

# PAUA INDUSTRY COUNCIL Ltd

NEWSLETTER 12 – SEPTEMBER 2008

## Fuel Tax Rebates

As most of you probably know, use of petrol in a registered commercial fishing vessel is subject to a rebate. But some may not be aware of this.

If you use petrol in your boat or dinghy, as long as they are registered, you can claim back the Excise Duty portion of the cost from Land Transport NZ. This is an easy process and is done quarterly on a form (MR70) which can be downloaded off the website shown.

At the moment the rebate is about 23.8 cents per litre plus an ACC rebate of 7 cents per litre, so about 30 cents per litre all up.

Over a season this will add up to quite a saving.

Further claims can be done retrospectively back two years with a small reduction in the claim rate of about 10%.

Happy fishing and claiming!

[www.landtransport.govt.nz/factsheets/14.html](http://www.landtransport.govt.nz/factsheets/14.html)



## Reseeding

During the PauaMac AGM's there were discussions around the merits of reseeded. To help people understand reseeded more PICL are intending to produce a 'heads up' booklet on what has happened in NZ to date.

However there is a bigger picture that needs explaining so industry people identify where reseeded fits in and why we have no choice but to continue down this road.

Thirty years ago the abalone market was supplied by 20,000 green weight tonnes which was all caught from wild harvest fisheries. The product range was frozen, canned or dried. Now we have world production that has increased to 40,000 tonnes of which only 10,000 is coming from wild harvest fisheries. This has considerably changed that product range available to consumers – the choice now includes 60 to 150mm (live, chilled, dried, frozen, retort packaged and canned). Unfortunately the market segment our paua goes into is the least lucrative – consumers have so much choice now that our product is not the most sought after form of abalone.

Added to this is the fact that we are increasing size limits to better protect the spawning stocks in most of our fisheries – the result being that processors are ending up with bigger paua so 'two whole pieces' per can is being replaced more and more with one paua plus half a paua to equal the drained weight of 200 grams. These larger paua plus part paua pieces further reduce the desirability of our product with consumers. Countries like Australia have changed the market segment they sell into – 70% of their exports are now live and they receive a beach price that is 50% higher than ours. When this channel constricts they then revert to canning again and flood the market segment we depend on.

If NZ quota owners are content seeing their product going into the lower end of the commodity market then we should carry on doing exactly what we have always done. However as we have seen over the last few years the price points in this market segment are no where near what other abalone products are fetching.

If you want to see a financially viable return on you quota investment we have no option – we have to move the bulk of our product away from the bottom end of the market. We need to be selective because we have limitations – there is no point in trying to compete head on with the Australian live product – they have much more air cargo space available heading to China plus with their green foot abalone they have a fish that is not covered in black.

One promising option is to gear up to supply the market 100 to 110mm canned paua (a uniform two pieces per can). At present the only way we can do this is by moving away from relying on Mother Nature to provide the next generation and instead utilizing reseeded to provide the bulk of these fish – if we are leaving all paua over 125mm then we will create a spawning biomass that will greatly assist production of more juveniles. Other wild harvest

fisheries could not compete with us because they have not had the success NZ has achieved with reseeded (due to paua having a very specific juvenile habitat of one metre deep at low tide – in other abalone fisheries there is no clear zone in which juveniles live which makes it near on impossible to achieve survival rates the have been achieved in NZ). The burgeoning abalone farming sector would not be able to compete either because 100mm is at the top of their range and the cost to grow these fish is far higher than the our costs associated with reseeded and mortality until harvest (our cost per survivor is far cheaper than producing 100mm farmed abalone).

This is not some pie-in-the-sky dream – the Fisheries Act can already accommodate situations described above (Challenger Scallops is a good example). Reseeded can be a key way to achieve an improved market segment so we should be increasing reseeded spend around our QMA's to get closer to commercial sized trials.

NZ has had the best results from abalone reseeded compared to anywhere in the world and we have to utilise this knowledge to help us change the way we fish to better meet market opportunities.

## Poaching

PICL are working with MFish Compliance to help shut down all avenues that illegal operators are using to get product out of NZ (if they can't get it out of the country then effectively their business will be choked – it's a pity it wasn't that operators that we got to choke...). If you are exporting paua meat products overseas can you please contact Jeremy Cooper ([cooper@xtra.co.nz](mailto:cooper@xtra.co.nz)) as PICL have produced a questionnaire that will help us build a flow diagram showing who is exporting our legally sourced products. Hopefully this will help MFish identify any operators that are legitimate dealers in fish products but who might be exporting illegal sources paua meat.

## Shed Sampling

PICL have the MFish contract to carry out catch sampling (measuring the shell length) of a percentage of the TACC. While we have finished this seasons sampling we want to increase the number of samples for next season so if you are keen to assist can you please contact your local PICL director to arrange for sampling kits – these only take a couple of minutes to fill in.

## Shark Shield

For those who have a phobia about sharks, have a look at this site – [www.sharkshield.com](http://www.sharkshield.com) – this is the Shark Shield that NIWA diver's use.

There is some very good video footage that lets you see the reaction of sharks when the device is turned on.

# Shellfish Working Group Assessment Update

On August 27, industry representatives attended a shellfish working group meeting at NIWA. This was one of the routine scheduled meetings which form part of the research planning and stock assessment process.

The first of two important items for us was the presentation by Andy McKenzie (NIWA) of the draft final research report on the Monitoring Pau2 and Pau3 project. The report was essentially a desk top exercise which looked at and analysed available catch and stock information, but of course did not involve a full blown stock assessment.

For both fisheries the picture emerged of stable catch rates over time indicating that fish stocks were healthy enough to support the current TACCs in both areas.

We (industry) endorsed the NIWA papers and conclusion and as a result the group is to recommend to MFish that no further stock assessment work need be carried out in Pau2 and Pau3 in the medium term apart from normal monitoring - so both fisheries passed their warrant of fitness.

Good news for a change, and congratulations has to go to the Pau3 quota and ACE holders for their efforts over the past few years to implement effort spread and other measures. Andy acknowledged this work. Well done guys.

The second bit for us was an outline done by Jeremy on work he has completed on a way to define and quantify potential impacts on paua fish stocks of mataitai and marine reserves.

We followed up by asking the working group to support our efforts to remove the responsibility for assessing mataitai and Marine Reserves impacts on fish stock sustainability away from the MFish Spatial Allocations group and instead have it done by the Science Working Groups. As you will be aware we have all been concerned for some time about the Spatial Allocations lack of expertise and partisan approach to their job.

Jeremy's presentation was well received by the experts present and consequently Peter Todd (WG Chairman) is to approach the MFish Head Scientist and other senior MFish Managers to outline industry concerns and their proposed solution.

Two QMA's are up for stock assessments next year - Pau4 and Pau5D, with Pau5A being about half way through its 3 year assessment project. PICL & SeaFIC are currently in discussion with MFish as there has been a major blown out in the prices MFish received from NIWA to carry out these projects (the majority of the cost of these projects is recovered off quota owners in these QMA's).

## PAUAMACs – AROUND THE TRAPS...

All PauAMACs successfully completed their AGM process by late July. Elections and project budgets and the associated levy requirements were completed.

A snapshot of what existing and new work is being undertaken and what issues face each area will have been included in each of the MACs newsletters, so here is a brief roundup.

**Pau2** has a major challenge ahead dealing with the lodging of two mataitai applications which cover parts of the coast which have been significant contributors to the commercial fishery. While the fishery appears in good heart, loss of coastal access could change all that.

This year ongoing work to have the Wellington south coast reopened will continue and a fish down project is being consulted on with MFish for stunted stocks in that QMA.

**Pau3** continues to respond to fishing management measures adopted by the quota and ACE holders there. Once again though this is threatened by the possibility of mataitai closures. As with Pau2, a stunted stock area fish down is being looked at, in this case for Banks Peninsula. Reseeding efforts are gaining momentum and orders for the coming years juveniles are to be placed shortly.

**Pau4** has probably the most ambitious programme for management change in place. Work is underway for two major changes, the legal introduction of UBA into the fishery and the conversion of quota from its current green weight basis to meat weight. These are to address issues of potential serial depletion, meat weight recovery issues and diver safety.

MFish is engaging closely with Industry reps on these issues and so far no insurmountable hurdles seem to have appeared. Reseeding is to be stepped up with the development of a paua spawning facility on the Chatham's to bypass that particular bottleneck. There is also some interest in a limited fish down of stunted stock areas around the Island.

**Pau5A** will enter the coming season as the third year in its fish stock recovery plan. Shelving documents have recently been mailed out to Quota owners for the 30% shelving and effort spread tables will be sent out when the shelving is completed. The diver feedback received indicates that the management measures in place are working and that things are looking on the mend. The years reseeded work was completed in July with the out planting of about 125,000 juveniles in Preservation Inlet.

**Pau5B** has now reached its 6th anniversary after the major quota cuts done to address the declining biomass concerns. Diver reports indicate that Stewart Islands slow recovery continues and that the current minimum harvest size of 133mm is helping build up a healthy spawning population. About 98,000 juveniles were out planted in July around Edwards, Jack o Lee and Bench Islands. On the downside the massive number of small customary closures being looked at by local rununga and hapu is causing concern.

**Pau5D** is being fished at the same increased minimum harvest sizes used last year - 127mm North of Warrington and 130mm to the South. Once again diver feedback on the state of fish stocks is mostly positive. The reseeding programme is looking at sourcing seed paua from a hatchery at Warrington to make the work more efficient and Bob Street is continuing his excellent development and monitoring work. The final 50,000 juveniles for 5D were out-planted on Dog Island in the Winter. Once again customary issues loom large with the very large Moeraki application being processed now by MFish.

**Pau7** successfully out planted about 85,000 juveniles in the Autumn and are looking to step up numbers in the coming year. As with other QMA's the peculiar weather pattern has meant that fishing has continued later in the season than is normal. This will no doubt mean that catch rates are likely to be a little down at the start of the new season than for other years.

Initiatives such as increased harvest size for some areas and better data collection will be underway in the new season.

## QUOTA PRICES

The market for quota appears weaker due to the ongoing strong dollar impacting on beach price. The recent purchase by AFL of the Ocean Ranch group and its associated quota holdings do not appear to have impacted unduly on demand for quota. Listed below are some prices recorded for sales around the country in recent months (price per kilo).

**PAU2** = \$330-350

**PAU5B** = \$410-430

**PAU3** = \$380-400

**PAU5D** = \$350-370

**PAU4** = \$335-345

**PAU7** = \$350-370

**PAU5A** = \$320-330

# Operation Paid

In the early half of 2007 the Mfish Special Operations Unit (SOU) commenced profiling known paua thieves and accumulating intelligence in regards to the Wellington South coast area. Over a period of several months an alarming picture was assembled that pointed to organised criminal groups stealing significant quantities of paua from this area. The intelligence picture allowed the SOU to proceed to planning and subsequently to conduct an operation targeting organised criminal offending in regards to paua from the Wellington South coast.

The operation commenced in September 2007 and ran for nine months. During the operation it was determined that groups of divers were taking significant quantities each week. Operation statistics show that one diver took 8,068 individual paua, another took 5,753 individual paua. These are the higher end offenders with those at the lower end taking hundreds.

In all the operation purchased 35,851 individual paua during the period of the operation or approximately 9.322 tonne green weight. As in any such operation it is pointless apprehending those actually stealing paua without attempting to apprehend those dealer networks above who are organising the illegal divers.

To this end the operation infiltrated this distribution network and established that 'middlemen' dealers were organising the divers in Wellington, buying the paua off them for between \$18 - \$21kg (meat weight) then transporting the paua to Auckland where it was sold to buyers for around \$48 - \$50kg. The Auckland buyers then sold the paua to both private and commercial businesses. To establish these matters and identify those involved required the on-sale of 28,853 individual paua or approximately 7.5 tonne (green weight)

Termination occurred in late May 2008. A total of 65 offenders have been apprehended and are facing Section 233(1) Fisheries Act charges (buying/selling/dealing in contravention of the Act) that carry a penalty of five years imprisonment and/or \$250,000 fine. In addition to this a further eight offenders were tactically apprehended during the operation.

Therefore in total, Operation Paid netted a total of 73 offenders. This is a major win in the fight against poaching of an iconic NZ shellfish and the theft that threatens the sustainability of our paua stocks.

In total approximately 16.8 tonne of paua (green weight) was traded during the operation with a commercial value of approximately \$1 million.

This has been an extremely successful operation in targeting organised theft and distribution. The operation was made possible through the accumulation of quality information and intelligence.

This allowed Mfish to put the picture together, identify those involved and how they were operating. Without this information we don't have a starting point and it is very difficult to target these secretive and well organised criminal networks.

In this regard, members of the Paua Industry Council Ltd are in a position to help Mfish in the fight against these thieves who threaten your livelihood.

Mfish are seeking your support in this fight. We understand that there may be some reluctance to use our 0800 4POACHER hot line to report information regarding paua offending. To this end we will trial a system that will allow your members to ring the SOU Intelligence Officer directly. The SOU is tasked with conducting operations targeting organised criminal offending in regards to paua and other high value species. Therefore any information passed to us will go directly towards targeting and planning such investigations.

If you have any information you wish to pass to Mfish please contact our Intelligence Officer, Dianne Manning – (04) 576 8055 or 027 451 0250 or [dianne.manning@fish.govt.nz](mailto:dianne.manning@fish.govt.nz).

If this arrangement proves successful, Mfish will look at installing a separate 0800 line to receive information from members of the paua industry.

# Mfish enforcement project

A few divers in each of our QMA's are helping out with an Mfish enforcement project which will help prosecutors prove whether paua found in the course of investigations are under the minimum legal size or not.

Fishery officers investigating poaching and black market trading often intercept shelled or shucked paua. If the shell is missing, it's not possible to directly determine if a paua meat came from a legal-sized animal.

It is reasonable to assume there is a relationship between the size of a paua meat and the size of the shell it once inhabited. This can be stated simply as 'the bigger the shell, the bigger the meat'. Several published academic studies have described relationships between blackfoot paua shell lengths and meat weights. The Ministry of Fisheries has also collected paua shell length and meat weight data, and has used some as evidence in recent prosecutions.

Ministry of Fisheries scientists need more data so they can determine if relationships between shell length and meat weights vary around the country. Some commercial divers are helping with this project, by retaining a few paua from each day's catch and passing them to Fishery Officers for analysis by Ministry scientists.

Taking undersized paua threatens the fishery. The penalties for taking or possessing undersized paua reflect the seriousness of the offense. This collaboration between the Paua Industry and the Ministry of Fisheries is a cost-effective way of enhancing Fisheries Compliance's ability to take action against poachers.

---

## Beachcast Shell Sales

Following a number of illegal fishing busts this year it has become apparent to Mfish enforcement that the sale of shell from illegal catch is becoming a significant earner for fish thieves.

The relatively high price of shell over the last year is likely to lead to an increase in amateur catch to take, which is likely to lead to an increase in 'hobby sales' of shell.

This has led to a harder line on enforcement of the law around sale of shell by non fish permit holders. The Fishery act is clear that no person can trade in fish, shell or seaweed if that aquatic life is sourced recreationally. This also includes fish taken using customary permits. For your information as commercial paua fishers the definition of 'fish' in the Fisheries Act 1996 (the Act) is as follows: *'fish' includes all species of finfish and shellfish, at any stage of their life history, whether living or dead.* In addition, all references to 'fish' in the Act include "any part thereof".

The shell is part of the shellfish so the definition includes beach cast or discarded shell, whether broken or whole. If an exception was made for beach cast shell it would be hard to enforce and probably provide an incentive for some to harvest paua just to get and sell the shell.

While Mfish enforcement has tended to show a bit of leeway with amateur shell sales in the past, this is no longer the case. Unfortunately this means for example kids picking up and selling shell for a bit of pocket money will be unable to do so. Once again the honest majority get penalised for the greed and opportunism of the few.

PICL is making inquiries to see if it is possible that honestly sourced beach cast shell can be sold by getting a legitimate fishing permit holder to provide permit cover.

---

## Good Swell / Wind Website

The Dominion Post has set a link to SwellMap (so it is free). Have a look at [www.stuff.co.nz/dominionpost/0a27991.html](http://www.stuff.co.nz/dominionpost/0a27991.html).

For help to read the charts go to [www.swellmap.com/guide.php](http://www.swellmap.com/guide.php).

# Mataitai Update – Property right? What property right?

In the Wairarapa the two mataitai applied for at Cape Palliser and Pukaroro are now well into the consultation phase. The next stage, following local community consultation which is now complete, is for consultation with commercial interests. There is no expected date for this phase to begin but once notified in the local press, a tight consultation period will follow. If the application proceeds with the proposed boundaries it will have a significant impact on the Pau2 fishery. Pauamac2 has engaged the help of Kate Bartram – (04) 801 4681, kate.bartram@seafood.co.nz – to help with a general submission and assistance with ACE holders and quota owners in preparing their own submissions. Once the commercial consultation is notified in the local press Pauamac2 members will be contacted as to how you can help with the submission process. If you have any questions please get in touch with Kate.

Pau7 is also facing two current applications. Both were lodged last year and are in the consultation phase with commercial interests. The two areas being eyed up by a joint group of three iwi, at Kaihoka and Anatori, are once again significant contributors to the fishery so you need to get in with your submission to try and stop them. The Pau7 submission is being handled by Nadine Taylor – (03) 573 6151, pauamac7@xtra.co.nz – on behalf of PauMAC7.

For those who are not PauaMAC7 members, you are urged to lend a hand with this one; it could be a serious precedent if it gets through. Bear in mind that at the PauaMAC7 AGM a customary representative stated quite clearly that each of the top of the South Iwi will be looking for their own mataitai and that the large Tory Channel mataitai application is anticipated to be revisited in the near future, every one needs to keep involved in mataitai submission processes. Remember, mataitai are forever!

The Ngai Tahu Customary Unit has released its overall list of sites of special significance around the South Island. A map of these has been sent to us and PIC will email you copies if you contact Jeremy. They are proposing a mixture of customary tools including temporary closures and mataitai. A number of these are already the subject of existing mataitai applications and some proposed mataitai areas are for fresh water areas only. However for the remainder of proposed mataitai reserve applications, four mataitai are situated in Pau3.

In Pau3 the four mataitai being considered are to be dealt with through the Te Korowai [Kaikoura Guardians] group. Te Korowai will be consulting extensively before any formal application is made. If you would like to discuss these you should contact Phil Richardson – (03) 3196556, hapuku-olives@xtra.co.nz.

PIC is further aware that an unaffiliated rununga may also be looking at another mataitai application near Motunau and an existing application for a section of Banks Peninsula, south of Tumbledown Bay.

In Pau5D, there appear to be no plans for any new mataitai applications which will affect paua fishing at this stage, though of

course applications for Waikawa and Moeraki are being considered by MFish Spatial Allocations at present. There may be some changes to the Karitane taipure, though this do not involve changes to existing boundaries.

For Fiordland, once again no new applications though the Waitutu mataitai application may be revived soon.

Stewart Island is facing a very large number of customary closures, particularly around the various Titi [muttonbird] Islands. There have been 3 mataitai applications lodged, at Pikomamaku [Womens Island], Kaihuka [Breaksea Group] and Horomamae [Owen Island] though these have yet to be advertised for local consultation. Once commercial consultation begins Kate Bartram will circulate maps and questionnaires relating to these applications to Pau5B quota and ACE holders for feedback so a strong submission can be made.

In addition to the 3 mataitai applications, areas on many of the other Islands are being considered for commercial closures to paua and sea urchin harvesting under section 186 of the Fisheries Act. This is the section which deals with Rahui and similar closures. There look to be about 30 of these s.186 closures being mooted. It is hoped that PauaMAC5 representatives will be able to meet with the applicants to discuss the potential effects of these applications.

On the Chatham Islands, while no mataitai applications seem to be looming, a series of Hui are being held to look at an overall approach which might better suit the local community there. At this stage it seems likely that the holistic approach which seems to be missing in the rest of New Zealand may be possible.

## Help your Pauamac protect your interests

In preparing submissions to oppose mataitais (and other spatial closures such as Marine reserves etc), Pauamacs need to identify accurately the level of reported catch that comes from the paua fine scale statistical areas.

The Ministry of Fisheries data management team will not release catch data from stat areas unless there are three or more fishers with catch. The only way that Pauamacs can obtain the data is if permit holders sign release documents for catch information at the statistical reporting level. However neither will MFish identify who has been taken catch in areas. When we have very tight deadlines for submissions and need the data quickly so that the relevant analyses can be made it would make the task of those preparing submissions in opposition easier if we could access the data automatically.

We appeal to all of you to sign data release forms so that we can work effectively for you. You will not be identified when we receive the catch data. We will not know who or how many fishers took the total catch. All we need and will request is the total catch in a series of years.

PIC will be working with Pauamacs on data release forms for all QMA's in the near future, the first test run is now underway in Pau5 fisheries.

That's about it for this newsletter. As always if you have issues or information you need to discuss with PIC, contact Jeremy or Storm or your PauaMac PIC representative director. Good luck in the coming season, with safe trips and top catch rates.

Yours sincerely...



Jeremy Cooper  
CEO – Paua Industry Council Ltd.  
Email: cooper@xtra.co.nz  
Mobile: 0274 323041



Storm Stanley  
Chairman – Paua Industry Council  
Email: stormalong@xtra.co.nz  
Mobile: 027 6531073

This newsletter was produced by  
the Paua Industry Council Ltd  
for the Paua Industry

**PIC Ltd**

C/o Fishing Industry House,  
Level One, 74 Cambridge Terrace  
Private Bag 24-901 Wellington  
New Zealand  
Tel (04) 385 4005 Fax (04) 385 2727