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Annual PICK-up Date to the Industry June 2011

INTRODUCTION

Each year in the run up to the PauaMac AGMs, PIC mails out to all Quota and ACE Holders a briefing which reviews work done for the year, outlines plans for the coming year and identifying upcoming issues of interest to the commercial paua industry.

The past year has been another less than straightforward one for our industry. The season started well as our marketers were helped by an increased demand for canned paua, but yet again the strong New Zealand dollar is acting as a handbrake on beach price. Now with inflation, and therefore the cost of doing business, picked to climb in the medium term we seem to be up against it, again.

However there is good news out there. For example, the government has nailed its colours to the mast where economic development is concerned. Cabinet is throwing its weight, and your money, at helping the country's primary industry sector increase its economic output. From tens of millions of dollars to be committed to increasing the scale of farm irrigation projects to Cabinet directives to MFish and regional councils to accelerate the growth of Aquaculture, a big push is on to encourage primary industry exporters pull the country out of the crap. This is a wave we need to surf.

PIC and your PauaMacs will be pushing hard for political support for us to be able to fish unused stunted stocks, rationalise QMAs and to re-open previously closed areas. The arguments we will mount will be those of economic gain for New Zealand, and we fully expect this government to back us.

As always, please do your best to attend the AGMs, support your PauaMac executive in the work they do on your behalf.

INDUSTRY MANAGEMENT

Data Loggers – The concept development, construction, field trialing and roll-out of data loggers has been the NZ paua industry's most ambitious project. Given that it is cutting edge technology which has been developed from scratch it is hardly surprising that there have been teething problems. However the most concerning aspect has been the slow uptake and use of the units by dive crews across the country. While we are getting good data flow from a few star performers, it would be fair to say that most PauaMacs will need to put extra effort into getting widespread use of data loggers in the coming season. Information from these units is crucial to future management plans for our fisheries so please make the effort. However that said, we have come a long way with our data loggers and over the coming year there are a few projects that will allow us and MFish to fine tune things. Such as:

PAU2010-03 – Part One - This project will see a controlled fish down experiment run in a selected area of productive coastline to demonstrate that the data being collected by the data loggers can be

used to generate a new Catch Per Unit of Effort (CPUE) which in turn can be used as an index of abundance (in simple terms, if the CPUE goes up there must be more paua and if the CPUE goes down there must be less paua). The current CPUE (provided by PCELR returns) is not considered a robust index of abundance because of inherent lack of detail and precision. However accurate CPUE is an extremely useful piece of information, in rock lobster fisheries it is the key input to their harvest decision rules. Quota owners should note that such accurate information will be able to be used as a basis for increasing a TACC as your fishery recovers. It is planned to have the project completed within the next year.

PAU2010-03 – Part Two – The second part of the project aims to look at the data that has been collected this season and look for methods to groom it to produce regional catch summaries. Once done it will use these summaries to further assess whether the paua abundance can be determined using data logger information.

PAU2011-03: Analyse Data-logger data. The aim for this project is to investigate how best to analyse data collected by data-loggers and boat units to determine its applicability for use as 1) a fishery indicator of stock status or pointer towards serial depletion and 2) input data into the stock assessment model. The timeframe for the completion of this project is the end of 2013. The potential gain for quota owners here is a reduction in stock assessment costs, and quicker availability of fisheries data.

Over the next year we are also looking to develop satellite communication ability for the boat data units. This is in anticipation of future MFish requirements for VMS. PIC directors have agreed that we go ahead with this part of the project to future proof the boat units. The Paua industry is going to share the cost of development with the Rock Lobster industry as they to see potential in this form of communication. A satellite modem could also be used for real time locating of the harvest crews, emergency response, future electronic fisheries return data transfer if required and so on.

One recently completed project has been the three year MFish ENH 2007/01 project, (Otago University has been the service provider and they have been working closely with Ag Research) which has developed ways of identifying and tracking paua back to parent brood-stock for reseeding projects through DNA analysis. The practical application is being the positive identification of reseeded paua in a wild population. This in turn opens opportunities for harvesting at varying sizes to suit market demand. Special thanks to Gerard Prendeville for managing this 3 year project, he did a superb job and kept a very difficult process on track.

PAUA INDUSTRY TRAINING COURSES

Over the last few years, training courses have been run in all regions to ensure that harvest crews understand more about their industry and are qualified to look after their fishery. PIC organises a subsidy with SITO and the training provider to keep costs down for participants. The most recent course run was in Invercargill last September to accommodate those missed in the initial training round. PIC will be checking with each PauaMac to see if there is sufficient demand to run more courses in the coming year. A recent incident in Kaikoura will highlight to Quota and ACE holders the value of being able to demonstrate that they had taken all reasonable steps to ensure harvest crews understood their responsibilities by ensuring they had done the training course.

BIOSECURITY

Paua greening - PIC sought the help of MAF Bio-Security to exclude potential pests and diseases as a cause of the syndrome that discolours the meat of paua from areas of PAU 7. Paua from the worst affected areas around D'Urville Island and unaffected areas in the Cook Strait were collected on two

occasions and submitted for post mortem, histopathology, bacterial culture and viral testing. The investigations found no evidence for the involvement of a primary pathogen (viral or bacterial) in the discolouring, although the animals from D'Urville area were considered to be in a poorer physiological condition than those from the Cook Strait. It is thought that the colouring may be due to a range of environmental factors or stressors possibly including diet, biotoxins, silt ingestion, mineral uptake from adjoining mineral belts, water temperature or quality, or a combination of these. Our thanks to the divers who helped collect samples for this project. PIC is overseeing further testing to try and pin down the cause of the greening.

Susceptibility of blackfoot paua to the AVG virus - Around two years ago PIC sought the assistance of MAF Biosecurity to determine the susceptibility of Blackfoot paua to the AVG virus given the impact of the disease outbreak in Victoria and Tasmania. Paua from New Zealand waters were moved to the Australian Animal Health Laboratory in Geelong to see if the abalone virus present in Australia would kill the paua. Preliminary experiments have indicated that blackfoot paua may be resistant to infection and disease from the AVG virus. However the small scale of the initial trials means that further testing is required to confirm this result. New Zealand and Australia are currently working together to run a confirmatory trial. PauaMacs will be kept up to date on this as it is worked through. However this testing is expensive and Biosecurity, like all Departments now, is on a tight financial leash so PIC will be lobbying for this work to get a level of priority.

SEAFOOD SECTOR ENGAGEMENT

Inshore Fishing industry Council (IFIC) project - At this time last year we were in the early stages of trying to gather all inshore fishing interests into a single formal group to take advantage of the strengths and economic gains a single coordinated group can generate. The recent huge strides made by Aquaculture NZ demonstrate the benefits possible with this approach.

We in the paua industry have been moving towards closer ties with other CSOs already as a more cost effective way to do some work. For example we combined with RLIC to fund a very powerful and effective submission written by apex industry consultant Tom McClurg to the Primary Industries Select Committee considering the Aquaculture Law Reform Bill amongst other things this year.

There is a push still for SeaFIC commercial stakeholder organisations (CSO's) to be arranged into 3 groups – Inshore, Deep Water Group (DWG) and Aquaculture. DWG and Aquaculture are already organised into such groups and the inshore CSO's have recently agreed to form the Inshore Fishing Industry Council (IFIC).

Having IFIC operating alongside the DWG and AquacultureNZ is intended to provide a more robust platform for SeaFIC to operate from, reducing duplication and costs, achieving better attribution of costs, enabling a better engagement with MFish and other Government agencies whilst at the same time allowing for inshore CSOs to maintain a structure that is better positioned to handle generic inshore fishing industry issues which have no overlap with Deep-water or aquaculture.

IFIC will be a council of likeminded inshore CSOs, each of which will retain autonomy and self-determination. IFIC becomes the “shop front”, which is not bricks and mortar, but an entity that is resourced to handle common interest work and to act as an organisational portal for the principal inshore CSO clusters (finfish, paua, rock lobster etc). IFIC will provide the inshore fishing industry with a “united voice” which can link better with MFish and other agencies on the high level policy issues which impact on the inshore fishing industry generally. At this stage the three larger cluster groups a financially supporting the establishment of IFIC. You will see a small budget item included in your PauaMac work-plan to cover the paua industry's share (about 12.5% of the total). Smaller but

still important CSOs such as kina, eel and so on will be approached once IFIC is up and running to see how it would suit them best to participate.

A structure has been agreed to that allows IFIC to leverage off the strengths of the capacity that already exists within the inshore CSO's. Basically a Chairman and part time project manager would be contracted to IFIC to carry out IFIC functions and to coordinate and liaise with the cluster groups to ensure agreed work was being completed. Their work would also include the obtaining of high level policy advice (over and above what can be expected from SeaFIC) and to develop a promotional/education programme which will be directed at establishing IFIC as a credible and pro-active inshore fishing industry body.

SeaFIC policy Council meetings - While PIC is not a shareholder in SeaFIC, such shareholding is held by individual PauaMacs, we attend all Policy Council meetings and AGMs to ensure that the paua industry has a voice at that level. There is a standing invite to all PauaMacs to send representatives along to participate and we have been pleased to host those who do take up the opportunity.

In the coming year we are encouraging PauaMacs to make the effort and attend if at all possible. It is a valuable chance to meet SeaFIC staff, key industry players, Wellington based MFish officials and see what your SeaFIC levy gets you.

The coming year is likely to be a toughie for SeaFIC with larger industry bodies being hard-nosed around a perception that there is cross subsidisation (there is clearly not) of levies going on and that they might get more value for money by taking their funds elsewhere (they won't). PIC will be doing everything it can to hold the line here. The fishing industry needs a strong, well-resourced national body and we see any weakening of SeaFIC as crazy and ill thought out.

Seafood Conference This year's Seafood Conference is held on 8th - 9th of June in Wellington. PIC will be attending, though not doing any presentations this year. Jeremy also attended the Maori Fisheries Conference, held in Nelson in late May.

Unfortunately not many from our industry come along to such conferences. While the programmes and speakers can at times seem a bit boring there are always new ideas to be picked up. Particularly from overseas speakers who bring a fresh perspective and can explain what is happening in other fisheries around the world. But most importantly these events are heavily attended by MFish senior staff, management and their political bosses. Happy hunting grounds if you want to get support for your PauaMacs pet project. So try to attend whenever possible, if you can't then make sure to tell either Jeremy or Storm or another industry rep who will be there what you think needs to be said when the opportunity comes along.

REGULATORY CHANGE WORK

Rounding of weights recorded at the LFR - Late last year the problem of LFRs recording fractions of a kilogram when recording paua landings came to a head. Across New Zealand there appeared to be very little consistency as to whether whole or part weights were being recorded. This had become particularly confusing in some areas, such as Pau4. It was a real problem for ACE holders and divers as it is mandatory for green-weight recording on the PCELR form to be rounded down to the nearest whole number. So reconciling a part kilo weight from a landing docket to the whole number required on the PCELR got to be a pain.

After some to and fro-ing between Ministry of Fisheries enforcement officials and ourselves it became clear that a national protocol was needed. Consequently MFish issued a directive that LFRs were to round down to the next whole number for green-weight landings in line with PCELR requirements. As

far as PIC is aware this protocol is being followed, so if anyone is aware of occasions where this is not happening, please get in touch.

Carry forward of under caught ACE - PIC has worked hard to ensure that one of the very few regulatory changes across the whole fishing sector to be prioritised for consultation this year is the proposal to remove all paua stocks from Schedule 5A of the Fisheries Act 1996, thus allowing a carry forward of under-caught paua ACE (up to 10%) at the end of the fishing year. Consultation on this proposal closed in mid-June. PIC prepared the lead submission for individual PauaMac support. The change requires an amendment to the FishServe database (to account for ACE carry forward). PIC have worked with Fish serve to minimise any such administrative costs which will be funded by the levy you will see in your work-plan budgets. It is expected that a decision will be made in advance of the 2011 fishing year. Should this get Cabinet approval it will be in place for the 2011-12 fishing year, meaning the first opportunity to use these provisions will be October 2012.

Revamp of the PCELR form – Work has started on engagement with MFish and Fishserve on PCELR form review - investigating inclusion of a few new inputs, for example whether a boatman was used, and trying to eliminate double ups on recorded information. As part of this, PIC in the coming year is investigating having the recreational catch from a commercial paua vessel regulations reviewed. It seems unnecessarily complex for paua fishers to have two different sets of forms to fill out when wanting to take a feed of fish home. You will be aware of these, the general permit which needs to be renewed annually and the particular permit required when a day is spent recreational fishing only from a registered boat. Reporting requirements for amateur catch taken under either permit is also confusing, and most will have had experience of this.

The plan is to work with MFish enforcement with a view to simplifying this situation by perhaps simply having a recreational catch right issued with your fishing permit and to have easier amateur catch recording on your PCELR.

Move to electronic data capture and reporting options - Fishserve has been working with MFish on bringing in the option of electronic data transfer for catch and effort recording. This is already being trialed in several mixed species fin-fisheries. We have been in discussions with both agencies to ensure that anything being introduced will be an improvement and not just change for changes sake.

For paua divers it is likely to mean in practice that PCELR data may be recorded on a PC and sent to Fishserve at anytime, from the vessel, boat-ramp or wherever suits the operator. It will of course always be optional with the PCELR book still being available.

Closed Areas – Pau5D - One of PIC priority support projects is to have some areas currently closed to commercial paua harvesting in Pau5D re-opened. This is to try and mitigate impacts on that fishery by the run of mataitai closures over the last few years, each of which has been not large, but cumulatively amounting to a level which has slowed fish-stock recovery. PIC in turn has asked SeaFIC for support with analysis of legal issues involved. Now that quota owners and ACE holders have identified suitable areas for consideration, PIC has made preliminary approaches to Ngai Tahu to seek their support for this work and we are now preparing maps and backgrounders at their request. This is likely to be a multi-year project.

PAU6/7 boundary shift - PIC has provided support to PauaMac7 in their deliberations on a possible boundary change for PAU 7. This has included the development of a draft agreement, required for the legislative process and support with discussions with stakeholders, officials and the Minister. We are now at the stage where we, and PauaMac7 reps have met with Minister Phil Heatley to lobby for a speedy resolution to the issue which is blocking progress; proposals put by the West Coast MPA Forum for a marine reserve at Kahurangi. Preliminary meetings with the Iwi who have an interest in

the coastal area there will be followed up with a view to securing agreement on a way forward which is of benefit to all involved. PIC would like to acknowledge the effort and work that PauaMac7, and especially Chairman Dave Baker, has put into this one. This boundary change proposal is a top priority job for us in the coming year.

PauaMac4 special permit to trial the use of UBA equipment to improve diver safety - PIC provided support in the development of the special permit application and with liaison with MFish to assist in the timely assessment and issue of the permit. This was quite a tough one with a massive amount of effort required at relatively short notice. To organise the prerequisite dive qualification courses, first aid training, UBA gear certification and so on took up a fair bit of time and resourcing..though it had its more interesting moments...if you get the chance ask Jeremy about his discussions with SAS head of medical services recommendations for a trauma kit which included tampons for puncture wounds! Once again special mention needs to be made of the hard yards put in by PauaMac4 manager, Gary Cameron, to get this through and also the very fair and supportive response from MFish and local Fisheries Officer, George Raranui. It is expected that after reporting requirements are met that the Special Permit will be renewed for a further six months to allow more research.

Use of S 186 – Customary regulations - PIC is concerned by recent moves by MFish to interpret s186 as a broad regulation making provision that can be used to make ad hoc customary regulations. An example is the proposed creation of special regulations for the exclusion of commercial paua fishing at the Titi Islands. Also excluded would be kina and, at one site, rock lobster. This could be the thin end of the wedge for a whole new swathe of spatial closures. PIC has worked with SeaFIC to ensure its views have been expressed through recent submissions on proposed policy for the use of s 186.

This worrying proposal is now awaiting MFish officials to provide a Final Advice Paper to the Minister. We, and other commercial stakeholder organisations, will be watching this one particularly closely.

MFISH PROCESSES

Shellfish Working Group (SWG) meetings - Each year MFish timetables stock assessment processes to ensure monitoring of fisheries sustainability. For us the key input to the sustainability round process is the Shellfish Working Group. PIC has been attending these meetings since it was first formed. In that time we have seen the SWG meetings change into very effective forum for fisheries management. We make sure that there is always a paua industry representative in attendance whenever a paua stock is on the agenda. We try to keep affected PauaMacs informed and report back on any issues which need attention.

This season has seen the completion of the three year Pau5A stock assessment and final report to the plenary. The final report was excellent in that it identified which parts of the Fiordland fishery were fine and which were in need of some attention. Further the report detailed what level of intervention was required and made some sensible suggestions as to what should work. PauaMac5 will be following up on these. PIC considers that the SWG chair and MFish senior scientist, Julie Hills, has overseen a huge improvement in performance by the group. We are finding industry, MFish and research providers are working increasingly well together and improvements in fisheries management bear that out. Our sincere thanks to Jules for her dedication and hard work.

Research Coordinating Committee prioritisation round - This year has seen some real wins for us in setting research priorities for industry funded projects. In the past any scientist with a research itch to scratch could put up a project and it would stand a reasonable chance of being accepted, whether it had real merit or not and sometimes at industry expense. We have in recent years been closely working with MFish to identify key research which will be of real benefit to paua fisheries management. In the coming season the projects going through will be:

Length at maturity in paua. This project is something which really should have been done twenty years ago. Assumptions around the length at which paua are mature enough to spawn have been based on very limited work done in only a few areas. It is a critical piece of knowledge to have when setting minimum harvest sizes, and is absolutely crucial when considering harvesting of stunted stocks. Field work is scheduled to start in October this year in Fiordland and Kaikoura (including Banks Peninsula).

Aging of paua. Once again a major gap in our knowledge and tied to length at maturity. Currently identifying the actual age of paua is moot. This project is the result of a re-assessment of work carried out in the early nineties which wrongly dismissed shell growth ring counts as an age indicator. Recent isotope analysis of aging actually found a correlation between shell spire growth rings and age. This is also to start in October.

Data Logger Analysis. This covered earlier in the data logger section. The important thing to note here is that successful completion of this project will mean that the Ministry will be able to accept data logger information as scientifically robust and accurate and so able to be used in stock assessment research.

Standardised CPUE analysis for Pau7-Pau7 is probably being fished at very close to Bmsy (maximum sustainable yield) and so needs a very accurate and up to date monitoring tool to ensure that it is not overfished. This research project is aimed at developing such a tool. Note that this may well be useful as a key input into a harvest decision rule should Paumac7 wish to develop and refine one. We have asked SeaFIC to assist with long term research prioritisation in an effort to focus on research work which will deliver real sustainability or economic gains.

Levy order model - The levy order model is used to set the MFish levies each year to cover the costs of compliance, science and other administrative matters. PIC review this model on your behalf to ensure that costs are allocated appropriately and no errors are made that would cost you money. Last year's levy order we managed to remove deferred research projects that would have added significant \$ to levy payers of some stocks. The levy is linked to port price. This year we successfully challenged the port price for the 1 October 2011 model further reducing unwarranted costs

Monthly meetings with MFish Inshore Team management - PIC has a standing (well we are actually sitting down) meeting held monthly with MFish Inshore Team managers. We are the only inshore CSO doing this at the moment. This is a chance for us to work together with MFish to get through our work projects. MFish is able to keep us up to date with anything coming up which we need to engage with and in turn we can outline our plans. We have a complete "no surprises" policy and share our work plan with the management team so they can anticipate what is being looked at in the future. We have found this approach has built up a level of trust and commitment on both sides which has helped speed up much of our work.

Mataitai - Mataitai applications continue to be a major headache for PauaMacs. PIC continues to work with PauaMacs to assist in the development of submissions, negotiations with applicants and interpretation of final advice papers. This year we have seen considerable effort into mataitai applications in PAU 7, PAU 3 and PAU 5. We work with other industry organisations and SeaFIC to challenge the interpretation of the customary regulations and options for regulatory review. Recently, where we consider the Minister has been badly advised (Anatori and Kaihoka), we have requested the Ombudsmen to investigate the Ministry's decision to withhold information on the decision making process.

AQUACULTURE REFORM

Joint submission with NZRLIC on UAE test. - One of the biggies coming up is the Cabinet supported push for increased aquaculture production. In itself not something we could disagree with, the country needs every dollar it can earn after all. However elements in the aquaculture industry have persuaded this Government that marine farming is a much more valuable use of marine space than wild fisheries. They have convinced decision makers that marine farming is less controversial, more innovative, and more profitable than inshore fisheries and so should get priority in any spatial re-allocation.

To ensure they get what they want Aquaculture NZ has consistently undermined any agreements around Undue Adverse Effects tests which might have offered us some protection against loss of coastal space. PIC and RLIC jointly funded submissions to select committee defending our rights.

We are preparing for some major battles in the future over the coming avalanche of marine farm applications, at least some of which are likely to impact on paua fishing.

RMA WORK - RESOURCE MANAGEMENT ACT

Non -fishing use of the coastal space is regulated by the Resource Management Act. We are seeing increasing number of resource consents that have the potential to adversely affect either the sustainability of the stocks or access to paua fisheries.

Port Otago dredging - PIC together with Kina Industry Council (KIC) opposed a resource consent application from Port Otago for the disposal of 7.2 million tonnes of channel dredge spoil at sea 6.3 km north of Tairoa Head on a number of grounds but primarily due to concerns of the unknown effect of resulting drift sedimentation on settlement and survival of paua and kina larvae along the Otago Coast. PIC joined with other affected seafood parties to present a joint submission at the Environment Court Hearing to seek a remedy. We are waiting for a decision.

Underwater Observatory on Stewart Island - Major tourism operator Real Journeys applied recently for resource consent to moor an underwater observatory near Jacky Lea Island. The aim was to expand tourist operations by showing marine life in the area with a particular emphasis on opportunistic observations of white pointer sharks.

PIC was a submitter to this application. We made no objection to the actual mooring establishment but asked for controls around discharge to the marine environment of waste from the observatory or associated vessels as a way of preventing active chumming for sharks. Further we questioned environmental safety issues around fuel or oil spillage in the event of the observatory being wrecked or sunk in this very exposed area, and area of particular importance to Paua5B harvest crews. Environment South took those concerns in to account, and real Journeys has since shelved its application pending further work.

Wave and Tidal Power Generators - Stewart Island is the first area we have seen to be trialled for wave powered electricity generation. A resource consent application has been lodged for a trial generating plant offshore from Patterson Inlet. While we see no problems likely to arise due to the operation of these plants, there could well be a problem for us with actual transmission of electricity from the generator to the grid.

Power generating companies are able to apply for cable exclusion zones around their transmission cables which could be routed across near-shore paua grounds. Fighting Bay in Marlborough being a case in point.

We ask that you all get in touch if you become aware of any such application in your area.

In the case of the Stewart Island application, it appears the cabling will come ashore near Ackers Point which is closed to commercial harvesting.

NZ FOOD SAFETY AUTHORITY (NZFSA)

CODEX Project - Over the last two years this project has come a long way. The initial position taken by UN food safety organisation, CODEX, was that abalone, including paua, would be forced into the same testing programme as other shellfish. This would have meant that water and meat samples would need to be analysed throughout the season to prove that the water they were being harvested from was free from toxins. It was estimated that it could cost the paua industry quota owners \$1.5 m to \$2m per year (each and every year) to run such a programme and that this wouldn't count the lost days where we couldn't harvest because sampling programmes hadn't been completed. Given peak algal bloom (bio-toxin event) times tend to occur over summer, in the run up to Chinese New Year the effects could be dire.

We are now at the stage where we are working closely with the Australians and plan to have the data that will allow us to bench mark off the other shellfish testing regimes. What we need to do for this is to run a project that aligns the results obtained from other shellfish and compare it to the toxins found in abalone from the same sites. This project will run over two years and will cost \$750,000. New Zealand's contribution to this is \$81,000 of which NZ Food & Safety are kindly contributing \$30,000. This leaves an amount of \$51,000 to be met by the paua industry which we are sure everyone will agree is a small percentage of what it could of cost NZ quota owners. The result we are aiming for is to prove that paua do not have a bio-toxin problem and so need no stringent testing regime.

DEPARTMENT OF CONSERVATION.

Shark cage tourism: The growing number of commercial tourism ventures considering or promoting viewing and diving with great white sharks in near shore coastal waters at the Chatham Islands and around the south coast of the South Island with potential consequences for paua divers is a significant concern. PIC has been lobbying DOC officials over the need for a regulatory framework for shark watching tourism and encouraged SeaFIC to write to the Minister of Conservation requesting that a regulatory solution be provided under the Wildlife Act to prevent adverse effects on and interference with great white sharks. Active lobbying will continue until such a framework is in place.

West Coast Forum: The West Coast (South Island) Forum was tasked with making recommendations on areas and tools for the creation of marine protected areas for the West Coast. Alarmingly the consultation document made recommendation for significant and substantial areas of the West Coast to be removed from commercial fishing access through the creation of vast marine reserves. PIC led a collective of inshore stakeholder organisations to develop opposing proposals that were included in the final recommendations to the Ministers. Of particular significance to paua interests was a proposed marine reserve at Kahurangi for 26km of coastline that would have removed significant paua habitat in PAU 6. We jointly developed an opposing option of a much reduced area of that retained an ability to develop the paua resource. The Ministers' decision is pending.

OTHER

Attendance at Abalone Council of Australia's "5th National Abalone Convention. PIC is sending Jeremy to attend this conference. This provides us with valuable intelligence on trends and issues in Australia which concern New Zealand. In particular this year Jeremy is to present a New Zealand perspective on re-seeding (this also means that as a presenter his airfares and attendance are

covered by the conference organisers) and an update on research underway. Of interest to us this year will be the AVG situation 2 years on, any issues around bio-toxin research, Australian reseeded initiatives and fisheries enforcement trends and opportunities to co-ordinate work.

Presentation to secondary schools - Following a request by Nelson College and Nelson Girls College, PIC has written and presented a power point presentation as an educational resource aimed at year 12 and 13 students. This describes all the good work our industry does around fisheries management and should help counter the bad press we occasionally get. It is noteworthy that Jeremy was invited back on to the Nelson Girls College campus after his efforts while attending Nelson Boys in his younger days. If any other areas have such requests from their local schools, please contact Coops.

Seafood Innovations Limited (SIL) support funding for projects. Quota owners should be aware that almost all projects we undertake will have had an application made for support funding from SIL to keep costs down. We almost always get matched funding as a result. In turn this can lead to gains for the country. Projects that SIL have recently 50% funded include the Data logger development, Database development, Depletion trial (to find a more robust CPUE). The data logger development has resulted in spin off work for the company involved (CRA5 are now trialing a hybrid of our boat logger); this in turn means SIL is meeting government demands for a return on investment.

PIC BUDGET

As will be clear from the above, PIC is facing a steadily increasing workload with no real signs that this will change. In fact we anticipate that over the next year the Governments efforts reduce expenditure by cutting workforce numbers in the public service will make it increasingly difficult to get things done. The proposed amalgamation of MFish with MAF is already distracting staff in those agencies away from their core work. As an example DOC is now approaching a major restructure which has meant they have dropped tools on any regulatory work around shark cage tourism. This has meant PIC has to chase officials and travel to Wellington to lobby to get what should be a straightforward job done. An extra cost, but one we have to carry.

PIC has therefore asked its directors to approach PauaMacs to increase their PIC levy by 5%. It would be the first increase in PIC budget in four years, and will help avoid us having to drop work through funding issues.

Well that's all from PIC.

PIC will be trying to attend all PauaMac AGMs to answer your questions and we look forward to catching up with you then. In the meantime, as always, if you have a question or need to talk through an issue give us a call or drop us a line.

Yours sincerely



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