

Peter Murray
General Manager Corporate Services
Ministry of Fisheries
P O Box 1020
WELLINGTON

August 17, 2006

Submission on Fisheries Services Proposed for 2006/07

Dear Peter

Thank you for the opportunity to comment on the proposed fisheries services to be provided by the Ministry of Fisheries in 2006/07. Please find enclosed a submission from the Seafood Industry Council on behalf of the commercial seafood industry. The submission has been compiled by SeaFIC staff in consultation with our shareholders.

SeaFIC would welcome an opportunity to discuss the submission with the Ministry. Staff are available to discuss any aspects of the submission. Please contact me on 385 4005 in the first instance.

Yours sincerely

Allen Sheppard
Principal Policy Advisor



The New Zealand Seafood Industry Council Ltd

SUBMISSION ON
FISHERIES SERVICES PROPOSED FOR 2006/07

27 FEBRUARY 2006

I Introduction

1. The New Zealand Seafood Industry Council Ltd (“SeaFIC”) makes this submission on behalf of the commercial seafood industry. The submission responds to the three documents released by the Ministry of Fisheries in January 2006 that together set out the Fisheries Services Proposed for 2006/07¹. It has been compiled by SeaFIC staff in consultation with our shareholders.
2. This submission is in two parts. The first part is an executive summary setting out SeaFIC’s main concerns about the proposed approach and the services proposed and how we seek that they be addressed. The second part comments on specific matters in the three documents.

II Executive Summary

3. SeaFIC questions the integrity of the consultation process when the Ministry is tendering projects that are still the subject of the consultation round. Further, we find it incomprehensible that three so-called Tier 2 projects have been tendered when no Tier 1 projects or other previous projects have been withdrawn.
4. The seafood industry generates about 26,000 jobs nationally. It is New Zealand’s fifth largest export earner, earning over \$1.3 billion annually. There is potential for considerably more growth. Research and development and investment will be limited, however, when the policy environment in which we operate and the costs that can be charged to us by the Ministry are so uncertain. The industry is faced with an incomplete standards framework, lack of clarity about the Marine Protected Areas process, uncertain cost recovery rules and a lack of clear standards for observers. At the same time, we find it difficult to make adequate financial provision when, at the beginning of the financial year, there is uncertainty about which projects we can be charged for, the Ministry provides for up to 10% overspending and many projects are conditional on other work proceeding. Cumulatively, these factors lead to a climate of ongoing uncertainty that undermines confidence. Much of our submission seeks that uncertainties be addressed so that the industry is best placed to contribute to the growth and innovation the country needs.
5. SeaFIC has particular concerns about the following aspects of the proposed work programme:

i. Lack of action on standards

SeaFIC is concerned that the Ministry’s work programme is proceeding in the absence of the critical component of standards. In particular, we are concerned that fisheries plans are being developed, consultations held, and services undertaken without standards being in place. We believe this compromises the

Formatted: Indent: Left: 36 pt, Numbered + Level: 1 + Numbering Style: i, ii, iii, ... + Start at: 1 + Alignment: Right + Aligned at: 54 pt + Tab after: 63 pt + Indent at: 63 pt, Tabs: Not at 63 pt

¹ The three documents are:

- *Context document to assist in the consultation on the Proposed Fisheries Services for 2006/07*
- *Proposed Fisheries Services for 2006/07*
- *Proposed Fisheries Research Services for 2006/07*

integrity of these processes and contributes to the tension between the Ministry and stakeholders.

ii. Lack of specific provision for resolution of allocation issues

SeaFIC welcomes the intention of the Ministry to begin talks with the seafood industry and recreational and customary groups about the allocation of shared fisheries, as signalled in the press release of 16 January 2006 by the Minister of Fisheries. We are disappointed, therefore, that the scope of this work is not spelt out under Fisheries Policy Advice.

Formatted: Indent: Left: 36 pt, Numbered + Level: 1 + Numbering Style: i, ii, iii, ... + Start at: 1 + Alignment: Right + Aligned at: 54 pt + Tab after: 63 pt + Indent at: 63 pt, Tabs: Not at 63 pt

iii. Lack of action on cost recovery review

SeaFIC is concerned about the lack of progress on the cost recovery review. This was planned to have been completed last year.

Formatted: Indent: Left: 36 pt, Numbered + Level: 1 + Numbering Style: i, ii, iii, ... + Start at: 1 + Alignment: Right + Aligned at: 54 pt + Tab after: 63 pt + Indent at: 63 pt, Tabs: Not at 63 pt

iv. Introduction of contingency (Tier 2) research projects

SeaFIC has particular concerns about the Ministry's proposal for a research programme to protect the Ministry's appropriated expenditure. We believe that the proposal that contingency projects can be substituted for others will not achieve the Ministry's objectives, is an inefficient and wasteful of scarce Ministry and industry resources and will compromise the level of priority research able to be undertaken in subsequent years.

Formatted: Indent: Left: 36 pt, Numbered + Level: 1 + Numbering Style: i, ii, iii, ... + Start at: 1 + Alignment: Right + Aligned at: 54 pt + Tab after: 63 pt + Indent at: 63 pt, Tabs: Not at 63 pt

v. Institutionalised overspending

SeaFIC questions the authority of the Ministry to permit a 10% over-expenditure of appropriation budgets.

Formatted: Indent: Left: 36 pt, Numbered + Level: 1 + Numbering Style: i, ii, iii, ... + Start at: 1 + Alignment: Right + Aligned at: 54 pt + Tab after: 63 pt + Indent at: 63 pt, Tabs: Not at 63 pt

vi. Bundling of research needs

SeaFIC has particular concerns about the Ministry's practice of bundling research projects into composite projects. Combining projects relating to scientific methodologies with sampling and data collection projects precludes an efficient and effective purchase of the different needs. The practice also removes the accountability for, and transparency of, the purchase and delivery of the components constituting the aggregate project.

Formatted: Indent: Left: 36 pt, Numbered + Level: 1 + Numbering Style: i, ii, iii, ... + Start at: 1 + Alignment: Right + Aligned at: 54 pt + Tab after: 63 pt + Indent at: 63 pt, Tabs: Not at 63 pt

vii. Conditional projects

A number of projects are conditional on the completion or output of a current project. The conditions may relate to the research methodology to be used or the availability of research data. While we may support the need for proposed projects, we do not believe that the Ministry should be proceeding with projects that are subject to conditions without a robust analysis of the risks and the consequences of the outcomes. We also note that one project contains alternative methodologies that might be used without specifying the preferred methodology.

Formatted: Indent: Left: 36 pt, Numbered + Level: 1 + Numbering Style: i, ii, iii, ... + Start at: 1 + Alignment: Right + Aligned at: 54 pt + Tab after: 63 pt + Indent at: 63 pt, Tabs: Not at 63 pt

viii. Cost of observer services

SeaFIC is concerned about the high costs of observer services – all of which are paid for by the industry. With no competition, there is no incentive to provide an efficient service. The establishment of appropriate service standards applicable

Formatted: Indent: Left: 36 pt, Numbered + Level: 1 + Numbering Style: i, ii, iii, ... + Start at: 1 + Alignment: Right + Aligned at: 54 pt + Tab after: 63 pt + Indent at: 63 pt, Tabs: Not at 63 pt

to all providers would allow for contestability to be introduced. SeaFIC will continue to pursue its initiatives in this matter.

ix. Changes in compliance output

SeaFIC does not agree with the decision to combine compliance expenditure in the customary and recreational sectors into a single non-commercial output. The two sectors are distinct and non-compliance takes different forms in the two sectors. There is a total loss of transparency of compliance expenditure for the two sectors.

SeaFIC is concerned with the reduction in expenditure on compliance expenditure in view of the need to resource new initiatives such as “Project Protector” and the much heralded attack on poaching and black market activities. Overall, spending on compliance will decrease in 2006/07. In particular, we do not agree with the reduction in spending on non-commercial enforcement.

Formatted: Indent: Left: 36 pt, Numbered + Level: 1 + Numbering Style: i, ii, iii, ... + Start at: 1 + Alignment: Right + Aligned at: 54 pt + Tab after: 63 pt + Indent at: 63 pt, Tabs: Not at 63 pt

5. SeaFIC seeks that the Ministry:

- i. Includes the development of standards in its work programme as a priority for 2006/07. This should proceed before any further work on the development of fisheries plans.
- ii. Commits sufficient resources to the completion of the rights-based framework in 2006/07 and includes further detail about this output in the work programme.
- iii. Includes the cost recovery review as an output under Fisheries Policy Advice, and commit sufficient resources to complete this in the 2006/07 year. We request that the Ministry consults with SeaFIC on the scope and nature of the review as a first step in its development.
- iv. Deletes the proposal that “Tier Two” projects be substituted for “Tier One” projects that do not proceed for any reason.
- v. Ensures expenditure is kept within appropriated amounts.
- vi. Unbundles projects and tenders these as separate projects.
- vii. Does not proceed with projects that are subject to conditions without a robust analysis of the risks and the consequences of the outcomes.
- viii. Reviews the cost of observer services and establishes appropriate service standards for observers to enable contestability. We seek the commitment of sufficient resources in the 2006/07 year for these standards to be developed.
- ix. Revisits its decision to combine compliance expenditure in the customary and recreational sectors into a single non-commercial output.
- x. Revisits spending on non-commercial enforcement.

Formatted: Indent: Hanging: 18 pt, Numbered + Level: 2 + Numbering Style: i, ii, iii, ... + Start at: 1 + Alignment: Right + Aligned at: 54 pt + Tab after: 63 pt + Indent at: 63 pt, Tabs: 66 pt, List tab + Not at 79.2 pt

III Specific Issues

CONTEXT DOCUMENT

The context (pages 6-8)

6. SeaFIC is disappointed that this section paints such a negative picture of fisheries resources and the operating environment in New Zealand. We believe that changes of tone are needed in at least two parts – the paragraphs under the headings *A valuable resource* and *Operating environment*.
7. The first paragraphs under *A valuable resource* should describe the generally positive situation in New Zealand rather than setting out all the problems that befall fisheries in other parts of the world. Some themes that the Ministry may wish to consider in these paragraphs are:
 - The public nature of the resource.
 - The different values that New Zealanders derive from fisheries resources (including that the seafood industry is New Zealand’s fifth largest export earner).
 - The essential role of the government in regulation and operation.
 - The desire to provide for utilisation of the resource while achieving sustainability (maintaining the needs of future generations and avoiding, remedying or mitigating adverse effects on the aquatic environment).
8. SeaFIC considers that the material under *Operating environment* is also unduly negative. We are surprised that this section does not include any reference to the Fisheries Act as providing the framework within which all utilisation occurs. In our view, it would be better to set the scene by describing fisheries management in New Zealand as:
 - Enabling people to provide for their well being through conserving, using, enhancing fisheries
 - Ensuring sustainability
9. Secondary aspects could then include, but not be confined to the matters set out in the current draft i.e. the customary and management rights of tangata whenua, international obligations, the resolution of tensions between interests.

Formatted: Indent: Left: 36 pt, Bulleted + Level: 1 + Aligned at: 18 pt + Tab after: 36 pt + Indent at: 36 pt, Tabs: Not at 36 pt

Formatted: Indent: Left: 36 pt, Bulleted + Level: 1 + Aligned at: 0 pt + Tab after: 18 pt + Indent at: 18 pt, Tabs: Not at 18 pt

Management of New Zealand’s fisheries resources (pages 9-13)

10. This section would benefit from editing. Most of the section is a general discourse on fisheries management rather than a description of the situation that applies in New Zealand. Perhaps all that is needed are the following points:
 - New Zealand’s fisheries management uses a combination of output controls, input controls, property rights and economic instruments.
 - Management in New Zealand is primarily an output control regime that is supplemented or augmented by input controls where necessary. Total Allowable Catch (TAC) – an output control – sets the maximum amount of a

Formatted: Indent: Left: 36 pt, Bulleted + Level: 1 + Aligned at: 18 pt + Tab after: 36 pt + Indent at: 36 pt, Tabs: Not at 36 pt

species that can be taken from a specified area within a specified period and is therefore the primary sustainability measure for most New Zealand fisheries. Other tools contribute to the overall output control of the Total Allowable Catch.

- Input controls that are applied include closed areas, closed seasons, method restrictions, minimum legal sizes and minimum escape gap requirements. These methods are applied in particular to recreational and customary fishing but also apply in some circumstances to commercial fishing.
- Economic instruments are used to discourage fishers taking catch in excess of their catch entitlements for stocks subject to the output controls in the Quota Management System.
- Fisheries property rights are used in conjunction with other methods to provide fishers with certain, tradeable and divisible catches. They have proved effective in improving management and husbandry. They also provide an efficient means of allocation (but this point should be qualified by a discussion of the distortion that applies in some fisheries in New Zealand where all fishing rights are not equally specified).

11. SeaFIC notes with interest the discussion on pages 12 and 13 under the heading *Future development of fisheries rights*. We support the proposal to strengthen and extend the rights-based framework to other fisheries users. We also support in principle the proposal to extend the framework to management aspects. We consider, however that the statement beginning “Instead of fisheries rights entitling the owner to a share of a fishery ...” should be amended to read: “As well as fisheries rights entitling the owner to a share of a fishery ...”

Managing for outcomes (pages 14-19)

12. SeaFIC supports in principle the *Managing for Outcomes* framework set out in this section. The “Managing for Outcomes” flow diagram on page 15 of the Context document shows a sequential and logical approach.
13. We are concerned, however, that the Ministry is not following this model in a coherent way. Only some standards have been developed with the result that there is little to guide the development of fisheries plans, strategies, rules and interventions or the services and activities carried out by the Ministry. This is a significant issue since the Context document contains the following statement:
- The plans ... will form the basis of Ministry advice to the Minister on statutory decisions regarding management measures, as well as decisions regarding purchase of fisheries services. In all cases the plans will be consistent with relevant process and performance standards. [Emphasis added.]*
14. SeaFIC is concerned that the work programme provides no apparent resources for the development of standards. Without the certainty of standards investment in research and development and innovation will be inhibited. Our concern is compounded by the stated intention on page 24 to proceed with the development of three plans. These run the risk of being ad hoc and should not go ahead in the absence of a comprehensive set of standards.

15. SeaFIC notes the comment on page 19 that “a period of transition will be required as outcomes, standards and fisheries plans are developed and implemented”. This does not provide clarity about what is intended. SeaFIC seeks that the Context document spells out the elements and timing of the transition.
16. SeaFIC seeks that the Ministry include the development of standards in its work programme for 2006/07 and that sufficient resources are committed to this task.

Where we are today? (pages 20-22)

Managing environmental effects

17. SeaFIC agrees with the comment that initiatives to date to address the environmental effects of fishing have been largely reactive and lacking in overall coordination. We therefore support in principle the development of the Strategy to Manage the Environmental Effects of Fishing and the Marine Protected Areas Policy. The problem with both these initiatives, however, is that as yet they contain no operational content.
18. Guidelines and standards are urgently required under these frameworks but the Context document and proposed services provide no detail about how or when these will be developed. Their development will not be simple and it will require and benefit from the involvement and support of the seafood industry and other parties. SeaFIC repeats our offer to contribute to the development of the standards.

A valuable seafood industry

19. SeaFIC agrees with the tenor of this section. In particular, we agree with the following passage:

The capacity of the sector to increase the value obtained from fisheries resources, would be strengthened by more certainty about both allocation between sectors, of access to fish stocks, and the nature of environmental standards. These issues have a significant bearing on industry incentives to invest in both production and management capacity.
20. SeaFIC considers that it is incumbent on the Ministry to address those issues under its mandate under the Fisheries Act and that resources should be directed to this in 2006/07 as a matter of urgency.

Increased stakeholder participation

21. SeaFIC notes that the list of initiatives is historical. The Ministry is resting on its laurels when it refers to consultation “to be implemented in October 2001” as an initiative. The Ministry needs to look forward rather than backward and establish consultation standards as a matter of urgency.

Relatively low management costs

22. SeaFIC is concerned that provision of services is becoming more inefficient. The cost of overheads as a percentage of funding allocated to research has tripled as a percentage since 2002/2003.

23. SeaFIC agrees with the statement that determining the right level of investment and who should pay for it remains a challenge. Investment will always be constrained when there is lack of certainty about the operating environment. The Ministry should be striving to establish policy and cost certainties so that investment leading to growth and innovation is encouraged.
24. Among other steps the Ministry could take the completion of the cost recovery review, as promised for some time, will help to provide some answers. This should be a priority for 2006/07. SeaFIC considers that the review should look at the cost recovery rules against the principles in the Fisheries Act as well as the unders and overs agreement and the use of the port price index.

Strategic direction and priorities (pages 23-30)

Oceans Policy

25. SeaFIC notes the statement that the Ministry of Fisheries is a major contributor to the development of the whole-of-government Oceans Policy. We would expect the Ministry's input to be driven by its mandate under the Fisheries Act. Its perspective, we believe, should reflect the purpose of the Act – that is, utilisation of fisheries resources while ensuring sustainability.

Fisheries plans

26. SeaFIC agrees that fisheries plans are potentially useful in providing rights holders with opportunities to maximise the value derived from fisheries resources. In principle we support their development – but only if there is collaboration with industry. We also welcome the opportunity for the industry to directly prepare plans.
27. Our support is, however, qualified. As noted above SeaFIC has significant concerns that fisheries plans are being developed in the absence of standards. We seek that urgency be given to the development of standards before further work on fisheries plans.

Improving environmental performance

28. SeaFIC is supportive of improving environmental performance but again, we believe that the setting of standards is an essential first step towards achieving that.

Marine protected areas and marine reserves

29. SeaFIC supports in principle the Marine Protected Areas Policy because this provides the potential for a more strategic, rational approach to marine biodiversity protection. However, the policy, as it stands, lacks balance in that protection is seen as an end in itself rather than as a contribution to the wider objective of sustainable development. We are concerned that marine reserves appear to remain the primary tool for the implementation of the policy.
30. Two key elements of the policy – the classification system and the protection standard – are due to be developed by June 2006. We are concerned that no timeframes have been provided for the marine protection planning forums that might determine how particular areas might be protected and the location of future reserves.

This creates considerable uncertainty for the fishing industry and aquaculture. SeaFIC seeks the inclusion of timeframes in the work programme.

Enhancing the quality of marine recreational fishing

31. SeaFIC agrees with the analysis in this section. Lack of specification of rights for recreational fishing can undermine the value of commercial rights and reduce incentives for industry to invest in conserving or adding value to particular fisheries.
32. We endorse the approach that is signalled and support the Ministry's intention to explore options for sorting out issues about inter-sector allocation and access. We would like to congratulate the Ministry for taking this initiative.

Improved stakeholder relationships and participation

33. SeaFIC agrees with the tenor of this section. We note, however, that nothing concrete is planned in the next three years.
34. There is no reference to the long overdue development of consultation standards. A consultation strategy was to have been completed by March 2005 but the Ministry subsequently advised that this was delayed because of the complexity of the issue. No further information has been provided on its demise or deferral.
35. We note that the Ministry is taking concrete steps to increase engagement with tangata whenua. In our view the steps should be replicated for industry.

Fishing industry and aquaculture development

36. The list of Ministry initiatives appears to have been lifted directly from the 2005/2006 Statement of Intent. Several of the specified dates will be historic by the time the 2006/07 programme is finalised.
37. In particular, we highlight the stated intention to review the cost recovery framework "through 2005/06". That did not occur. The Ministry was to have provided advice to the Minister in October 2005 on the scope of the review. There has been no substantive consultation with SeaFIC on the terms of reference of the review and there appears to be no commitment from the Ministry to complete the review by any specified date. SeaFIC considers that the review should encompass a first-principles review of the cost recovery rules against the principles in the Act as well as a review of the unders and overs agreement and a review of the use of the port price index.
38. The completion of the cost recovery review, together with resolution of allocations issues and development of the standards framework, should be matters of the highest priority for 2006/07.

Compliance education for recreational fishers

39. We agree with the proposed approach.

Compliance targeting of poaching

40. We agree with the proposed approach. The statement that "the Ministry will increase its analytical and investigative capacity" is not borne out, however, by proposed spending in 2006/07. Even though there is a proposed increase of \$1.917 million in

budget for the output “Poaching and Black Market Activities deterred” this is more than offset by the proposed decrease of \$2.246 million in compliance budgets for customary and recreational fishing.

“Project Protector”

41. This proposal is not fleshed out. We have particular concerns about the cost implications for the fishing industry since some of the initiatives apparently under consideration (for example, the purchase of vessels) will require huge cost. MFish needs to spell out:

- what exactly is entailed
- how much of the cost of the project will be borne by the Ministry in relation to other departments (such as Customs)
- how much, if any, of the cost it is intended to be attributed to the fishing industry

Formatted: Indent: Left: 36 pt, Bulleted + Level: 1 + Aligned at: 18 pt + Tab after: 36 pt + Indent at: 36 pt, Tabs: Not at 36 pt

42. The lack of information creates considerable uncertainty for the fishing industry. It is unacceptable that so little information is provided, given the potential size of the proposed expenditure. We seek further detail, including costings, in the document.

Contributing outcomes and three-year work programme (pages 31- 46)

Contributing Outcome 1

Contributing to processes that manage impacts from use of non-fisheries resources (page 32)

43. The programme seems appropriate. SeaFIC, however, wants clarification of the statement that the Ministry is “supporting the development of marine reserves legislation”. We are concerned if this means the Ministry is advocating marine reserves. A more appropriate role for the Ministry is to have input into the development of marine reserves legislation. If that is the case the wording should be changed to reflect that.

Providing frameworks and incentives to improve environmental performance of fisheries (pages 32-33)

44. SeaFIC makes a similar comment to that above. The Ministry should not be advocating marine reserves. The wording of the fourth bullet point should be changed to read: “Providing input into marine reserves legislation”. We wish to note that marine reserves are not part of the framework for improving the environmental performance of fisheries.

Specifying limits on fishing activity (pages 33-34)

45. SeaFIC is surprised that the programme for the next three years does not involve any standard setting but instead focuses on information gathering to develop and set standards and developing a “standards-setting framework”. This level of progress is far too slow. Our strong view is that standard setting should be advanced. We repeat that the industry is keen to contribute to the standards development process.

46. SeaFIC supports in principle the concept of applying modelling to information gathering. In particular, we support the approach of applying representative area modelling. We believe, however, that more detail should be provided in the Context document about what modelling is proposed.

Achieving compliance with environmental standards (page 35)

47. SeaFIC supports the statement that for a standard to be effective there must be incentives in place that motivate fishers. Reducing levies or improving access to fishing are obvious incentives that the Ministry could explore. We are disappointed, therefore, that the work programme for the next 3 years contains no work to advance incentives.
48. SeaFIC notes the proposal to review coverage of the vessel monitoring system but does not know what this means. We seek clarification of this item.

Contributing Outcome 2

Recognising the nature of value (page 36)

49. SeaFIC sees little purpose or benefit in the proposed work programme. We do not believe that the proposed socio-economic research will identify values that are not known already and are sceptical if the intention is to try to assign monetary values to non-extractive uses.
50. No detail is provided on what will be done with the research. We are particularly concerned by the statement that “in order to obtain the best value use of fisheries the Ministry needs to recognise the full range of values and understand how they are generated”. Implicit is that once the research is completed the Ministry will try to assign resources according to the values attributed to various interests or uses. That would be an exercise in futility. There is no adequate way of comparing market and non-market values. Instead of researching value the Ministry should concentrate on completing the rights-based framework. If that was completed there would be no need for government intervention based on comparisons of value between sectors because rights holders could make their own decisions.
51. SeaFIC seeks the deletion of the work programme set out under *Recognising the nature of value*. We seek that the resources allocated to this task be used instead on completing the rights-based framework.

Realising best value within each fishing sector (pages 36-38)

52. SeaFIC has no major comments on this section other than to note that there is nothing proposed to deal with realising best value from the recreational sector. We presume this is an oversight.

Specifying limits within which each sector can maximise value (page 38)

53. SeaFIC supports the proposed development of standards but considers the time frame of three years to be far too slow. As stated above we believe this stream of work should be advanced with specific provision in the 2006/07 year.

Realising best value across fisheries sectors (page 39-40)

54. The current approach to inter-sector allocation of available yield generates uncertainty and is divisive. SeaFIC is concerned that it has the potential to undermine the basis of the quota management system. Ongoing uncertainty around fishing rights is among the biggest factors that undermines industry confidence and reduces possible investment. We support an approach that ensures that all users of fisheries have clear incentives to behave in ways that promote the long-term sustainability of fish stocks.
55. SeaFIC supports, therefore, the stated intention to provide more certainty around processes to adjust the level of access provided to each fisheries sector. We are pleased that the shared fisheries review is finally about to commence. As noted above, however, we are surprised that there is no specific provision in the work programme for this. We seek that this be a priority for 2006/07 and the commitment of sufficient resources in the Proposed Fisheries Services.

Providing opportunities to increase value (pages 40-41)

55. SeaFIC supports the sentiments expressed in this section. In particular, we agree that stakeholders should have an increased role in management strategies, interventions and services in order to increase value from their allocation. We are reassured that the Ministry intends to provide stakeholders with the opportunity to increase value by working collaboratively to reach best solutions. It is surprising, however, that the only two areas signalled as falling within this policy are participating in the development of Ministry-led proof of concept fisheries plans and maintaining existing commitments to the development of stakeholder-led fisheries plans. SeaFIC considers that the industry should be involved in the development of all management strategies, interventions and services that affect us.

Protecting and increasing value (pages 41-42)

56. This section takes too narrow a focus. We agree that reduction in costs can be achieved by reductions in management or input costs. The paragraphs, however, do not target one of the biggest sources of rising costs for the industry – inefficiencies in service provision by the Ministry.
57. SeaFIC has consistently called for a review of overheads in the Ministry because these are passed on to the industry via cost recovery. Instead, as noted above, we see an ever-increasing percentage of the charges to industry being consumed by overheads.
58. Further, we note the statement in the first paragraph that “management costs can be reduced by sourcing services through efficient markets” and wonder why this principle is not applied by the Ministry to the provision of observer services. Introducing contestability to this area would ensure that services to an agreed standard are provided efficiently.
59. As SeaFIC submitted last year on the Statement of Intent, we are supportive of initiatives to improve the economic performance of the sector, provided they do not interfere with the clear delineation of roles between the Crown and the industry. We consider that appropriate roles for the Ministry in this respect are:

- facilitating a cross-government approach to the identification and removal of legislative and policy impediments for the sustainable development of fisheries and aquaculture;
- continued emphasis on increasing the efficiency and accountability of fisheries services provided by the government, and actively exploring opportunities for more efficient or effective service provision by external providers through more competitive or devolved services;
- protecting and maintaining the integrity of the fisheries management regime and the incentives provided by secure commercial harvest rights (e.g., in relation to spatial encroachments on the exercise of ITQ rights);
- protecting and maintaining the quality of the aquatic environment in support of sustainable extractive use (e.g., in relation to poor water quality affecting aquaculture activities);
- facilitating rights-holder responsibility for fisheries management within parameters set by the Crown through an agreed process;
- facilitating the implementation of the aquaculture law reform and working to ensure that the legislative framework is supportive of the sustainable development of aquaculture;
- international fisheries development initiatives, such as:
 - improving and securing access for New Zealand vessels in international fisheries (on the high seas and within other nations' EEZs, as appropriate);
 - facilitating effective industry involvement in regional fisheries management organisations; and
 - working with industry to improve and secure international market access for seafood products.

Formatted: Indent: Left: 36 pt, Bulleted + Level: 1 + Aligned at: 18 pt + Tab after: 36 pt + Indent at: 36 pt, Tabs: Not at 36 pt + 74.6 pt

60. We emphasise that the involvement of the Ministry in international fisheries development initiatives should be undertaken in a joint capacity with the industry. SeaFIC would be interested in discussing with the Ministry how this relationship can best be achieved.

Contributing Outcome 3 Credible Fisheries Management

Tangata whenua and stakeholder engagement (pages 43-45)

61. SeaFIC agrees that stakeholders are more likely to accept decisions that involve risk to them if they are involved in the decision-making process. We repeat our request that the Ministry place a priority in 2006/07 on completing consultation standards that have been promised for some years.

Formatted: Indent: Left: 0 pt, Numbered + Level: 2 + Numbering Style: 1, 2, 3, ... + Start at: 61 + Alignment: Left + Aligned at: 54 pt + Tab after: 79.2 pt + Indent at: 79.2 pt, Tabs: Not at 32.15 pt + 79.2 pt

Objectives-based management (page 45)

62. We have already commented on the Managing for outcomes section of the paper. In principle we support an approach based on clearly defined objectives flowing through to standards, plans, services and activities. However, this process has to be developed sequentially (with transition provisions being applied while the framework is being developed).
63. The first bullet point in the proposed work programme is conceptually wrong. This proposes that the Ministry “[manage] all fisheries resources in accordance with defined objectives which are consistent with standards”. Instead, the management should be in accordance with standards that are consistent with the objectives.

Formatted: Indent: Left: 0 pt, Numbered + Level: 2 + Numbering Style: 1, 2, 3, ... + Start at: 61 + Alignment: Left + Aligned at: 54 pt + Tab after: 79.2 pt + Indent at: 79.2 pt, Tabs: Not at 32.15 pt + 79.2 pt

PROPOSED FISHERIES SERVICES FOR 2006/07

Financial Performance Indicators

64. The published Statement of Intent for 2005/06 contains a general financial expectation for all outputs relating to the expected variance of actual expenditure from appropriated expenditure. This expected result is not contained in the draft Proposed Fisheries Services 2006/07 but SeaFIC believes that it needs to comment on that outcome.
65. In 2005/06, the Ministry used a general performance expectation that “*actual expenditure is within the range of 90% -110% of the budgeted amount*”. We note that this range has recently been amended from a 5% variance to a 10% variance.
66. Section 4(1) of the Public Finance Act 1989 provides that the Crown or an Office of Parliament must not incur expenses or capital expenditure except as expressly authorised by an appropriation, or other authority, by or under an Act of Parliament. Neither the Appropriation Act nor the Public Finance Act provides any authority for the Ministry to have a capability to generally exceed appropriations by 10%. While the cost recovery principles provide for the automatic recovery of over-expenditure up to 10% of the levied amount, those principles are exercised under the Fisheries Act and provide for unexpected events. The principles do not of themselves empower the Ministry to exceed its appropriations.
67. SeaFIC is of the opinion that the automatic recovery of up to 10% of approved budgets through the Unders and Overs principles has resulted in an institutionalisation of over-expenditure within the Ministry. There is no authority for the Ministry to generally exceed its appropriations. SeaFIC believes that the Ministry should amend its performance indicator to be in accordance with those of other Government organisations, namely, expenditure will not exceed the appropriated amount.

Output class: Fisheries Policy Advice

Output: New Zealand fisheries policy advice

68. The first bullet point in the output explanation is “protecting the health of the aquatic environment”. SeaFIC notes that, while the Ministry may have the responsibility to

protect the health of the aquatic environment, the Fisheries Act defines those activities which can be cost recovered. The Fisheries Act limits the recoverable research by the Ministry to avoiding, remedying or mitigating any adverse effects of fishing. This limitation may not permit the costs of all research to be undertaken by the Ministry under the theme of protecting the aquatic environment to be recoverable by levy.

69. SeaFIC is concerned at the lack of detail on major policy issues that are to be considered during the year. In particular, there is no reference to :

- Development of standards to improve governance and performance in all fisheries management activities including consultation;
- Timeframes for the marine protection planning forum process;
- Resolution of the allocations issues;
- Review of the cost recovery framework.

Formatted: Indent: Left: 27 pt, Bulleted + Level: 1 + Aligned at: 0 pt + Tab after: 18 pt + Indent at: 18 pt, Tabs: Not at 18 pt

70. The above are all major initiatives highlighted by the Ministry as being critical to achieving its strategic objectives. We recognise that the Ministry has had problems in previous years achieving the deadlines it has set for policy initiatives. This cannot be used as a reason, however, to omit any reference to the unit's business plan for the current year.
71. The seafood industry is the fifth largest export earner for New Zealand and employs over 26,000 people. It has potential for significant growth but this is contingent on extra investment. We submit that the investment that is needed will always be limited when potential investors are uncertain about the policy and cost environments in which they have to work. Priority should be placed by the Ministry on establishing transparent and certain policies and standards. We urge the Ministry to put resources in 2006/07 into resolving the issues set out in paragraph 69 above, and to specify in the work programme what will be undertaken and when.

Output: International fisheries policy advice

72. The reference to the Ministry's participation in multi-lateral trade negotiations is surprising since the Ministry has no need to be involved in such negotiations and its involvement would represent an extension to the function of the Ministry. SeaFIC is concerned if the extension of the Ministry's interests is at the expense of the Ministry concentrating its resources on the primary aims of utilisation and sustainability.

Output class: Fisheries Information

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

73. The cost of this output is \$22.222 million, of which \$14.666 million (that is 66%) is to be recovered from industry. SeaFIC notes the reduction in research costs to be levied on the industry for 2006/07. However, this has not reinstated the expenditure back to the levels that applied before the settlement of the historical Unders and Overs issue. Research expenditure was temporarily increased in 2002/03 to use some

of the settlement credits available to fish-stocks. With those settlement credits largely exhausted and research being funded by fish-stock levies, retention of the research programme at the higher level puts an additional financial strain on the fishing industry. The programme should be reduced to its former levels.

74. We believe that there has been an unacceptable increase in the level of Ministry overhead being allocated to the research activity. The following table details the movements in recent years:

MINISTRY OVERHEADS ON RESEARCH PROGRAMME				
Year	Direct Costs \$m	Total costs \$m	Overheads \$m	Overheads %age of direct
2002/03	19.78	21.62	1.84	9.30
2003/04	19.35	21.82	2.47	12.77
2004/05	18.70	22.89	4.19	22.42
2005/06	18.99	23.41	4.42	23.30
2006/07	17.27	22.22	4.95	28.66

75. We note that \$1 million has been transferred from research activity for 2006/07 to fisheries operations. We have been advised that the impact of this budget reduction on research activity has not yet been assessed. The Ministry has also advised that, since no resources will be transferred between the business units, a \$1 million reduction in expenditure on approved research projects is likely. However it is uncertain at this stage which projects will not proceed in 2006/07.
76. SeaFIC disagrees with the proposal of the Ministry to establish a contingency tier of approved projects to be substituted for withdrawn projects. The Ministry sees this as a means of overcoming shortfalls in expenditure when projects are withdrawn. SeaFIC does not support the proposal for the following reasons:
- It is unlikely that substituted projects could be tendered and incur any significant expenditure in the remainder of the financial year
 - Any expenditure in the subsequent year for priority projects will be reduced by the need to fund lower priority projects substituted in the previous years
 - A full consultation on lower priority projects which are not substituted in the year constitutes a waste of time and effort for both Ministry and industry staff at a time when work pressures are already high. The effort put into lower priority projects will come at the expense of consideration of the high priority projects which will continue.
 - It is probable that there would need to be some further consultation on the projects prior to their tender as a result of cost movements or shifting of objectives.
 - Ministry effort and time will be expended in selecting the projects to be substituted.

- The substituted projects will result in an unnecessary addition of activity to the Unders and Overs exercise and instability in the level of fish stock levies.
77. SeaFIC does not accept that the proposal to substitute lower priority projects for withdrawn projects will provide the fiscal benefits sought by the Ministry. We consider it will have significant impacts on the undertaking of high priority projects. SeaFIC believes that the Ministry would be better advised to review and amend the processes for identifying, assessing and approving projects to remove the need to withdraw fully assessed, priority projects rather than introduce a contingency plan for substituting lower priority projects.
 78. We find it incomprehensible that the Ministry can be inviting tenders in the first round (tenders for which closed on 10 February 2006) for three Tier 2 projects when no Tier 1 projects or other previous projects have been withdrawn. In our view, that these projects are being tendered casts doubt on the integrity of the reasoning and processes being followed by the Ministry in respect of the contingency proposal.
 79. We have made further comments on the nature of research services and individual projects in a later section of this submission.

Observer services provided

80. Observer services is one area of the Ministry's operation that is noticeably not yet aligned with the "new approach" to fisheries management, in particular, the move to objectives-based fisheries management and increased transparency and accountability. We question why the observer services business unit has a separate budget if its services are all determined and purchased by other parties (e.g. MFish science, fisheries management, and compliance groups, DoC and industry). In particular, we would have expected the budget for observer services required for particular research projects to be included in those research projects.
81. SeaFIC does not agree with the third expected result which assumes a + / - 10% variation in days to the agreed annual plan. That limitation is at variance with the fourth expected result which provides for the plan to be varied. We have concerns that the 10% variance may be used to undertake additional observer activities which are not requested by any of the observer group clients but which subsequently become recoverable through the principles applying to Unders and Overs.
82. The Ministry has indicated that the daily cost of an observer is expected to be \$500. SeaFIC has previously raised with the Minister and the Ministry its concern as to the costs of observer services. The daily cost of a Ministry observer is significantly greater than that of a private sector observer to the expense of the industry. In 2004/05, the cost of a Ministry supplied observer day (\$579) was over 50% greater than the cost of a private sector alternative (\$310). The Ministry has indicated that overhead costs for the observer activity in 2006/07 are estimated to be 21% of the direct costs. That level of overhead needs to be reduced if a cost effective and efficient service is to be provided..
83. In the absence of information demonstrating otherwise, our concern is that the recent changes to the delivery of observer services, including additional management staff,

additional administrative capacity, indications of a desire to develop an “internationally competitive” observer service and other service development initiatives, are serving to build a “gold-plated” observer capacity within the Ministry, paid for by the industry. The industry would only be comfortable with the Ministry taking such an approach if, prior to the building of the MFish Observer Business Unit:

- Clear standards were in place (set by the various purchasers of observer services) to define the actual services to be provided, so that we could be sure industry was paying for what is required for fisheries management purposes, rather than paying for a service delivered to some unspecified “world class” standard; and
- The provision of observer services is made contestable, so that cost-effectiveness becomes a genuine consideration in purchase decisions.

Formatted: Indent: Left: 36 pt, Hanging: 18 pt, Bulleted + Level: 1 + Aligned at: 28.35 pt + Tab after: 42.55 pt + Indent at: 42.55 pt, Tabs: 54 pt, List tab + Not at 42.55 pt + 63 pt

84. The cost of observer services is a matter of considerable concern to the fishing industry. SeaFIC wrote to the Ministers of Finance and Fisheries at the end of 2005 putting forward a case for the contestable provision of observer services. We have yet to receive responses but intend to vigorously pursue this issue with the Ministry and Ministers. We seek that provision be made in the Ministry’s work programme in 2006/07 for the development of the two pre-requisites outlined in the previous paragraph.

Output Class: Fisheries Operations

Output: New Zealand fisheries utilisation and sustainability reported

85. SeaFIC notes the budget for this output has increased by \$2.214 million or 35% but there is no explanation for the increase. SeaFIC notes that \$1 million has been transferred from the science research budget to this output but no details have been provided as to the nature of the services being transferred or the purpose of the additional funding. There appears to be no significant growth in the outputs.
86. SeaFIC recommends that the “expected results” should have specified timeframes. These reports should be provided in a specified timeframe to give the industry some certainty before the start of the fishing year (i.e. TAC/TACC set and advised in a more timely fashion).
87. SeaFIC is concerned that there are no details of outputs relating to the development of fisheries plans. As noted earlier in our submission, it is critical that the standards and formats of fisheries plans be available and agreed to allow industry firstly to comprehend the Ministry’s initiative and, if appropriate, initiate the development of fisheries plans of their own volition. Also absent is a detailed plan for the development of fisheries plans to be undertaken by the Ministry during 2006/07. SeaFIC believes that the Ministry should be able, based on its experience gained to date in the “proof of concept” plans, to provide a programme for plans to be developed in 2006/07.

Output: Deed of Settlement implemented

88. The cost of this output is forecast to rise by \$0.392 million or 6% to \$5.386 million.
89. SeaFIC welcomes the initiatives being undertaken by the Ministry to implement the customary aspects of the settlement. However, we believe the Ministry, through its Pou Hononga and extension officers, need to place greater emphasis on the wider fisheries management regime and the rights of the commercial sector, including the Maori rights holders. This is needed to avoid increasing the tension between Maori and commercial rights holders and to achieve the desired rate of progress on initiatives such as the establishment of mataitai.

Output: Registry services managed

90. The cost of this output is forecast to rise by \$0.310 million or 8%. Payments to FishServe for the registry function make up approximately two thirds of this output. FishServe has provided estimates to the Ministry indicating that its claims for charges will be unchanged from the 2005/06 level. This indicates that the services provided by the Ministry total around \$1.8 million but are forecast to rise by 11% in 2006/07. The Ministry has not explained the reason for that level of increase.

Output class: Fisheries Enforcement

91. SeaFIC notes the overall decrease in spending on enforcement in 2006/07 from \$29.742 million to \$29.551 million. We are concerned that at a time when non-compliance is high profile and is to be targeted for attention, aggregate Ministry expenditure levels on enforcement are decreasing.
92. We note the Ministry's highlighting of the increase of \$1.917 million in budget for the output "Poaching and Black Market Activities deterred" but also note the Ministry's failure to highlight that the compliance budgets for customary and recreational fishing have been decreased by \$2.246 million, despite reports highlighting levels of non-compliance in those areas.
93. We note that the Ministry has in the Context document highlighted the importance of "Project Protector" and the need for increased resourcing to be able to achieve the benefits of that initiative. That position does not appear to be reflected in the decreased compliance budget.
94. SeaFIC does not agree with the decision of the Ministry to amalgamate the customary and recreation compliance activities into one output. These are very distinct sectors with different compliance issues. The costs of compliance in each of those sectors should be transparent. Amalgamation of the outputs will not achieve that objective. We note that this initiative was not discussed with the Joint Strategic Compliance Group and appears to be contrary to the objective of "attributing the cost of managing risk".
95. SeaFIC notes the inclusion of quantitative results measures for the Compliance outputs and would like to congratulate the Ministry on this initiative.

Output: commercial fishing rules enforced

96. SeaFIC notes the increase in commercial sector enforcement spending from \$7.995 million to \$8.330 million. This represents both a nominal and real increase in expenditure. SeaFIC questions how a real increase in expenditure can be proposed when there are no definitive measures as to the level or trend of non-compliance in the commercial sector available to support the need for a real level of increase. In addition, SeaFIC notes that the lower level of inspections and observations to be undertaken in respect of commercial fishing activities in 2006/07.
97. The Ministry refers to its “risk based compliance strategy”. SeaFIC supports in principle this approach but believes that it would be in the best interests of stakeholder relationships if this concept was explained more fully to the industry.

PROPOSED FISHERIES RESEARCH SERVICES FOR 2006/07**Introduction**

96. SeaFIC’s submissions on the proposed fisheries research services for 2006/07 has been compiled by SeaFIC staff in consultation with relevant members of the seafood industry and builds on the brief submission we made on 31 October 2005. Before commenting on the specific projects we make some general comments.
97. SeaFIC was impressed with the improved process for the 2006/07 consultation with most project proposals having clear objectives and a better defined rationale than provided in the past. It is good that MFish has responded positively to the submissions we made in previous years.
98. The Research Coordinating Committee was chaired well in 2005 and it was heartening to see MFish in the main being responsive to stakeholder suggestions, deferring low priority or weak projects and making changes to the proposals after the meeting. However, we note that there was some “unevenness” in the Research Planning Group process. In some cases fishery managers gave input at that stage but in other cases fishery managers’ first consideration of projects seemed to be at the Committee stage. In our opinion, managers’ input should be at an early stage, so that projects without an established management rationale do not reach the Committee.
99. We also note the unevenness of the Medium Term Research Plans. It would be useful if they were reviewed for MFish by someone who is outside the Research Planning Group process. The brief should be to identify the plans or sections of plans which need improvement, ensuring clear linkage to specified management needs. We understand that the Medium Term Research Plans are fluid documents which evolve over time, but this is no excuse for documents which at times appear to be an afterthought rather than the foundation document which guides research.

Uncertainty of the 2006/07 Research Programme

100. We are concerned at the level of uncertainty affecting the research programme for 2006/07. The Proposed Fisheries Services document should be a statement to interested parties of the services to be provided by the Ministry. Once the services

are agreed they should form the basis of the contract between the Minister and the Chief Executive of the Ministry for services to be delivered in 2006/07.

101. There is no certainty as to what will be delivered on the research programme. At the output level, there is to be a reduction of \$1 million in the budget. The impact of that reduction has not been factored into the research programme and it is possible that some research projects will be curtailed to achieve the savings.
102. In addition to the uncertainty of the overall budget and programme, the Ministry is seeking to introduce a contingency measure whereby Tier Two projects will be substituted for High Priority projects if a high priority project is withdrawn. With tenders being sought already for three Tier Two projects, we have little confidence in the integrity of the process being proposed. We have found that in the Orange Roughy fishery, the Ministry has proposed a placeholder project to be undertaken in the event that a primary project does not proceed. There is no indication as to the risk of the primary project not proceeding. With different stocks to be levied under each project, the industry is unable to determine what research project will be undertaken.
103. At the project level, there is significant uncertainty. Many projects are conditional on development or confirmation of the research design or the completion of existing research projects. Some projects do not have the research content specified and provide an “either this or that” content.
104. In summary, the industry is uncertain as to:
 - what will be spent in aggregate on research projects in 2006/07;
 - which research projects will be undertaken in 2006/07; and
 - what will be delivered for some projects.

Formatted: Indent: Left: 20.9 pt, Bulleted + Level: 1 + Aligned at: 21 pt + Tab after: 39 pt + Indent at: 39 pt

Contingency Programme

105. In Peter Murray’s letter to stakeholders (dated 31 January 2006) regarding the consultation on the Fisheries Services Proposed for 2006/07, he states that MFish is proposing a research programme that exceeds the current appropriations on the basis that each year some projects do not proceed. We have discussed this proposal in detail earlier in our submission and we reiterate here that SeaFIC does not agree with this approach. **Please note that while in this part of our submission we have made comments on the merits or otherwise of the proposed second tier projects, the comments are not to be construed as an endorsement of the approach.**
106. Examination of research proposals should be rigorous with clear outcomes related to well-specified management needs. This is necessary for good planning both by the Ministry and by stakeholders. The proposed method of proceeding has the potential to seriously undermine stakeholder ability to plan business finances. The proposed method also runs the risk of promoting a lax approach to the planning, prioritisation and procurement processes.

Tender Rounds

107. SeaFIC has a problem with the Ministry tendering 2006/07 projects in February 2006 which are still the subject of the current consultation round. It is difficult to see the integrity of the consultation process being maintained in the face of such a process.
108. While there could be a rational argument made for such a practice if it was necessary to have data collection and sampling underway early in the fishing season, only five of the 22 research projects for 2006 already tendered have a need for field survey or sampling. The remainder are reviews of historical data, literature reviews or scientific study of existing biological material. For these projects, an early start before the consultation process is complete is totally unnecessary. There is little justification, therefore, for 2006/07 projects to be tendered before consultation is completed.

Allocation of overheads to projects

109. SeaFIC believes that the current Ministry practice of allocating all science overheads on the basis of research project value is resulting in an inequitable distribution of the costs across the fish stocks. SeaFIC has asked for but not been provided with a breakdown of the overhead costs levied on the research projects. Nevertheless, we would advocate that the Ministry review its cost allocation policy. A fairer means might be to allocate the science group costs and the inherited corporate charges on a port price basis across all stocks and distribute only the contract management costs by the value of the projects.

Conditional Nature of Projects

110. There are a number of projects for which the research design or the viability of the project is conditional on other work or projects being completed. The Ministry has not provided any statement as to the status of the prior project and whether the data will be available in the form expected for the 2006/07 project to commence as scoped.
111. We do not believe it is sound management of the research programme to approve projects with conditional impacts without an assessment of the risks constituted by those conditions. We would expect that the Ministry would provide updated status positions for the associated work to enable the industry to assess the probability of work progressing as scheduled in 2006/07. Conditional projects carry the risk of being withdrawn. If there are conditional projects which already are likely to have to be withdrawn, then they should be withdrawn before being approved for funding in 2006/07.

Inappropriate Bundling of Projects

112. A number of projects contain a first objective relating to the development or confirmation of the methodology to be applied for the undertaking of the sampling survey also proposed. We do not believe that it is good practice for a research project to contain a methodological perspective and a physical survey. Since the methodology will impact on the utility of the final outcome, SeaFIC expects to be consulted on the methodology prior to commencement of any survey or scientific

study employing that methodology. We believe that such proposals should be divided into two projects, one relating to methodology and the other to the physical study. The second project would not be tendered until there was wider agreement on the suitability of the methodology.

113. The bundling of the projects prevents parties who may be able to provide the data collection aspect in a more cost effective and efficient manner from competing for the bundled project. We are sceptical of the wisdom and the rationale for the bundling of some projects.
114. We are also concerned at the bundling of a number of projects into one composite project without there being separate time frames and budgets established for the sub-projects. This results in a loss of transparency and accountability for the achievement of the individual subprojects. We believe that the Ministry should manage projects and budgets at the subproject level.

Project Costings

115. SeaFIC is concerned at the expected costings of some of the research projects. There are a number of projects which are, in essence, a literature review or an analysis of historical data. These projects are estimated to have a cost of between \$25,000 and \$75,000. That price range appears excessive given the nature of the project and the absence of any field work. It is likely that the provision of the range has set an expectation of where providers are expected to tender, to the detriment of the industry.

<p>ANTARCTIC FISHERIES PROPOSED PROJECTS FOR 2006/07</p>

116. SeaFIC supports the four proposed projects in this section:

Project ANT2006/01	Biology of fishes in the toothfish fishery
Project ANT2006/02	Stock assessment for the toothfish fishery
Project ANT2006/03	Ecosystem modelling of the Ross Sea
Project OBS2006/01	Research Observer Services – Antarctic Fisheries

117. We would like to be kept up to date with changes to the proposals as a result of the July and October 2006 meetings of the CCAMLR Working Groups.

<p>DEEPWATER FISHERIES PROPOSED PROJECTS FOR 2006/07</p>

118. It is crucial that the Deepwater projects and research plan are reviewed following the orange roughy workshop which concluded on 9 February 2006. A review also needs

to be undertaken on completion and reporting of the experimental acoustic work, to be conducted during June/July 2006.

Project OEO2006/01 Estimation of the abundance of black oreo and smooth oreo in selected areas

119. We support the Deepwater Medium Term Research Plan which outlines the need to estimate the abundance of oreos in each of the main fisheries in the New Zealand EEZ every 3 to 5 years. However, we submit that for the smaller, low value fisheries such as OEO3A, it would be appropriate to survey at 5-year intervals, assuming there are no immediate sustainability concerns.
120. Black oreo in OEO 3A is due to be surveyed after 4 years. We caution, however, that the acoustic methodology is at its limits especially with respect to depth and species mixture. The multiple species nature of the marks being investigated (black and smooth, with blacks being much stronger in relative target strength than smooth) and the reliance on "mark type" designations (which is at best subjective) makes the reliability of these surveys questionable. There is a flaw in the assumption that the trawl selectivity for each species in each "mark type" is the same.
121. We are concerned about the ambiguity in the proposal. Depending on the outcome of the November 2005 workshop on acoustic techniques, and pending results of experiments that are planned as part of the OEO2005/01 survey in OEO 4 in October/November 2005, we note the intention to either go ahead with the survey or to replace it with directed experiments to better characterise species distribution and address acoustic assumptions and uncertainties.
122. Two months after the workshop and survey, there is still no certainty about whether the survey will go ahead. No information has been provided on how the outcome of the November 2005 workshop might impact on the research design and costs.
123. If the content of the project that is finally undertaken is dependent on the "need for preliminary work to evaluate whether relative time series of acoustic estimates are robust", the final project should not be approved for 2006/07 until the preliminary work has been completed. With industry funding this project, we have a right to know what research services we are purchasing. An "either /or" project provides no certainty to the industry as to the nature, risks or benefits of the project.
124. We submit that this project is not ready to be undertaken in 2006/07 because of the uncertainty as to the research design and its dependence on the outcomes of other projects.

Project: OEO2006/02 Oreo stock assessment

125. SeaFIC supports this proposal

Project: OEO2006/03 Ageing of smooth oreo otoliths for stock assessment purposes

126. SeaFIC supports this proposal in principle. However, while this project is contingent on the need "for development of ageing protocol and samples" there is no discussion of these risks.

Project ORH2006/01A Estimation of the abundance of orange roughy in selected areas

127. SeaFIC notes that only one project out of ORH2006/01A and ORH2006/01B will go forward and that recommendations from the workshop to improve biomass estimates of orange roughy (24-25 November 2005) will be incorporated.
128. We agree with the conclusion that “acoustic estimates of orange roughy biomass in the spawning box and eastern flats were relatively low and therefore it is essential to conduct a second survey as a check on the 2004 estimates and potentially as a second point in a continuing time series”. We support a trawl survey here, but not one adopting the same approach as the trawl/acoustic survey in 2004, as the November 2005 workshop demonstrated this survey methodology was flawed.

Project ORH2006/01B Estimation of the abundance of orange roughy in selected areas

129. We note that this project is a placeholder in case the Mid-East Coast orange roughy survey planned and approved for winter 2006 does not proceed. We see no essential difference between the “placeholder” concept and the Ministry’s proposed Tier One/Two contingency programme. Just as we oppose the Tier programme, we do not support the Ministry’s proposal of “placeholder” projects.
130. We have read nothing in the summary of ORH2006/01A that suggests that the project is under some risk of not proceeding. The Ministry proposal of a placeholder suggests that the Ministry is aware of some risks which it has not shared with industry.
131. In addition to the problems of the Tier proposal, this placeholder adds an extra concern as to which fish-stocks will be levied in 2006/07 given that the projects related to different fish-stocks and the project costs are significant. SeaFIC does not accept that the Fisheries Act provides for levies to be set to recover costs for both projects and as a matter of principle does not accept that the Minister should approve the Statement of Intent while it contains this placeholder project.
132. If this project is assessed as having high priority but cannot be justified for undertaking in 2006/07, then it should be deferred to a later year as is the case with a number of other high priority projects.
133. However, we note that while only one of these projects will proceed, the cost of both appears to be included in the funding summary, thus giving a \$1 - \$2 million contingency.

Project: ORH2006/02 Orange roughy stock assessment

134. SeaFIC supports this proposal.

Project: ORH2006/03 Stock assessment of orange roughy fisheries outside the New Zealand EEZ

135. SeaFIC supports this proposal

Project: DEE2006/03 Monitoring the abundance of deepwater sharks

136. SeaFIC supports this proposal but questions whether it should be high priority and have a Tier 1 classification because trawl survey data indicate that population sizes of most species are reasonably stable.
137. Since this is solely an analysis of already held records, the costs should not be in the \$25,000 - \$75,000 bracket.

Project OBS2006/0 Research Observer Services – Deepwater Fisheries

138. While SeaFIC supports this proposal in principle, there is an inconsistency between the allocations of days as contained in the argument of the project and the cost recovery information. The costs should be attributed according to rule 8 of the Fisheries (Cost Recovery) Rules 2001 in the manner specified in the project detail.

**HOKI AND MIDDLE DEPTHS FISHERIES
PROPOSED PROJECTS FOR 2006/07**

Project HOK2006/01 Hoki population modelling and stock assessment

139. SeaFIC supports the proposed research content but believes that the two components making up the project should be tendered as separate projects because of their differing natures.

Project HOK2006/02 Estimation of hoki and middle depth fish abundance on the Chatham Rise using trawl surveys

140. SeaFIC supports this proposal.

Project: HOK2006/03 Estimation of spawning hoki biomass using acoustic surveys

141. SeaFIC supports further acoustic surveys for hoki as appropriate but that this should be in the 2007/08 year. Additionally, such surveys should not be provided as part of MFish services but should be directly purchased by the stakeholder company.

Project: HOK2006/05 Hoki stock structure

142. SeaFIC supports this proposal. However, we note the uncertainty with the completion date (30 September 2007?) and that this project is contingent on progress with research in 2005-06 to differentiate between fish from different spawning grounds. We assume that if research in 2005-06 is not successful then this proposal will not proceed.

Project: HAK2006/01 Stock assessment of hake

143. SeaFIC supports this proposal.

Project LIN2006/01 Stock assessment of ling

144. SeaFIC supports the content of the proposal but has problem with the bundling of the project and the lack of certainty as to what will be delivered. In particular, we are concerned that while objectives 1 and 2 relate to all ling stocks, stock assessments

under objective 3 will only be undertaken for two ling stocks, to be determined at a later date by the Middle Depths Fisheries Assessment Group. While it is appropriate that the research costs for Objective 1 and 2 should be spread over all ling stocks, it is inequitable to spread the stock assessment costs over fish stocks for which no assessments were made. It is not acceptable that the target stocks for stock assessment have not been predetermined and that industry is being asked to pay for unspecified research projects.

Project MDT2006/01 Estimation of hoki and middle depth fish abundance on the Southern Plateau using trawl surveys

145. SeaFIC supports this proposal.

Project: MID2006/01 Determination of catch at age in hoki, hake and ling fisheries

146. SeaFIC supports this proposal.

Project MID2006/02 Catch sampling and ageing of hoki and ling in the Cook Strait fishery

147. SeaFIC supports this proposal.

Project MID2006/03 Characterisation and fishery monitoring of middle depth species

148. SeaFIC supports this proposal being classified as Tier 2.

Project MID 2006/04 Determination of commercial fishing gear and changes in commercial fishing gear in all middle depths fisheries

149. SeaFIC supports this proposal.

Project SBW2006/01 Stock assessment of southern blue whiting

150. SeaFIC supports this proposal.

Project SKI2006/01 Stock assessment of gemfish (SKI 1 and 2)

151. SeaFIC supports this proposal.

Project Title OBS2006/03 Research Observer Services – Middle Depths Fisheries

152. SeaFIC supports this proposal.

**INSHORE FINFISH & EEL FISHERIES
PROPOSED PROJECTS FOR 2006/07**

Project EEL2006/01 Recruitment of freshwater eels

153. SeaFIC supports this proposal.

Project EEL2006/02 Catch per unit effort analysis of the commercial eel fishery

154. SeaFIC supports this proposal.

Project FLA2006/01 Productivity of green back flounder

155. SeaFIC supports this proposal.

Project FLA2006/02 Monitoring FLA 3

156. SeaFIC supports this proposal being classified as Tier 2.

Project GMU2006/0 Relative abundance of grey mullet in GMU 1

157. SeaFIC supports this proposal.

Project INT2006/01 Estimation of inshore fish abundance off the west coast South Island using trawl surveys

158. SeaFIC supports this proposal.

Project INT2006/02 Estimation of inshore fish abundance off the east coast South Island from Kaikoura to Shag Point using trawl surveys.

159. SeaFIC supports this proposal.

Project JDO2006/01 Monitoring JDO 2

160. SeaFIC supports this proposal being classified as Tier 2.

Project GUR2006/01 Monitoring GUR 8

161. SeaFIC supports this proposal being classified as Tier 2.

Project SCH2006/01 Relative abundance of school shark in SCH 1 and 2

162. SeaFIC supports this proposal.

Project SCH2006/02 Movement of school shark

163. SeaFIC does not support this project for two reasons. First there is a large potential to misinterpret tagging data. Second, there is a high cost. SeaFIC recalls that there was agreement at the RCC that continuation of the ad-hoc design of previous projects was not adequate and that a better design was required. We would support this project if it is to provide a design for a project which will then be reviewed by the Inshore Working Group before a dedicated tagging study project is put forward.

<p>SHELLFISH FISHERIES PROPOSED PROJECTS FOR 2006/07</p>

Project COC2006/01 Stock assessment of Snake Bank cockles

164. SeaFIC supports this proposal.

Project: OYS2006/01 Foveaux Strait oyster stock assessment

165. SeaFIC supports this proposal.

Project PAU2006/01 Paua commercial catch sampling

166. SeaFIC supports this proposal in principle. However, given the need for consultation and acceptance of the sampling programme, the possibility of delay before the sampling programme is commenced and the exclusion of possible alternative service providers if the projects are bundled, we believe that the project should be divided into two projects – one dealing with the design of the sampling programme and the second being the collection of data using the approved sampling programme.

Project PAU2006/02 PAU 2 CPUE Analysis

167. SeaFIC supports this proposal being classified as Tier 2. We note a mistake on page 110 of the FRS where this proposal is named as ‘Stock assessment PAU 2’.

Project PAU2006/03 Stock assessment PAU 5B

168. SeaFIC supports this proposal. We note on page 110 of the FRS that this proposal is named as ‘Paua 5B abundance and stock assessment’.

Project PAU 2006/04 Fine scale growth in paua populations

169. SeaFIC supports this proposal.

Project SCA2006/01 Stock assessment of Coromandel scallops

170. SeaFIC supports this proposal in principle. However, as it is conditional on consultation in April 2007, it is unlikely to proceed until after June 2007. We submit that the project should not be levied until 2007/08 and should be introduced in the planning processes for that year.

Project SCA2006/02 Stock assessment of Northland scallops

171. SeaFIC supports this proposal.

Project SCI2006/01 Stock assessment of scampi

172. SeaFIC supports this proposal.

Project SCI2006/02 Estimating the abundance of scampi

173. It is agreed that applying the photographic technology to the sub-Antarctic waters presents potential technological challenges and risks. SeaFIC maintains that preliminary work should be undertaken, prior to embarking on this full scale project to see if the photographic methodology is feasible in these waters.

Project SCI2006/03 Scampi biology and catchability

174. SeaFIC agrees that this proposal should be in the Tier 2 category.

Project OBS2006/04: Research Observer Services – Shellfish Fisheries

175. SeaFIC supports this proposal subject to the following proposed changes:

- Deletion of the fourth objective - Design of the observer coverage is a scientific research task to be undertaken by the Science group and should therefore not be included as an objective for Observer Services projects nor funded from this output.
- Determination of the allocation for observer days by an allocation based on TACC - there is an inconsistency in the allocation of observer days in the Ministry proposal. In the discussion, the Ministry proposes to use a standard allocation of 40 observer days for each scampi fishery. In the Cost Recovery Information, a proposal is to allocate the days required by TACC. Assuming that 200 days is an appropriate sample for the fishstock in aggregate, a standard allocation of 40 days for each of the stocks will result in over and under represented results, with the larger and more critical fish-stocks being significantly under-represented.

Formatted: Indent: Left: 36 pt, Bulleted + Level: 2 + Aligned at: 54 pt + Tab after: 72 pt + Indent at: 72 pt, Tabs: Not at 72 pt

**NON - COMMERCIAL FISHERIES
PROPOSED PROJECTS FOR 2006/07**

Project AKI2006/01 Intertidal shellfish monitoring in the Auckland Fisheries Management Area

176. SeaFIC notes that the current project AKI2005/01 will provide a review of the methodology of the shellfish monitoring programme and will provide advice on future monitoring. We are happy that this project is subject to this review.

Project BCO2006/01 Estimation of relative biomass of pre-recruit and recruited blue cod in the Marlborough Sounds and Tasman/Golden Bays

177. SeaFIC supports this proposal.

Project CUS2006/01 Monitoring S186A closures

178. It is assumed that this two year project is the beginning of a longer term time series and will provide a baseline for data collection in the future.

Project: EEL 2006/03 Spawning escapement of female longfin eels

179. SeaFIC supports this proposal.

Project: EEL2006/04 Motu River eel fishery population survey

180. SeaFIC supports this proposal being classified as Tier 2.

Project: EEL2006/05 Turaekaetai River eel population survey

181. SeaFIC supports this proposal being classified as Tier 2.

Project EEL2006/06 Customary eel fisheries in the Taharoa Lakes

182. SeaFIC supports this proposal.

Project EEL 2006/07 Estimating the customary harvest of eels

183. SeaFIC supports this proposal.

Project EEL 2006/0 Ngai Tahu customary eel fisheries

184. SeaFIC supports this proposal being classified as Tier 2.

Project MUS2006/01 Riverton Rocks and Katiki Beach mussel bed survey

185. SeaFIC supports this proposal being classified as Tier 2.

Project: PAU2006/06 Survey of paua stocks within the East Otago Taiapure

186. SeaFIC supports this proposal but notes the different title on page 140 of the FRS i.e. "Paua abundance in the East Otago Taiapure."

Project PAU2006/07 Survey of paua and kina populations in Tory Channel

187. SeaFIC supports this proposal but notes the different title on page 140 of the FRS i.e. "Paua and kina abundance in Tory channel"

Project REC2006/01 Shellfish harvesting in the Auckland Fisheries Management Area

188. SeaFIC supports this proposal and agrees that this project should be undertaken in conjunction with the shellfish resource abundance surveys (*Project AKI 2006/01 Intertidal shellfish monitoring in the Auckland Fisheries Management Area*). We note the different title on page 140 of the FRS i.e. "Non-commercial shellfish harvesting in the Auckland Fisheries Management Area."

Project: REC2006/02 Chatham Islands marine recreational fishing survey

189. SeaFIC does not support this proposal and notes that it is classified as Tier 2.

190. All stakeholders at the RCC meeting in 2005 agreed that a robust estimate of recreational and customary harvest from the Chatham Islands was highly desirable. However, the advice from stakeholders was that this project is not likely to succeed given the past lack of success for practically every other research project that has been mounted on the Chatham Islands. We agree that an "innovative way of addressing these problems would be required".

191. It was further noted at both the 2005 Recreational Research Planning Group and the Research Co-ordinating Committee that estimates of recreational harvest from areas other than the Chatham Islands were required more urgently. This project was therefore not supported by the Recreational Research Planning Group.

192. SeaFIC maintains that the lack of robust estimates of recreational and customary harvest of all fish stocks is a significant failing on the part of the Ministry of Fisheries, but we are pleased that new ways of gaining this information are being progressed. However, previous experience demonstrates the difficulty of obtaining these estimates via one-off research projects rather than through appropriate management of recreational fishing.

193. We note the comment made in the rationale that “estimates of the recreational harvest from most fishstocks have been undertaken by two national surveys in 1996 and 2000”. This statement should be qualified with the caveat (taken from Project REC2006/03) that:

The results of these surveys have raised concerns as to the accuracy of the harvest estimates using the telephone/diary methodology. For many fishstocks the national diary surveys have produced harvest estimates that are possibly only accurate to an order of magnitude.

Project REC2006/03 Estimation of recreational snapper harvest in SNA 2

194. SeaFIC supports this proposal. It is satisfying to see all the good suggestions that were made at the RCC being incorporated into the objective.

Project REC2006/05 Taranaki recreational rock lobster survey

195. This proposal is given a high priority rating on page 140 of the FRS but is considered to be Tier 2. We assume this is a mistake and that it is intended to be classified as Tier 1.
196. Nevertheless, we consider that other areas are higher priority than Taranaki (for example, the Bay of Plenty, Hauraki Gulf, Gisborne or the Wairarapa).
197. We also caution against the use of telephone diary surveys to develop seasonal local area profiles because of the likelihood of bias caused by keen fishermen becoming, and remaining as, the diarists.

Project REC2006/06 Monitoring recreational fishing in the Kaikoura – North Canterbury area

198. SeaFIC supports this proposal being classified as Tier 2.
199. We note the comment that:

“Recreational fishers are currently expressing concern about the performance of recreational fishing across a number of fish stocks in the Kaikoura – North Canterbury area.”

200. Due to the way recreational fishing is managed and the lack of data this creates, fishery managers have to respond to anecdotal concerns such as this. These views may just be based on personal perception. The conundrum is that this concern may be justified because without effective limits on recreational harvest, local depletion of conveniently located inshore stocks is inevitable. Effective monitoring of recreational harvest is essential but needs to be accompanied by effective management.

Project REC2006/07 Motivations and perceptions of recreational fishers

201. SeaFIC supports this proposal being Tier 2 because the requirement for this ‘nice to know’ information is not as essential as some of the more fundamental recreational information, such as the size of the catch component or where the fishing takes place is needed far more urgently. We consider “the reasons why people go marine

fishing” are already well established (food, recreation, tradition, freedom, health, time with family etc) and we would be surprised if there were any new findings. Having said this, surveys such as this are useful even though there are more pressing matters to contend with. We note that the rationale states that there is strong opposition to licensing and yet recreational fishing groups struggle for funding and managers struggle to know who is going fishing. Without licensing, recreational fishing harvests will likely continue to be poorly estimated and the recreational sector will be under-funded.

Project SCA2006/03 Abundance of scallops in Northland and Coromandel recreational fishing areas

202. SeaFIC supports this proposal but we pose the following question. If a relationship between abundance in the surveyed commercial and recreational areas cannot be determined, will the annual pre-season abundance surveys for the commercial areas be extended to include recreational areas?

Project SNA2006/03 Selectivity of recreational catches in SNA 1

203. SeaFIC supports this proposal (pending the results of SNA2005/04).

Project TOH2006/01 Distribution and abundance of toheroa

204. SeaFIC supports this proposal.

Project TOH2006/03 Estimation of growth and age in toheroa

205. SeaFIC supports this proposal and its Tier 2 ranking.

Project TOH2006/04 Toheroa abundance

206. SeaFIC supports this proposal and its Tier 2 ranking. However we question why tenders have already been sought for this project.

<p>AQUATIC ENVIRONMENT PROPOSED PROJECTS FOR 2006/07</p>

207. The additional ranking (“urgency”) given only to aquatic environment proposals is unnecessary. It adds nothing to the filters of Tiers 1 and 2 and high or medium priority rankings.

Project PRO2006/01 Data collection of demographic, distributional and trophic information on selected seabird species to allow estimation of effects of fishing on population viability

Project PRO2006/02 Modelling the effects of fishing on the population viability of selected Seabirds

208. SeaFIC is strongly opposed to these major research proposals going ahead at such a premature stage with such significant price tags (up to \$2.5 million dollars). The research is concerned with seabird ecology but the nub of the matter is whether any estimation of the effects of fishing will be possible after five years. The rationale is

unconvincing; the ability of a five year population study to even determine the population trend, let alone yield useful information on the consequences of fisheries interactions with the populations is troubling. The Department of Conservation's Conservation Service Programme approach to a similar study on White Capped Albatrosses (POP 2005/02) is to treat the first year as a feasibility study to ascertain whether the study should proceed. That is a sensible approach.

209. We are perplexed by the statement in the Rationale on page 190 of the FRS that “the species studied each year may be reviewed in light of any changing priorities for MFish and DOC.” Seabird studies are long term – the studied species cannot change mid stream.
210. This project is so wide reaching that it has lost focus. It aims to gather data from a suite of seabird populations identified in Table 1. The risk this poses is that after 5 years we will know a little more about seabirds in general but nothing that can help in mitigating seabird interactions and no concrete evidence of adverse effects of commercial fishing. The Ministry could be so much more effective and get some real results and industry support if it instead focused this money on seabird mitigation methods.
211. SeaFIC agrees that populations of protected species should be monitored but emphasises that the majority of the research is ‘public good’ in nature. It is entirely inappropriate that seabird populations should be monitored only when there is an opportunity to place the entire burden of research funding on the fishing industry, unless it can first be demonstrated that the effects of fishing are the major threat to population viability. This is particularly true for such a major body of research which is estimated to cost between one and two million dollars (the 100% difference in the two figures gives us no confidence).
212. The fact that the Ministry of Fisheries proposes to take up seabird population monitoring appears to be more symptomatic of a failure on the part of Government to adequately monitor protected species, than a clear understanding that commercial fishing is the main threat to seabirds.
213. An even more fundamental question is whether the Ministry of Fisheries has the mandate to embark on research dealing with protected species populations. In our view, the Ministry does not have a mandate. These studies are legally the domain of the Department of Conservation. The Ministry is proposing these studies within the aquatic environment research framework - i.e. research into the natural and biological resources comprising an aquatic ecosystem (general provision). A basic tenet of statutory interpretation, however, is that a specific provision prevails over a general one, and the specific provision for research into protected species populations gives the mandate to the Department of Conservation in “conservation services”.
214. Furthermore, we do not accept that the Fisheries Act allows for the costs of population monitoring and modelling undertaken by the Ministry to be levied on the industry. Only Ministry research that deals directly with the effects of fishing on the aquatic environment can be levied on fish-stocks. Population studies by definition are not included.

215. These projects are contingent on the outcomes of ENV2005/08. We have significant reservations over the progress made on this project and doubt that it will provide adequate guidance on whether population information such as population surveys and mark-recaptures studies can provide managers of fisheries with information to assess the effects of fishing on protected species or provide adequate designs for such studies.
216. Previous research proposals have implied that robustly designed population research might be considered a stand alone tool to identify and estimate the magnitude of any adverse effects of fishing. There is a need for adequate capture estimates in order to properly use population studies to assess the effects of fishing on seabird populations. Current observer coverage and analyses do not allow estimation of numbers of seabird captures on a species by species basis for NZ fisheries, and no research has been proposed that is likely to alter this situation. Without this data we question the feasibility of the proposed population modelling. SeaFIC considers it premature to plan major seabird population monitoring studies until their utility as fisheries management tools is established.
217. SeaFIC wishes to emphasise that the “draft NPOA Research Plan” is indeed only a draft. The Plan requires a considerable rewrite, since it is repetitive and disjointed; needs to provide robust background text, with resulting priorities condensed into a few key research areas; needs to specifically address the objectives for observer coverage of protected species and ensure that other research is appropriately aligned with these objectives; needs to clearly document the rationale for seabird population studies, specifically state what these are intended to achieve, and clearly identify the required precision to meet these objectives
218. We believe that the draft NPOA Research Plan requires substantial further work before it can usefully guide the research required to meet the objectives of the NPOA. The current draft is of limited utility as many of the assertions made are unsubstantiated.
219. Finally we do not see how this project relates to all trawl, longline and setnet fisheries. Cost recovery would be determined by which seabird populations are studied and which fisheries have interactions.

Project PRO2006/03 Modelling of the effects of fishing on the population viability of Hector’s Dolphins

220. We note that this proposal is Tier 2 and in the event that it goes ahead after the withdrawal of a Tier 1 proposal we hope that it will improve on some of the less than satisfactory research that has been carried out in this area in recent years i.e. Martien et al 1999² and Burkhart and Slooten 2003³. The research tender will need to go to

² Martien, K. K.; Taylor, B. L.; Slooten, E; Dawson, S.1999: A sensitivity analysis to guide research and management for Hector’s dolphin. *Biological Conservation* 90: 183–191.

³ Burkhart S.M, Slooten E. 2003 Population viability analysis for Hector’s dolphin(Cephalorhynchus hectori): a stochastic population model for local populations New Zealand Journal of Marine and Freshwater Research, 2003, Vol. 37: 553–566

independent scientists that are not strongly involved with lobby groups such as the NZ Whale and Dolphin Trust.

221. We also hope that this proposal will establish a sound basis for understanding the Hector's dolphin population in the face of unsubstantiated assertions by environmental lobby groups such as the following:

"Since 1970, more than 12,000 Hector's and Maui's dolphins have been killed in fishing nets" (see Appendix 1).

222. Using the results of one observer programme in 1997/98 on the South Island East Coast to estimate bycatch for the entire New Zealand coast for the past 36 years is irresponsible and is not the approach that researchers should take for this proposal.

223. We note a mistake in the Priority Section on page 200 of the FRS i.e.

"This project is designed to examine the risk to protected species population viability as a result of fishing mortality and trophic interactions, for two endemic species of Dolphin".

224. Hector's dolphin in the South Island is one endemic species. This project will not be concerned with Maui dolphin in the North Island.

225. With regards to the Strategic Relevance section, reference must be made to the Ministry of Fisheries/Department of Conservation 'Hector's Dolphin Threat Abatement Plan' and the draft Department of Conservation 'Hector's Dolphin Population Management Plan'.

226. The 'Hector's Dolphin Threat Abatement Plan' will collate all information on Hector's dolphin and analyse the significance of risks and efficacy of current management measures in mitigating those risks. The goals of the plan are:

- a) To ensure the long-term viability of Hector's dolphins.
- b) To reduce impacts of human activities as far as possible, taking into account advances in technology, knowledge, and financial implications.

227. More detailed objectives consistent with these overarching goals will be developed for managing the Hector's dolphin populations. The plan is intended to identify threats to achieving the objectives and outline strategies to mitigate those threats. A consultation document will hopefully be released in July 2006, with submissions due by end of August 2006 and the 'Threat Management Plan' completed in October 2006.

228. Regarding cost recovery, the following statements are made in the proposal:

"The research should cover both commercial and non-commercial fisheries, although it is recognised that data are sparse for non-commercial fisheries."

"Objective 2 has an additional crown-funding component, due to the need to model effects of fishing and effects of management actions on non-commercial fisheries."

229. We maintain that the greatest risk to Hector's dolphin is from amateur setnet fishing and therefore submit that the majority of this project should be Crown funded. For example, four Hector's dolphin were killed by recreational setnets at Neil's Beach

Formatted: Indent: Left: 28.35 pt, Hanging: 28.35 pt, Numbered + Level: 1 + Numbering Style: a, b, c, ... + Start at: 1 + Alignment: Left + Aligned at: 25.65 pt + Tab after: 45.5 pt + Indent at: 45.5 pt

near Haast on 30 October 2005. The fishermen were interviewed by DOC and explained that the nets were left out for days because the weather was rough. After this incident was reported, the Minister of Fisheries, Jim Anderton, stated that:

"Nets set by recreational fishers are one of the biggest threats to Hector's dolphins. I encourage anyone using set nets to familiarise themselves with the Set Net Code of Practice, which is on the Ministry of Fisheries website: www.fish.govt.nz," (Minister of Fisheries Press Release 4 November 2005).

230. At Kaikoura 18 animals have apparently been killed in gillnets during the last two summers (Appendix 1). Beachcast animals have come from areas where amateur setnets were prevalent. Very few Hector's dolphins have been reported or observed captured by commercial fishermen since 1998 due to the strong mitigation measures enacted including the introduction of comprehensive voluntary codes of practice, the use of "pingers" to alert the animals of the presence of nets and the introduction of voluntary closed areas to setnet fishing and bottom trawling. A number of government observer programmes have been funded by industry to monitor any setnet or trawl interactions including electronic monitoring.

Project PRO2006/04 Estimating the nature and extent of incidental captures of seabirds in New Zealand commercial fisheries

231. This project has been undertaken for many years. SeaFIC supports the suggestion that a technical group review model selection and data inputs to models during the course of the work. We urge caution at the use of seabird capture information from fisher-submitted Non Fish Incidental Catch Forms and refer research providers to the findings of Alistair Dunn in his report to the MFish AMP Working Group (NIWA 2004). For example, there is no specific linking data to other Ministry of Fisheries databases, "nil" returns are ignored by the database manager, seabirds are identified to broad species categories only such as large or small bird, and the poor data recording and collection processes would result in ambiguity even if response rates were high. SeaFIC notes that under the Fisheries Act 1996 the form was not mandatory and many skippers still do not know of or have copies of the form. Whether the proposed new Non Fish Incidental Catch Form will provide any data in time for this project remains to be seen.
232. We believe that there is considerable overlap with the proposed Department of Conservation CSP project INT 2006/03 'Examination of the factors affecting capture probability of protected species in selected New Zealand fisheries'. For example this \$75,000 industry funded DOC project has the objectives of:

Examining data on injury or capture details of protected species caught in New Zealand fisheries to identify which factors are associated with high likelihood of capture.

Examining which factors affect the probability of capture of protected species in relation to taxon, age, sex, maturity, fishing method, area, target species, vessel characteristics, and use of mitigation measures.

233. The DOC project proposes to use fisher-submitted non-fish bycatch data, observer data (including diary entries and observer debrief forms) on protected species captures and the particulars of these incidents, and catch effort data by target species.
234. We question how that differs from the MFish \$150,000 proposal which aims to “examine the representativeness of observer data in relation to fishing effort by season and area, and by vessel type (e.g. processing type, size or power, mitigation used), recommendations on improved sampling design for observer-gathered datasets will be required, in relation to the deployment of observer effort across fisheries”.
235. MFish and DOC must talk urgently to prevent this wasteful duplication of analysis, time and industry funding especially when the existing data available have already been determined to be highly questionable. It would be far more appropriate to defer this project until a year after the new Non-fish Incidental Catch Form has been in place and analyse the new (and better quality) data then.

Project PRO2006/05 Estimating the nature and extent of marine mammal captures in New Zealand commercial fisheries

236. Our comments on PRO2006/04 (above) regarding the considerable overlap with the proposed Department of Conservation CSP project INT 2006/03 and the poor quality of fisher-submitted Non Fish Incidental Catch Forms are also valid for this proposal.
237. The Priority section on page 209 of the FRS is incorrect Under the DOC Threatened Species Classification which was updated in 2005, the New Zealand fur seal *Arctocephalus forsteri* is classified as not threatened.

Project PRO2006/06 Identification of marine mammals captured in New Zealand fisheries

238. SeaFIC notes that this proposal is Tier 2. This proposal is to necropsy sea lions, tagged fur seals, other pinnipeds etc. to characterise the age/sex profile of these mammals and to also determine inter alia, the cause of mortality.
239. Objective 1 provides justification for the project in that MFish observers, whose task it is to assess the species and sex of the animals do get it wrong and this project will be a verification of their identifications. We submit that this is a question of MFish training their contractors to an acceptable level of skill and that the industry should not have to pay for the same task twice.
240. SeaFIC recognises that the retrieval of carcasses would allow the extraction of teeth and other sources of information which in principle will allow the determination of the sex, maturity and age of accidentally captured animals. Such additional information is potentially important in assessing the effect of the fishery on the population. For instance, the assessment of the effect of a fishery would be very different if it were only killing immature males as compared to mature females.
241. The project, however, appears to be a revival of the Department of Conservation CSL Marine Mammal Carcass Recovery projects without any reference or linkage to those projects. The CSL projects ended as soon as enough data had been collected and the “Approved 2001/02 CSL Plan of 16 July 2001” clearly stated that enough fur

seal carcasses had been collected and a sufficient collection of sea lion carcasses was also reached in 2001.

242. We also question the costing of the project (up to \$150,000). This is a considerable sum of money to necropsy an unknown number of specimens. While the proposal states that the cost of the research will be relative to the number of carcasses processed, since the research project costs are set and levied “up front”, this could result in a significant over or under recovery.

Project PRO2006/07 Characterise non-commercial fisheries interactions with seabirds and marine mammals

243. SeaFIC supports this proposal and considers the capture of Hector’s dolphin by amateur setnet fishermen the most important interaction to investigate.

Project OBS2006/05 Research Observer Services to estimate the nature and extent of incidental captures of protected species in the Squid Trawl fisheries.

244. SeaFIC supports this proposal

Project ENV2006/01 Bycatch and discards in ling longline fisheries

245. SeaFIC supports this proposal

Project IDG2006/01 Finfish field identification guide

246. SeaFIC supports this proposal (we note as with a number of proposals, the different title for this project on page 188 of the FRS)

Project Title ENV2006/0 Productivity of rattail bycatch species

247. SeaFIC supports this proposal being classified as Tier 2.

Project ENV2006/03 Bycatch and discards in squid trawl fisheries

248. SeaFIC supports this proposal being classified as Tier 2.

Project BEN2006/02 Assessing the adverse effects of fishing on soft sediment habitats and fauna

249. SeaFIC supports this proposal being classified as Tier 2. We submit that this very expensive three year project (up to \$2 million) is not warranted in the current economic environment.
250. We believe that a definition of adverse effect must be established before experiments are undertaken and that a smaller feasibility project should establish whether the effects of bottom trawling can be discerned in various soft sediment habitats over different time scales in New Zealand. Many soft sediment habitats are subject to rapid environmental change and turnover due to strong currents and storms, the impacts of infrequent disturbance from bottom trawling in some areas will be insignificant.

Project BEN2006/03 Effects of fishing on seamounts, hills and knolls

251. SeaFIC supports this proposal being classified as Tier 2 and medium urgency.

252. We note the synergies with NIWA's Foundation for Research, Science and Technology study and if this proposal were to go ahead we would expect the researchers to work closely together to avoid duplication. The interaction would need to be carefully monitored in consideration of any tenders.

Project BEN2006/04 Identification of archived bycatch

253. SeaFIC supports this proposal.

Project BEN2006/05 Risk assessment framework for assessing fishing and other anthropogenic effects on coastal fisheries

254. SeaFIC supports this proposal being classified as Tier 2 and medium urgency. We consider that the priority should also be medium.

Project BEN2006/06 Productivity of deepwater invertebrates

255. SeaFIC supports this proposal being classified as Tier 2 and medium priority and medium urgency.

Project ENV2006/04 Ecosystem indicators for New Zealand fisheries

256. SeaFIC supports this proposal being classified as Tier 2. However we question why tenders have already been sought for this project.

Project ENV2006/05 Climate and oceanographic trends relevant to New Zealand fisheries

257. SeaFIC supports this proposal being classified as Tier 2.

Project ENV2006/06 Trends in relative mesopelagic biomass using time series of acoustic backscatter data from trawl surveys

258. SeaFIC supports this proposal being classified as Tier 2.

Project ENV2006/07 Cumulative and historical effects of fishing and other relevant factors on New Zealand ecosystems

259. SeaFIC supports this proposal being classified as Tier 2 and medium priority.

Project GBD2006/01 DNA database for commercial marine fish and invertebrates

260. SeaFIC maintains that because this proposal will contribute to New Zealand's commitment to local and international management and enforcement of finfish and invertebrate fisheries it should be 100% Crown funded.

Project HAB2006/01 Biogenic habitats as areas of special significance for fisheries management

261. SeaFIC supports this proposal being classified as Tier 2. . However we disagree that the costs of the project should be cost recovered from the industry. This is in essence a review of information on the existence and developments in a number of biogenic habitats of special interest to fisheries management. The content is akin to a population study and not active research into the effects of fishing or the mitigation

of fishing impact. The project should be Crown funded as the Fisheries Act does not provide for cost recovery for research by the Ministry of a population study nature.

262. Furthermore, we question why tenders have already been sought for this project.

Project HAB2006/02 Rhodolith beds as habitats of significance for fisheries management

263. SeaFIC supports this proposal being classified as Tier 2 and medium priority and medium urgency.

264. We disagree with the inclusion of the word ‘may’ in the note in the cost recovery section and submit that there should be a Crown component in recognition of non-commercial dredging for scallops and oysters that occurs in some areas. Further, we submit that the project should be Crown funded, because the research is by nature a population study and not tied to the effect of fishing.

**PELAGIC FISHERIES
PROPOSED PROJECTS FOR 2006/07**

Project EMA2006/01 Commercial catch monitoring of blue mackerel

265. SeaFIC supports this proposal being classified as Tier 2.

Project JMA2006/01 Multi-year monitoring of the species composition of the commercial catch of jack mackerel

266. SeaFIC supports this proposal.

Project JMA2006/02 Stock structure of the native jack mackerel species

267. SeaFIC supports this proposal being classified as Tier 2. We consider that rather than ‘medium’ this project is of low priority and can be deferred.

Project KAH2006/01 Stock structure of kahawai

268. SeaFIC has a number of difficulties with this proposal in its present form and recommends that it be deferred for one year until after the nature and extent of the work and areas to sample are determined in the review of the stock assessment that is being developed in 2005/06 and 2006/07 (KAH2005/01).

269. The proposal at present lacks focus. For example, the following statement is imprecise:

“The approach proposed involves a broad spectrum low cost investigation now, with a review during the stock assessment of how critical detailed information would be in future, then, if needed to go ahead with a larger scale method.”

Formatted: Indent: Left: 0 pt, Numbered + Level: 3 + Numbering Style: 1, 2, 3, ... + Start at: 265 + Alignment: Left + Aligned at: 99 pt + Tab after: 124.2 pt + Indent at: 124.2 pt

270. Research providers have to construct tenders on the basis that only after a review of Specific Objectives 1 and 2 in early 2007 will they know whether Specific Objective 3 is required, and the timing and scope of it.

Project KAH2006/02 Stock monitoring of kahawai – using recreational catches

271. SeaFIC supports this proposal but considers the cost recovery estimate is excessive.

Project KIN2006/01 Stock monitoring of kingfish

272. SeaFIC supports this proposal being classified as Tier 2. The cost recovery estimate, however, appears to be excessive.

Project: KIN2006/02 Commercial handling mortality of kingfish

273. SeaFIC supports this proposal being classified as Tier 2.

Project PEL2006/01 Design of a multi-purpose aerial survey for pelagic fisheries

274. SeaFIC does not support this proposal. We question the feasibility of the proposed work and whether it is even possible to determine species and the quantum of a school from a small aircraft. If any work is to be tendered, it should be for a minimal feasibility study, the results of which will need to be considered by the Pelagic RPG before a decision is made to undertake a full survey.

Project PEL2006/02 Bycatch of pelagic fish from other fisheries

275. SeaFIC supports this proposal being classified as Tier 2 and we consider that rather than ‘medium’ it is of low priority and can be deferred.

276. This is seen as an unnecessary project as bycatch of commercial fish species is reported in the appropriate stock assessments and catch reports. There is also very limited data in that only the top 5 species are reported by law.

Project SHK2006/01 Characterisation of pelagic shark fisheries

277. SeaFIC supports this project. However, it is uncertain how much information is available to characterise the fisheries. Hopefully the project will identify data deficiencies and make recommendations for the collection of the appropriate data.

Project STM2006/01 Multi-year stock monitoring of striped marlin including logbook programme implementation

278. SeaFIC supports this proposal.

Project STN2006/01 Catch-at age of southern bluefin tuna

279. SeaFIC supports this proposal.

Project TAG2006/01 Management of data from the gamefish tag recapture program

280. SeaFIC supports this proposal.

Project TAG2006/02 Determination of habitat preference using electronic tags

281. SeaFIC supports this proposal.

Project TAG2006/03 Management of the archival tag recapture program

282. SeaFIC supports this proposal being classified as Tier 2.

Project TRE2006/01 Monitoring the length and age structure of commercial landings of trevally in TRE 1 and TRE 7

283. SeaFIC supports this proposal but considers that the cost recovery estimate is excessive.

Project TUN2006/01 Commercial catch sampling programme for highly migratory fish species

284. This is expensive considering a lot of the data will be collected by other programs (e.g. Fishery returns and observers).

285. The Ministry notes that it is difficult to estimate the cost of a new project such as this. Further, the pilot programme has not yet been completed. We refer to the Note for this project “The results of TUN2005/02 and the review of that project by the Pelagic Fisheries Stock Assessment Working Group will be used to fully determine the scope of TUN2006/01.”

Project 2006/06 Research Observer Services – Pelagic Fisheries

286. SeaFIC supports this proposal subject to the following change:

- Delete the seventh objective (“To optimise the design of observer coverage in scampi fisheries”) – Research Observer services relate to the placing of observers on vessels and the tasks they are to undertake. Design of the observer coverage is a scientific research task to be undertaken by the Science group. It should not be included as an objective for Observer Services projects nor funded from this output.

Formatted: Indent: Left: 36 pt, Bulleted + Level: 2 + Aligned at: 54 pt + Tab after: 72 pt + Indent at: 72 pt, Tabs: Not at 72 pt

APPENDIX 1**Dolphin plan must include four new sanctuaries**

26 August 2005 - WELLINGTON

Contact: Dr Liz Slooten, Deputy President, 0274 474 418
Kevin Hackwell, Conservation Manager, 04 801 2215(w), 04 389 4815(h), 021 227 8420

Forest and Bird is calling for better protection of New Zealand threatened Hector's dolphins and critically endangered Maui's dolphins, including the establishment of four new marine mammal sanctuaries.

"The outlook for the Hector's dolphin and the even rarer Maui's dolphin is grim. Since 1970, more than 12,000 Hector's and Maui's dolphins have been killed in fishing nets," said Forest and Bird Conservation Manager, Kevin Hackwell, speaking to a joint paper** with WWF New Zealand at the New Zealand Marine Sciences Society Conference in Wellington.

"The Maui's dolphin is the world's rarest marine mammal and could be extinct in a matter of a few years because there are only 111 animals left. Hector's dolphins are also declining at an alarming rate. Local populations have already disappeared from the southern half of the North Island and the Marlborough Sounds and Nelson."

"It is vital that the Government's management plan includes the establishment of four new marine mammal sanctuaries," said Forest and Bird Deputy President, Dr Liz Slooten, a leading authority on dolphins who won the prestigious Sir Charles Fleming Medal earlier this year for her research on Hector's dolphin with Dr Steve Dawson.

"The existing marine mammal sanctuary along Banks Peninsula and the setnet ban on the West Coast of Auckland which protect these dolphins are too small to be sustainable. These should be extended and four new protected areas also set up," said Dr Slooten.

The main threat to these dolphins is gillnetting or setnetting. These nets are similar to the "wall of death" driftnets that were once widespread in the Pacific Ocean. The difference is that in New Zealand waters most gillnets are anchored (setnets) rather than left drifting in the water column (driftnets).

Dr Slooten also pointed out that Hector's dolphin populations at Kaikoura and Porpoise Bay are very small and 'high risk.' "For example, at Kaikoura 18 animals have been killed in gillnets during the last two summers," she said. "there are no regulations to stop this happening."

Conservation Manager Kevin Hackwell welcomed the Government's announcement that a new management plan for both Maui's and Hector's dolphin should be ready by Christmas: "The Government needs to ensure the existing sanctuaries are sustainable by extending their boundaries, improving regulations within the sanctuaries to include sandmining and trawling, and the creation of four new protected areas."

"New sanctuaries would need to be established at two high-density areas on the West Coast of the South Island and at Te Waewae Bay, and at two high-risk areas at Porpoise Bay and Kaikoura," he said.