

Hon Nathan Guy

Minister for Primary Industries



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Speech

Speech to Book Launch “Roughy on the Rise”

It's great to be here tonight celebrating two important milestones for the Orange Roughy fishery.

The first is Marine Stewardship Council (MSC) certification for several key orange roughy fisheries, and secondly to launch the book 'Roughy on the Rise' by Tim Pankhurst.

MSC certification is a great success and recognition for a fishery that was in real trouble in the early 1990s.

A huge amount of work has gone into rebuilding this fishery over the years by industry and successive Governments. To now have it recognised as sustainable by an independent, international body is worth celebrating.

The certification follows two years of review and assessment by an independent team of experts.

The turn-around in this fishery is a remarkable story and it's well captured in Tim's book, telling the story from a range of different viewpoints

What struck me about the book is some of the incredible pictures from the 1980s and 1990s of fisherman pulling up enormous catches. It was a real gold-rush but as a nation and an industry, we have learnt a lot from mistakes made in those days.

Since then scientific research has given us better information and new fisheries technology has helped this fishery to rebuild.

Many international markets are now demanding MSC certification as a baseline requirement, so to have this for such a valuable export fish stock is extremely important. This is the sixth species to achieve MSC certification.

It shows our Quota Management System is flexible and effective, and helps support the global reputation of New Zealand as being committed to developing sustainable fisheries.

MSC certification sends a message to consumers here and around the world that this is a premium product harvested with care.

Going forward, this kind of certification is going to become more important because consumers are demanding higher standards.

As a nation, we need to unashamedly target the wealthiest consumers because that's where the value is.

As a Government we've set a goal of doubling the *value* of primary sector exports by 2025. We can't double the volume of fish caught or milk produced, so it's about moving up the value chain.

Overall we produce enough food as a nation to feed 40 million people so we need to be targeting the wealthiest consumers.

These kinds of consumers have increasingly high standards. They want to know the story behind their product, where it comes from and where it was produced.

That's why your social licence to operate has never been more important.

Social licence and the *Future of our Fisheries*

This is one of the key drivers behind "*The Future of our Fisheries*", a major review to modernise and future-proof our fisheries system which was launched in 2015.

A public discussion document was released late last year and 426 submissions were received. The three strategic proposals are maximising value from our fisheries, better fisheries information and more agile and responsive decision-making.

A part of this review is looking at ways to improve discard rules, and again we received a lot of feedback on this which we are working through.

There are also two regulatory changes outlined to allow for the Integrated Electronic Monitoring and Reporting System (IEMRS), which includes cameras, geospatial monitoring and electronic reporting, and providing flexibility for developing new trawl technologies.

The first stage of IEMRS begins on 1 October this year with electronic reporting and geospatial monitoring rolled out, and then cameras on boats from 1 October next year.

This will be world-leading technology and give us arguably the most transparent fishery anywhere in the world.

This is a big change for the fishing industry and I acknowledge you for your support. The fact that most have accepted the need for changes shows you are serious about transparency.

We realise it will cost commercial fishers anything from \$5,000 to \$18,000 per vessel, and at the same time MPI will have added costs to support the software and back office functions.

Approval to make changes to regulations to allow IEMRS and new net technology passed through Cabinet recently, which is an important step forward. The next stage is to work with you the industry to develop the detailed requirements for the system.

We will be setting up a technical group to help with the rollout of this technology to make sure it is practical and delivers the outcomes we all want.

Overall these are the biggest changes to fisheries management in a generation, something I think many critics have failed to notice or recognise.

What is important is for your industry to be showing leadership and talking to the wider public, telling your story about who you are and what you do. So I'm pleased to hear you will soon be running a television campaign involving real people in the industry talking about your values, challenges and achievements.

MPI is also continuing to engage constructively with Te Ohu Kaimoana (TOKM) regarding the Future of our Fisheries strategic proposals.

I want to acknowledge the critical role of Māori in all of these fisheries issues. Tangata whenua are inextricably linked to New Zealand's seas and fisheries by whakapapa, and over 200 kaitiaki have been appointed to exercise guardianship over marine resources. The ongoing productive relationship with Te Ohu Kaimoana (TOKM) is a very important one to me and to MPI.

The seafood industry

A couple of weeks ago MPI released their updated Situation and Outlook for the Primary Sector (SOPI). It forecasts seafood export earnings will grow by an average of 4.6 percent per year, reaching \$1.9 billion in the year ending June 2018.

Your industry supports more than 8,000 jobs and has a total economic impact of \$2.5 billion to New Zealand.

Your exports are worth the same dollar amount as the wine industry, which is widely celebrated. The two industries have a lot in common – both producing a high quality, outstanding product unique to New Zealand.

An initiative I noticed recently is the NZ Wine Pure Discovery Project, run by NZ Winegrowers and Auckland Airport, aimed at encouraging tourists to

explore our wine growing regions. This is the kind of idea that might have merit for the seafood industry to consider.

As a Government we're working hard to improve your trade access overseas.

Last month Prime Minister Bill English announced Trade Agenda 2030 with the ambitious goal of having free trade agreements cover 90 per cent of New Zealand's goods exports by 2030, up from 53 per cent today. We are backing this up with \$91 million in new funding over 4 years to help achieve this.

As part of this, Trade Minister Todd McClay and I announced new funding of \$35 million to MPI to help further support our primary sector exporters. It will allow MPI to better tackle non-tariff barriers that the fishing sector and the rest of the primary sector faces, improve trade access as well as navigating international regulatory requirements through the establishment of an Export Regulatory Advice Service

We will also expand MPI's Economic Intelligence Unit to provide market insights and economic information to exporters, and we'll be putting more MPI officials in Europe and South East Asia, as well as a new embassy in Dublin and a new High Commission in Sri Lanka.

This updated trade strategy is timely given all the massive changes in the global landscape over the last 12 months. Not everyone predicted Brexit or the US election results, which just shows we need to be nimble-footed and stay focussed on the many opportunities ahead of us.

Moving up the value chain

There is a lot of work underway from industry and Government to help move up that value chain I talked about earlier, and it is the first of three strategic proposals in the *Future of our Fisheries* discussion document.

It's estimated that greater catch quality and value, such as moving hoki from a commodity to premium product could be worth up to \$100 million annually.

Plant & Food Research scientists have developed a new method for extracting and formulating collagen from hoki skins, a by-product of the seafood industry, for use as an industrial biomaterial.

Another good example is the \$48 million Precision Seafood Harvesting programme, developing revolutionary new net designs that allow fish to be landed in much better condition than traditional trawls.

Last year saw a big milestone with the launch of the new premium seafood category '*Tiaki*'.

Customers around the world will know when they see the *Tiaki* label that the fish has been caught and carefully selected in a revolutionary way. They will

also be able to use their smartphone to connect with where and how their fish was caught via a specially designed traceability app.

The programme is expected to deliver around \$44 million in economic benefits per year by 2025.

This kind of technology is world-leading. Another great example is the trawl net technology designed by Hawke's Bay fisherman Karl Warr, who is off to the United States after being named a finalist for the international Seafood Champion Award for Innovation.

Aquaculture update

There's also a lot of work underway to support the aquaculture industry's goal of becoming a \$1 billion industry by 2025.

This week we saw a big breakthrough for another PGP programme – the first crop from the SPATnz hatchery will soon be ready to harvest and to eat, after years of investigative work.

This is a big step forward for the mussel industry which has traditionally relied on harvesting wild spat, which can be unreliable.

It is a potential game changer for the industry, opening up all sorts of opportunities around selective breeding and developing products such as nutraceuticals and other high value products.

In the Marlborough Sounds we are considering a proposal to move some existing salmon farming space to a different part of the Sounds where it could be better for the environment and local economy.

Public consultation on this closed on Monday 27 March, with MPI receiving around 600 submissions from right across the community.

This week an independent panel of three resource management experts have started public hearings on the comments that have been submitted during the consultation phase. The panel has invited iwi to meet and hear their views.

MPI has also set up a dedicated group to engage directly with iwi to discuss any concerns and explore options to address them.

I expect that people will hold a variety of views about how best to achieve long-term sustainability of salmon farming in the Marlborough Sounds, and I'm interested in all feedback we receive on the relocation proposal. I look forward to receiving the report and recommendations from the independent panel.

MPI, MFE and DOC are developing a National Direction for aquaculture, working with an expert Reference Group comprised of representatives from

local government, iwi, the aquaculture industry and environmental organisations.

The intent of national direction is to provide greater certainty and efficiency in the renewal of consents for existing marine farms. National direction will also strengthen biosecurity management practices. We are on track to release document for public consultation in the near future.

In Kaikōura the earthquakes have had a devastating impact on the paua fishery with over 20% of adult paua habitat covering 94 hectares lost due to uplift. The area where juvenile paua live has been impacted to an even greater degree.

We have put \$2 million towards investigating the impact of the earthquakes on these fisheries, and have extended the temporary closure of this fishery which I'm pleased was widely supported by local industry who recognise the need to recover and rebuild.

Recreational fishers

Finally, we are also putting an increasing focus on recreational fishing, recognising how important this is to New Zealanders. There are around 700,000 recreational fishers who contribute around \$946 million to the wider economy.

Recreational fishers harvest more than 40 per cent of the snapper and kahawai landed in New Zealand, and more than 70 per cent of the kingfish.

MPI now has a dedicated recreational fishing team to strengthen communication and engagement with recreational fishers. As part of this it is developing regional advisory groups and drop-in sessions, and developing communication plans to regularly inform recreational fishers directly on fisheries management issues (including through social media).

We are also committed to establishing recreational fishing parks in the Marlborough Sounds and the Hauraki Gulf.

We expect that the recreational fishing parks will be established after the Marine Protected Area legislation is passed.

We aim to make further progress this year, and expect that there will be further opportunity for engagement with stakeholders.

MPI is also developing a Blue Cod National Plan to provide an overarching framework for management of this fishery, involving recreational fishers throughout the process.

Conclusion

So there is a lot of work ahead of all of us – industry and Government – in building value, telling our story and improving our practices. But there is also a huge amount of potential and success we should be proud of, like the orange roughly story.

Thank you and congratulations to everyone involved.

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