



NZ Rock Lobster
Industry Council

2019/20
Business Plan





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The Fishery First

From abundance
all benefits flow



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). This regime is based on output controls, the security and incentives created by rights, and legislative principles that manage the interaction of fishing with the environment. This framework is designed to ensure sustainability through controls on extractive use and allows resolution of issues and integration of competing interests, including changing societal expectations in relation to the marine environment and the inclusion of non-commercial fisheries, to be resolved. There is work needed to complete the application of this framework to all sectors and realise its potential.

Working within the QMS framework, the NZ RLIC will continue building and informing a cohesive and sustainable industry operating to deliver responsible environmental performance, making a substantial economic contribution – regionally and nationally, and delivering social and cultural value to all users through the healthy status of rock lobster fisheries.

Our Vision

- To be a united, prosperous 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 beyond premium seafood product to discerning domestic and international consumers.
- To be an industry well equipped to increasingly take on a greater role in fisheries research and management and be acknowledged as a leader in sustainable and innovative management of rock lobster fisheries.

Overview of the 2019/20 Business Plan

The NZ RLIC has been fully engaged with a substantial and growing agenda of matters to improve the performance of the management system and mitigate impacts on commercial access and use rights.

We will address issues which threaten to impose additional cost and unnecessary restrictions and requirements on fishing businesses. The NZ RLIC continually looks for opportunities to develop and enhance the fisheries management framework and evolve our management to retain a world leading status.

Our ability to raise and prosecute these matters is progressively more effective as we have developed 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 consistent, progressive and coherent positions across the seafood industry.

We will continue to work more closely with Te Ohu Kaimoana and Iwi as they increasingly assume their own role in fisheries management and pursue the obligations government has to them under the fisheries settlement.

FUNDING

The 2019/20 Rock Lobster Commodity Levy will be set to recover \$717,000, a decrease from the previous levy income \$730,000, to offset the NZ RLIC operational expenses for the period 01 October 2019 through to 30 September 2020. The total 2019/20 CRA TACC is 2,755.462 tonnes – the CRA Commodity Levy will be \$260.21 per tonne.



The NZ RLIC has primary responsibility for the Rock Lobster Commodity Levy implemented in 2013 and renewed in 2018. The administration of the Rock Lobster Commodity Levy (invoicing and debt collection) is contracted to Commercial Fisheries Services Ltd (FishServe).

The NZ RLIC has the separate and significant income stream from the operation of the rock lobster stock monitoring and stock assessment contract with the Ministry for Primary Industries.

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.

Key Components of the 2019/20 Business Plan

POLICY AND MANAGEMENT

The challenges faced by the rock lobster industry continue to grow in number and complexity and we need to continue to look for opportunities to develop and improve the performance of the fisheries management framework.

Despite many unresolved issues, Fisheries New Zealand (FNZ) and the Ministry for Primary Industries (MPI) are pressing on with the implementation of Digital Monitoring (DM). The electronic catch and reporting systems still require adjustment to deliver better information for management, and continuing efforts are needed to allow operators to have access to cost effective platforms and reasonable operating costs.

Resolution of these matters will require ongoing dialogue between the NZ RLIC, other commercial entities, FNZ and MPI. The NZ RLIC will continue its commitment to providing support for operators faced with the challenges of transitioning to the digital reporting system, and is working with the science team to mitigate the disjunct in information which compromises our evidence based rules and procedures for responsive stock management.

Focus has now also shifted to resolution of a number of new and legacy policy issues, some related to DM, including the ongoing prospect of video surveillance, and other matters that have needed to be addressed for a very considerable period.

This work includes landings and returns, information management and release, the offences and penalties regime, responsive stock management, stock targets, intersectoral allocation, decision flexibility and the ongoing need to evolve management to better deliver the ecosystem approach to management

inherent in the Fisheries Act. There are also opportunities to enhance the use of individual and collective rights by creating a better framework to enable industry responsibility through shelving and authorised management.

The NZRLIC will remain closely involved in the annual review of rock lobster stocks, the TAC, TACC and allowances, and controls to ensure the recreational allowance is not exceeded. After some promising undertakings made at the time of significant adjustment to CRA 2 commercial catch limits, FNZ action to implement the Minister's full suite of TAC decisions lapsed and effective steps to measure and manage recreational landings need serious focus. The most important unrealised component of the 30 year old rights-based QMS is to have effective controls on extraction by the recreational sector to avoid erosion of commercial access and utilisation rights and the fisheries settlement.

Other policy and operational issues will continue to require our attention including;

- There is ongoing pressure for more marine protected areas and poor legislation for biodiversity protection, which is not integrated with the Fisheries Act. Our focus is on ensuring 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 in order to curtail local government assuming inappropriate roles in fisheries management and to deliver on their responsibilities to address terrestrial run-off and coastal habitat degradation. In the interim there is a need to engage in a number of regional planning processes and litigation to resolve boundary issues, and there is the prospect of reform of the RMA.
- There is a significant ongoing process to consider customary marine title applications, settlement legislation, mataitai applications and other fishing closures and the potential implications they have for fishing businesses reliant on coastal access and infrastructure.

- There are also indications of renewed interest by government in spatial management initiatives fueled by concerns about cumulative impacts on the inshore marine environment and the influence of well-organised and well-resourced recreational advocates.
- Resolution of outstanding issues related to cost recovery is needed. The NZ RLIC pursues proper attribution of cost, and accountability and transparency from the Ministry – the response has been lethargic to date.
- Elements of the commercial management regime including deemed values, shelving and authorised management.
- Improving the local and central government regulatory framework so that it considers and addresses the impacts of percussive seismic surveys and testing.

Collaboration to invest in the management framework

The NZ RLIC undertakes a leadership, representation and advocacy role for the New Zealand rock lobster industry. Enabling and co-ordinating CRAMAC engagement, and providing oversight and guidance on policy and operational issues, remains core business for the NZ RLIC central office.

Since early 2017 the NZ RLIC Board has also aided and facilitated ‘whole of industry’ collaboration with fishing industry and aquaculture representative organisations. The Commercial Fisheries Forum (CFF) comprises rock lobster, paua, inshore finfish and deep-water Sector Representative Entities (SREs), and Aquaculture New Zealand. An active working relationship with Te Ohu Kaimoana and Seafood New Zealand is maintained through attendance by their representatives. The CFF operates as an effective, including cost-effective, grouping of seafood industry interests sharing an agreed vision for strategic development of our rights-based regime and protecting and enhancing access and utilisation opportunities.

The CFF undertakes background work to support engagement with FNZ, MPI and other central and local government agencies on a large and evolving agenda of policy and operational matters relevant to and impacting on inshore fisheries.

The NZ RLIC 2019/20 operational budget will 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.

Co-operation across user groups and jurisdictions

The NZ RLIC and CRAMACs will maintain working alliances with a range of relevant non-commercial user groups, Government agencies, and independent research advisers.

We support the operation of the National Rock Lobster Management Group as the only multi-sector management group with a key role in advising the Minister on management of a fishery in New Zealand. The group enables communication and sector relationships, developing consensus across stakeholder groups leading to incremental improvement in management.



The NZ RLIC will maintain its regular and constructive working relationships with Australian lobster industry groups and agencies to share information and ideas, and collaborate on research, including co-investment, that has application to the New Zealand lobster fisheries.

In October 2020, the Western Rock Lobster Council will host the 12th International Conference and Workshop on Rock lobster Biology and Management in Perth, Australia. The NZ RLIC will enable a New Zealand presence to both absorb from other jurisdictions and impart our experience and learnings.

COMMUNICATION

The NZ RLIC senior management team will continue to take every opportunity to engage directly with CRAMAC committees and their constituents in the regions. The face to face interaction remains a priority for central office along with instituting methods of encouraging a pro-active communication and response from industry personnel.

Constructive relationships with government, other fisheries stakeholders and Iwi are central to having the opportunity to explain our views and influence processes to achieve useful outcomes. To achieve this, the NZ RLIC maintains a calm, rational and evidence-based approach to its advocacy. We will maintain that approach to target media responses to address errors and imbalance, while avoiding the risks of responding to every ill-considered piece of media.

A meaningful improvement in communication from, and about, the rock lobster industry will be sought through providing material to targeted fishing publications. These articles will seek to promote the responsible activities of the rock lobster industry and support for the New Zealand fisheries management regime. The NZ RLIC will make increasing use of social media opportunities including the established *Southern Rock Lobster* Facebook page.

A revised NZ RLIC website – www.nzrocklobster.co.nz – will be maintained so that material is current and relevant and encouragement given to CRAMAC Committees to use that resource to regularly post news and information relevant to the regions.



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 continue to be made in a range of research activities. Past projects have included biosecurity, genetics, climate change, animal husbandry and protected species interactions.

Biological

The investment in support of the National Marine Biotoxin Risk Management Plan for the New Zealand Rock Lobster Industry will be maintained and some of that will continue to be made in collaboration with the Australian southern rock lobster industry. Issues relating to toxin accumulation and depuration times must be clarified, and testing mechanisms improved, so that industry best practice will minimise the loss of fishing time and/or export opportunity in the case of persistent toxic algal blooms.

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.

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

CRAMACs and the NZ RLIC have significantly invested in electronic logbook platforms to support the critical stock monitoring programme. 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.

In the short term while commercial operators transition to electronic reporting it is critical that we maintain and do not compromise the stock monitoring. When we



are confident the new Ministry electronic reporting regime is operating effectively the intent would be to work with providers to develop their platforms so they can incorporate, separately, the Vessel Logbook functionality.

Logbook data remain critically informative and cost effective as a contribution to stock assessments and management decisions. Logbook data have also proven to be significantly useful when assessing impacts of proposed spatial exclusions.

The NZ RLIC maintains the TagTracker data base as an incentive to fishermen to report rock lobster tag recaptures. Recapture data – in particular growth increments – are essential to stock assessments, and tagging has shown that growth can be variable over time in some management areas.

Contracts are signed with FishServe to manage the tag release and reporting data bases and to process Vessel Logbook data.

PRODUCT STANDARDS AND CERTIFICATION

The NZ RLIC Board supports the promotion and marketing of New Zealand rock lobster exports as 'beyond premium' and, in co-operation with *Lobster Exporters New Zealand* (LENZ), is investing to ensure ongoing market access and assist the industry in obtaining maximum value from quota limited landings.

Biotoxin events are occurring with increasing frequency and greater intensity over recent seasons, and across a more extensive area of coastline. Given the very serious economic implications if the main market in China detected biotoxins in export shipments, there is ongoing work to improve the timeliness and efficacy of our Marine Biotoxin Risk Management Plan and its implementation.

It is unfortunate that natural biotoxin events will disrupt rock lobster fishing and cause short term cost. However, 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. As a result, the Plan is under continual review to ensure its practicality and effectiveness taking into account new information about biotoxins and their effects on rock lobster.

Our co-investment in research including depuration and improved diagnostic tests for existing and new toxins is continuing in Australia and New Zealand. We maintain the collaborative work with Australian southern rock lobster producers to learn from and harmonise our respective response regimes. We coordinate the development and acceptance of associated testing protocols and food safety standards across the Trans-Tasman southern rock lobster fisheries.

The NZ RLIC central office coordinates industry responses to biotoxin events and works with the Response Coordinators in the respective CRAMACs. We will make a direct contribution to the operation of the Seafood Standards Council and liaise closely on monitoring, research and response. Some recent events suggest that coordination and communication within industry can be further improved in some regions. A greater focus will be assisted by the new CRAMAC Regional Liaison Officer, Julie Hills, across CRA 1, 2, 3 and 4.

The NZ RLIC is routinely called upon to advise and coordinate industry responses to agency discussions about rock lobster as a seafood export product – incorporating food safety, quality and environmental performance. The NZ RLIC will continue to work closely with the New Zealand Seafood Standards Council and monitor any reviews of Animal Welfare and Animal Products standards for rock lobster fisheries.

After analysis of the cost benefit of third-party certification of New Zealand rock lobster fisheries, the NZ RLIC Board in collaboration with Lobster Exporters New Zealand (LENZ) decided the case was not compelling at this time. However, developments and uptake of independent third-party certification in the China market, particularly as they relate to markets for New Zealand rock lobster, will be closely monitored. The NZ RLIC investment in the *OpenSeas* framework (www.openseas.org) will be reviewed and sustained to provide an independent source of information and validation of New Zealand rock lobster fisheries management.



The NZ RLIC will monitor the development and implementation of seafood labeling and traceability standards and coordinate the development of appropriate rock lobster industry responses. In particular, the response of the Chinese market to these global trends in the way seafood is distributed will be monitored.



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STAFF AND RESOURCES

The NZ RLIC senior management team has the expertise and experience to deliver an energetic focus and well informed representation on the many policy, operational and administrative issues that confront the lobster industry. The team provides timely support and facilitation for the regional CRAMACs and for industry participants generally as requested.

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. During 2019/20 work will be undertaken to ensure we maintain succession planning across our key operating areas, including initiating recruitment where appropriate.

Central office and regional support

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).

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. 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.

Recognising the opportunity and benefits of more capacity in the CRAMACs, NZ RLIC worked with CRAMACs 1, 2, 3 and 4 to appoint a Regional Liaison Officer in 2019. **Julie Hills** has considerable experience in research and industry liaison and will give those CRAMACs an enhanced ability to address issues in their regions and substantially improve coordination and communication.

ROCK LOBSTER FISHERIES RESEARCH

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 (MPI), which NZ RLIC has held for successive terms since 1997.

The current contract is for one year ending on 30 June 2020. NZ RLIC will seek a renewal beyond this term, after working through the review of provision of research services initiated by the Ministry for Primary Industries and based on a report by an independent consulting firm.

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 Ltd, StarrFish, 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 four management areas and vessel Logbook programmes in eight management areas to collect length frequency and other fishing operation and 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 taking into account the disjunct created by the transition from CELR to electronic reporting.

The assessment team members are also science advisors to the National Rock Lobster Management Group which is the primary source of advice to the Minister on all matters relating to rock lobster fisheries research and management. Their analyses and assessments are peer reviewed by the Rock Lobster Fishery Assessment Working Group convened by Fisheries New Zealand. The NZ RLIC staff remain closely involved in this science process.

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.

2019/20 Budget and Proposed Commodity Levy

Income	Budget 2017/18	Budget 2018/19	Budget 2019/20
Commodity Levy	\$772,750.00	\$730,000.00	\$717,000.00
External Service Provision	\$15,500.00	\$15,000.00	\$15,000.00
MPI Research Contract	\$989,502.00	\$994,000.00	\$596,400 ⁽¹⁾
Surplus Carried forward		\$105,000.00	\$134,600.00
Total Income	\$1,777,752.00	\$1,844,000.00	\$1,463,000.00

Expenses			
Policy and Management (Co-operative Management)	\$170,000.00	\$132,000.00	95,000.00
Communication (Education and Information)	\$23,000.00	\$35,000.00	55,000.00
Elective Research and Development	\$15,000.00	\$45,000.00	35,000.00
External Consultants	\$32,100.00	\$32,000.00	0.00
Product Standards and Certification	\$25,000.00	\$25,000.00	55,000.00
Staff and Resources	\$643,250.00	\$653,000.00	683,000.00
MPI Research Contract	\$869,502.00	\$894,000.00	540,000.00
Total Expenses	\$1,697,472.00	\$1,844,000.00	1,463,000.00

- (1) The NZ RLIC cannot budget for research contract income past June 2020 until a multi-year contract renewal is confirmed.

The NZ RLIC shareholders agreed that the 2019/20 Rock Lobster Commodity Levy will be set to recover \$717,000 to offset NZ RLIC operational expenses for the period 01 October 2019 through to 30 September 2020.

The total 2019/20 CRA TACC is 2,755.462 tonnes – the CRA Commodity Levy will be \$260.21 per tonne.

Should you have any enquiries about the proposed 2019/20 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 black ink, appearing to read 'JMR Edwards', with a stylized, cursive script.

Chief Executive Officer



NZ Rock Lobster Industry Council

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