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**Nathan Guy**

**19 AUGUST, 2015**

### **Speech to the Seafood New Zealand 2015 conference**

Thank you for the invitation to open the 2015 New Zealand Seafood Industry Conference.

Your industry is vital to the economy, especially regional economies, directly providing 8000 jobs and earning more than \$1.5 billion in export revenue each year.

This year's conference has a great theme. "*Sustainable Seafood – Adding Value*" is a perfect summary of where the wider primary sector - not just seafood - needs to head, and matches with our priorities as a Government.

Sustainability and adding value are two of the keys to unlocking new growth in the primary sector.

Our ability to increase the amount of seafood we harvest is limited, so we need to find new and innovative ways to increase our earnings.

We must also recognise that the marine space remains a place for all New Zealanders, and that building social licence to operate with other users and groups has never been more critical for the continued success of the industry.

Today I want to talk about some of these challenges and opportunities we face.

#### **Social licence**

The New Zealand Quota Management System (QMS) is nearing its 30<sup>th</sup> anniversary, and it's worth reflecting on its success.

Three recent, independent and internationally peer-reviewed studies, in 2009, 2010 and 2011, have ranked New Zealand's fisheries management as among the best in the world.

The list of New Zealand fish stocks being endorsed by the Marine Stewardship Council continues to grow with 70% of New Zealand's EEZ fisheries now MSC certified. Our salmon farming industry was recently recognised as among the most sustainable by the globally respected Seafood Watch consumer guide.

These kind of achievements are important to celebrate because they help to establish your industry's social licence, and community acceptance of your industry.

Moves like the recent ban on shark finning and reflagging of Foreign Charter Vessels also help, and I acknowledge your industry's support in helping this happen.

We need to keep celebrating these success stories by seafood and other primary industries, because if we don't, no-one else will do it for us.

At the same time, we don't want to rest on our laurels. We always need to be looking for

improvements and ways to prepare for future challenges.

### **Operational review of the Fisheries Management System**

While the fundamentals of the QMS are sound, I believe the time is right for refresh – particularly given the Fisheries Act is 19 years old.

To ensure our fishing system is up to date and working as fairly and efficiently as it can, I have directed my officials to begin scoping options for an operational review.

The long term aim is to deliver greater net value to all sectors – commercial, recreational and customary, while enhancing the sustainability of our fisheries.

I want to be clear this programme of work is about refreshing and improving our fisheries management system, not replacing it.

This operational review will help strengthen public confidence and social license for fishing, and foster community support by providing opportunities for involvement in local area management.

This is a high level review and as such, it won't be getting into the detail of things like bag limits or quotas. The current sustainability rounds and other work programmes by MPI will continue.

The review will not undermine existing rights and interests of commercial, customary and recreational fishers, Treaty settlements or core elements of the QMS.

As the first step in this process, over the next few weeks officials from the Ministry for Primary Industries will be contacting stakeholder organisations to seek your views on strengths and weaknesses of the current system, and opportunities and priorities for change.

MPI will collate the feedback received from all stakeholders – recreational, commercial and customary- into a report which will be fed back to all.

Decisions on next steps will be made once I have considered the feedback received.

Possible options include changes to fisheries management processes within the current legislation, regulatory change, and amendments to the Fisheries Act.

I hope you take the opportunity to share your views, and I look forward to your positive engagement.

As you know, MPI is well underway with a first principles review of all its cost recovery systems, and my officials appreciate the constructive feedback from industry.

### **Marine Protected Areas**

New Zealand's marine area is becoming an increasingly busy place. Balancing the rights and interests of all New Zealanders on and in the water fairly is challenging.

Reconciling commercial, recreational and customary fisheries, while maintaining healthy

ecosystems and protecting biodiversity, is a difficult balance to strike. The proposed Marine Protected Areas framework will be an important tool in this.

We are proud of our record in advancing 10 new marine reserves last year in areas like the sub-Antarctic islands, the West Coast, Akaroa and Kaikōura.

We are now well advanced in work on a new Marine Protected Areas Act, which will make provisions for establishing the two proposed recreational fishing parks. We will be seeking comment on a discussion paper on a way forward later this year.

This is a complex task with so many differing agencies and stakeholders involved, but I am confident we will be able to deliver a reform that will match up to New Zealand's strong heritage of leadership in marine management.

### **Adding value**

Of course, adding value to our seafood exports will take more than just improving the regulatory system.

This year's theme 'adding value' aligns very neatly with Government's goal of doubling the value of primary sector exports by 2025.

Adding value to the seafood products we export is crucial because we can't just double the number of fish we take.

As a nation we produce enough food to feed around 40 million people, so we need to make sure we are targeting the wealthiest consumers.

As a Government we're committed to working with industry to find new ways to increase growth and access to new markets.

The \$48 million Precision Seafood Harvesting PGP Programme is a great example of this collaboration.

This joint programme between industry and Government is showing real promise, as a revolutionary way of producing a premium quality product, with great sustainability benefits as well.

The technology developed through the SPAT New Zealand PGP Programme is also showing great promise for growing mussels.

This programme aims to improve the quality and quantity of New Zealand's highest aquaculture-earner, and by the mid-2020's could increase exports by \$80 million.

Earlier this year I opened SPAT New Zealand's state of the art pilot hatchery in Nelson, which will be key to their research team's efforts to provide more reliable and faster-growing mussel spat.

I am delighted that the efforts of these two PGP programmes have been widely recognised, respectively gaining the New Zealand Innovation Council's Innovator of the Year award, and the Marine Farmer Association's Research and Development award.

## **Trade access**

Maintaining and building market access is another key way the Government can support the seafood sector.

Free Trade Agreements like the TPP can help ensure that New Zealand exporters are competing on a level playing field.

Strong opportunities exist for developing new markets, and increasing market share in established markets.

China continues to hold vast potential for New Zealand exporters, and tapping the rising wealth of Chinese consumers and their growing middle-class, provides a key opportunity. Trade in seafood products is now duty free under the China FTA.

The Korea FTA, our most recent agreement, will also provide benefits for mussel exporters who will benefit from some preferential access, at a zero duty, under a permanent tariff quota.

Our trade agreement with Chinese Taipei is also phasing out duties on the majority of fish and seafood products over four years.

## **Brand New Zealand**

New Zealand has a natural advantage –the world wants our top-quality, premium seafood, and recognises the New Zealand brand.

For fisheries, that brand is built upon fisheries management using the best available scientific research.

There is a real opportunity to enhance this and add further value by establishing a strong, safe 'Brand New Zealand' for our premium seafood products.

MPI has traditionally provided assurances to other countries that market-access requirements are met, and largely left commercial assurances for gaining a premium market position to industry.

Through the New Assurances programme, MPI is helping New Zealand companies to leverage our natural advantage and provide commercial assurances to foreign businesses, once mandatory legal requirements have been met.

I invite you to continue to engage with MPI to discuss the ideas and types of opportunities you see for such assurances.

## **Snapper 1**

The Snapper 1 area continues to be one of the most valued fisheries in the country to all sectors.

The Snapper 1 monitoring project, trialling the use of Electronic Monitoring on the fleet, has been a great opportunity for industry and MPI to work together to address this.

I welcome the support that the fishing industry has shown to responsibly address sustainability concerns in this way, which will enhance New Zealand's reputation as being a sustainable source of seafood.

The wider roll out of Vessel Monitoring Systems for over 70 vessels is a further positive development.

Further camera monitoring will help achieve the 100 percent observer coverage of the Snapper 1 fleet.

The work in the monitoring space has been very forward thinking, but there is more to do in the snapper fishery.

I look for industry to be equally forward thinking in their work on the snapper plan, which will drive the future of this important fishery.

Building on the lessons learned in Snapper 1, MPI is developing a proposal to establish a computerised, integrated electronic monitoring and reporting system.

This would greatly improve cost-efficiency and transparency of fisheries management, for the benefit of industry and all stakeholders within the sector.

### **Marlborough Sounds Blue Cod**

Good progress is being made in the Marlborough Sounds too. The Blue Cod Management Group has had a favourable response to their consultation on proposed changes to fishing management measures in the area.

A primary aim of the review is to create rules that are simple, understandable, and fair. Final decisions will be made later in the year, and I expect the new regulations to be in place for season opening on 20 December this year.

### **Aquaculture**

As Minister I've also been closely watching the steady growth in aquaculture.

In a time where global wild-capture fisheries are reaching peak-production, the contribution of New Zealand aquaculture could not be more important.

The UN Food and Agriculture Organisation projects that fish consumption will continue to increase, particularly in Asia and Oceania, and that aquaculture production for human consumption already surpasses capture fisheries.

As a Government we are committed to the Aquaculture Strategy, and helping the industry reach their aspiration of growing to more than \$1 billion by 2025.

Aquaculture export revenue is expected to grow by 19 percent to 2019, lifting its total share of seafood export earnings to 28 percent.

Aquaculture is one of four National Policy Statements we are keen to advance.

I'm well aware that industry has concerns about uncertain and inefficient regulatory planning frameworks governing aquaculture. This is a difficult area in which regional

councils have struggled to provide space for the growth of this industry which offers real opportunities for regional development.

My officials are working with other Government agencies and councils to address this. Our objective is to give clearer national direction and improve certainty for investment and re-consenting.

Space for aquaculture is no less busy than wild fisheries, and aquaculture depends on the trust that it has with local communities. So I applaud the efforts that industry is undertaking to improve its social licence.

In particular, industry has established the Social Licence Working Group, in cooperation with MPI, to improve how the sector engages with stakeholders.

### **Iwi Aquaculture Settlement**

On that note I was pleased to take part in the signing of the New Space Regional Aquaculture Agreements, with 13 iwi from the Marlborough, Tasman and Auckland regions last month.

The Agreements help cement the partnership between the Crown and iwi, and recognise the importance of iwi as vital contributors to the seafood sector.

The implementation of these agreements will increase iwi participation and share in New Zealand aquaculture.

Importantly, iwi will be involved in aquaculture wherever it occurs in New Zealand.

### **Conclusion**

Finally, to finish, I would like to reaffirm my support for your conference themes of sustainability and adding value. They are key to all of the topics I've covered today.

They will be fundamental to realising the great opportunities the New Zealand seafood sector has for positive and sustainable growth.

I am convinced that together, Government and industry can achieve a doubling of the value of our exports by 2025.

Increasing volume alone will not get us there, but continuing the New Zealand seafood sector's tradition of innovation and world-leading fisheries practices will.

Thank you.