

PAUA Industry Conference Christchurch

From Grizzle to Sizzle (V2)

1. I am much honored to have been asked to make a presentation to this conference and I appreciate the opportunity that has been given for me to further consolidate the personal and professional relationships between the rock lobster and paua industries. This presentation will be a mix and match affair, but one that is focused around a central theme of cooperative and collaborative action.
2. I regularly see and hear many of my industry colleagues crying out for a champion – *“who will save us from the excesses of the anti-commercial fishing lobby?”* In my view, the answer to that question rests with industry itself. The manner in which the New Zealand seafood industry conducts its business, portrays its role and function, and interacts with the community at large, will ultimately determine its reputation and standing.
3. The successes and the achievements of the fishing industry are largely neglected by politicians and the media. The important economic and social contributions that the seafood industry makes at local, regional and national levels are poorly understood and rarely acknowledged.
4. The skill and innovation of seafood industry personnel that has led to worldwide recognition of New Zealanders being pioneers in deepwater and high seas fishing, marine farming, live lobster production, property rights management, mitigation of environmental impacts and in seafood industry training and risk management goes largely ignored by politicians and unknown by the wider community.
5. Respectability and acceptance continue to elude us compared to our primary producer cousins on the land. At the heart of our industry is the core of skilled professionals who harvest, transport, process, distribute and/or export quality

food products in a sustainable and responsible manner. There is much to applaud in all of that.

6. There is so much to be proud of and yet the seafood industry at times seems unable to shake off an historical preoccupation with factional bickering and individual self interest.
7. An industry founded largely on individual and entrepreneurial effort still finds it difficult to accept the need to rely on outside assistance and expertise, or to act collectively and collaboratively across method and/or stock boundaries in order to protect or consolidate individual business opportunity.
8. In the current political and public policy environment the message for the seafood industry must be to do it yourself or continue to have it done to you.
9. There is no champion “out there” to protect, enhance and consolidate our collective interests or your individual circumstances. Industry must continue to work from a solid organisational foundation to reform political, bureaucratic and community perceptions of commercial fishing and commercial fishermen.
10. The organisational design that has potential to serve us best is one in which commercial stakeholders – and I do not restrict commercial stakeholders only to being quota owners – are organised, funded, and participating in collective and cooperative initiatives that add value to the business of fishing.
11. I work on behalf of nine such commercial stakeholder organisations, each of which has different priorities and problems in their region, but all of which share a common interest in the legislative, regulatory, and political and policy environments that determine the extent and the value of their fishing opportunity. Those nine groups come together as a national council, providing a central focus and convenient reference point for their industry.

12. If you consider the Council to have been successful over time it is because it has clearly defined the business that the rock lobster CSOs transact – and that business is primarily related to adding value to fisheries and adding value to the business of fishing. We have concurrent biological and economic objectives, and these are strongly linked to commercial property rights – our TACCs, ITQs and ACE.
13. And success has been predicated by building the right relationships – with our constituents individually and collectively, with other stakeholder groups, and in particular commercial stakeholder groups; with skilled service providers; and with our counterparts in other lobster producing countries.
14. That network of relationships is strongly and positively exemplified by, but certainly not restricted to, the productive working alliance between the NZ RLIC and SeaFIC. In addition, and often informed and coordinated by SeaFIC, our routine dialogue with other CSOs on both regional and generic issues allows a sharing of information, knowledge, and experience.
15. One especially important and mutually productive relationship is the one we have with the Paua industry. The affinity of rock lobster and paua fisheries is self-evident. We are relatively low volume, but high value inshore stocks of significant social and cultural importance. Those stocks share the characteristics of being spatially explicit, being shared fisheries in the sense that customary and amateur extractive use occurs in most management areas, and that they are both a haven and an opportunity for fish thieves. Rock lobster and paua harvesting have a regional focus and both fisheries are important economic generators in regional coastal communities, perhaps more so than some other fisheries.
16. The rock lobster and paua industries are particularly vulnerable to the erosion of spatial access as a consequence of marine reserve declarations and other commercial exclusions, and vulnerable to the re-allocation of harvest rights across to non-commercial users, or as was the case in the most recent CRA 3 TAC decision – to fish thieves. Close cooperation and collaboration between our industries in respect of protecting fishing access and opportunity is a given. In addition, the NZ RLIC is able to provide cost effective and efficient

administrative services to the Paua industry and in doing so reduces the cost of those services to each of us.

17. In many respects the principal message is my presentation today – that is, to stop grizzling about what you perceive as being wrong in your fisheries and get some sizzle going in order to develop your own solutions to those problems – is one that has been already been heard and acted upon by the Paua industry.
 - Your organisational arrangements are relatively new in comparison to the rock lobster industry and I acknowledge and congratulate you on having come such a long way in a remarkably short time.
18. It is important to note here that the rock lobster industry does not have the monopoly on successful and/or strategic CSO initiatives. I see some excellent work on AMPs and access protection being done by inshore CSOs; I see some very strategic work being developed by the Paua Industry Council; the achievements of the Southern Seabirds coalition are acknowledged worldwide - that initiative is a consequence of multi-sector CSO activity and cooperation; I see some important work being done at relatively local levels in small scale but nonetheless important fisheries; and I see emerging CSOs in aquaculture.
19. At the higher end of the scale you need only look to one of the most successful initiatives undertaken within the CSO framework serviced and coordinated by SeaFIC - the establishment of FishServe.

The MFish Statement of Intent

20. There many issues and projects that depend on effective communication and response within the fishing industry for their successful outcomes. We have a new Chief Executive of MFish, charged with giving expression to a statement of intent – not his intent, but the intent of the current Government. The style may be Dr John Glaister, but the content is Labour-coalition policy and politics. And at the end of the line it will be a Minister who makes the decisions that impact on your existing and future rights and opportunities.

21. Our Council believes that where possible we should pre-empt the need for, and the attendant risk of, a Minister making decisions that might unduly interfere with the business of fishing, or in situations where the decision does rest with a Minister, we will always work to ensure that he, she or they receive information and advice that places the correct emphasis on commercial property rights and agreed fisheries management outcomes. And, if unfortunately, the quality and equity of the final decision is less than it should be, our Council will seek legal advice and if justified, pursue legal remedy.
22. Even before exploring and confirming the detail and the definitions of the SOI language in an ongoing dialogue with Dr Glaister and his senior management team, the NZ RLIC recognises both the challenges and the opportunities within the latest SOI.
23. However, the Council members share my own disappointment that politicians and bureaucrats still appear to believe that the culmination of fisheries management reforms that commenced in New Zealand back in 1986 is the introduction of all species into the QMS. It is not, and it never was going to be. Since October 1986, the real fisheries management challenge and also the true achievement for politicians and bureaucrats has always been, and still remains, the completion of the rights-based framework that is the foundation of the Quota Management System.
24. The intent of this and previous SOI documents could be more cost effectively met in a more timely manner if the rights framework was complete. But it is not, and despite a nod in the direction of wanting to do so that we read in the SOI, for the reasonably foreseeable future there is a high risk that the quality and the quantum of commercial property rights in sea fisheries will be further compromised.
25. It is even more certain that there will be more demands on commercial stakeholder organisations to negotiate and probably compromise their current access and fishing opportunity in order to satisfy what I believe to be ill-informed, unreasonable and unrealistic expectations of many extractive and non-extractive interest groups.

26. By the way, that is not a grizzle – that is just a statement of fact so far as I am concerned, and is something that underpins the utility and advantage of the commercial stakeholder organisational network – we are able to bring collective experience, expertise and resources to those debates.

What you see is what you get – or is it?

27. I am probably going to mangle a gospel quotation here, so apologies to the fervent believers amongst you. The quotation goes along the lines that “by their actions you will know them”. The seafood industry is most visible out on the water, particularly in rock lobster and paua fisheries where we have regular interaction with the general public and often operate under their gaze. Our actions and out there on the water shape the public perception of who we are and what we stand for.
28. I regularly speak to schools and service clubs, promoting my industry as being environmentally aware, sustainable, responsible and strategic. And I give them examples of where and how those laudable qualities are demonstrated.
29. And then some guy at the back of the room coughs, puts up his hand and says – *“Mr. Sykes didn’t I read in the paper that a rock lobster fisherman was prosecuted for misreporting or poaching or something? The paper said he burgled about 5 tonnes of lobster tails...”* Or his mate, who has a holiday house at Riversdale beach, stands up and tells my audience – who until two minutes ago have been attentive and sympathetic, but are now only attentive - tells them how the commercial fishing boats cut off his amateur pots, terrorised him and his kids by doing high-speed wheelies around their ten foot tinny, and bombed the one patch of reef accessible to the amateur fishermen staying in the holiday settlement. By our actions we will be known.
30. But it gets worse - In the sometimes testy dialogue with the Ministry in relation to fisheries services and the amount of cost recovered from the rock lobster industry, Compliance costs are a favorite topic. Nothing is less well directed, less accountable, less effective or more frustrating than Compliance levies paid by the rock lobster industry. Despite the millions of dollars handed over to Government since fisheries services have been cost recovered, my industry still

directly subsidises fish thieving to the extent of greater than 400 tonnes seasonally.

31. Yet our advocacy for greater accountability for the assignment of Compliance output classes and operational budgets is significantly undermined when MFish is able to catalogue extensive non-compliance by commercial fishermen, too often for things that are just so basic to the efficient operation of the QMS and the security of commercial property rights that I have to wonder who let those people into our industry in the first place. By our actions we will be known.
32. So how to turn this grizzle into some sizzle? In response to one situation the NZ RLIC assisted the CRA 6 Industry Association to set up a Chatham Island Fishermen's Office to provide a range of registry services to a commercial sector constantly held to ransom by the vagaries of the postal service to and from mainland NZ. The rate of administrative non-compliance declined rapidly and significantly and remains low. I must gratefully acknowledge the cooperation given this initiative by the Dunedin MFish Office and in particular, the Compliance Manager.
33. In response to another area of actual and potential non-compliance we have developed and distributed codes of practice for the use of holding pots. In response to the continual confusion over record keeping, reporting, permit and vessel registration responsibilities we co-opted legal and technical advisors and published a series of information sheets that have been distributed to quota share and ACE owners.
34. Our next big move is likely to be a more focused communication initiative - to alert CRA quota share owners that their asset is not a quota share, their equity is not in the paper, but is in the fish in the sea and more especially in the abundance of fish in the sea.
35. We will encourage them to take a direct interest in the fishing activities of the persons to whom they sell ACE because it is those persons who will have the greatest impact on the future value and utility of ITQs.

36. In support of that message we will further improve compliance by educating the catching sector as to their statutory and regulatory responsibilities with respect to rock lobster fishing. A Compliance training module for the rock lobster industry is currently under development in association with SITO, and we already have a willing audience lining up to participate in the first session.
37. In the longer term, we perceive a need for screening permit holders to ensure that only fit and proper persons (read responsible persons) have access to the rock lobster fisheries. We believe that by establishing industry licensing authorities, performance audits, and sanctions - none of which require any intervention from MFish - the rock lobster industry can operate with greater efficiency and profit. And we are confident that preferred levels rock lobster stock abundance will be more certain.
38. The task ahead of me is to persuade all CRA quota share owners that such things are possible, that such outcomes are achievable, but only if they properly exercise the duty of care and stewardship towards the resource that is expected of them consistent with the fundamental principles of any rights-based natural resource management regime.
39. My observation over several years now has been that the separation of the catching right from the ownership right has somewhat blurred our appreciation and observance of the responsibilities that go with quota ownership. When we come back to first principles we will grow in stature, produce more efficiently and operate more profitably – it is all there to be had if we want it.
40. Only rarely does the grizzle get the results that you might believe that you are entitled to. Turning on the sizzle has been more productive for my industry sector. You already have the evidence within your industry sector that collective and cooperative action can bring benefits.
41. There is no doubt in my mind that we are hot - and not even close to overcooking it – rock lobster and paua CSOs are already turning up the heat, doing more for ourselves, pushing the boundaries of management responsibility

and management authority, and seeking to dispel the predominant negative public perception of the fishing industry.

42. My final proposition to you today is the same as I made to the Federation conference in Picton several weeks ago -- that by taking up your opportunities within the existing CSO network you can add value, reduce costs, and have greater confidence in the future of your fishing business.

Thank you.

Daryl Sykes