



NZ ROCK LOBSTER
INDUSTRY COUNCIL

2018/19 BUSINESS PLAN

THE FISHERY FIRST

*From abundance
all benefits flow*



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Our Role

The NZ Rock Lobster Industry Council Ltd (NZ RLIC) operates as the central service agency for the commercial lobster fishing industry. It is our role to liaise with government, media, environmental groups and other marine stakeholders on behalf of our constituents and in their best interests and that of the fishery.

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 an output control and rights-based framework (although so far incomplete). This framework ensures sustainability through controls on extractive use and allows resolution of competing interests, including changing societal values in relation to the marine environment and to non-commercial fisheries, 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 rock lobster industry operating to deliver responsible environmental performance and making a substantial contribution to regional and national economies.

Our Vision

To be a united, thriving and ecologically sustainable rock lobster industry valued and respected by Government and by the wider New Zealand community. To be an industry which delivers a premium quality seafood product to discerning domestic and international consumers. To be an industry well equipped to increasingly take on a greater fisheries research and management role and be acknowledged as a leader in sustainable and innovative management of rock lobster fisheries.

Placing the 2018/19 Business Plan in Context

The NZ RLIC senior management team is expanded and consolidated and the level of expertise available in-house enables a more consistent and energetic focus on key policy, operational and administrative issues.

Chief Executive Officer **Mark Edwards** heads up the central office team with **Daryl Sykes** as the Chief Operating Officer and **Helen Regan** as NZ RLIC Business Manager. **Leigh Brown** is contracted to provide administrative support.

The NZ RLIC senior management team has been fully engaged with a substantial and growing agenda of matters that impact on commercial access and use rights and which threaten to impose additional cost and unnecessary restrictions and requirements on fishing businesses. We also continually look for opportunities to develop and enhance the fisheries management framework.

Our ability to raise and prosecute these matters is increasingly more effective as we have formalised collaborative arrangements with the other stakeholder representative organisations - the Paua Industry Council, Fisheries Inshore New Zealand and the Deepwater Group, and with Te Ohu Kaimoana. The now well established and pro-active *Commercial Fisheries Forum* is proving to be a useful and effective vehicle for developing and advocating a consistent and coherent position from across the wider seafood industry.

In the NZ RLIC 2018/19 operational budget we again make provision to commission high level external specialist legal and policy advice, but our provision continues to be leveraged with the contributions from the Commercial Fisheries Forum participants. This increases the effectiveness of the NZ RLIC investments.

As in 2017, a seemingly growing number of challenges are evident. Fisheries New Zealand (formerly MPI) is pressing on with their IEMRS initiatives, now called Digital Monitoring (DM). The timetable for implementation of the electronic reporting system is further delayed while issues are resolved, and final specifications remain subject to ongoing dialogue between the NZ RLIC, other commercial entities, and Fisheries New Zealand. The NZ RLIC Board remains committed to the orderly roll-

out of the digital reporting system with sufficient support being provided to all rock lobster industry personnel to make a successful transition from the current CELR/ MHR reporting formats.

There is also a considerable body of generic policy that needs to be addressed, including those related to the implementation of IEMRS/DM. This work includes landings and discards, information management and release, stock targets, intersectoral allocation, decision flexibility and the proposed review of the QMS.

NZRLIC will remain closely involved in the annual review of rock lobster stocks, the TAC/TACC allowances, and controls to ensure the recreational allowance is not exceeded. Fisheries New Zealand policies on shared fisheries and the allowances made when setting TACs have marginally improved because of the extended debate and considerations leading up to the CRA 2 TAC being set in April 2018. The NZ RLIC remains vigilant to any proposals for the management and allocation of fisheries resources that threaten to erode commercial access and utilisation rights. We continue to strongly endorse Government and/or agency action to progress fundamental work needed to complete and promote and implement policy consistent the rights-base regime which underpins the Quota Management System. Other issues currently under action by the NZ RLIC central office, and likely to be for some time yet include:

- Government is still proposing marine protected areas legislation to meet the continuing demands of the environmental lobby. Work continues to ensure that regional marine protection proposals are evidence and risk based.
- The interface between the Fisheries Act and the Resource Management Act needs to be better delineated to minimise local government assuming inappropriate roles in fisheries management. In the interim there is a need to engage in several regional planning processes.
- The significant number of customary marine title applications, settlement legislation, mataitai applications and other fishing closures and potential implications they have for fishing businesses reliant on coastal access and infrastructure.

- Resolution of outstanding issues related to cost recovery. The NZ RLIC pursues proper attribution of cost, and accountability and transparency from the Ministry – the response has been lethargic to date.
- Improving the local and central government regulatory framework so that it considers and addresses the impacts of percussive seismic surveys and testing.

The closing stages of the 2017/18 lobster season were notable for an easing of export prices and corresponding lower beach prices. TACC reductions invoked from April 2018 will impact on export production in CRA 2 and CRA 7. Overall, national production will be in line with the most recent seasons. The NZ RLIC Board is very supportive of New Zealand rock lobster exports being promoted and marketed as 'beyond premium' and in conjunction with Lobster Exporters New Zealand (LENZ) is investing to assist the industry in obtaining maximum value from quota limited landings.

Those investments extend to further investigations in the merits of and/or opportunities for third party certification of New Zealand rock lobster fisheries. More investment is also being made to better understand and to enable increasingly timely and effective responses to biotoxin events. These have been occurring with increasing frequency and greater intensity over recent seasons, and across a greater area of coastline.

The NZ RLIC central office has oversight of industry responses to biotoxin events in some regions and it has become evident that more frequent communication to industry in relation to the risks posed by these events is required.

A principal role for the NZ RLIC central office is management and coordination of the rock lobster fisheries stock monitoring and stock assessment research contract with the Ministry for Primary Industries.

The current contract programme is the last of a three-year sequence which ends in March 2019. Before that date the NZ RLIC will submit a proposal for a further three-year term contract, extending the business relationship with MPI which commenced in 1997.

FUNDING

The NZ RLIC has primary responsibility for the Rock Lobster Commodity Levy which was renewed in 2018. 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 the separate and more significant income stream from the operation of a multi-year rock lobster stock monitoring and stock assessment contract to the Ministry for Primary Industries.

Surplus from the 2017/18 NZ RLIC Workplan and Budget:

When compiling the 2017/18 Workplan and Budget the NZ RLIC anticipated a renewal of a service level agreement with Seafood New Zealand and allocated budget provision for that. After notifying levy payers and seeking comment, Seafood New Zealand advised the NZ RLIC Board that their funding model had changed and that no further service contracts would be negotiated.

The NZ RLIC had made specific provision for input and participation to the Commercial Fisheries Forum in 2017/18 and purchased some additional services which might otherwise have come from the service agreement. The surplus is carried forward to the 2018/19 budget.

The NZ RLIC had also anticipated taking an active role in enabling rock lobster industry compliance with the new digital reporting system which was scheduled for implementation from April 2018. Implementation was further delayed, and the 2017/18 budget provision is carried forward.

Key Components of the 2018/19 Business Plan

CENTRAL OFFICE FUNCTION

The NZ RLIC will maintain a central office and administrative facilities at Eagle Technology House in Wellington to ensure the safety and comfort of staff and visitors; and to better serve industry members. The NZ RLIC central office adjoins a seafood cluster anchored by Commercial Fisheries Services Ltd (FishServe).

CONFIDENCE TO INVEST – PROTECTING A PRODUCTIVE ASSET BASE

Over the past two years the NZ RLIC Board has enabled and facilitated activities which have recently resulted in the establishment a new ‘whole of industry’ collaboration with fishing industry and aquaculture organisations.

The Commercial Fisheries Forum (CFF) comprises rock lobster, paua, inshore finfish and deep-water Sector Representative Entities (SREs) and Aquaculture New Zealand.

The CFF has well-defined links to and from the Seafood New Zealand Board and maintains an active working relationship with Te Ohu Kaimoana. The CFF is now actively engaged on a regular basis with Fisheries New Zealand and other government and local government agencies in relation to high-level policy and operational policies generic to inshore fisheries.

PROTECTING AND ENHANCING ACCESS AND UTILISATION OPPORTUNITIES

The NZ RLIC will continue to work to ensure that the Commercial Fisheries Forum operates as an effective, including cost-effective, grouping of seafood industry interests sharing an agreed vision for strategic growth and development.

Collaborations with external consultants and service providers will be pursued on a contract basis where the outcomes can be demonstrated to be of direct or indirect benefit to the rock lobster fisheries and to the fishing industry generally. The challenges to be met are in the areas related to marine protection and conservation agendas and the abiding tensions between commercial and non-commercial access and utilisation. While the momentum for spatial separation has diminished noticeably under the watch of the new Government, the influence of a well-organized and well-resourced recreational lobby remains very evident.



INDUSTRY SUPPORT

The NZ RLIC and CRAMACs are increasingly drawn into managing the impacts of biotoxin events on rock lobster fisheries. A Rock Lobster Industry Marine Biotoxin Risk Management Plan has been implemented and is under continual review to ensure its practicality and effectiveness.

Recent biotoxin events along the North Island east coast have highlighted some shortcomings associated with the Plan and the NZ RLIC is already taking steps to remedy those. As previously noted, biotoxin events are occurring with increasing frequency and intensity. Toxins in lobsters pose significant risks to rock lobster exports to the main market in China and those risks need to be effectively managed.

It is inevitable that biotoxin events will cause disruptions to rock lobster fishing which will no doubt annoying and pose short term cost. These costs are minor compared to the losses that would be suffered for all CRA areas should China prevent access because of detection of toxins in lobsters.

The NZ RLIC is co-invested in an extensive biotoxin research project being run in Australia and New Zealand and is coordinating development and acceptance of associated testing protocols and food safety standards across the Trans-Tasman southern rock lobster fisheries.

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.

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

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 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 delivery of appropriate rock lobster industry responses.

Working from the review and recommendations commissioned during 2018, in collaboration with Lobster Exporters New Zealand (LENZ) the NZ RLIC will investigate further steps to implement an independent third-party certification of New Zealand rock lobster fisheries.

As requested from time to time by LENZ, the NZ RLIC will provide administrative and other support to New Zealand rock lobster exporters to ensure secure access to, and efficient and profitable trading with export markets.



COLLABORATIVE MANAGEMENT

The draft budget makes provision for NZ RLIC support and participation in the Commercial Fisheries Forum where policy, regulatory and legal issues more generic to the fishing industry are proactively addressed and costs of industry responses are shared with Sector Representative Entities and CSOs.

The issues under consideration in 2018/19 include but will not be limited to:

- IEMRS/Digital Monitoring – Regulations and Circulars; platform specifications; field testing; roll-out and induction; training and follow-up.
- Cost Recovery for fisheries management services. Many historical issues remain unresolved in ongoing discussions with MPI and Fisheries New Zealand. These include attribution, accountability, transparency and provision of fully contestable services.
- Monitoring of and input to Regional Coastal Plans and the interface between the Resource Management Act and the Fisheries Act.
- Customary Marine Title. Engagement in the consideration of hundreds of title applications which might in time have consequences for the continuation of commercial fishing in some locations.
- Marine Protected Areas. The Marine Reserves Act is scheduled for reform and renewal and the consequences of the increasingly vocal marine protection advocates may be reflected in new legislation. Further proposals for regional Marine Protected Areas are likely to emerge during the 2018/19 business cycle. Commercial access and utilisation opportunities should be properly recognised.
- Fisheries Act reform – Government has confirmed an intention to review the operation of the QMS from August 2018 and industry continues to seek resolution to issues in relation to landings and discards; information release; access and allocation between sectors; reference levels for stock management; and the emergence of Ecosystem Based Fisheries Management (EBFM) as a theme that will shape future research and management priorities.



The NZ RLIC commissions production of a weekly information and issues bulletin (*On the Radar*) for distribution to industry.

From time to time the NZ RLIC will also commission specialist policy and/or legal advice to assist submissions and advocacy. Legal advice in relation to lobster specific issues is an essential component of effective advocacy.

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 science advice and administrative support services as required. This group remains influential in advising government and involvement helps develop consensus across stakeholder groups and incrementally improves management.

The NZ RLIC will further consolidate working relationships with Australian lobster industry groups and agencies to share information and ideas, and contribute to research, that has application to the New Zealand lobster fisheries.

ROCK LOBSTER FISHERIES RESEARCH

The NZ RLIC is the principal rock lobster stock monitoring and stock assessment research provider to Government and has delivered research services since 1997. The current three-year term contract will expire in April 2019 and provision is made to negotiate a further three-year term to be confirmed in January 2019.

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. These relationships include NIWA, QuantiFish; *StarrFish*, Haist Consultancy, Lat37 Ltd, Dr. Merrill Rudd, and seven other sub-contractors doing field work. Dr. Paul Breen is retired from the stock assessment team but remains contracted to the NZ RLIC Board as a science advisor.



The current stock monitoring work programme comprises:

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

The stock assessment science team will be principally engaged in:

- updating the standardised CPUE analysis from all management areas and reporting on the operation of current Management Procedures and decision rules;
- estimating biomass and sustainable yields for nominated rock lobster stocks; and
- 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.

The delivery of research services under the contract is essentially a fiscally neutral transaction for the NZ RLIC in that services are delivered at cost other than for a modest overhead to take account of administration and oversight.

Within the research contract the NZ RLIC commissions the maintenance and continual improvement of the Rock Lobster Logbook databases and the *TagTracker* database and reporting functions.

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

ELECTIVE RESEARCH AND DEVELOPMENT

The NZ RLIC facilitates and coordinates elective and direct-purchase research projects, each of which is sponsored, funded and initiated by the NZ RLIC or by CRAMACs. Investments will be made in a range of research activities. Provision is made in 2018/19 for additional work to assess the impacts on rock lobster fisheries of oceanic seismic survey activities.

Marine biotoxin events are occurring with increasing frequency and severity and the National Marine Biotoxin Risk Management Plan is under continual review to ensure that the rock lobster industry response to those events is timely and effective to ensure consumer safety.

More investment will be made in biotoxin research to ensure timely, effective and cost-effective responses to biotoxin events as they occur. A research collaboration with the Australian Southern Rock Lobster Industry will be continued. Coordination of biotoxin responses across the lobster industry and with the Seafoods Standards Council and MPI Biosecurity will be upgraded.

An investment will be made in another research collaboration with the Australian industry and FRDC to investigate the impact of oceanic seismic surveys on larval rock lobsters. Previous research clearly demonstrated significant adverse impacts on juvenile and mature lobsters and there is some indication that impacts on larval stages might inhibit recruitment strengths.

The NZ RLIC in collaboration with CRAMAC 1 will commission further analysis of packhorse rock lobster (PHC) data with a view to running a new PHC Fishery Characterisation to underpin a review of the current Minimum Legal Size (MLS) regime and the first stock assessment to be done for PHC.

Marine Environment - Data Collection and Management

The *WhaleSafe* project, coordinated by the NZ RLIC after detailed consideration of the consequences to industry of whale entanglements associated with commercial lobster fishing, will be maintained and refined.

Our efforts to evaluate, and where deemed necessary, implement cost effective and reliable technologies to enable lobster fishermen to minimise risk of whale entanglements will continue. The NZ RLIC Board will invest in new cetacean and other marine mammal monitoring technology and again make representations to the Department of Conservation to allow nominated commercial fishermen to be trained in disentanglement techniques.

The NZ RLIC will continue to monitor marine mammal and seabird responses across overseas lobster fishery jurisdictions to improve industry best practice in New Zealand.



CRAMACs and the NZ RLIC are significantly 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 continue to meet or exceed the standards required by the Ministry for Primary Industries.

The *TagTracker* database and web-based reporting tool will be further refined and progressively made more accessible to the lobster industry. An updated TagTracker system has been available during 2017/18 and a considerable backlog of recapture reports has been processed. New reports can now be acknowledged in a far more timely manner.

Contracts are signed with FishServe to manage the tag release and reporting data bases and to process Vessel Logbook data. Logbook data remain demonstrably informative and cost effective as a contribution to stock assessments and management decisions.

COMMUNICATION AND MEDIA

The NZ RLIC is now actively engaged with a fishing media publication to promote the rock lobster industry and industry participation in and support for the New Zealand fisheries management regime. That effort will be further expanded in 2018/19.

The NZ RLIC will write, and where appropriate, commission articles of both technical and general interest for submission, offer the material to other magazines and make increasing use of social media opportunities. *A Southern Rock Lobster* Facebook page and Twitter account are the initial exploration of social media opportunities and interest as measured by site hits and responses have been encouraging.

The NZ RLIC website – www.nzrocklobster.co.nz – will be further developed and encouragement given to CRAMAC Committees to use that resource to regularly post news and information relevant to the regions.

Positive changes to the NZ RLIC senior management team have provided an opportunity to more often engage directly with CRAMAC committees and their constituents in the regions. The face to face interaction remains a priority for the central office along with instituting methods of encouraging a pro-active communication and response from industry personnel.

The NZ RLIC will assist facilitation of the 2019 TransTasman Rock Lobster Industry Conference and the 2019 New Zealand Seafood Conference.

The NZ RLIC will maintain a media campaign commenced in 2017 with ten feature articles published in a nationally syndicated recreational media. The NZ RLIC social media presence will be increased and actively promoted.



INDUSTRY TRAINING

The roll out of the next phase of the Digital Monitoring programme is currently scheduled to commence from October 2018. The NZ RLIC will ensure that the lobster industry is fully supported through that process and has access to reliable advice and efficient service delivery.

The more immediate training challenge for the rock lobster industry relates to the roll-out of the Digital Reporting platforms required for fishermen to be IEMRS/DM compliant. The NZ RLIC can commission the expertise to train and support fishermen onboard fishing vessels to enable their compliance with new record keeping and reporting obligations. A programme budgeted for in 2017/18 needs to be carried forward because of administrative delays occasioned by MPI rushing IEMRS/DM implementation without proper consideration of specifications and unwanted consequences of their initial IEMRS protocols.

2018/19 Budget and Proposed Commodity Levy

INCOME	BUDGET 2016/17	BUDGET 2017/18	BUDGET 2018/19
Commodity Levy	\$640,000.00	\$772,750.00	\$730,000.00
External Service Provision	\$12,500.00	\$15,500.00	\$15,000.00
MPI Research Contract	\$989,502.00	\$989,502.00	\$994,000.00 ⁽¹⁾
Total Income	\$1,642,002.00	\$1,777,752.00	\$1,739,000
Surplus carried forward			\$105,000.00
Total			\$1, 844,000
EXPENSES			
Co-operative Management	\$150,000.00	\$170,000.00	\$132,000.00 ⁽²⁾
Education and Information	\$30,400.00	\$23,000.00	\$35,000.00
Elective Research	\$27,000.00	\$15,000.00	\$45,000.00
External Consultants	\$42,100.00	\$32,000.00	\$45,000.00
Product Standards	\$14,920.00	\$25,000.00	\$40,000.00
Staff and Resources	\$555,050.00	\$643,250.00	\$653,000.00
Commodity Levy Renewal	\$8,500.00	n/a	n/a
MPI Research Contract	\$869,502.00	\$869,502.00	\$894,000.00
Total Expenses	\$1,697,472.00	\$1,777,752.00	\$1,844,000.00

- (1) The NZ RLIC research contract income past April 2019 is dependent upon the roll-over of a further three-year term contract with MPI/Fisheries New Zealand. The contract renewal will not be confirmed until January 2019.
- (2) There is no longer a requirement for the NZ RLIC to make provision for a service level agreement with Seafood New Zealand (SNZ). SNZ stood down from that arrangement in 2018 and confirmed a new funding model. The 2018/19 provision for Co-operative Management includes provision for anticipated CFF collaborations – see *Collaborative Management*.

The NZ RLIC Board is agreed that the 2018/19 Rock Lobster Commodity Levy will be set to recover \$730,000.00 to offset NZ RLIC operational expenses for the period 01 October 2018 through to 30 September 2019.

The total 2018/19 CRA TACC is 2,706.22 tonnes – the CRA Commodity Levy will be \$269.74 per tonne.

Should you have any enquiries about the 2018/19 NZ RLIC Business Plan and Budget, or about the Rock Lobster Commodity Levy please contact the NZ RLIC office at your convenience.

NZ Rock Lobster Industry Council Ltd

A handwritten signature in blue ink, appearing to read 'JMR Edwards', is positioned above the title 'Chief Executive Officer'.

Chief Executive Officer

NZ ROCK LOBSTER INDUSTRY COUNCIL



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