

# Fisheries/Tini a Tangaroa Portfolio Briefing 2023



# Purpose

This briefing provides an overview of:

- + the role of the Minister for Oceans and Fisheries, and the role of the Ministry for Primary Industries (MPI) and Fisheries New Zealand;<sup>1</sup>
- + the fisheries and aquaculture sector and how they are currently managed;
- + key challenges and opportunities for the seafood sector and strategic priorities which we will seek Ministerial direction on before the end of the year; and
- + other matters that will require Ministerial consideration before the end of the year.

<sup>1</sup> Fisheries New Zealand is a business unit within the Ministry for Primary Industries.

<sup>2</sup> Briefing to Incoming Minister

# The Role of the Minister for Oceans and Fisheries

Aotearoa New Zealand's fisheries resources are part of New Zealand's cultural identity and are important to our communities, economy, and environment. Fisheries are used by customary (tangata whenua - hapū and iwi), recreational and commercial fishers, and play an important role in the wellbeing of many communities. Aquaculture is an important source of seafood and supports the prosperity of some regional economies.

The Minister for Oceans and Fisheries provides strategic direction for the management of fisheries and development of aquaculture.

The Minister for Oceans and Fisheries' specific responsibilities include:

- + Providing for the sustainable utilisation of fish stocks under the Fisheries Act 1996.<sup>2</sup>  
This includes decisions about:
  - where, when, and how much fishing can be undertaken by commercial, customary, and recreational fishers; and
  - how the impacts of fishing on the aquatic environment and protected species are managed.
- + Ensuring the fisheries and aquaculture rights and interests of tangata whenua are considered, recognised and provided for. This includes:
  - delivering obligations under the 1992 Fisheries Deed of Settlement Treaty of Waitangi (Fisheries Claims) Settlement Act 1992 (Fisheries Settlement), Māori Commercial Aquaculture Claims Settlement Act 2004 (the Aquaculture Settlement), and historical settlements under the Treaty of Waitangi/Te Tiriti o Waitangi with

specific iwi that include obligations relating to fisheries and aquaculture; and

- providing for the input and participation of tangata whenua in fisheries management.
- + Making decisions, alongside the Ministers of Foreign Affairs and Conservation, on New Zealand's negotiating positions in international fora which impact fisheries.
- + Approving permits for high seas fishing and research in the Southern Ocean, under the Antarctic Marine Living Resources Act 1981.
- + Supporting sustainable aquaculture development, including some specific functions under the Fisheries Act 1996 and Resource Management Act 1991.
- + A role in decisions on overseas investments in fishing quota.
- + A role under the Marine Reserves Act 1971 in deciding whether proposed Marine Reserves should be established within the Territorial Sea<sup>3</sup>, and under the Marine Mammals Protection Act 1978 in deciding whether marine mammal sanctuaries should be established.

The Minister for Oceans and Fisheries is responsible for the following legislation:

- + Aquaculture Reform (Repeals and Transitional Provisions) Act 2004;
- + Driftnet Prohibition Act 1991;
- + Fisheries Act 1996;
- + Fisheries (Quota Operations Validation) Act 1997;

<sup>2</sup> The Minister for Oceans and Fisheries is not responsible for several freshwater fisheries managed by the Department of Conservation under the Conservation Act 1987, including trout and whitebait.

<sup>3</sup> The Territorial Sea is an area of water adjacent to the coast out to 12 nautical miles.

- + Kaikoura (Te Tai o Marokura) Marine Management Act 2014;
- + Māori Commercial Aquaculture Claims Settlement Act 1992;
- + Māori Fisheries Act 2004; and
- + Treaty of Waitangi (Fisheries Claims) Settlement Act 1992.

The Minister for Oceans and Fisheries works alongside other Ministers and institutions that have a role in managing the marine environment, supporting economic development, supporting the Crown-Māori relationship and delivering obligations under the Treaty. Due to the interdependencies between Ministerial portfolios, Ministerial priorities can be most effectively progressed through working collaboratively to coordinate significant broader marine work programmes, consider cross portfolio objectives, and make collective decisions.

To support a more holistic approach to oceans and fisheries matters and strengthen wider coordination across relevant Ministerial portfolios and agencies for delivery of the work programme, an Oceans and Marine Ministers Group (OMMG) was established in June 2021, comprising the Ministers for Oceans and Fisheries (Chair), Environment, and Conservation, (and until now, the Under Secretary for Oceans and Fisheries). The OMMG is supported by the inter-agency Secretariat, housed in the Department of Conservation.

The Government's vision for the Oceans and Fisheries portfolio is "Ensuring the long-term health and resilience of ocean and coastal ecosystems, including the role of fisheries". A work programme to deliver on this vision was approved by Cabinet in 2020 and is regularly reported on to the OMMG.

This briefing focuses on the fisheries components of the portfolio. The Oceans Secretariat will provide you with a separate briefing covering cross-portfolio oceans issues.

# The role of the Ministry for Primary Industries and Fisheries New Zealand

The Ministry for Primary Industries and Fisheries New Zealand have the following responsibilities and capabilities, for which the Minister for Oceans and Fisheries has strategic oversight:

- + **Fisheries and aquaculture policy:** We provide policy advice on fisheries and aquaculture to support the Minister for Oceans and Fisheries to achieve desired outcomes through the development of new regulations and legislation, funding and investment, and partnerships and collaboration.
  - + **Fisheries management:** We administer the Fisheries Act 1996 and support the Minister for Oceans and Fisheries to sustainably manage New Zealand's fisheries. This includes providing advice on catch limits, measures to manage the effects of fishing on the aquatic environment, and on the fisheries rights and interests of Māori.
  - + **Aquaculture.** We advise the Minister for Oceans and Fisheries on aquaculture management and work with other agencies to support sustainable aquaculture development. We also regulate elements of land-based aquaculture development, and lead negotiations with iwi to deliver the Aquaculture Settlement. We lead the implementation of the Government's 2019 Aquaculture Strategy.
  - + **Science:** We administer a fisheries science programme with a budget of approximately \$23 million per year. The programme includes research surveys to estimate fisheries abundance, environmental assessments, and studies of marine biodiversity, to support fisheries management decisions. Research to support sustainable aquaculture is also undertaken. We contract
- research from a range of providers, with the National Institute of Water and Atmospheric Research (NIWA) being the most significant.
- + **Fisheries monitoring:** Commercial fishing vessels and activities are monitored at sea. We place fisheries observers on commercial vessels to independently confirm catch and other information.<sup>4</sup> Since 2019, fishers have been required to report their catch and positions electronically in near real time. The roll out of on-board cameras on up to 300 inshore fishing vessels will significantly increase the monitoring and verification of fishing activity, supporting improved environmental outcomes and enabling more agile and innovative fisheries management approaches.
  - + **Fisheries compliance and enforcement:** We encourage and enforce compliance, including prosecuting breaches of fisheries law. Fishery officers patrol New Zealand's coastline and conduct commercial, recreational, and customary inspections. We also work with the New Zealand Defence Force within New Zealand waters, the Ross Sea and the Pacific Ocean to inspect fishing vessels.
  - + **International fisheries issues:** We play an active role in negotiating and implementing management frameworks that govern shared fish stocks (alongside the Ministry of Foreign Affairs and Trade (MFAT)). This is done through forums such as the United Nations and Regional Fisheries Management Organisations<sup>5</sup>, and other international organisations. We seek to maximise benefits from international fisheries by supporting sustainable fisheries, trade access, and by building the capacity of other countries to sustainably manage fisheries (particularly Pacific Island countries).

<sup>4</sup> Approximately 90 fisheries observers are employed on a permanent intermittent basis, with around 260 deployments to fishing vessels a year.

<sup>5</sup> The regional fisheries management organisations that New Zealand is a party to are the Commission for the Conservation of Southern Bluefin Tuna; the South Pacific Regional Fisheries Management Organisation; and the Western and Central Pacific Fisheries Commission; plus the Commission for the Conservation of Antarctic Marine Living Resources which is part of the Antarctic Treaty System.

- + **Supporting innovation:** We have a role in supporting sustainability and innovation in the seafood sector. We are currently working in partnership with the fishing sector, workers, Māori, and environmental groups to develop a Fisheries Industry Transformation Plan (ITP). The ITP will have a strong focus on enabling and supporting innovation to drive improved environmental performance and increase value in the sector.
- + MPI administers the Sustainable Food and Fibre Futures Fund, which co-invests in innovative projects to improve environmental and economic outcomes. We also work with other agencies that administer innovation and science funds such as the Regional Strategic Partnership Fund and the Sustainable Seas National Science Challenge.
- + **Oceans Secretariat:** Established in June 2021, the interagency Oceans Secretariat is DOC-led and comprised of officials from Department of Conservation (DOC), MPI and Ministry for the Environment (MFE), with support from MFAT. The Oceans Secretariat services the Oceans and Marine Ministers Group, providing collaborative and coordinated advice in line with the Government's commitment to a more holistic, integrated approach to managing our oceans.
- + **Broader primary sector functions:** MPI provides a number of important cross-cutting functions and services to support the safe and sustainable production and trade of seafood. This includes specific functions for food safety, biosecurity and trade access.

# The Fisheries Management System

The Fisheries Act 1996 provides for the utilisation of fisheries resources while ensuring sustainability. This requires management of the effects of fishing on fish stocks and the aquatic environment.

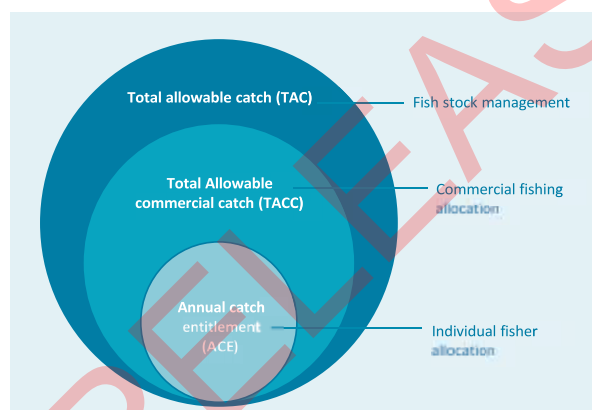
As a primary management measure, a Total Allowable Catch (TAC) is set for each fish stock. The TAC aims to maintain fish stocks at or above a level that can produce the maximum sustainable yield; and is informed by the best available information including scientific assessments. Within the TAC, an allocation for customary, recreational, and commercial catch is made, with commercial fishing limited by the Total Allowable Commercial Catch (TACC).

Public input is important in making decisions about fisheries resources and aquaculture. We engage extensively with tangata whenua and stakeholders to ensure decisions about sustainable utilisation are well informed.

An overview of the status of fish stocks is provided in **Appendix 2**, and an overview of the management of interactions between fishing and protected species and the aquatic environment in **Appendix 3**.

## Commercial fisheries

Commercial fishing in New Zealand is managed under the Fisheries Act, including the Quota Management System (QMS), which allocates shares in each fish stock as quota. Quota generates an entitlement to catch a proportion of the TACC each year known as Annual Catch Entitlement (ACE) within the relevant Quota Management Area (QMA). The relationship between the TAC, TACC and ACE is depicted below.



Both quota and ACE can be traded. Providing long-term fishing rights via quota is intended to incentivise sustainable fishing practices and economic efficiency, as quota owners will be incentivised to protect the value of quota. Quota has been valued at around \$10 billion in total.

The QMS is complemented by other measures to manage the effects of fishing on the aquatic environment, such as restrictions on fishing methods in certain areas. Plans set out the strategic direction and objectives for certain fisheries or areas, such as deepwater fisheries, and for managing the threats of fishing to protected species.

Much of the cost of managing commercial fisheries is recovered via annual levies on quota owners. Such costs include research, compliance functions, observer coverage, registry services and conservation services. Total cost recovered has ranged between \$28.5 million and \$37.6 million per year over the last five years.

New Zealand also has commercial fishing interests beyond New Zealand waters. New Zealand fishing vessels can be issued with high seas fishing permits to enable them to fish in the waters of other countries and on the high seas.<sup>6</sup> While the vessel numbers are small, these opportunities are of high value to the companies concerned.

Seafood export revenue is forecast to recover 4 percent to \$2.0 billion in the year to 30 June 2023<sup>7</sup>. Wild capture fisheries accounted for \$1.4 billion in export revenue for the year ended June 2022. 841 commercial vessels fished in the 2022 calendar year. An overview of New Zealand's fisheries waters and commercial fishing effort is provided in Appendix 4.

The seafood industry is also an important employer, with approximately 12,490 people employed in the seafood industry in 2020.<sup>8</sup> Of this, approximately 6,100 people were employed in core production and 4,850 people employed in core processing, with the remainder employed in strongly connected and relevant industries, such as fish and seafood wholesaling, ship and boat building and repair services.

Seafood New Zealand is the peak industry body for the sector. There are also a number of smaller entities that represent different types of fisheries (Deepwater Group, Fisheries Inshore New Zealand, New Zealand Rock Lobster Industry Council, the Pāua Industry Council, and the Speciality and Emerging Fisheries Group). Seafood New Zealand, Deepwater Group and Fisheries Inshore New Zealand are in the process of coming together to form a new single organisation.

Commercial fishing is important to Māori, who hold around 40 percent of quota. Māori commercial fishing claims were settled by the Māori Fisheries Act 1989 which provided 10 percent of existing quota (or the equivalent value) and the Fisheries Settlement which provided 20 percent of quota for species introduced

after 1992. It also provided \$150 million to purchase 50 percent of Sealord Products Limited. Te Ohu Kaimoana holds and allocates settlement assets to iwi under the Māori Fisheries Act 2004 and the Aquaculture Settlement.

## Customary fisheries

The Fisheries Settlement settled claims relating to customary fisheries by requiring the Minister for Oceans and Fisheries to recognise and provide for non-commercial customary food gathering by Māori and the special relationship between tangata whenua and important customary food gathering areas. This is done by:

- + Enabling management of non-commercial customary fishing activities through an authorisation system for taking fish for specified customary purposes with the approval of Tangata Kaitiaki/Tiaki nominated by tangata whenua; and<sup>9</sup>
- + The ability to have important customary fishing grounds set aside as customary areas where tangata whenua can undertake management and propose bylaws for fisheries resources (such as Taiāpure and Mātaitai Reserves).<sup>10</sup>

## Recreational fisheries

Recreational fishing is a popular activity that makes an important economic contribution in many coastal areas.

Recreational fishing is managed through amateur fishing regulations. A recreational allowance is set as part of the TAC, and management measures include bag limits, minimum legal sizes, and seasonal and spatial closures. Approximately 600,000 New Zealanders fish each year. In 2018, New Zealanders went on 2 million fishing trips, catching over 7 million fish and 3.9 million shellfish.

<sup>6</sup> The waters outside the national fisheries jurisdiction of any country.

<sup>7</sup> <https://www.mpi.govt.nz/dmsdocument/54517-Situation-and-Outlook-for-Primary-Industries-SOPI-December-2022>

<sup>8</sup> Seafood » Food and fibre workforce insights

<sup>9</sup> Tangata Kaitiaki/Tiaki are appointed guardians who can authorise customary seafood gathering within their rohe moana (a coastal and marine area over which a hapū or iwi exercises its mana and kaitiakitanga). Over 700 Tangata Kaitiaki/Tiaki have been notified by tangata whenua and confirmed by the Minister.

<sup>10</sup> Mātaitai reserves and Taiāpure are tools to recognise and provide for traditional fishing rights. Bylaws can be recommended by tangata whenua for Mātaitai reserves, or by management committees for Taiāpure. All fishing is allowed in a Taiāpure, unless bylaws are introduced, while commercial fishing is usually prohibited in Mātaitai reserves. 47 Mātaitai Reserves have been established.



There are numerous local recreational fishing bodies (approximately 7 percent of recreational fishers are members of a club) with a range of interests. The New Zealand Sport Fishing Council is the national not for profit organisation representing and advocating for the interests of many sports fishing clubs.

## Aquaculture

Aquaculture accounted for over \$650 million in revenue for the year ended June 2022 (\$471 million being export revenue). The main species grown in New Zealand are greenshell mussels, chinook salmon (also known as king salmon) and Pacific oysters. The main aquaculture regions in New Zealand are Northland, Coromandel, Marlborough, Tasman and Southland. Aquaculture New Zealand is the main aquaculture industry body.

Management of aquaculture activities is primarily the responsibility of local authorities under the Resource Management Act, who hold responsibilities for

aquaculture planning and consenting. The Government has a sustainable growth strategy for the sector, with a goal of growing the sector to \$3 billion in revenue by 2035.

Māori have a significant interest in aquaculture. The Aquaculture Settlement provides for a full and final settlement of Māori commercial aquaculture claims and provides iwi with 20 percent of future aquaculture growth through access to aquaculture space, its equivalent cash value, or a combination of space and cash. This obligation is delivered prospectively based on forecasting and valuing future growth, and settled through negotiated regional agreements. Delivering the settlement prospectively enables iwi to access aquaculture space early and at an economically viable scale to facilitate the development of iwi aquaculture alongside private development.

# The Relationship between Māori and the Crown

Māori have broad rights and interests in commercial, customary and recreational fisheries, aquaculture, and the management of the effects of fishing on the environment. This makes effective engagement between Māori and the Crown critical.

Acting consistently with the Treaty and its principles, and giving effect to obligations under Treaty Settlements is a priority for MPI. As part of individual Treaty settlements, we have established protocols that set out processes for engaging directly with Māori on fisheries matters through regionally-focused Iwi Forums.<sup>11</sup>

Effective engagement with Te Ohu Kaimoana is also a priority. Te Ohu Kaimoana was established to advance the fishing interests of iwi individually and collectively, and to advise on and allocate fisheries and aquaculture settlement assets to iwi. Te Ohu Kaimoana advises many iwi on fisheries and aquaculture management and policy processes, and iwi sometimes mandate Te Ohu Kaimoana to represent their views.

<sup>11</sup> To date Forums have been established in the Far North, Mid Northland, Bay of Plenty, Ngāti Porou, Hawke's Bay/Wairarapa, North Taranaki to Kāpiti, Coastal Waikato/King Country, Nelson/Marlborough, South Island and the Chatham Islands. A further Forum is under development in the Hauraki Gulf. A central North Island freshwater fisheries forum is planned.

# Current context for the fisheries portfolio

## COVID-19 recovery and ongoing global and economic impacts

After a challenging couple of years dealing with the effects of COVID-19, New Zealand seafood export revenue increased 8 percent (\$147 million) during the year to 30 June 2022 to \$1.9 billion, almost back to its pre COVID-19 peak. Aquaculture has seen a stronger recovery than fishing in 2021/22.<sup>12</sup>

This success has been achieved despite operating within an extremely challenging environment both globally and domestically. At the global level, these challenges include a weaker global economy due to high levels of inflation resulting in the cost of living increasing in many countries, destabilisation of the global economy caused by Russia's conflict with Ukraine and a COVID-19 influenced slowdown in economic growth in China.

At the domestic level, the sector continues to navigate through a range of challenges such as rising input costs, a general slowdown in demand, supply chain issues and a tight labour market. There are particular issues with airfreight, especially for high value exports such as rock lobster. Since 2020, the Government has been providing support to maintain airfreight capacity for imports and exports. The completion of this scheme at the end of March 2023 is likely to increase export costs and may limit access to some markets, particularly China.

Labour shortages exacerbated by COVID-19 remain widespread across the sector. The sector has traditionally relied on migrant labour to fill many deepsea fishing crew and lower skilled onshore processing roles. The Government has provided the sector with continued access to some migrant labour

under a sector immigration agreement to assist it as it works to implement its Seafood Workforce Plan and transition away from an over-reliance on lower skilled migrant labour. We continue to engage with the industry on these issues.

The United States' Court of International Trade has required a temporary stop to imports of 9 species caught by setnet or trawl in the Māui dolphin habitat along the West Coast of the North Island until the US government reassesses New Zealand's bycatch measures as being comparable to those of the US.<sup>13</sup> This decision relates to a relatively small portion of overall fisheries trade to the United States – less than \$2 million per year – and we have implemented a certification system to enable continued trade of the species caught outside the area or within the area by other methods.

New Zealand has put in place comprehensive measures to protect Māui dolphins which have been based on the best available scientific information and extensive consultation with New Zealanders. The US government is the defendant in the matter while New Zealand participates as a defendant-intervenor. MPI is providing information and support to the US government where required for the court process and the reassessment of our bycatch measures.

## Strong foundation to address increasing pressures on oceans and fisheries

Overall New Zealand's fish stocks are in good health, with action already taken or underway for some stocks with sustainability issues or localised depletion. For example, a number of scallop fisheries were closed last year and further closures have been proposed as

<sup>12</sup> Aquaculture had an 11 percent increase in revenue to \$471 million compared with the wild capture increase of 8 percent to \$1.4 billion

<sup>13</sup> The 9 specified species are snapper, tarakihi, spotted dogfish, trevally, warehou, hoki, barracouta, mullet and gurnard caught in mixed trawl and set net fisheries from the West Coast of the North Island.

part of upcoming sustainability decisions. A summary table of the status of stocks is included in **Appendix 2**, on page 19. The marine environment faces a range of new and increasing challenges, both from activities at sea and on land. These challenges include: the impacts of climate change, increasing use of the marine environment, land-based effects (such as sedimentation) and the effects of pollution. There is growing focus on the impacts of fishing on the broader marine environment, particularly the seafloor, and there are greater expectations for the application of more ecosystem-based approaches.

In the marine environment, there is a diversity of values (cultural, economic, environmental, social, recreational), Māori rights and interests, and a range of stakeholders (often with conflicting interests). Effectively recognising and balancing the range of values and participants in the marine environment is a key part of all our work.

Increasingly, iwi and coastal communities are looking for more localised fisheries management that better accounts for and reflects local pressures and conditions. For example, the number of applications for temporary closures of local fisheries is increasing, often in response to localised depletion.

## Progressing ecosystem-based fisheries management is a priority

There is also growing focus on the impacts of fishing on the broader marine environment, particularly the seafloor, and greater expectations for a more ecosystem-based approaches. More flexible and responsive management is needed to ensure the marine environment is resilient and fishing is sustainable. Further applying an ecosystem-based approach to fisheries management is a priority.

An ecosystem-based approach to fisheries management requires integrated management of competing values and uses of fisheries resources while maintaining the ecosystems that support them. We have begun moving towards ecosystem-based fisheries management in some fisheries.

For example, we have recently concluded consultation on the identification and protection of habitats of significance to fisheries management, and are increasingly progressing opportunities to move from single species management towards simultaneous management of stocks that are caught at the same time in inshore mixed species fisheries. The lessons from this work will be applied more broadly over time.

## Significant changes to commercial fishing rules just enacted

The Fisheries Amendment Act 2022 was passed into law in November 2022. The changes to discarding rules clarify that all fish caught are to be reported and all Quota Management Species are to be landed. This is unless the Minister specifically provides for an exception and enables quota species to be discarded under a new set of criteria.<sup>14</sup> These changes will limit fishers' ability to discard fish, which will help incentivise better commercial fishing practices including more selective targeting of fish.

Changes to landings and discards will be implemented over a four year period, to enable the necessary changes to specific fisheries management settings to be made and provide fishers time to adjust their practices.

## Cameras will substantially increase verification and create new opportunities

The wider rollout of on-board cameras will install on-board cameras on up to 300 vessels, over the next four years, representing around 85 percent of the inshore catch (by volume). Cameras are intended to improve the quality of fisher reported data, improve transparency and trust both domestically and internationally, and drive positive on-the-water behavioural change.

<sup>14</sup> Unless the Minister specifically provides for an exception and enables quota species to be discarded under a new set of criteria. There are 98 QMS species, reflecting those with higher economic, cultural or social value.

Good data is critical for managing fisheries, and on-board cameras will enable a much higher level of verification of fisher-reported data. Electronic reporting of fishing activity already provides rapid access to fine scale catch and bycatch data. This enables near real time insight into what is happening at sea, and creates new opportunities to complement core fisheries management.

Increased verification of this data, through the wider rollout of on-board cameras, will enable greater and more innovative use of this information for fisheries management. Through increased use of data analytics and risk-based spatial modelling, there are opportunities to support fishers to increase the value and selectivity of their catch, and improve environmental performance.

### Significant transition required for inshore fishers

Together, these changes reflect a transformation in the minimum standards and level of verification for the commercial fishing sector, and the cumulative impact of this reform will be significant. Significant changes to fishing practice may be required in some cases, particularly for inshore fishers currently using bulk harvest methods and operating in mixed species fisheries.

The transition will be more challenging for smaller fishers. Since the introduction of the QMS, there has been a major rationalisation of the fishing sector. In the first 20 years, about 3,000 fishers (including 1,000 permit holders) exited the industry. In the 2022 calendar year, 841 commercial vessels fished across all species. Some 44 of these were deep water vessels, with the remaining being inshore vessels.<sup>15</sup>

Small scale fishers who are not quota owners and operate by accessing ACE from quota holders make up around 80 percent of the inshore fleet. These fishers face additional challenges to transitioning to the new rules and requirements. Fishers are being supported through FirstMate New Zealand, a national seafood sector support network established by the Government in 2020 in response to the impacts of COVID-19.<sup>16</sup>

Technology and innovation will play an important role for successful transition. Innovation has already made impacts on fishing practice, both at a large scale and with smaller practical changes that reduce the impact of fishing on the environment and improve the value of catch. Enabling and supporting innovation is a key focus for MPI.

### Fisheries Industry Transformation Plan is an opportunity

Ensuring industry and Government take the right action at the right time is crucial to the successful long-term transition for fishers. The Government approved the development of a fisheries ITP, which has a particular focus on improving the environmental performance of the sector and increasing value of wild caught seafood.

The ITP presents a significant opportunity to support fishers to successfully transition to their new requirements, while building a more inclusive and resilient fishing sector. The ITP provides opportunities to work with the sector to reduce seafloor impacts, waste and carbon emissions, increase the brand value of the New Zealand wild catch seafood story (including leveraging increased verification) and accelerate the development of high-value niche markets for these products.

<sup>15</sup> Deepwater vessels are large and relatively expensive, allowing them to catch large quantities of fish and operate in adverse conditions offshore.

<sup>16</sup> FirstMate operates at a regional level, through a number of locally-based advisers that connect those seeking advice and support to the appropriate services. Alongside business advice, counselling and a range of other services, the network also provides links and opportunities for training, mentorship, and help with access to innovation funding.

## Significant potential for sustainable growth in aquaculture

Globally, aquaculture production has been increasing for many years and has now overtaken the relatively stable amount of fish caught from wild-catch fisheries. In New Zealand, there is significant further potential for ongoing sustainable growth in New Zealand's aquaculture sector. As outlined in the Government's 2019 Aquaculture Strategy, key opportunities for growth include:

- + **Maximising the value of existing aquaculture space** through addressing infrastructure gaps to enable the development of consented but undeveloped water space, and through research and innovation to increase productivity and aquaculture product value from existing farms;
- + **Expanding aquaculture into the open ocean.** Open ocean farming presents an opportunity to increase aquaculture production through farming in cooler, deeper waters, that position farms away from areas of high competing use. Technological shifts underpin this opportunity; and
- + **Developing new forms of aquaculture in New Zealand,** such as the marine farming of new species like kingfish and seaweeds, and the land-based farming of salmon.

Aquaculture is mostly regulated under the Resource Management Act, so the current resource management reforms provide a key opportunity to improve the regulatory framework for aquaculture to underpin sustainable aquaculture growth.

# Strategic priorities

The Government has set a significant work programme to maximise the opportunities and mitigate the challenges facing the seafood sector. These work programmes, and the outcomes they contribute to, are reflected in the Government's Oceans and Fisheries work programme and the Fit for a Better World Roadmap, and key workstreams are tracked through these.

Over the next six months, a number of key deliverables will be completed, as well as the ongoing implementation of significant policy decisions. This includes:

- + **Expanding the roll out of on-board cameras across New Zealand's inshore fishing fleet.** Cabinet has agreed to rollout on-board cameras on up to 300 vessels across the inshore fishing fleet by 2024, representing around 85 percent of the inshore catch (by volume). Cameras will improve the quality of fisher-reported data, improve transparency and trust, and drive positive on-the-water behavioural change.

The camera system will go live in March 2023 for the first vessels, with the first group of around 33 vessels fishing on the West Coast of the North Island completed by April 2023. This was extended from the November 2022 regulated timeframe as the provider, Spark Business Group, advised that further work was required to ensure security and privacy requirements are met. The second group of vessels (approximately 73) will be complete by June 2023.

- + **Significant changes to commercial fishing rules:** Changes to the Fisheries Act 1996 clarify that all fish caught are to be reported and all QMS fish are to be landed. These changes, which are being implemented over a four year period, will limit fishers' ability to discard fish at sea.

- + Fisheries New Zealand is reviewing and will seek Ministerial decisions later this year on the first of the exceptions to the landing and discard rules. Exceptions to the requirement for commercial fishers to land all QMS species can be provided only if you consider they meet one of the new, more limited, criteria that have been created in the Fisheries Act. In addition, supporting regulations are proposed to be made to establish an infringement regime for certain low level offences by commercial fishers, and to enable alternative methods for the on-land disposal of fish.
- + **Delivering the Fisheries Industry Transformation Plan:** Fisheries New Zealand is co-designing the plan with a leadership group that will bring a diverse range of perspectives to the ITP's development, including Māori, industry, innovation and worker views. A draft ITP is in development, with public consultation planned for 9(2)(f)(iv) and a final ITP to be delivered by 9(2)(f)(iv).
- + **Implementing key components of Revitalising the Hauraki Gulf strategy:** The Strategy sets out Government action in response to the Sea Change Plan, with a range of conservation and fisheries management measures.

One of the key actions in the Revitalising the Gulf strategy is the development of a fisheries plan for the Hauraki Gulf. This is New Zealand's first area-based fisheries plan and is tailored to the needs and challenges of the Gulf and its communities.

A key management action in the draft Hauraki Gulf Fisheries Plan is the restriction of bottom trawl and Danish seine fishing to defined areas ("trawl corridors") in the Hauraki Gulf, to better manage the adverse effects of this fishing gear on the benthic environment. There is significant interest in this work from stakeholders and tangata whenua and a desire to see rapid progress on this.



Public consultation on the fisheries plan began in January 2023 and consultation on the proposed trawl corridors is planned for 9(2)(f)(iv) with final advice being considered by the Minister and Cabinet following this.

- + **Forum to manage the effects of bottom trawling:** In April 2022, Fisheries New Zealand and the Department of Conservation established a multi-stakeholder forum for managing the effects of bottom trawling in the EEZ. Final recommendations have been developed by the Forum and advice to Ministers is planned 9(2)(f)(iv). Any further measures for managing the effects of bottom trawling would need to be publicly consulted on.

## Accelerating Delivery of the Aquaculture Strategy

The Government's Aquaculture Strategy sets objectives and actions towards New Zealand becoming world leading in sustainable and innovative aquaculture. It also establishes an ambitious sustainable growth pathway to grow sector revenue five-fold, to \$3 billion, by 2035. Accelerating the implementation of the Aquaculture Strategy and delivering this growth ahead of the 2035 target is a transformational opportunity highlighted in the Government's 'Fit For A Better World Roadmap'. There are a range of work areas critical to achieving this:

- + **Improving the management framework for aquaculture.** We are working with MfE and DOC to progress options to provide greater regulatory and investment certainty for aquaculture, while ensuring sustainability. This is particularly important for open ocean aquaculture, which could contribute at least half of the \$3 billion revenue target. Resource management reforms which are underway are the primary mechanism for achieving this, which include a number of aquaculture provisions developed by MPI. Work is now turning to transitioning and improving national direction to efficiently manage aquaculture. Comprehensive engagement will be required to progress this work, including with iwi/Māori, the aquaculture industry, regional councils, and environmental organisations.
- + **Supporting infrastructure and innovation projects.** Significant investments have been made under the Provincial Growth Fund and other innovation funds such as Sustainable Food and Fibre Futures. Important projects underway with government investment include completion of the Ōpōtiki harbour entrance, the development of additional mussel hatchery capacity to accelerate productivity gains, the development and trial of a commercial scale land-based salmon farm, and research to underpin the development of open ocean salmon farms.
- + **Progressing initial opportunities for open ocean aquaculture.** The first resource consents for open ocean farming of salmon are in decision making processes under the RMA. We are actively participating and contributing to those consenting processes to support sustainable aquaculture development. We are also actively considering how to deliver enduring spatial planning for future open ocean aquaculture.
- + **Improving the delivery of the Aquaculture Settlement.** We are in a critical period in delivery of the aquaculture settlement, with a range of significant and inter-related processes and negotiations underway. In particular:
  - completion and consultation on a statutory review of aquaculture settlement delivery to ensure processes and inputs for settlement delivery are fit for purpose and that settlements reached to date have met obligations;
  - progression of settlement negotiations in three regions (Waikato-west, Bay of Plenty and Otago); and
  - completion of settlement reconciliations under existing negotiated settlement agreements.



## Other work underway

The Government's work programme includes several other key deliverables, including:

- + **Māori Fisheries Bill:** A statutory review of the framework under the Māori Fisheries Act 2004 for managing fisheries settlement assets was undertaken in 2015.<sup>17</sup> The new Māori Fisheries Amendment Bill is currently awaiting first reading in the House.
- + **28N settlement rights** are historical preferential rights relating to fishing quota. Te Ohu Kaimoana and MPI are currently in High Court proceedings relating to the adjustment of fisheries quota and Te Ohu Kaimoana's claim of the effect it has on 28N rights.
- + **South East Marine Protected Area network:** The Department of Conservation and Fisheries New Zealand have engaged extensively with Kai Tahu and consulted on a proposed network of 12 marine protection measures in the southeast of the South Island of New Zealand. These measures aim to provide comprehensive and representative marine protection for the region and help to meet New Zealand's obligations under the United Nations Convention on Biological Diversity.

9(2)(f)(iv)  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]. Advice to the Minister for Oceans and Fisheries on the proposed measures under the Fisheries Act is scheduled to be provided 9(2)(f)(iv)

- + **Marine Protected Areas reform:** The Oceans and Marine Ministers' work programme includes work to create a more strategic, nationally coordinated framework for marine protection with modernised legislative tools and processes that improve integration with wider marine use. 9(2)(f)(iv)

[REDACTED]  
[REDACTED]

- + **Resource Management reform:** The Government is progressing the reform of the resource management system which includes replacing the Resource Management Act. The new legislation (the Natural and Built Environment and the Spatial Planning Bills) were introduced into Parliament on 15 November 2022 with the Climate Adaptation Bill to follow in 2023.

These Bills apply to the management of aquaculture, and elements of managing the effects of fishing. We will continue to provide input into this process, including by supporting the Select Committee process and development of the National Planning Framework as it relates to the coastal marine area.

- + **Strengthening the international fisheries regime:** We have prepared a draft international fisheries amendment Bill to make targeted amendments to better meet New Zealand's international obligations and improve alignment with international efforts against illegal, unreported, and unregulated (IUU) fishing. Approval will be sought to introduce the Bill into the House.
- + **Responding to US court action:** MPI is leading New Zealand's engagement with the US government and in the United States Court of International Trade to lift the Court's temporary ban on seafood imports following a court case related to Māui dolphin bycatch. This includes managing New Zealand's participation in the Court as a defendant-intervenor, bilateral engagement with the US National Oceanic and Atmospheric Administration, and operating a certification system to enable continuity of trade of wider product. MPI will provide updates and seek further direction as the processes evolve.

<sup>17</sup> Te Ohu Kaimoana undertook extensive consultation with iwi on the Review's findings, and iwi voted for significant changes to the current governance arrangements. Legislative amendments are required to implement these changes.

# Appendix 1: Upcoming decisions

In addition to the work programmes and opportunities outlined above, the following matters will require Ministerial consideration in the first quarter of 2023.

## Fisheries management

We will seek your decisions for stocks as part of the April 2023 sustainability round, including Northland Rock Lobster and Coromandel Scallops. To ensure the sustainable utilisation of fisheries resources, twice yearly we review the best available information to determine whether changes are required to catch limits and other management measures. Later in the year, we will seek your agreement to publicly consult on sustainability measures as part of the October 2023 sustainability round.

9(2)(f)(iv)

To complete the package of measures that comprise the proposed network of 12 marine protection measures in the area, we will then seek your decision on the proposed marine protected areas and a kelp protection area to be implemented under the Fisheries Act.

We will seek Ministerial approval of a revised version of the National Plan of Action for Sharks. Public feedback was sought in 2022 on updated goals and objectives that build on previous versions of the Plan, with a particular focus on ensuring that fishers take all practicable steps to minimise the risk to sharks.

We are reviewing the seabird mitigation requirements for surface longline fisheries, and plan to start consultation in 9(2)(f)(iv). This review could lead to changes in the circular under the Fisheries Act that sets out the measures surface longline fishers must have in place to mitigate the risk of seabird captures.

The current arrangements for commercial fisheries registry services expires in September 2023. These are currently provided by FishServe, an industry-owned company established in 2001 for this purpose. Current arrangements have been effective in maintaining a reliable and efficient registry service. We are working to renew and modernise these arrangements. We will seek your approval for this in February.

## Aquaculture

9(2)(f)(iv)

We are undertaking a comprehensive review of the biosecurity system for aquaculture to identify options to better manage biosecurity risks to and from aquaculture. 9(2)(f)(iv)

We are developing a suite of targeted changes to national direction under the RMA to improve the management framework for aquaculture and plan to consult on these 9(2)(f)(iv). We will seek Ministerial approval from yourself and the Minister for the Environment to release a discussion document.

## International fisheries

In February, Ministerial approval will be sought from MPI and MFAT to join the IUU Fishing Action Alliance, together with the UK, the US, Canada, Iceland, the Republic of Korea, and Norway.

# Appendix 2: Fish stock information (for 2021)

We assess and manage fish stocks in accordance with four main performance measures:

A target level: the level we want a fish stock to fluctuate around for the best balance between use and sustainability, while allowing for environmental variation.

A soft limit: below this level, a fish stock is considered to be overfished or depleted and needs to be actively rebuilt, for example by reducing the total allowable catch.

A hard limit: below this level, a fish stock is considered to have collapsed and fisheries may need to be closed

to rebuild at the fastest possible rate.

Overfishing threshold: a rate of stock removal that shouldn't be exceeded as it will lead to stocks falling below other performance measures.

The fisheries management system covers 98 species (or species groups) across New Zealand's fisheries waters, which are divided into 642 fish stocks. A summary of stock categories is given below.

For scientifically evaluated stocks, 94 percent of catch is from stocks above the soft limit with no indications of sustainability risks. Of stocks above the soft limit, 79 percent were also above the management target.

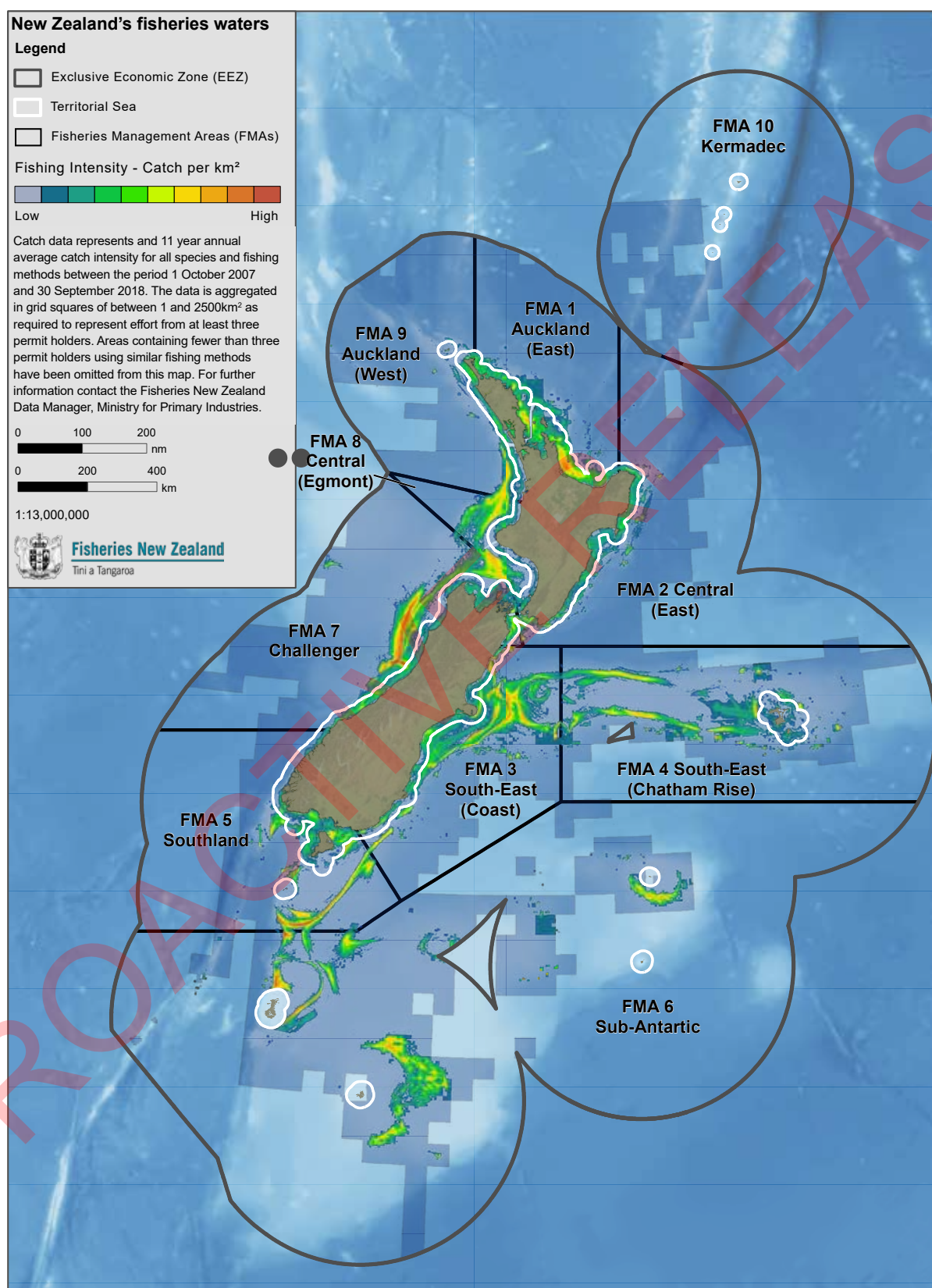
Classification of fish stocks	Number of stocks	Tonnage (% total landings)	% of value
<b>Stocks of known status</b>	<b>152</b>	<b>227,861 t (67%)</b>	<b>85%</b>
Fish stocks whose status can be assessed against the soft limit			
Low information stocks			
Fish stocks whose status is not able to be assessed relative to the soft limit. We are working to improve information for these stocks	247	113,141 t (33%)	15%
No information (nominal) stocks			
An anomaly of the QMS whereby quota is allocated to QMAs where individual fish species are either non-existent, at the periphery of their range, or have not demonstrated significant commercial or noncommercial potential.	290	60 t (0.02%)	0.03%
<b>Total</b>	<b>689<sup>1</sup></b>	<b>341,062 t (100%)</b>	<b>100%</b>
<b>Stocks of known status</b>	<b>Number of stocks</b>	<b>% landed catch</b>	<b>% of value</b>
<b>No sustainability concerns</b>	<b>129</b>	<b>94%</b>	<b>89%</b>
Fish stocks are above the soft limit			
Sustainability concerns			
Fish stocks are below the soft limit	23	6%	11%
Note: For stocks with sustainability concerns, management action has or is being put in place to facilitate stock recovery.			

1 The total number of fish stocks in the QMS is 642. The number in the table above (689) is larger because several stocks are divided into sub-QMA stocks or fished outside the QMS (such as toothfish in the Ross Sea and some high seas tuna stocks).

# Appendix 3: Management of the environmental effects of fishing

Interaction and status	Current work
<b>Seabirds</b> <p>New Zealand is a globally significant area for seabirds, with about 145 species making use of our waters. Fishing is one of a range of threats to seabirds, although it is often the highest profile.</p>	<p>The National Plan of Action – Seabirds was released in 2020. Its vision is that New Zealanders work towards zero fishing-related seabird mortalities. It provides goals and objectives and is supported by an implementation plan for reducing fishing-related seabird deaths as well as putting in place tools to measure and report on progress annually. A key component is creating protected species risk management plans for all fishing vessels that are at risk of accidentally catching seabirds. These plans will be audited, and regularly monitored, against government standards.</p>
<b>Rāpoka/Sea lions</b> <p>New Zealand sea lions are incidentally caught by fishing operations, particularly in the squid and scampi fisheries around the Auckland Islands, and the southern blue whiting fishery around Campbell Island.</p> <p>The estimated population is around 12,000 individuals and is classified as nationally vulnerable.</p>	<p>The New Zealand sea lion/rāpoka Threat Management Plan (2017-2022) aims to halt the decline of the sea lion population within five years and ensure the population is stable or increasing within 20 years. The goal is to achieve Not Threatened status. The plan sets a holistic work programme to address threats. For fisheries, it is implemented through Operational Plans in at-risk fisheries, with commitments for high monitoring coverage and for vessels to deploy mitigation devices in key fisheries. There is a regulated fishing-related mortality limit for the squid fishery and the fishery is closed if 52 sea lions are caught. Five sea lions captures were reported across all fisheries last year.</p>
<b>Hoiho/yellow-eyed penguin</b> <p>There are two distinct populations. The northern population breed on mainland South Island, Stewart Island/Rakiura and outliers, and have declined in abundance over the last five years. The southern population breed on the sub-Antarctic Auckland Islands/Motu Maha and Campbell Island/Motu Ihupuku. Their status is largely unknown.</p>	<p>Te Kaweka Takohaka mō te Hoiho/The Strategy for Hoiho and Te Mahere Rima</p> <p>Tau / Five-Year Action Plan was released in August 2020. Its vision is that Hoiho should be able to go to sea to feed on abundant and good quality kai, and return safely to the whenua to breed, feed their young and socialise without human-induced threats. It includes a range of objectives and actions to better understand and minimise threats, including from fishing. Relatively few Hoiho have been reported killed by fishing in recent years, however, the actual number killed is uncertain as not all of the fleet carries observers.</p>
<b>Hector's and Māui dolphins</b> <p>Māui dolphins are classified as critically endangered, with about 54 individuals over one year old. Hector's dolphins are classified as nationally endangered, with an estimated population of 15,000.</p>	<p>The Hector's and Māui dolphins Threat Management Plan was approved in 2020. A range of measures came into force on 1 October 2020 to manage the risk of fishing to Hector's and Māui dolphins, including additional trawl and set net restrictions, which built on extensive existing controls. Further measures to manage the risks of fishing to Hector's dolphins in the South Island were put in place in 2022, including one additional set net restriction around Banks Peninsula and a Bycatch Reduction Plan that includes, for certain areas, regulated fishing-related mortality limits.</p>
<b>Mangō/Sharks</b> <p>Approximately 113 species of shark live in New Zealand's waters, and more than 70 species have been reported as caught in commercial fisheries.</p>	<p>The National Plan of Action for Sharks was recently reviewed. The previous iteration, agreed in 2013, set out goals and five-year objectives for the management of sharks in New Zealand and led to the implementation of a shark finning ban. The shark species that make up 90 percent of fisheries catch are managed through the QMS. Research and monitoring are in place to ensure other species are maintained.</p>
<b>Habitat of particular significance for fisheries management</b> <p>Fisheries management decisions must take into account that habitat of particular significance for fisheries management should be protected.</p>	<p>Guidance for the identification and management of habitat of significance for fisheries management (HoS) was consulted on in 2022. Types of habitats proposed for consideration as HoS include nursery and spawning habitats, due to their particular significance in supporting the productivity of fisheries resources. Updated guidelines and a register of HoS are intended to be published on the FNZ website by June 2023, to support the protection of these habitats being taken into account when making fisheries management decisions.</p>
<b>Benthic (seafloor) environment</b> <p>Certain fishing methods such as trawling and dredging can disturb the benthic environment. This can impact associated habitat and biodiversity.</p>	<p>The effects of bottom contact fishing are managed primarily through area-based fishing gear restrictions. Trawling is prohibited in around 21 percent of the Territorial Sea. Offshore in the EEZ, around 30 percent of New Zealand's EEZ is closed to trawling. Closures were implemented specifically to protect the seafloor (e.g through Seamount Closures and Benthic Protected Areas) or for other reasons (Cable protection zones or mammal sanctuaries). Building on recent science, including annual monitoring of the trawl footprint, work is underway to progress further restrictions to trawling in the Hauraki Gulf and in the EEZ.</p>

# Appendix 4: Map of New Zealand's fisheries waters



Disclaimer: This map and all information accompanying it (the "Map") is intended to be used as a guide only, in conjunction with other data sources and methods, and should only be used for the purpose for which it was developed. The information shown in this Map is based on a summary of data obtained from various sources. While all reasonable measures have been taken to ensure the accuracy of the Map, MPI: (a) gives no warranty or representation in relation to the accuracy, completeness, reliability or fitness for purpose of the Map; and (b) accepts no liability whatsoever in relation to any loss, damage or other costs relating to any person's use of the Map, including but not limited to any compilations, derivative works or modifications of the Map. Crown copyright ©. This map is subject to Crown copyright administered by Ministry for Primary Industries (MPI).