

Caucus committee issues paper

Minister	Hon David Parker
Portfolio	Oceans and Fisheries
Date to caucus committee	1 June – Infrastructure and Environment
Name of proposal	Oceans and Fisheries suite of papers

I am taking a suite of Oceans and Fisheries papers to Cabinet that will underpin the Government's work on Oceans and Fisheries.

In the coming weeks I intend to make public announcements on the cameras on boats programme, the Government response to Sea Change, wider fisheries regulation changes and begin consultation on the Maori Fisheries Act review.

The papers are:

Paper 1: Oceans and Fisheries portfolio—promoting healthy ocean ecosystems

Paper 2: Fisheries Management System Reform Agenda

Paper 3: Fisheries Amendment Bill: Strengthening fishing rules and policies: landings and discards

Paper 4: Fisheries Amendment Bill: Strengthening fishing rules and policies: offences and penalties and agile decision making

Paper 5: The Government Revitalising the Gulf – Government Action on the Sea Change Plan

Paper 6: Initial response to Prime Minister's Chief Science Advisor's Report on Commercial Fisheries

Paper 7: On-board cameras across the inshore fishing fleet

Paper 8: Maori Fisheries Act Review – proposal to consult on a draft Amendment Bill

Summaries:

Oceans and Fisheries portfolio—promoting healthy ocean ecosystems (Paper one)

Purpose:

This paper seeks agreement to a vision for the Oceans and Fisheries portfolio, Objectives and principles to support the vision and guide portfolio work, an initial work programme for the portfolio and the establishment of an Oceans and Marine Ministers Group (OMMG) and an inter-agency Oceans Secretariat to ensure delivery of the work.

Background:

This is the first paper in a package of Oceans and Fisheries papers.

The creation of the Oceans and Fisheries portfolio – expanded from the former Fisheries portfolio – signals the Government's commitment to a more holistic, integrated approach to managing the oceans. This is consistent with the Government priority of Laying the Foundations for the Future, and will assist New Zealand's economic recovery from COVID-19.

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Oceans and coasts are central to New Zealanders' identity, wellbeing and prosperity. Iwi/Māori have diverse rights and interests in the marine environment, including rights under fisheries and aquaculture settlements and other relevant legislation.

Activities on land and at sea, and their cumulative effects, are negatively affecting the marine environment; and climate change is warming seas, with impacts on marine ecosystems that are expected to increase.

Our current marine management system is fragmented and has difficulty responding to these pressures in a holistic, timely manner. Current settings have also hindered opportunities for growth and innovation. Progress on marine protection has been slow relative to objectives under international treaties. The Oceans and Fisheries portfolio will address these problems.

The proposed vision for the Oceans and Fisheries portfolio – *Ensuring the long-term health and resilience of ocean and coastal ecosystems, including the role of fisheries* – is supported by objectives and principles.

An initial Oceans and Fisheries work programme will include fisheries system reform, improved fisheries monitoring (ie cameras on boats), the development of open ocean aquaculture, and increased protection for marine ecosystems and key species. An assessment of how far the initial work programme will go in realising the vision and objectives, and what future longer-term work may be necessary is proposed alongside the establishment of Oceans and Marine Ministers Group (OMMG) and an inter-agency Oceans Secretariat to ensure delivery of the work.

Key recommendations from this paper are:

- Note that the creation of the Oceans and Fisheries portfolio signals a shift to a more holistic and integrated approach to managing our oceans
- Agree to the proposed vision, objectives, principles for the portfolio
- Agree to the initial work programme and the establishment of the Oceans and Marine Ministers Group and an inter-agency Oceans Secretariat to support the Minister for Oceans and Fisheries and the OMMG, hosted by the Department of Conservation

Fisheries System Reform Agenda (Paper two)

Purpose:

This paper seeks agreement to a reform agenda to strengthen and modernise New Zealand's fisheries system.

Background:

This is the second paper in a package of Oceans and Fisheries papers.

The New Zealand fisheries management system, through the Fisheries Act and the Quota Management System (QMS), has secured a broad platform for the sustainable management of New Zealand's fisheries, but new challenges and opportunities facing the fisheries management system mean that change is required. The paper identifies improving environmental outcomes, including from non-fishing pressures such as climate change as a key challenge, and that innovation will be a key to supporting improved fishing practices and regulation.

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The paper endorses the vision set out in the Prime Minister's Chief Science Advisor's Report *The Future of Commercial Fishing in Aotearoa New Zealand* of a commercial fishing sector in 2040 that is innovation and technology driven, with highly selective fishing practices and minimal environmental impacts, underpinned by data, and agile and responsive regulation.

The paper proposes a reform agenda with changes across three broad areas:

- creating better alignment of incentives to drive more selective fishing underpinned by transparent and accountable commercial fishing practice;
- moving towards a more ecosystem-based approach to fisheries management, working alongside local communities, and
- supporting workers to be fairly rewarded for their efforts.

Key recommendation from this paper are:

- **Note** that separate papers set out recommendations for:
 - legislative changes to progress strengthened rules and policies for commercial fishers;
 - release of the Government Strategy in response to the Sea Change Tai Timu Tai Pari Hauraki Gulf Marine Spatial Plan; and
 - the development of a Government response to the Report from the Office of the Prime Minister's Chief Science Advisor, *The future of commercial fishing in Aotearoa New Zealand*.
- **Note** that the Minister for Oceans and Fisheries will initiate an inquiry into the use and allocation of migrant labour across the industry.
- **Agree** that the Minister for Oceans and Fisheries initiate an Industry Transformation Plan which outlines actions to achieve key aspects of the reform agenda, with a focus on reducing the environmental impacts of fishing and increasing the value received from fisheries.

Fisheries Amendment Bill: Strengthening fishing rules and policies: landings and discards (Paper three)

Purpose:

This paper seeks agreement to amend the Fisheries Act 1996 and associated fisheries regulations, to tighten commercial fishing rules for which fish must be landed, and which are required or allowed to be discarded at sea. This will incentivise fishers to minimise by-catch and catch fish they value.

Background:

This is the third paper in a package of Oceans and Fisheries papers.

Increasing public expectations about how our oceans and fisheries are managed, along with advancements in information capability and fishing innovations, are presenting significant opportunities to transform our fisheries.

I seek to more strongly incentivise fishers to catch only those fish they value.

The rules relating to the landing and discarding of catch have resulted in disincentives for good fishing practices. Compliance reports, fisheries observer reports, and independent research have demonstrated evidence of illegal discarding in New Zealand fisheries. While the volume of previous illegal discarding is contested, there is no doubt that it has been a significant issue that must be

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addressed. This will help ensure our fisheries and oceans are abundant and thriving, and improve New Zealand and global customers' confidence in the fisheries management system.

Key recommendation from this paper are:

- **Agree** to simplify landings and discards rules and further limit what can be legally returned to sea by amending the Fisheries Act 1996 so that all fish removed from the sea by commercial fishing are accounted for and used, through the following rules:
 - all fish caught, whether they are a QMS species or not, must be reported;
 - all QMS fish mortality caused by commercial fishing must be accounted for within the fisheries management system (i.e. balanced using annual catch entitlement or through paying deemed values); and
 - QMS species, live or dead, must be landed unless an exemption is issued by the Minister for Oceans and Fisheries.
- **Agree** that exemptions issued by the Minister for Oceans and Fisheries may be issued for the following purposes:
 - the stock or species has an acceptable likelihood of survival;
 - the retention of the stock or species will have a negative economic value; or
 - mandatory specific stock or species returns are required for a biological, fisheries management, or ecosystem purpose and the stock or species has an acceptable likelihood of survival.

Fisheries Amendment Bill: Strengthening fishing rules and policies: offences and penalties and responsive decision-making (Paper four)

Purpose:

This is the fourth paper in a package of Oceans and Fisheries papers.

This paper seeks agreement to amend the Fisheries Act 1996 and associated fisheries regulations to:

- establish a graduated offences and penalties regime for the illegal discarding of fish;
- improve the effectiveness of on-board cameras and clarify cost recovery arrangements; and
- enable more responsive decision-making.

Background:

Changes to landings and discards rules (Paper three), together with electronic catch and position reporting and the rollout of on-board cameras, will reduce the scope for both legal and illegal discarding of unwanted fish. This increased use of technology means illegal discarding is more likely to be detected, particularly lower levels of discarding. A new offences and penalties regime is needed to complement these changes.

A graduated offences and penalties regime is proposed where fishers are penalised proportionate to their offending and enforcement measures can be applied with more certainty and greater effect. The current maximum penalty for the most serious offending will be retained, with the addition of a new graduated penalty model of criminal and infringement offences.

Changes to improve the effectiveness of on-board cameras that enable the monitoring of catch sorting, processing, and disposal are also proposed to better monitor protected species captures, to help verify catch composition, and to improve fisher behaviour.

The improvements in the quality and quantity of information made possible with technological changes also support the proposal to enable a more responsive decision-making framework. This

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will improve the speed of decisions, provide greater certainty and result in improvements to setting catch levels and other sustainability measures over time. I also propose to align the processes for setting catch limits and other sustainability measures across commercial and recreational fisheries that makes use of this information.

Key recommendations from this paper to the committee are:

- **Agree** to amend the Fisheries Act 1996 to create a graduated offences and penalties regime for illegally returning fish to the sea or other waters
- **Agree** to amend the Fisheries Act 1996 to improve the effectiveness of on-board cameras and clarify cost recovery arrangements, and
- **Agree** to support the proposals to create a more responsive and transparent decision-making framework.

Revitalising the Gulf – Government Action on the Sea Change Plan (Paper five)

Purpose:

This paper seeks agreement to the Government Strategy, *Revitalising the Gulf – Government Action on the Sea Change Plan* (the Strategy), and public release of the Strategy.

Background:

This is the fifth paper in a package of Oceans and Fisheries papers.

The Labour Party's 2020 manifesto commits to continue working on the Sea Change project within the Hauraki Gulf. The Strategy sets out the Government's proposed response to the marine proposals in the *Sea Change – Tai Timu Tai Pari – Hauraki Gulf Marine Spatial Plan*.

The Strategy's actions take an ecosystem-based approach to restoring the health of the Hauraki Gulf, and address the many pressures across its marine ecosystem. Its actions will collectively work towards two outcomes, effective kaitiakitanga/guardianship and healthy functioning ecosystems. The Strategy will be complemented by existing measures implemented by Government such as the Essential Freshwater package and the Productive and Sustainable Land Use package. It will also complement work led by others including councils to manage freshwater quality and sediment from land use practices.

The Strategy's actions include increasing the area under marine protection in the Gulf from 6.6 percent to 17.6 percent by establishing 18 protected areas using new High Protection Area and Seafloor Protection Area tools. There would be complementary fisheries restrictions, including the exclusion of trawl fishing except within carefully selected "trawl corridors" and targeted measures to help restore locally depleted stocks. The fisheries measures will be progressed through a Hauraki Gulf Fisheries Plan.

The Strategy actions will enhance customary and recreational fishing experiences, and the connection that people have with nature. They will also enable local communities to be more involved in the management of their near-shore coastal areas.

Key recommendations from this paper to the committee are:

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- **Agree** to the actions in the Strategy;
- **Agree** to public release of the Strategy; and
- **Agree** that in the first phase of implementation, DOC and MPI/FNZ will engage with mana whenua and stakeholders to finalise the marine protection proposals and draft Fisheries Plan for the Hauraki Gulf.

Prime Minister’s Chief Science Advisor’s Report on Commercial Fishing (Paper six)

Purpose:

This paper provides a brief overview and proposed next steps to respond to the Prime Minister’s Chief Science Advisor’s (PMCSA) report *‘The Future of Commercial Fishing in Aotearoa New Zealand’* (the Report).

Background:

The Report, released in March 2021, makes a broad range of recommendations to improve the way New Zealanders catch fish commercially, and the way our fisheries are managed.

Officials are analysing the Report’s recommendations, and this will inform the Government’s response to the Report (planned to be considered by Cabinet in October 2021). While the Government’s response is prepared, a number of early actions have been identified. These actions include creating a framework for the prioritisation and protection of habitats of particular significance for fisheries management (under section 9(c) of the Fisheries Act 1996), supporting innovative fishing, through changes to special permit processes and making key fisheries information more accessible.

Key recommendation from this paper to the committee are:

Note that the recommendations in the Report align with the purpose of the Oceans and Fisheries portfolio and what I aim to achieve, as set out in Paper one of this package of oceans and fisheries papers

On-board cameras across the inshore fishing fleet (Paper seven)

Purpose:

This paper seeks approval of the Single Stage Business Case, the proposed funding model, and agreement for Fisheries New Zealand (FNZ) to engage with the market to procure the on-board camera solution and progress an Implementation Business Case for progressing on-board cameras across the inshore fishing fleet.

Background:

This is the seventh paper in a package of Oceans and Fisheries papers.

This business case follows Cabinet agreement in July 2020 to make Crown funding available to implement on-board cameras across the inshore fishing fleet focusing on priority areas for monitoring, subject to future consultation and a business case.

Expanding the use of on-board cameras is a crucial step to improving the integrity of the fisheries management system. By driving changes to fisher behaviour and on the water practices, the wider

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rollout will lead to positive environmental outcomes, improved data for fisheries management and scientific research, verification and compliance, and increased market transparency and trust.

Key recommendation from this paper are:

Agree to provide for on-board cameras across the inshore fishing fleet

Approve the Single Stage Business Case for on-board cameras across the inshore fishing fleet

Agree to Fisheries New Zealand, in collaboration with the Department of Conservation, commencing engagement with the market to procure an on-board camera solution

Note that the Minister for Oceans and Fisheries, in collaboration with the Minister of Conservation, intends to consult on the appropriate level of cost recovery from industry for the on-board cameras programme, and expects (subject to consultation) that the amount recovered would at least offset the proposed additional funding of \$10 million over four years

Maori Fisheries Act Review – proposal to consult on a draft of the Amendment Bill (Paper eight)

Purpose:

This paper seeks agreement on proposed changes to the Maori Fisheries Act 2004 and to undertake consultation with Māori and other affected interests through an exposure draft. The proposals will empower iwi to have a greater degree of rangatiratanga over their fisheries settlement entities.

Background:

This is the eighth paper in a package of Oceans and Fisheries papers.

A mandatory independent review of the Maori Fisheries Act 2004 was finalised in 2015. It recommended significant changes to the governance structures of the entities and simplified processes for trading assets.

Te Ohu Kaimoana undertook extensive consultation with iwi on the review's findings and iwi voted on a number of proposals that will create a significant restructure of the current governance framework of settlement entities and require legislative changes. These proposals are expected to move iwi towards a greater degree of rangatiratanga, improve the ability of the entities to deliver benefits to all Māori, and better achieve the purposes of the Act.

I have assessed the proposals and intend to promote those proposals that require legislative changes, subject to considering any comments arising from consultation.

Key recommendations from this paper to the committee are:

Approve policy changes to the Maori Fisheries Act 2004 and release and consult on the exposure draft with Māori and other affected interests.