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6 December 2021

## **Submission: Rollout of cameras on New Zealand commercial fishing vessels.**

### **Recommendations**

1. **The Minister initiates** the rollout of cameras as soon as possible.
2. **The Minister includes** the deepwater fleet and scampi vessels in the rollout programme.
3. **The Minister confirms** that set net vessels below 8m are included in the rollout programme.
4. **The Minister includes** FMA 1 & 9 trawl vessels in priority group 1.
5. **The Minister ensures** all costs associated with the camera roll out are recoverable from quota holders under the Cost Recovery Regime.
6. **The Minister confirms** that a commercial vessel fitted with cameras must use them from the time it leaves the wharf or anchorage until unloading is completed.

### **The submitters**

7. The New Zealand Sport Fishing Council (NZSFC) appreciates the opportunity to submit on the rollout of cameras on New Zealand commercial fishing vessels. Fisheries New Zealand's (FNZ) Consultation document was received on 12 October 2021, with submissions due by 6 December 2021.
8. The NZ Sport Fishing Council is a recognised national sports organisation of 55 affiliated clubs with over 36,200 members nationwide. The Council has initiated LegaSea to generate widespread awareness and support for the need to restore abundance in our inshore marine environment. Also, to broaden NZSFC involvement in marine management advocacy, research, education and alignment on behalf of our members and LegaSea supporters. [legasea.co.nz](http://legasea.co.nz).

9. The New Zealand Angling and Casting Association (NZACA) is the representative body for its 35 member clubs throughout the country. The Association promotes recreational fishing and the camaraderie of enjoying the activity with fellow fishers. The NZACA is committed to protecting fish stocks and representing its members' right to fish.
10. The New Zealand Underwater Association comprises three distinct user groups including Spearfishing NZ, affiliated scuba clubs throughout the country and Underwater Hockey NZ. Through our membership we are acutely aware that the depletion of inshore fish stocks has impacted on the marine environment and the wellbeing of many of our members.
11. Collectively we are '*the submitters*'. The joint submitters are committed to ensuring that sustainability measures and environmental management controls are designed and implemented to achieve the Purpose and Principles of the Fisheries Act 1996, including "maintaining the potential of fisheries resources to meet the reasonably foreseeable needs of future generations..." [s8(2)(a) Fisheries Act 1996].
12. Our representatives are available to discuss this submission in more detail if required. We look forward to positive outcomes from this review and would like to be kept informed of future developments. Our contact is Helen Pastor, [secretary@nzsportfishing.org.nz](mailto:secretary@nzsportfishing.org.nz).

## **FNZ Proposals**

### **Which fishing vessels will get cameras**

13. Fisheries New Zealand recommend the following vessels be required to operate with camera surveillance:
  - a. Trawl under 32m length (excluding scampi trawlers).
  - b. Danish seine.
  - c. Purse seine.
  - d. Surface longline.
  - e. Bottom longline.
  - f. Setnet over 8m length.

## **Submission**

14. The potential and observed non-compliant behaviour of vessels that has the greatest volume of discards and bycatch are in the deepwater fleet. It is incongruous to excuse these vessels from video monitoring of catch. The intention may be to include these at a later date, but we consider proposals without hard and fast timelines seldom mature into actions.
15. The 8-metre minimum size for set net boats is unnecessarily long. The main exceptions to set net surveillance are the small trailer boats fishing flounder and mullet. Set netters targeting other species need to be monitored. These vessels are the least able to accommodate physical observers on board so ought to be prioritised for electronic surveillance.
16. Excluding scampi vessels seems incongruent to the known and previously reported bycatch risks.

## Schedule of camera rollout

17. The scope of the rollout is both practical and heralds a step change in the ability to understand catch composition and bycatch rates however, the proposal to delay the operational roll out starting in late 2022 and targeting completion in 2024 is to risk the programme entirely as it will become a political issue.
18. Onboard cameras have been mooted since 2013 and successive Ministers have faced strong pushback from commercial fishing interests including quota holders.
19. The deployment schedule delays the inclusion of trawl on the northeast coast to priority 7, presumably on the risk analysis to seabirds and mammals. However, there has been significant and growing public interest in the catches of inshore trawlers in FMA 1 since 2013 and this should be included in priority 1. Moreover, it makes sense to cover both east and west coasts of the North Island as both areas share a large part of the trawl fleet. Vessel numbers are modest and shouldn't pose any logistical dilemma.
20. The Minister also needs to take into account the reality that there are quota management stocks that straddle both coasts, so many of the vessels fish on both coasts for the same species. There are also stocks that straddle the Cook Strait and include waters off the North and South Islands.

## Cost recovery

21. The Cost Recovery Regime (CRR), by and large, has been a strong disincentive to fund fisheries research. The regime operating for the last 20 years sets a very strong precedent and has been used to defer and delay research costs. There will be a strong lobby to determine these camera costs are somehow different and the costs ought to be met by someone other than quota owners. However, costs directly attributable only to commercial fishing will be 100% cost recovered and the roll out falls squarely into that category.
22. The matter is settled by ownership. Who will own the cameras, who will be responsible for their upkeep, and who will be liable for lapses in compliance due to technical issues?
23. The owner has to pay. There may also be a good case to be made that the government should own the equipment and lease it out to vessel owners, essentially absorbing the initial capital cost and recovering it with annual charges. This would be a reasonable possibility if opposition is centered on costs, which it has been historically.
24. Where costs should be met between industry and government depends on if third party storage and management of video data is to be outsourced. We imagine there's a strong attraction to a FishServe 2.0, and this organisation will operate on a similar commercial basis with a very limited public face. This doesn't serve the interests of transparency or give much reassurance to the public that a robust monitoring regime is in operation. We are comfortable for government to incur a greater share of costs only if they retain the ownership and control of all data.
25. We don't have access to the data that gave rise to the FNZ cost estimates. We can only concur that the cost recovery regime (CRR) forms that basis of where costs should fall and there are no compelling reasons to abandon the policy now that significant increases in costs are being incurred. We note the 2013 estimates to have 100% coverage of all SNA 1 trawl vessels by 2015 was \$250,000 with ongoing costs split 50-50 between the Crown and industry<sup>1</sup>.

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<sup>1</sup> <https://www.nzsportfishing.co.nz/wp-content/uploads/userfiles/SNA1-presentation-Minister-Sep13.pdf> [p9]

26. All costs associated with the camera roll out are recoverable under the Cost Recovery Regime and these should be fully met by quota owners. The principle in play is that commercial operators, either quota owners or fishers, meet the costs attributed to their activities. There is no case for taxpayer subsidy now that the rentier must meet increased compliance costs – if there is to be any deviation from the principles of the CRR regime then we expect government to impose a resource rental to deliver a return to the consolidated fund for the commercial exploitation of fisheries that receive taxpayer subsidies.
27. **Who in industry should pay?** There are a range of parties involved in industrial fishing being administered by the QMS. In general terms the QMS is nothing but a simple feudal system of governance where one party holds the property right (the TACC shareholders, or quota owners) and those operating under those rights (fishers, vessel owners, crew etc.) are required to pay a rental to the owner. All the incentives are to maximise the economic rents from a stock and pass the biggest possible portion to the owner – the shareholder.
28. Imposing costs directly onto vessel owners or fishers and crews absolves the shareholder from meeting the costs of maintaining his property and ensuring those using it are complying with the law. **In a system where the profits are directed upwards to an owner so should the costs be likewise directed, all of them.**
29. Imposing the costs directly onto quota owners has the effect of internalising the costs to the party that owns the property and has the ultimate responsibility for seeing it is used in compliance with the law.
30. **The Minister must impose a strict cost recovery regime to the rollout** even if it threatens to make some operators uneconomic under the current ACE trading arrangements.
31. We submit it is past time that quota owners met the full cost of the rollout and if government is going to offer a subsidy to provide capital, then it must receive a resource rental as the terms of the Cost Recovery Regime are breached.

### **Staged camera rollout**

32. **All in-scope vessels need to be fitted with cameras.** The use of video monitoring of fishing activity and catch composition needs to be an integral part of every commercial vessel currently considered in-scope. No exceptions.
33. Prioritising the rollout according to the risk to protected species is generally a good first fit, however there are other bycatch issues beyond protected species. There is acceptance of the initial work being centered on Māui dolphin habitat and the rest of the North Island's west coast. There is a need to better understand the catch composition of west coast trawl as the TACC for SNA 8 is increased.
34. It would be preferable to increase the urgency of monitoring the FMA 1 & 2 trawl fleet due to the depleted nature of stocks and concerns at growth overfishing. Continuing to take fish at below the optimum size at first capture is preventing stocks from increasing to above  $B_{msy}$ .
35. What's more, trawl effort has been migrating from the outer Hauraki Gulf into Northland for a few years and the effects on Northland stocks to this increase in catch needs finer scale monitoring.
36. There will always be suggestions put forward designed to delay or diminish the effects of the

camera programme, as avoiding costs become uppermost. We submit there is no serious proposition available to delay the programme while delving into a raft of possible alternatives. We urge the Minister to just get on with it and respond to any unforeseen matters in the usual way.

37. The deployment schedule is staged and sits on a reasonable analysis of ecological risk. There is agreement to proceed as soon as possible.

### **Mandatory use of cameras when at sea**

38. The purpose of mandating cameras on commercial fishing vessels is mainly to validate reported catch. The last 20 years has confirmed that self-reporting, even though mandatory, does not account for all catch. Discarding, dumping, trucking, and other practices have resulted in poor catch data and the current amendment is proposed to address that deficit.

39. However, the amendment as proposed does not achieve that, in fact it offers opportunities for the objective to be defeated. Fishers have always discarded and underreported catch, it has always been a part of fishing. Fishers want to retain catch that is profitable and discard that which isn't, regardless of whether it's species, size, or ACE which determines the profit or loss status of the catch.

### **40. A commercial vessel must have the cameras in operation from the time it leaves the wharf or anchorage until unloading if electronic surveillance is to have any rigour.**

41. The cameras will be strategically placed to only capture fishing and processing activity. Providing windows of time where the cameras can be legally turned off, for any stated reason, simply defeats the purpose of the programme. The catch that is landed on board must be retained on board until unloading and this cannot be ensured if the cameras are off for any reason.

42. The reasons given for allowing cameras to be off if the vessel is being used for recreational or customary fishing purposes are spurious. Whether fishing under a customary permit or under the amateur regulations the catch must be continuously monitored. There is no valid reason to not do so and the very integrity of the massive investment in resources to obtain electronic monitoring will be lost.

43. These exceptions may have been advanced to try and make the proposition more acceptable. However, our concerns are around several issues, including but not limited to:

- a. Existing, dubious practices on the North Island's west coast where commercial trawl vessels use a customary permit to cover catch they lack ACE for and would otherwise be subject to deemed value invoicing.
- b. Trawl vessels fishing on the North Island's west coast may fish within the trawl exclusion zone established to protect Māui dolphin, if fishing with a customary permit.
- c. There is no legal minimum size limit for catch taken using a customary permit.
- d. Concerns about the amount of effort applied to harvest "recreational" catch from commercial vessels. In some stocks this harvest using s111 of the Fisheries Act 1996 is significant and reports filed may not reflect total catch.
- e. Concerns about methods used to harvest this "recreational" catch. It is our understanding that the chief executive's approval permitting this harvest is based on

the requirement for this catch to be taken using recreational fishing methods, not commercial methods. Without cameras there is no way to verify how this catch is being harvested.

44. To permit a vessel to turn off their camera on the grounds of customary or recreational fishing is to invite abuse and provide a loophole for non-compliance with fisheries laws by keeping it hidden from view.
45. **There is absolutely no point in proceeding with an expensive programme of electronic monitoring unless the vessel is required to have cameras operating from the time they leave the wharf or anchorage until they complete unloading.**
46. The capital would be better directed elsewhere if cameras cannot ensure validation of catch by reconciling what comes aboard as catch and what is unloaded to a Licenced Fish Receiver (LFR). The risks to investment are higher given the nature of the commercial fishing industry in Aotearoa, where vertically integrated companies are involved in the catching and processing of fish and the lack of an independent weighmaster capable of verifying catch unloaded to an LFR.

## APPENDIX ONE

### Background

- B. 1. In 2016 a Sea Around Us project [Working Paper #2015-87](#) reported on work to reconstruct the annual total catch from New Zealand waters. It found the total amount of actual catch could be up to 2.1 times more than reported to the FAO by New Zealand officials. The authors also reported on the lack of any appropriate action by officials in response to compliance operations reporting widespread dumping of unwanted catch, misreporting of catches and protected species.
- B. 2. Following release of the information by Sea Around Us and the University of Auckland, the New Zealand Sport Fishing Council was one of many parties calling for an urgent review of the Quota Management System and MPI's role in overseeing the commercial fishing industry. The public were up in arms about the revelations and the unnecessary wastage caused by commercial fishing. Public pressure eventually led to the Government appointing Michael Heron QC to investigate.
- B. 3. The [Heron report](#) was released on 15 September 2016. Heron found that MPI's decision not to prosecute the offenders caught fishing illegally during the compliance operations "[was flawed](#)". The report also revealed senior MPI managers believed that the [dumping of fish was so widespread](#) that half the inshore trawl fleet would go out of business if the law was enforced.
- B. 4. In May 2016 news emerged that the contract to electronically [monitor 15 vessels in the snapper fishery](#) had been awarded to Trident Systems, a company wholly owned by commercial fishing interests. This was an interesting move by MPI who were well aware of public concern about widespread wastage in the snapper fishery since the SNA 1 review in 2013.
- B. 5. Troubles were exacerbated in November 2016 when [MPI were forced to admit](#) that up to 80 percent of the cameras installed on the snapper trawlers had failed during their first three months of use. In June 2017 [a leaked MPI report](#) suggested the cameras in use wouldn't have the resolution quality required to be used in Court.
- B. 6. The then Minister of Fisheries, Nathan Guy, assured us the process to award the monitoring contract was robust and he was keen to [fast track the installation of cameras on all 1400 vessels](#) operating in New Zealand waters. Prime Minister John Key also assured the public there was no conflict of interest in having Peter Goodfellow as President of the National Party and as a shareholder and Board member of Sanford Ltd, one of New Zealand largest commercial fishing operations.
- B. 7. The camera programme has been deferred, discussed and delayed over time. This Government is now seeking to have cameras aboard 300 inshore vessels by 2024, 11 years after their announced introduction into the [Snapper 1 fishery](#).
- B. 8. This programme is now urgently required and on the basis that the loopholes created by permitting cameras to be turned off are closed and the deepwater fleet is included, the joint representative recreational organisations NZSFC, NZACA and NZUA endorse this amendment.