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Carry forward of Uncaught Paua ACE

The New Zealand Sport Fishing Council objects to removal of Paua from Schedule 5A of the Fisheries Act 1996 to enable up to 10% of uncaught ACE to be taken in the following fishing year.

Background

On 9 May 2011 the Ministry of Fisheries advised of the proposal to remove Paua stocks from Schedule 5A of the Fisheries Act 1996 (the Act). Removing Paua from Schedule 5A would allow commercial fishers to carry forward up to 10% of Annual Catch Entitlement (ACE), if uncaught, into the next fishing year.

The Ministry "*considers the proposal would provide opportunities to increase the benefits derived from Paua stocks by New Zealanders without affecting the sustainability of the Paua fisheries*¹".

The Initial Position Paper (IPP) was available online and submissions are due by **10 June 2011**. The NZ Sport Fishing Council acknowledges and appreciates the Ministry's agreement to accept our submission several days later.

NZ Sport Fishing Council Interest

The New Zealand Sport Fishing Council (NZSFC), formerly NZ Big Game Fishing Council, is a national sports organisation. Membership from affiliated clubs has grown steadily and we now represent over 30,000 members in 57 clubs spread throughout Aotearoa.

In 1996 the Council helped establish the NZ Marine Research Foundation, which aims to sponsor research on marine species and fisheries for the benefit of all New Zealanders.

Initially our clubs were focused on fishing for large pelagic species. In more recent times our membership has expanded to include many local clubs targeting inshore species, including Paua.

¹ Ministry of Fisheries letter to stakeholders, 6 May 2011.

Paua are highly valued by non-commercial interests, the community and commercial fishers. In many areas legal sized Paua are not available to our members or their communities. Careful management is required to ensure Paua are accessible and available to provide for these social, economic and cultural interests.

The New Zealand Sport Fishing Council has a number of concerns about the justification and supporting information provided in the IPP.

Submission

Lack of evidence

Despite the claim of many millions of dollars of increased earnings there is no business case made for removing Paua from Schedule 5A. The claims in the IPP are made without supporting evidence, case study, or example.

The use of terms such as, *“fluctuations in export demand for paua create intra-annual volatility in prices²,”* do not represent a business case, and serve only as a flag of suspicion that motives are being left undisclosed.

A business case would identify those periods of the year when prices are higher, and the ability of ACE owners to supply during these times, and the exact manner in which ACE owners are currently locked into supplying during periods of low price.

Questions

1. The proposal would permit a maximum of 10% of uncaught ACE to be carried forward – why 10 percent?
2. What flexibility would enable ACE holders to maximise their earnings?

No problem definition

In para 14 of the IPP MFish state, *“PIC³ could opt for enhanced across-industry co-ordination and co-operation in order to match supply with demand and streamline end-of-year ACE balancing”*. This contorted use of English is not helpful.

Problem statements need to be expressed in plain language that simply identifies the particular problem to be addressed. Then a solution can be proposed that demonstrably solves the problem being addressed.

This IPP neither identifies the problem nor shows how the proposed solution will solve it. The IPP resorts to language that obfuscates and confounds the very principles of consultation they purport to serve.

Wider implications

There is no comment how the proposal affects the monitoring of ACE, the effect on port prices, or any ongoing enforcement costs. These are at the heart of matters, as the method of monitoring Paua stocks, any Catch Per Unit of Effort (CPUE) data, decision rules, and enforcement efficacy must all be carefully examined to ensure that proposed changes do not compromise existing systems.

² Ministry of Fisheries Initial Position Paper Paua, May 2011. Page 1, para 8.

³ Paua Industry Council.

Questions

3. How, exactly, will carrying forward 10% of uncaught ACE in any single year permit ACE owners to improve earnings?
4. Do they have future price knowledge?
5. Or would they like the option of selling this year's catch at next year's prices?
6. Can catch be stored in times of low price and sold in times of high price?

It is not clear that carry forward of ACE was intended to serve as an instrument to enable a futures market to operate. The intention to enable ACE to be carried forward was to assist with single species catch fluctuations within a multi-species fishery, or natural variations in abundance, leaving single species fisheries like Paua and Rock Lobster to balance each year.

Questions

7. If the argument for a 10% carry forward is accepted on the grounds for futures trading, then the question arises as to why 10 percent?
8. Why not 50 percent?
9. What is the principle being applied that distinguishes between the two positions?

Summary

The NZSFC has no interest in denying ACE owners the ability to maximise returns, but before changes are enacted all interest groups must be given the opportunity and information to assess and understand the consequences. Disclosure and discussion of the consequences on enforcement, stock monitoring, and general compliance issues are missing.

The NZ Sport Fishing Council awaits answers from MFish to the nine questions raised in the above submission. These can be sent to the Council via secretary@nzsportfishing.org.nz.

Until the IPP is presented with a more complete disclosure of the issues and pressures at hand, and principles are identified and applied to the proposal, then the NZ Sport Fishing Council objects to removing Paua from Schedule 5A.

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New Zealand Sport Fishing Council Inc.

(Previously New Zealand Big Game Fishing Council Est. 1957)

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