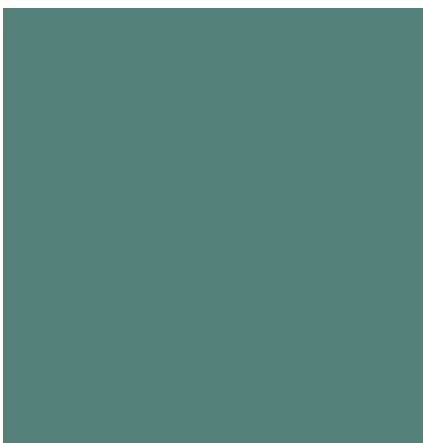


PHOTO: Anderson/LAT37



NZ Rock Lobster Industry Council Ltd



Business Plan 2013-2014

NZ Rock Lobster Industry Council Ltd

OUR ROLE

The NZ Rock Lobster Industry Council Ltd (NZ RLIC) operates as a non-profit organisation comprised of nine commercial stakeholder organizations (CRAMACs) whose members are involved in the harvesting, processing, wholesaling, retailing and exporting of rock lobsters in New Zealand. As the central service agency for the commercial lobster fishing industry, it is in our capacity to liaise with government, media, environmental groups and other marine stakeholders on behalf of our member's best interests.

The major role of the NZ RLIC is to disseminate the flow of information from these groups to industry and provide appropriate responses. On behalf of industry we initiate and/or respond to a range of subjects including but not limited to;

- fisheries legislation;
- permitting, vessel registration and access issues;
- marine parks;
- fisheries management plans;
- customary rights;
- environmental issues;
- coordination of quality assurance programs;
- representation on industry training boards;
- developing educational materials for school students and the general public;
- research and development applications;
- media inquiries;
- press releases; and,
- marketing and promotion of the rock lobster industry generally.

PARTNERSHIPS

The NZ RLIC also works closely with Seafood New Zealand and other external service providers to achieve objectives with a national focus, including;

- resource access (including the Government Marine Protected Areas policy; the impact of climate change and emissions trading policy on industry);
- research, development and extension services;
- promoting industry; and,
- cost imposts including Government cost recovery, business compliance and operational costs.

OUR MISSION

The rock lobster industry has consistently supported and advocated for the New Zealand fisheries management regime (Quota Management System - QMS), one which has a rights-based framework (although so far incomplete) which itself allows resolution of competing interests, including changing societal values in relation to the marine environment, to be resolved by way of market-based outcomes.

Working within the QMS framework the NZ RLIC will continue building and informing a united and sustainable industry operating to acceptable levels of environmental performance to contribute to regional and national economies and therefore valued and respected by Government and by the wider New Zealand community.

THE NZ RLIC STRATEGIC VISION

The NZ RLIC has developed and supported a Strategic Vision for the New Zealand Rock Lobster Fisheries. The vision is consistent with the New Zealand Fisheries Act 1996, enhances an agreed management framework, and provides a basis for consideration of short, medium, and long term research and management issues, including that:

- a) rock lobster stocks will be managed effectively (including cost effectively) to maintain the status of the stocks at or above the agreed biological reference points, consistent with the Fisheries Act;
- b) fisheries will be managed using a property rights/ Quota Management System (QMS) regime with the principal management actions exerted via output controls (TACs) while a range of input controls will still apply where this proves appropriate to individual situations;
- c) the strategy will provide for management flexibility, whilst ensuring sustainability, to enable all sector groups to participate within a shared fishery and be accountable for their performance;
- d) management of the fisheries will take place within a clear policy environment, e.g., there will be clear, explicit, and agreed rules to describe respective property rights and responsibilities in the fisheries and the clear allocation between user group sectors. In addition, there will be explicit and agreed decision rules to prescribe management actions that result from monitoring and assessment of fisheries;
- e) reliable and cost effective means to monitor and assess fish stocks will be in place. The catches taken and effort deployed by all extractive user groups will be effectively quantified, documented, and managed in accordance with the exercise of rights;
- f) adverse environmental effects of fishing activities will be avoided, mitigated or remedied;
- g) aquaculture of rock lobsters will be a permissible activity, governed by policies which ensure sustainable use of the wild stock within a rights based framework;
- h) a shift of management responsibility to user groups will be promoted within the Fishery Plan framework provided for in the 1996 Fisheries Act;

- i) collaborative/consultative national co-ordination of research and management recommendations and development of policy will continue within the NRLMG or similar multi-sector representative stakeholder group organisation;
- j) co-operative management initiatives, which may include the development of regional user groups and Fishery Plans, will be encouraged; and
- k) sustainable utilisation of rock lobster fisheries will occur in an environment where the New Zealand public are well informed and educated on matters dealing with fisheries in general and rock lobster fisheries in particular.

NZ RLIC PRINCIPAL OBJECTIVES

- The NZ RLIC will continue to foster, protect, and enhance the property rights, including rights of access to fishing grounds and to equitable shares of stock abundance, and the economic and social wellbeing of the rock lobster industry and of its constituent members.
- The NZ RLIC will continue to pursue opportunities for the development and implementation of Fishery Plans as enabled by the 1996 Act, and pursue opportunities for direct purchase of fisheries services, including but not limited to, biological research and social and economic assessments.
- The NZ RLIC will continue to accept oversight and management responsibilities for the stock assessment research contract with MPI and in addition, a number of elective research projects initiated by NZ RLIC and by CRAMACs.
- The NZ RLIC will maintain a research and development budget capacity and continue to develop and refine technology programmes including electronic data entry and data search technology, and product quality standards which meet or exceed statutory and/or regulatory requirements.
- The NZ RLIC will continue to monitor political, legislative, and regulatory initiatives likely to have relevance to the rock lobster industry and ensure informed and professional submission, representation and advocacy when required.
- The NZ RLIC will actively participate in and provide funding, technical advice and other support for Seafood New Zealand (SNZ).
- The NZ RLIC will continue to provide information and advice, and to promote the interests of the rock lobster industry at large through occasional print and electronic publications, articles in journals, newsletters to industry participants, promotional materials for schools and community groups, the www.nzrocklobster.co.nz website and participation at conferences and seminars including contributions to international workshops and publications.
- The NZ RLIC will continue to foster and facilitate the relationships between industry and non-commercial stakeholder groups and Government agencies both at the national and the regional levels.
- The NZ RLIC will maintain relationships with other commercial stakeholder organisations and with Seafood New Zealand, with Government agencies, with Te Ohu Kaimoana, and as required, with credible NGOs and community organisations having an interest in the marine environment.

- The NZ RLIC will continue to maintain offices in Wellington as a member of a seafood organisational ‘cluster’ and to provide a safe working environment for staff and visitors.

ORGANISATION

Having been established in September 1996 as a national coordinating agency for the network of nine regional rock lobster industry groups (CRAMACs) by March 1997 the NZ RLIC Ltd was registered as a limited liability company. CRAMACs are shareholders in the company and directors are appointed by each.

CRAMAC membership comprises the full range of rock lobster industry participants. CRAMACs are constituted as incorporated societies, or as in the case of CRA 2, quota share owner companies. The rules of association provide for a two-tiered voting structure in which quota share owners are given the deciding vote in all CRAMAC decisions related to TAC/TACC adjustments, sub-division or amalgamation of QMAs, and/or voluntary levies, levies for Fisheries Services, or those established under the Commodity Levies Act.

The underlying objective for CRAMACs and for the NZ RLIC is that their work should add value to the New Zealand lobster fisheries and to the New Zealand lobster industry.

“Adding Value” entails - enhancing fisheries - saving money - reducing costs – improving knowledge

- and/or getting maximum value from projects which are cost recovered from industry by MPI;
- and/or consolidating and/or increasing the industry shares of rock lobster fisheries;
- and/or protecting against a reduction in those shares;
- and/or getting better compliance with rock lobster fisheries rules;
- and/or protecting access to established fishing grounds;
- and/or reducing the complexity of record keeping and reporting regulations etc.
- and/or increasing collective management of fisheries better to reflect security and value of property rights.

FUNDING

The NZ RLIC has primary responsibility for the Rock Lobster Commodity Levy implemented on 01 April 2013. The administrative operation of the Rock Lobster Commodity Levy (invoicing and debt collection) is contracted to FishServe.

On request, financial administration of rock lobster Stock Specific Levy income (a funding base for CRAMACs) is undertaken by the NZ RLIC under instruction from the respective CRAMAC executive committees and/or nominated regional representatives.

The NZ RLIC also derives income from providing a range of contract management; financial management; and administrative services to a small number of select clients. Income earned in this manner offsets the amount required to be collected by way of the Rock Lobster Commodity Levy.

ROCK LOBSTER FISHERIES RESEARCH

The NZ Rock Lobster Industry Council Ltd is the principal contractor to the Ministry for Primary Industries (MPI) for the provision of rock lobster fisheries stock monitoring and stock assessment research services.

The NZ RLIC has an extensive array of contractual relationships with skilled service providers in New Zealand and overseas which enable delivery of the research services provided under contract to MPI. These relationships include with NIWA, Trophia Resources, *StarrFish*, Haist Consultancy, Lat37 Ltd, Breen Consultancy, and seven other sub-contractors doing field work.

The current stock monitoring work programme for the NZ RLIC and contracted providers comprises:

- a) observer catch sampling in four management areas and vessel Logbook programmes in three management areas to collect length frequency and other biological data; and
- b) tag release and recapture programmes to measure the growth of lobsters for use in length-based population models.

The stock assessment science team is principally engaged in:

- a) updating the standardised CPUE analysis from all management areas and report on the operation of current Management Procedures and decision rules;
- b) estimating biomass and sustainable yields for nominated rock lobster stocks; and
- c) refining existing and evaluating new management procedures for rock lobster fisheries.

The assessment team members are also science advisors to the National Rock Lobster Management Group (NRLMG) which is the primary source of advice to the Minister on all matters relating to rock lobster fisheries research and management.

Oversight and management of the principle research contract is a fiscally neutral transaction for the NZ RLIC and work is not reliant upon Rock Lobster Commodity Levy income.

ELECTIVE RESEARCH and DEVELOPMENT

The NZ RLIC is currently coordinating a number of elective research projects, each of which is sponsored and initiated by CRAMACs.

In addition to relevant fisheries research, the two primary research streams proposed for 2013-14 are related to environmental and economic performance of the New Zealand lobster industry – specifically a an extensive DNA profiling of lobster stocks from Stewart Island to the Chatham Islands to the Three Kings. The latter project is in collaboration with Victoria University Wellington (VUW) and for 2013-14 is currently the subject of a funding application to Seafood Innovations Ltd (SIL).

CRAMACs have their own collaborations with chosen research providers. In the case of the CRA 8 Management Committee Incorporated, a multi-year post harvest and handling research project commissioned from *Plant and Food* and more recently from NIWA presents a very significant investment in improving quality and price for the CRA 8 industry. At the other end of the scale a modest investment by CRAMAC 5 enabled a short term partnership with MPI Compliance in field testing product identification options for use in domestic markets.

Lessons learned from that collaboration will be applied to the NZ RLIC and Otago Rock Lobster Industry Association evaluation of product identification options envisaged by changes to Otago Concession Area regulations from October 2013.

Biological

Preliminary DNA work has been done using contributions of cash and kind by the NZ RLIC and a small grant by Tech NZ. The NZ RLIC Board has since agreed a more comprehensive profiling programme should be completed in 2013-14 and has also agreed the ongoing partnership with Victoria University Wellington. If the SIL funding application is successful the NZ RLIC will invest \$80,000, spread over two financial years (2013-14/2014-15). Results from this project will underpin a range of industry opportunities which extend from product traceability, certification, appellation etc through to the review and possible re-definition of stock boundaries for management purposes. An extension of the proposed work is intended to provide industry with opportunities to invest in wild fisheries enhancement.

Environment

The *Whale_Safe* project, coordinated by the NZ RLIC after consideration of the consequences to industry of whale entanglements associated with commercial lobster fishing will be supported and promoted in 2013-14.

The opportunity is now available across other CRA Management Areas to implement voluntary initiatives similar to those established for CRA5 and CRA 7 and the NZ RLIC is confident that in time DOC will be also brought into the *Whale_Safe* programme in a partnership role.

The NZ RLIC will also develop credible responses to eco-system management proposals promoted by environmental NGOs.

Economic

The true economic performance of the rock lobster industry is difficult to measure yet remains a central consideration for TAC and Sustainability decision-making by Ministers. The NZ RLIC proposes to commission professional assistance to develop a range of economic indicators that will support future industry advocacy and promotion.

Valuation methodologies for use in opportunity adjustments and/or estimates of the economic impacts of spatial exclusion proposals (e.g. marine reserves) will be developed. The cost to industry of non-commercial allowances made in TAC-setting being exceeded will also be evaluated.

Data Collection

For 2013-14 the NZ RLIC proposes further investments in data base design, management and maintenance, and in partnership with the Paua Industry Council is developing satellite transponder technology to improve data uploads from electronic logbooks.

In addition to specific NZ RLIC-funded elective research there are a number of CRAMAC funded projects being undertaken. The NZ RLIC provides a range of services in support of those projects and retains an experienced science team to act as technical advisers and peer reviewers.

Several CRAMACs are invested in electronic logbook programmes and their investment is extended to maintenance of searchable data bases and evaluation of options for satellite reporting direct from fishing vessels. These are industry-funded projects in support of industry-owned data.

Operational

The NZ RLIC is the principal steward of industry generated data gathered from Vessel Logbook programmes. A small investment will be made during 2013-14 to explore the potential use and application of supplementary catch and effort data such as relating to pot types and catching efficiency.

EDUCATION and INDUCTION

A project for the NZ RLIC in the 2012-13 levy period was the development and distribution of rock lobster industry information and induction kits. The NZ RLIC deferred this project and re-assigned most of the allocated budget in favour of the successful Rock Lobster Commodity Levy application which was confirmed in April this year.

However a good deal of preliminary work has been completed towards the compilation of a rock lobster industry reference document and this will be elaborated on and finalized in 2013-14. In addition, the NZ RLIC will pick up with the New Zealand Industry Training Organisation (NZITO) as to possible unit standards and training opportunities for industry participants. A Certificate of Professional Fishing is envisaged as a possible supplement to any further rock lobster fishery accreditation/certification programmes similar to the CRA 5 *Friend of The Sea* certification.

The QMS is a high risk area for quota share owners and for the catching sector if rules are broken, with the burden of proof always falling on alleged offenders to show they are in fact innocent. Previously the NZ RLIC produced a series of brochures to highlight various responsibilities of permit holders but the proposed new initiative will cover a wider range of issues and will include appropriate regulatory and legislative references.

There is a slowly increasing cohort of new entrants to rock lobster fisheries around the country and the NZ RLIC has identified a need for an induction kit similar to those used by skippers to comply with Maritime New Zealand and OSH rules. Crewmen need to know their responsibilities and the liabilities associated with S.111 catches and home freight for example. Vessel operators must quickly get up to speed with the importance of Destination Code X reporting and the manner in which CELR data is processed for use in stock assessments.

The basic principle being pursued in the education initiative is that rules exist for specific reasons – and the kits will explain those reasons in a way that is relevant to everyone on-board commercial rock lobster vessels; and/or involved in transportation, processing and marketing of lobsters.

PRODUCT STANDARDS and CATCH IDENTIFICATION

The NZ RLIC is routinely called upon to advise and coordinate industry responses to agency discussions about seafood industry certification – incorporating either or both quality and environmental performance together with sustainable utilisation standards.

The CRA 5 fishery certification project audited and approved by the *Friend of the Sea* examiners during 2011 is the first to be established for any New Zealand lobster fishery and may provide both the experience and a template to guide certification planning in other CRA areas.

The NZ RLIC has a Rock Lobster Biotoxin Management Plan endorsed by the Marine Biotoxin Technical Committee in response to the concerns over toxic algal blooms and PSP toxin events. The Plan was invoked in December 2012 in the central Bay of Plenty and during the period in which the Plan was invoked numerous weaknesses in the wider biotoxin management framework were exposed. The NZ

RLIC proposes a full re-evaluation of the current Plan pending the completion of a detailed debrief of the Bay of Plenty biotoxin response.

As a consequence of biotoxin events and proposed amendments to regulations governing domestic sales of Concession Area lobsters the NZ RLIC is already working on catch identification and traceability initiatives. These will be further developed in consultation with the relevant industry groups during 2013-14.

The NZ RLIC also contributes to the work of the Seafood Standards Council and to the development of Animal Welfare and Animal Products standards for rock lobster fisheries.

The projects are ongoing and are subject to regular internal review by the NZ RLIC Board.

COMMUNICATION, SUPPORT, REPRESENTATION AND ADVOCACY

Since 1997 the NZ RLIC has made submissions and undertaken advocacy on behalf of the rock lobster industry in relation to such diverse topics as –

- Ministry for Primary Industries (MPI) Fisheries Services and Cost Recovery processes;
- DoC/MPI Conservation Services Programmes
- MPI Research Services Review;
- Rock Lobster Research Planning and Stock Assessment;
- Animal Welfare Act and Animal Products Act;
- Aquaculture Reforms;
- Reviews of the Marine Reserves Act, Aquaculture legislation, and Recreational rights;
- The Government Marine Protected Areas Strategy;
- Marine Reserve, Taiapure, and mataitai proposals and applications; and
- a raft of ongoing legislative and regulatory issues including Observer Service proposals.

The issues likely to be the focus of NZ RLIC attention in 2013-14 are primarily those which have absorbed significant resources in recent seasons – spatial access; compliance and enforcement; data collection and management and coordination and delivery of research services.

MPI has recently signaled the prospect of mandatory electronic monitoring across selected inshore fisheries and an operational move to risk-based management interventions. The NZ RLIC will ensure that proper consideration is given to information needs analyses and rigorous cost/benefit evaluations of any new MPI operational policy interventions.

The regular collaborations between the rock lobster and paua industries at regional and national level are now expanded to include submissions to MPI and to Select Committees and cost sharing when commissioning advice and support from external consultants. The NZ RLIC will continue to work to ensure an effective, including cost-effective, grouping of inshore fishing interests sharing an agreed vision for strategic growth and development.

Explicit provision is being made in the 2013-14 operational budget for the NZ RLIC to continue to commission high-level external policy and legal advice in support of the rock lobster industry.

CO-OPERATIVE USER GROUP MANAGEMENT

Please note that support for *Seafood New Zealand* (SNZ) is the single largest budget component for the NZ RLIC Business Plan.

The NZ RLIC is the Sector Representative Entity (SRE) representing that rock lobster industry at SNZ. Each of the five participating SREs pays a proportional share of the SNZ budget based on a volume and value calculation derived from the annual MPI cost recovery framework. The NZ RLIC contribution to SNZ is fixed at \$340,000 in 2013-14.

After an extensive period of consultation with industry in 2011-12 the NZ RLIC Board made an initial two year commitment to SNZ. A review and negotiations to decide whether to extend that commitment period for a further two years will commence in April 2014.

The NZ RLIC continues to support the operation of the National Rock Lobster Management Group (NRLMG) including the provision of venue, and administrative support services as required.

From 2013 additional efforts will be made to assist CRAMACs in coordinating the approaches and responses to regional non-commercial interest groups.

The NZ RLIC and CRAMACs will maintain working alliances with a range of relevant non-commercial user groups, Government agencies, and independent research advisers. The NZ RLIC also maintain strong working relationships with Australian lobster industry groups and agencies in order to share information and ideas that might have application to the New Zealand lobster fisheries and be of benefit to industry participants. A particular focus of the Trans-Tasman exchange will be the Australian approach to management of recreational fishing.

FUTURE PROOFING

As it has done since 1997, the NZ RLIC will coordinate the delivery of a wide range of technical, science, legal and policy advice to CRAMACs and individual industry members.

In support of those outcomes the NZ RLIC will contract and/or employ qualified personnel in management and administrative roles.

The NZ RLIC will engage with CRAMAC Committees to ensure proper succession planning at national and regional levels. In 2013-14 the NZ RLIC Board and will evaluate possible organisational design changes in response to changing rock lobster industry preferences and priorities; and also examine the best value options in relation to extending the first two-year commitment period to SNZ.

The NZ RLIC will maintain and progressively upgrade office and administrative facilities in order to ensure the safety and comfort of employed and contracted personnel and better serve industry members.

The NZ RLIC will continue to be a contracted research services provider to MPI, having recently confirmed a further three year contract to add to the sequence commenced in 1997. Succession planning for the contract science capacity commenced in 2013 and will continue over the three years of the current contract with MPI.

The NZ RLIC will facilitate further industry-funded elective research initiatives and seek opportunities for new partnerships and cost-sharing arrangements to as to *'add value to rock lobster fisheries and the business of fishing'*.

The NZ RLIC will coordinate and deliver CRAMAC input and participation to Seafood New Zealand (SNZ), including provision and support for a representative on the Industry Coordination Team (ICT) and a director on the SNZ Board.

Should you have any enquiries about the proposed 2013-14 NZ RLIC Business Plan and Budget, or about the Rock Lobster Commodity Levy please contact the NZ RLIC office at your convenience.

Contact details are:

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Attention: Daryl Sykes
Executive Officer
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04 802 1509

PROPOSED NZ RLIC Operational Budget 2013-14

NZ RLIC INCOME			
	2012-13		2013-14
SeaFIC Levies October 2012- March 2013	\$166,205	Rock Lobster Commodity Levy	\$636,610
Rock Lobster Commodity Levy April 2013 – September 2013	\$166,205		
CRAMAC Levies Oct 2012 – Sept 2013	\$187,446		
External Service Provision	\$127,504	External Service Provision	\$128,000
	\$647,360	Total Income	\$764,610
NZ RLIC EXPENDITURE			
	2012-13	2013-14	EXPENSE
STAFF AND RESOURCES	(\$267,925)		\$296,700.00
Board and Chairman	\$ 8,000	\$ 10,000	
Office rentals	\$ 17,750	\$ 17,000	
Office supplies	\$ 2,750	\$ 2,750	
Postage & print	\$ 6,500	\$ 6,500	
Telecommunications	\$ 7,000	\$ 8,500	
Insurances	\$ 11,500	\$ 11,500	
Accounts-Audit-Bank fees	\$ 7,725	\$ 15,000	
Staff Training and Support	-	\$ 1,200	
General administration	\$ 2,700	\$ 3,250	
Salaries	\$196,000	\$213,000	
National travel	\$ 8,000	\$ 8,000	
EXTERNAL CONSULTANTS			\$28,000
Policy and Legal	\$15,525	\$ 28,000	
EDUCATION AND INDUCTION			\$34,500
Industry Handbook	\$ 4,500	\$ 5,000	
Training and Qualifications		\$ 3,500	
Newsletters and web site		\$ 2,000	
Regional Forums		\$ 5,000	
Conference and Workshops	\$10,000		
Domestic		\$ 9,000	
International		\$ 10,000	
ELECTIVE RESEARCH			\$53,500
Economic Data	-	\$ 3,500	
DNA profile	-	\$ 40,000 (year 1)	
Electronic Data	-	\$ 5,000	
Whale_Safe	\$8,000	\$ 5,000	
PRODUCT STANDARDS			\$10,500
Biotoxin Review		\$ 4,500	

Catch Identification		\$ 2,500	
Certification Standards		\$ 3,500	
CO-OPERATIVE MANAGEMENT			
Industry Coordination Team	\$7,000 (was IFIC)	\$ 7,000	\$9,000
NRLMG	\$2,000	\$ 2,000	
Sub-Total	\$314,950	Sub-Total	\$432,200
SEAFOOD NEW ZEALAND			
	\$166,205 (6mths QSOs)	\$ 332,406	\$332,406
	\$166,205 (6 mths NZ RLIC)		
Total Expenses 2012-13	\$647,356	2013-14 TOTAL EXPENSES	\$764,606

The difference in overall budget 2013-14 is a \$117,250 increase over current.

The significant differences in budget categories are as follows:

- Staff and Resources proposed increase \$28,775 (mainly salary increments)
- External Consultants proposed increase \$12,475
- Education and Induction proposed increase \$20,000
- Elective Research proposed increase \$45,500 (mainly DNA year 1)
- Product Standards proposed increase \$10,500