of Gemfish in QMA 1 & 2

96. SeaFIC does not support this proposal because the estimated costs of the research are too high and will be prohibitive for SKI 1 and SKI 2 quota holders.

MFish response

The Ministry notes SeaFIC's comments. MFish considers this is an important project. However, MFish agrees that there is a potential problem with the total cost and will ensure the project is carried out within reasonable costs.

AQUATIC ENVIRONMENT

PROJECTS FOR 2008/09

PRO2008/01 Risk assessment of protected species bycatch in NZ fisheries

97. SeaFIC does not support the PRO2008/01 proposal unless it is 100% Crown funded
98. SeaFIC agrees that assessments of the risk to protected species populations from fisheries bycatch should be carried out. We do not, however, consider that the post-RCC project description takes adequate account of RPG and RCC feedback. We suggest that the following points are addressed:
99. The objective of the project is stated better in the specific objective than the overall objective, i.e. it is not the risk of capture that is of interest but the risk to population viability that arises from any bycatch.
100. The project rationale and descriptions of objectives do not contain adequate background on work undertaken to date, and the specific need for further work.
101. The species for which risk assessments are already available should be included. This extends to those species addressed by ENV2005/01 (level 2), and also includes the New Zealand Sea Lion (level 3). Assessments undertaken as part of the hoki MSC certification are also relevant.
102. The species for which risk assessments are not available, but are required, should be listed.
103. Further consideration of the following points is required:
 - Are there any concerns that existing New Zealand approaches to risk assessment are “out of line” with international best practice? If so then this should be addressed by MFish’s normal external review process, i.e. project ENV2005/01 should be reviewed externally in the same way as stock assessments are routinely reviewed.
 - Is it necessary (or sensible) to produce level 1 assessments for those species where level 2 or 3 assessments exist? SeaFIC does not believe

that the apparent methodological tidiness of having level 1 assessments for all protected species warrants revisiting those species which already have level 2 or 3 assessments.

- SeaFIC considers that the undertaking of level 2 or 3 assessments is not driven only by data availability, but by management needs.

104. SeaFIC considers that this project should not proceed until further consideration has been given to management needs. Some uncertainty about management needs was apparent during the workshop convened for ENV2005/01. Risk assessment is not a process that can be considered a purely science project.

105. SeaFIC specifically proposes that, prior to further defining the scope of this project, MFish convene a workshop of fishery managers (both MFish and industry) and relevant policy personnel (i.e. those developing standards). This workshop should present risk assessment work undertaken to date, discuss the extent to which these meet management needs, and consider any adjustments/improvements/extensions in approach that might better address management needs.

106. SeaFIC considers that this work is properly Crown funded. We note the Auditor-General's view that costs in establishing whether commercial fishing is having an adverse effect are appropriately Crown costs¹.

MFish response

The Ministry notes SeaFIC's comments on project PRO2008/01. The Ministry will discuss the scope and detail of this project with fishery managers and those developing relevant standards before finalizing the project summary. Cost recovery is appropriate because this work is aimed at understanding and managing the environmental effects of fishing and, consistent with s.262(d), commercial fisheries pose a clear risk to protected species through bycatch.

PRO2008/02 Abundance, distribution, and productivity of Hector's (and Maui's) dolphins

107. SeaFIC does not support this as a cost-recoverable project. SeaFIC considers that research of this nature is essential to the management of the threatened dolphin population and must be undertaken as a matter of urgency by a suitably qualified, independent research institution. We record our strong disappointment that DOC as the guardian of New Zealand's protected species has not seen fit in prior years to undertake the research necessary for the proper management of the species.

¹ Auditor-General. Department of Conservation: Administration of the Conservation Services Programme – Follow-up audit. February 2005.

108. Notwithstanding our support for this research, we do not agree that this is an appropriate project to be undertaken by MFish. We understand the factors that contributed to MFish proposing the project but they do not validate its inclusion in MFish research projects. This research should be funded by DOC, if not from the CSP budget, then from the wider DOC appropriation. We note that the DOC appropriation totals \$285m, of which \$136m is budgeted for management of New Zealand's natural heritage. We find it surprising that DOC (which has the prime protection responsibility) is unwilling/unable to make a contribution to this research yet Mfish is considering giving up over \$1m of its \$20m budget to this research.
109. Irrespective of where the research is funded from, cost recovery is not warranted. There can be no doubt that this is "general public interest" research necessary for the management of the population rather than the mitigation of adverse effects from commercial fishing. While there may be implications for the need for improved future mitigation measures, they are not sufficient justification to cost recover the research.
110. We consider that the primary focus of the project should relate to the Maui's dolphin. Because of its size and geographical spread, the Hector's dolphin population does not face the same level of risk as the Maui dolphin. The urgency for the research arises from the risks facing the Maui's population. We recommend that Mfish in conjunction with DOC, industry and stakeholders should re-evaluate the details of research project relative to the separate risks and management needs for Maui's and Hector's dolphins. In respect of the Maui dolphin, we consider that it is imperative that the Maui population be known to a greater degree of detail than is currently known. The objective should be to obtain data for each dolphin in the population – not a sample. We would suggest that dolphins should be tagged, identified and genetically analysed. The tags should allow for satellite tracking to establish home ranges and proof of life. The genetic analysis needs to provide age and sex structures and test for the existence of brucella in females.

MFish response

The Ministry notes SeaFIC's comments on project PRO2008/02, agrees that this work is extremely important, and appreciates the time and thought put into the research details for Maui's dolphins. The Ministry also notes SeaFIC's disappointment that this work has not been funded in the past by DOC and suggests that this is communicated to the Department directly.

However, the Ministry considers it quite unhelpful for SeaFIC to compare DOC's total annual appropriation of \$285m (\$136m for management of natural heritage) with MFish's annual research budget of \$20m and a total project price of over \$1m (to be spent over 4 or 5 years). Such "apples and oranges" comparisons are almost guaranteed

to mislead and have no place in a rational discussion about the appropriate funding agency.

The Ministry has proposed this study because the risk assessment modeling recently discussed by AEWG has highlighted the great uncertainty in our understanding of risks to the viability of both Hector's and Maui's dolphins. It will take some time to reduce this uncertainty, especially given the limited research budget, but suitable information can be collected. The Ministry believes that cost recovery is appropriate because this work is aimed at understanding and managing the environmental effects of fishing and, consistent with s.262(d), commercial fisheries pose a clear risk to Hector's and Maui's dolphins through bycatch.

PRO2008/08 Abundance and distribution of New Zealand fur seals

111. SeaFIC does not support this as a cost-recoverable project. SeaFIC recognises the need for information on the abundance and distribution of NZ fur seals. However, as we detail in the introduction to this submission, we consider that abundance estimates of protected species are public good science that is the mandate of the Department of Conservation. This work should only be progressed via the Ministry of Fisheries research portfolio if a specific policy decision is made to shift this mandate to the Ministry and provide appropriate funding.

112. We note that the Deepwater Group Ltd. is planning to undertake work of a similar nature to that outlined in this project. However, SeaFIC does not consider that the absence of this work would give the Ministry of Fisheries a mandate to undertake this project as a required research service, unless this was at the specific request of those quota holders who will be subject to the resulting cost-recovery.

MFish response

The Ministry notes SeaFIC's comments on project PRO2008/08 and notes that the Deepwater Group Ltd. is planning to undertake work of a similar nature. If DWG goes ahead with their study, and the work is conducted to standards acceptable to the Ministry, this project will be withdrawn.

The Ministry has proposed this study because the risk posed to fur seal populations by the substantial trawl bycatch is poorly understood. The Ministry believes that cost recovery is appropriate because this work is aimed at understanding and managing the environmental effects of fishing and, consistent with s.262(d), commercial fisheries pose a clear risk to fur seals through bycatch. A specific request from quota holders is not necessary.

OBS2008/01 Research Observer Services to estimate the nature and extent of incidental captures of protected species in the New Zealand fisheries.

113. SeaFIC supports a workshop to consider protected species observer coverage. We note that specific policy decisions (i.e. with respect to annual vs. rotational observer coverage) are required, informed by work that indicates high coverage levels required to estimate bycatch numbers to a precision generally considered acceptable.
114. SeaFIC also notes that protected species and non-fish bycatch will be reported via a regulated MFish form from 1 April 2008. As a result, observer coverage will no longer be the only tool to allow quantification of fisheries bycatch. Furthermore consideration needs to be given to the extent to which observers are present in a data gathering or compliance role,
115. We note the Auditor-General's view that costs in establishing whether commercial fishing is having an adverse effect are appropriately Crown costs².

MFish response

The Ministry notes SeaFIC's comments.

HAB2008/01 Distribution and biodiversity of rhodolith beds.

116. As rhodolith beds may be subject a variety of human-related disturbances, and the purpose of this project is primarily to establish the distribution of these beds, and hence the potential risk posed by various human activities, SeaFIC considers that this is properly Crown funded research

MFish response

The Ministry notes SeaFIC's comments on project HAB2008/01.

The Ministry has proposed this study because of the risk posed to rhodolith beds by coastal trawling and shellfish dredging. Rhodolith beds are likely to be one of the habitats most at risk from fishing but are, perhaps paradoxically, often considered to be hotspots of biodiversity and productivity. The Ministry believes that cost recovery is appropriate because this work is aimed at understanding and managing the environmental effects of trawling and dredging and, consistent with s.262(d), commercial fisheries pose a clear risk to rhodolith beds and coastal biodiversity through trawl and dredge disturbance.

² Auditor-General. Department of Conservation: Administration of the Conservation Services Programme – Follow-up audit. February 2005.

ENV2008/03

Bycatch of basking sharks in New Zealand fisheries

117. SeaFIC cannot support this project because it is not clear how this research will inform management needs.

MFish response

The Ministry notes SeaFIC's comments on project ENV2008/03.

The Ministry has proposed this study because of the risks posed to basking sharks are poorly understood. Basking sharks are likely to have low productivity and are, therefore, one of the species most at risk from fishing. This species classified as Vulnerable on the IUCN Red List (2004), and is listed on Appendix II of the Convention on International Trade in Endangered Species (CITES). The Ministry has already agreed to restructure this project in line with comments at the RCC to focus more on defining the risk and potential management responses. Cost recovery is appropriate because this work is aimed at understanding and managing the risks to the long term viability of basking sharks and, consistent with s.262(d), commercial fisheries pose a clear risk to these sharks through trawl bycatch.

ENV2008/04

Productivity of deepwater sharks

118. We note that trawl survey data in the NZ EEZ suggest that the relative abundance of most deepwater sharks are reasonably stable. We consider that the priority for this research remains at a Medium level. It is in the “nice to know” but not urgent category of research.

MFish response

The Ministry notes SeaFIC's comments on project ENV2008/04.

The Ministry has proposed this study because of the risks posed to deepwater sharks are poorly understood. The Ministry suspects that deepwater sharks have low productivity and are, therefore, some of the species most at risk from fishing. The Ministry believes that cost recovery is appropriate because this work is aimed at understanding and managing the risks to the long term viability of deepwater sharks and, consistent with s.262(d), commercial fisheries pose a clear risk to these sharks through trawl and longline bycatch.

119. SeaFIC does not support this very expensive project (up to \$1.5 million). We are surprised it is still here after the RCC meeting. We thought it had been agreed that it would be withdrawn.

120. It was our understanding that:

- The research budget could not accommodate the cost of this proposal
- A meeting would be held between MFish managers and the DWG to discuss research priorities and the outcomes of very similar work already funded by FORST until 2013.
- A cabinet paper would clarify the priorities for benthic research in light of the BPA
- There is funding available from FORST and Oceans 20/20 for this research.
- There was international research that had implications for any future design.

MFish response

The Ministry notes SeaFIC's comments on project BEN2008/01. However, the Ministry does not agree that the RCC agreed that the project should be withdrawn, or that projects should be dropped at the RCC stage because the research budget may not turn out to be big enough to accommodate them.

The Ministry has proposed this study because of the risks posed to seamounts (or UTFs) remain poorly understood and the potential to capture synergies with very limited FRST funding will expire in mid-2009. Research is required to understand the distribution of benthic habitats, as discussed at the RCC, but also to identify those habitats and species most at risk from fishing. Contrary to SeaFIC's suggestions, FRST work on seamounts does not continue to 2013 (actually only until 2009 and at <\$200k p.a.) and neither FRST funding nor OS20/20 research deal with the objectives proposed here. The OS20/20 Chatham-Challenger project does not deal with seamounts at all. It is disappointing that SeaFIC's understanding of benthic research is so limited.

The priorities for research are always under discussion within the Ministry, and all stakeholders are involved as appropriate. Similarly, international developments will be identified and their implications incorporated as necessary by research providers through the tendering process.

ENV2008/04 **Trends in relative mesopelagic biomass using time series of acoustic backscatter data from trawl surveys**

121. SeaFIC does not support this proposal. We consider this to be a medium priority ranking. It is not aquatic environment research. It is not clear how this will inform management decisions. We believe it should be FORST funded.

MFish response

The Ministry notes SeaFIC's comments on project ENV2008/04.

The feasibility of this work has already been assessed using the FRST funding. This project will provide information to support the move towards an ecosystem approach to fisheries management. Routine collection of environmental data, including acoustic backscatter during trawl surveys could provide a cost-effective means of acquiring information on the dynamics of systems supporting our fisheries. This project serves to evaluate the utility of information already collected. The Ministry agrees with SeaFIC's proposal that it should be Crown funded.

ENV2008/05 **Assessing the impact of vehicle traffic on Ninety Mile Beach on the distribution and abundance of toheroa and tuatua**

122. SeaFIC does not support this proposal. and considers that the Regional Council should fund this research.

MFish response

The Ministry notes SeaFIC's comments on project ENV2008/05.

A project is currently underway to assess the factors affecting toheroa populations This project was designed to extend that work by providing for fieldwork to assess the effect of one likely factor in northern beaches where the declines in toheroa are a major issue among stakeholders. The Ministry acknowledges that it does not have the legislative mandate to manage vehicle traffic and would prefer that regional councils conducted this work. This project has, therefore, been afforded only a medium priority and is unlikely to proceed.

GEN2008/01

DNA database for commercial marine invertebrates

123. This research has a high component of public good and should be 100% Crown funded.

MFish response

The Ministry notes SeaFIC's comments on project GEN2008/01.

The Ministry has proposed this study to extend the capabilities of the BOLD (Barcode of Life) for New Zealand species. Barcoding is a cost-effective means of identifying, to species level, processed products, eggs, larvae, and gut contents. The Ministry believes that some cost recovery is appropriate because this method has substantial compliance and fisheries management utility, consistent with s.262(c). The Ministry acknowledges that this approach will also support management of recreational and customary fisheries and that some Crown contribution would be appropriate.