Growing pains of the Quota Management System

By
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Acknowledgments

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About Aotearoa Fisheries Ltd (AFL)

- We are the largest fishing entity in NZ
- Includes 50% of NZ’s largest fishing company (Sealord)
- We own approximately 25% of all fishing quota in NZ
- This is aligned with 20% of all quota that Iwi own from the treaty settlement;
  - Maori is in the position to manage 45% of all NZ fishing quota
The Aotearoa Fisheries limited Group

PRESENTATION OVERVIEW

• brief summary of our paper
• what growing pains?
• suggested new approach - joint ventures?
• structure of joint venture:
  • Science
  • Harvesting
  • Processing
  • Marketing
• example fishery:
  • surf clams
• conclusion & discussion
Our paper:

• reviews the current institutional framework in NZ
• suggests optimal management outcomes requires rights holders to operate collectively.
• discusses issues acting as hurdles and preventing the commercial fishing sector from maximizing value
• discusses constraints within industry in its ability to manage - such as the lack of collective action of rights holders
Our paper:

• explores the opportunities and benefits of rights holders being assigned greater responsibility for managing fisheries

• Considers an institutional framework necessary for the transfer of fisheries management services to rights holders

• discusses the design, implementation and devolution of fisheries management services that could be accepted and driven by the commercial seafood industry
What growing pains?

• Issues that have distracted industry from achieving an optimal model
  – Treaty of Waitangi Settlement Claims (Maori)
  – Change to proportionality (rights holders accepting the downs as well as ups of TACC changes)
  – Cost Recovery and institutional reform of the fisheries management agencies
  – Devolution and new systems development
  – Implementation of Customary rights
Key Drivers for collective action

• Impacts of the high dollar
• Soaring fuel prices
• Rising interest rates
• Sector allocation issues
• Changing world markets
Why joint ventures
**Current Model**

- **Science (Controlled by Govt)**
  - Catch and data collection by regulation and difficult to obtain
  - Largely determined by Government as part of sustainability round and paid for by Industry

- **Harvesting (Intellectual Property)**
  - Harvest and landing (by company vessels or on contract)
  - Profits captured in ACE
  - Delivery at will

- **Processing**
  - Processing and distribution controlled by company

- **Marketing**
  - Marketing and Sales delivered in house
  - Volume driven

**QUOTA OWNERS**

1. Largely independent
2. See themselves as competitors against fellow quota owners
Proposed Model

1. Develop management plans
2. Contract scientific advice, data analysis and biological modeling
3. Contract marketing and sales
4. Contract harvesting and landing
5. Contract processing and distribution

Quota Owners

Profit

ACE
The value of ACE (resource rent)
Surf clams

An Example
What are surf clams? (NZ Species)

- *Spisula aequilatera*
  - Triangle shell (SAE)

- *Dosinia anus*
  - Ringed Dosinia (DAN)

- *Bassina yatei*
  - Frilly Venus shell (BYA)

- *Mactra murchisoni*
  - Large trough shell (MMI)

- *Mactra discors*
  - Small trough shell (MDI)

- *Dosinia subrosea*
  - Silky Dosinia (DSU)

- *Paphies donacina*
  - Deep water tuatua (PDO)
Resource surveys

QMA2

AOTEAOROA
fisheries limited

1
Biomass Survey = 64mt

Habitat characterisation for surf clams in Hawke Bay
Strategic Approach

Management strategies to be applied

• Early development of management goals and strategic research plan
  – Harvest according to research plan
  – Logbooks to record data for monitoring recruitment and abundance
  – Fleet control through harvest contracts
  – Small spatial scale management
  – Environmental effects of fishing monitored
  – Developing stock assessment models for yield estimation and to provide predictions
  – Rotational fishing
  – Closed areas
• In parallel develop a strategic marketing plan
Research for management

Assisting in the development of new technologies and techniques

• Information for development and evaluation of fishing technologies including new hydraulic dredges

• Assist in the development of depuration techniques for areas with water quality issues

• Identify key live handling techniques and transport requirements
Outcomes

Under the proposed model:

• stakeholders would provide information more freely for better and more informed management decisions
• greater ‘buy-in’ for all decisions by internalizing rules
• improved compliance
• service delivery would become more efficient
• improved quota value would provide surety for long-term planning for projects and research
the proposed model:

- would induce industry ownership for all management decisions
- encourage technological innovation to manage environmental, biological and economic concerns
- reduce industry’s general resistance to responsive change
  - including the TAC/TACC setting
  - deemed values (landing fees)
  - spatial closures and
  - protected species protocols
The End