

NZ ROCK LOBSTER INDUSTRY COUNCIL

BUSINESS PLAN AND BUDGET 2014/15

The NZ Rock Lobster Industry Council Ltd (NZ RLIC) operates as a non-profit organisation comprised of nine commercial stakeholder organizations (CRAMACs) whose constituents are involved in the harvesting, processing, wholesaling, retailing and exporting of rock lobsters in New Zealand. The NZ RLIC has the primary responsibility for the Rock Lobster Commodity Levy implemented on 01 April 2013. This document constitutes the notification to CRA Quota Share Owners of the CRA 2014/15 Commodity Levy.

CRA COMMODITY LEVY 2014/15

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 constituents are involved in the harvesting, processing, wholesaling, retailing and exporting of rock lobsters in New Zealand. As the central service and coordination agency for the commercial lobster fishing industry, it is in our capacity to liaise with government, industry, media, environmental groups and other marine stakeholders to the benefit of rock lobster fisheries and to the business of the rock lobster industry.

OUR VISION

A united, thriving and ecologically sustainable rock lobster industry valued and respected by Government and by the wider New Zealand community.

ACTIVITY GOAL AND PRINCIPAL OBJECTIVES

The NZ RLIC governance/leadership/advocacy activity goal is:

To provide for the governance, leadership, advocacy and policy making activities in all New Zealand rock lobster fisheries operational frameworks.

The NZ RLIC principal objectives are:

- a) To be a vigorous advocate for issues of concern to the rock lobster industry and to demonstrate leadership in carrying out its work.
- b) To demonstrate sound and considered governance.
- c) To develop good policies in order to guide its work in a consistent manner.
- d) To assist in coordinating the many different actions of central and regional government, service providers and businesses to make the NZ RLIC vision a reality.
- e) To have strategies and planning which will be keys to success, as will new and innovative ways of doing things.
- f) To encourage and facilitate industry consultation and opportunities for effective engagement in NZ RLIC decision making process.
- g) To keep people informed and hold a secure database of credible information.
- h) To work with others (industry organisations included) in partnerships to achieve best results for rock lobster fisheries and for the New Zealand rock lobster industry as a whole.

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 Commercial Fisheries Services Ltd (FishServe).

On request from the CRAMACs financial administration of rock lobster Stock Specific Levy income is undertaken by the NZ RLIC under instruction from the respective CRAMAC executive committees.

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. The NZ RLIC also has a separate income stream from the operation of a multi-year rock lobster stock monitoring and stock assessment contract to the Ministry for Primary Industries.

KEY COMPONENTS OF THE 2014/15 BUSINESS PLAN

INDUSTRY COMMUNICATION, SUPPORT, REPRESENTATION AND ADVOCACY

The issues likely to be the focus of NZ RLIC attention in 2014/15 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.

The NZ RLIC is currently the Sector Representative Entity (SRE) representing the rock lobster industry in Seafood New Zealand (SNZ). The current business relationship with SNZ is secured by a two-year service level agreement which expires in September 2014. It has been agreed by all parties that the agreement will not be renewed. SNZ has determined that it will amalgamate with Seafood Strategy New Zealand Ltd (SSNZ), a company whose shareholding is drawn principally (but not exclusively) from the ten major corporate quota share and water space rights owners.

The NZ RLIC Board is currently considering options for future ‘whole of industry’ collaboration but is agreed that such collaborations will be pursued on a contract by contract basis where the outcomes can be demonstrated to be of direct or indirect benefit to the rock lobster fisheries and to our industry generally.

New contractual relationships with the existing SREs (Aquaculture NZ; Fisheries Inshore New Zealand; Paua Industry Council; Deep Water Group) and with the SSNZ coalition of major quota share and aquaculture rights owners are likely.

The 2014/15 NZ RLIC work plan and budget maintains a substantial contingency to invest in generic and ‘club goods’ projects negotiated and agreed at the discretion of the NZ RLIC Board. 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. Preliminary discussions have already taken place with the Paua Industry Council (PIC) and Fisheries Inshore New Zealand (FINZ) and some useful projects identified for further discussion and agreement – including agreement over cost sharing – with implementation commencing from October 2014.

A significant proportion of the contingency fund is ear-marked for particular collaborations given that all SREs will in future be required to independently commission the science, policy and legal services which until September 2014 are activities covered by the Service Level Agreements with SNZ. The NZ RLIC will also contract and share funding of and access to the services of the Seafood Standards Council which has been integral to the development and oversight of the Rock Lobster Biotoxin Response Plan and various rock lobster processing and exporting operational policies and procedures.

The NZ RLIC Board anticipates a ‘generic’ investment including contracts with the proposed amalgamated SREs and SSNZ through a central agency if the value proposition is evident.

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. In 2014/15 the NZ RLIC will initiate and guide a substantial analysis and review of shared fisheries and develop firm proposals for effective management of recreational fishing including for the management of the recreational charter fishing and dive industries. External consultants will be recruited in support of this project.

If the contingency budget is not fully utilised in 2014/15 the balance will become a credit to the levy required to fund the subsequent NZ RLIC annual business plan.

CO-OPERATIVE USER GROUP MANAGEMENT

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 will continue to support the operation of the National Rock Lobster Management Group (NRLMG) including the provision of meeting venues, science advice and administrative support services as required.

The NZ RLIC will further consolidate working relationships with Australian lobster industry groups and agencies in order to share information and ideas that have application to the New Zealand lobster fisheries.

Formal research collaborations with the Australian Fisheries Research and Development Corporation (FRDC) and Southern Rock Lobster Ltd (SRL) will be considered and evaluated.

FUTURE PROOFING

Regional Support and Coordination

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.

From October 2014 it is intended to increase the frequency of regional contact between the NZ RLIC central office and the CRAMAC committees with oversight of regional workplans and budgets. More use will be made of the NZ RLIC science capacity to provide feedback to fishermen who participate in stock monitoring programmes.

The NZ RLIC will also engage with CRAMAC Committees to ensure proper succession planning at national and regional levels. In support of those outcomes the NZ RLIC will contract and/or employ qualified personnel in management and administrative roles.

Central Office Function

The NZ RLIC will maintain and progressively upgrade office and administrative facilities in order to ensure the safety and comfort of personnel and better serve industry members. As a consequence of the confirmed sale of Seafood Industry House it is anticipated that the NZ RLIC central office will need to relocate in the last quarter of 2014 and current intentions are that staff and resources will stay close to a seafood cluster anchored by Commercial Fisheries Services Ltd (FishServe).

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, Trophic Resources, *StarrFish*, Haist Consultancy, Lat37 Ltd, Breen Consultancy, and seven other sub-contractors doing field work.

Succession planning for the NZ RLIC science capacity successfully 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 so as to *'add value to rock lobster fisheries and to the business of fishing'*.

ELECTIVE RESEARCH and DEVELOPMENT

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

Economic

The NZ RLIC proposes to commission professional assistance to develop a range of economic indicators that will support future industry advocacy and promotion. The true economic performance of the lobster industry is difficult to measure yet remains a central consideration for TAC and Sustainability decision-making by Ministers. The NZ RLIC will invest in a formal collaboration with the Auckland University School of Business, supported by the Callaghan Innovation Fund, to develop credible valuation methodologies for use in opportunity adjustments and/or estimates of the economic impacts of spatial exclusion proposals; and/or to guide strategic planning initiatives.

Biological

A comprehensive two-year DNA profiling programme was commenced in 2013 in partnership with Victoria University Wellington (VUW) and Seafood Innovations Ltd (SIL). NZ RLIC is investing \$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.

In recent seasons phytoplankton blooms have been an increasing feature of environmental conditions likely to impact on rock lobster fishing. A consequent biotoxin event in the Bay of Plenty in the summer of 2012/13 resulted in the voluntary closure of an area of coastline by CRAMAC 2 and the NZ RLIC working cooperatively with the Seafood Standards Council and MPI. In the same period the entire Tasmanian lobster fishery was closed by the State Government in response to toxin levels observed in shellfish and lobsters.

The circumstances around those closures led to a very extensive and detailed review of the NZ RLIC Biotoxin Management Plan and a collaboration with the Australian southern rock lobster industry and the Seafood Cooperative Research Centre. The most active phase of the resultant cooperative research project will commence in June 2014 and run through until May 2015. The NZ RLIC will invest cash and in kind in pursuit of uniform standards for biotoxin management across all southern rock lobster fisheries.

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 maintained and refined in 2014/15 and the technical capability of the newly developed *Ocean_Snap*¹ technology will be further expanded.

An investment partnership will also be sought with a view to developing a cost effective and reliable technology to enable lobster fishermen to minimise risk of whale entanglements. The NZ RLIC will also continue to monitor and coordinate marine mammal and seabird responses across overseas lobster fishery jurisdictions.

Data Collection and Management

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.

¹ *Ocean_Snap* is a smartphone application developed as an extension to the *Whale_Safe* project to contribute to a reliable industry data base of marine mammal and seabird interactions.

CRAMACs and the NZ RLIC are increasingly invested in electronic logbook programmes and those investments extend 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. The NZ RLIC will ensure that electronic data collection and storage protocols meet or exceed the standards required by the Ministry for Primary Industries.

The NZ RLIC is the principal steward of industry generated data gathered from Vessel Logbook programmes. The NZ RLIC will continue to maintain and ensure the security of the Rock Lobster Logbook data base and manage data entry and storage for the range of elective stock monitoring projects funded by CRAMACs.

The NZ RLIC will further investigate the efficiency and reliability of web-based analytical tools for use by Logbook participants.

TRAINING, COMMUNICATION and MEDIA

NZ RLIC will work with the New Zealand Industry Training Organisation (NZITO) to consolidate training opportunities for lobster industry participants. A *Certificate of Professional Fishing* is envisaged as a possible supplement to any further rock lobster fishery accreditation/validation programmes similar to the *CRA 5 Friends of The Sea* certification.

The industry operational manual developed in 2013/14 will be regularly reviewed and updated where necessary and new material will be made available to industry in newsletters and on the NZ RLIC web site.

The NZ RLIC will more actively and directly engage with the general media – in particular print media – to promote the industry and the rock lobster industry participation in and support for the New Zealand fisheries management regime. The NZ RLIC will commission articles of both technical and general interest for submission to newspapers and magazines and also make increasing use of social media opportunities.

PRODUCT STANDARDS and CATCH IDENTIFICATION

The NZ RLIC is routinely called upon to advise and coordinate industry responses to agency discussions about product certification – incorporating either or both quality and environmental performance.

The NZ RLIC will maintain a contribution to the work of the New Zealand Seafood Standards Council and monitor any reviews of Animal Welfare and Animal Products standards for rock lobster fisheries.

The NZ RLIC will monitor the development and implementation of seafood labeling and traceability standards and technologies and coordinate the development of appropriate rock lobster industry responses.

The NZ RLIC will provide administrative and other support as requested by New Zealand rock lobster exporters to ensure secure access to, and efficient and profitable trading with export markets.

NZ Rock Lobster Industry Council Ltd



Executive Officer

NZ RLIC OPERATIONAL BUDGET 2014-15

	NZ RLIC INCOME		
	2013-14	2014-15	
SNZ/QSO Levies	\$332,410		
Rock Lobster Commodity Levy	\$424,200		\$710,750
Total Levy Income	\$756,610	Total Levy Income	\$710,750
External Service provision	\$ 8,000	**	
TOTAL INCOME	\$764,610	TOTAL INCOME	\$710,750
NZ RLIC EXPENDITURE			
	2013-14	2014-15	EXPENSE
STAFF AND RESOURCES	(\$296,700)		\$257,750
Board and Chairman	\$ 10,000	\$8,500	
Office rentals	\$ 17,000	\$10,000**	
Office supplies	\$ 2,750	\$2,750	
Postage & print	\$ 6,500	\$7,500	
Telecommunications	\$ 8,500	\$8,500	
Insurances	\$ 11,500	\$12,000	
Accounts-Audit-Bank fees	\$ 15,000	\$13,000	
Staff Training and Support	\$ 1,200	-	
General administration	\$ 3,250	\$1,500	
National Travel	\$ 8,000	\$9,000	
Salaries	\$213,000	\$185,000**	
EXTERNAL CONSULTANTS	(\$31,500)		\$35,000
Policy and Legal general	\$28,000	\$18,000	
Economics	\$ 3,500	\$ 7,000	
Recreational Management Project		\$10,000	
EDUCATION AND INDUCTION	(\$34,500)		\$28,500
Industry Handbook	\$ 5,000		
Training and Qualifications	\$ 3,500		
Newsletters and web site	\$ 2,000	\$2,500	
Regional Forums	\$ 5,000	\$2,500	
Media Presence		\$7,000	
CONFERENCE AND WORKSHOPS			
Domestic ²	\$ 9,000	\$4,500	
International ³	\$ 10,000	\$12,000	

² Includes support for national seafood industry conference; Maori Fisheries Conference; NZ Marine Sciences Society AGM;

³ Includes 2015 Trans Tasman Rock Lobster Industry Conference – Western Australia; Australian Southern Rock Lobster (SRL) AGM; FRDC research advisory workshop.

Budget Continued:

ELECTIVE RESEARCH	(\$50,000)		\$45,000
<i>DNA profile</i>	\$40,000 (year 1)	\$40,000 (year 2)	
<i>Electronic Data</i>	\$ 5,000		
<i>Whale_Safe and Ocean_Snap</i>	\$ 5,000	\$5,000 ⁴	
PRODUCT STANDARDS	(\$10,500)		\$11,500
<i>Biotoxin Management Plan</i>	\$ 4,500	\$11,500	
<i>Catch Identification & database</i>	\$ 2,500		
<i>Fishery validation standards</i>	\$ 3,500		
COOPERATIVE MANAGEMENT	(\$341,406)		\$333,000
<i>NRLMG</i>	\$ 9,000	\$3,000	
<i>SNZ</i>	\$332,406	n/a	
<i>"Club Good" collaborations⁵</i>		\$200,000	
<i>"Generic" collaborations⁶</i>		\$130,000	
Total	\$764,606		\$710,750

Budget for 2013/14

\$764,606

Proposed Budget Expenditure 2014/15

\$710,750

Core Rock Lobster Commodity Levy 2014/15

\$248.70 per tonne per annum

****Budget Note**

The NZ RLIC Board has determined that from October 2014 head office operational and activity costs (including salaries, travel and office rentals) should be better apportioned across the two core work streams – coordination and support for industry representation and advocacy; the stock monitoring and stock assessment research contract.

⁴ Android OS development cost

⁵ Provision for negotiated and project costs - NZ RLIC stand-alone project initiatives and/or with selected Sector Representative Entities – e.g. Paua Industry Council; Fisheries Inshore New Zealand; Deep Water Group; Aquaculture NZ.

⁶ Provision for negotiated project contracts with the amalgamated SREs and SSNZ.