



Submission on the Fisheries Industry Transformation Plan

11 June 2023

Introduction

The Deep Sea Conservation Coalition (DSCC) is a global coalition of over 100 non-governmental organisations (NGOs), working to protect deep sea ecosystems from the threats they face, in particular bottom trawl fishing and seabed mining.

Here in Aotearoa, the DSCC and seven of its member groups (Greenpeace Aotearoa, WWF-NZ, ECO, LegaSea, Endangered Species Foundation, Our Seas Our Future and Forest and Bird) have been working together since 2019 seeking to protect seamounts and features from bottom trawling. These underwater mountains are home to a diverse array of deep sea life, including corals, sponges, sea pens and other creatures.

The DSCC is making this submission on the draft Fisheries Industry Transformation Plan (FITP), which we see as not just a missed opportunity to truly transform New Zealand's fishing industry, but a plan that risks locking in the status quo.

The draft FITP fails to take much-needed steps such as protecting ancient corals, sponges and other vulnerable deep-sea life by banning bottom trawling on all seamounts and features, and does not signal a transition away from bottom trawl fishing methods that the New Zealand fishing industry remains heavily reliant upon, to the detriment of the marine environment. Furthermore, the plan includes proposals that could further entrench bottom trawl fishing methods, such as the inshore fleet renewal programme, which would see taxpayer funding going towards building new bottom trawl and dredge-capable vessels.

We are right now facing the twin crises of biodiversity loss and unprecedented climate change. If the Ministry of Primary Industries thinks that the answer to “how should we transform our fisheries?” is to provide taxpayers' money to fishers to build new trawlers and dredgers, it has asked the wrong question of the wrong people.

We urge the Minister of Oceans and Fisheries to reject this plan, and instead adopt a five-point plan that would *truly* transform New Zealand fisheries in a way we can all be proud of.

We request a meeting with the Minister to discuss our proposals for fisheries industry transformation, and to convey our concerns about the draft Fisheries Industry Transformation Plan.

A five-point plan to genuinely transform New Zealand's fisheries

Below are the urgent and clear steps that the New Zealand government must take, which would genuinely transform the industry to create fisheries we can all be proud of.

1. Implement the ecosystem approach and precautionary principle to protect marine biodiversity

Two concepts that underpin best-practice fisheries management are the ecosystem approach (Ecosystem-Based Management) and the precautionary principle. An ecosystem approach is set out in the [1995 FAO Code of Conduct for Responsible Fisheries](#), which sets out best practice fishery management for both the high seas and national waters, including: *“Management measures should not only ensure the conservation of target species but also of species belonging to the same ecosystem or associated with or dependent upon the target species.”*

New Zealand should provide clearly identifiable, monitored, time bound and reported-on steps to achieve these and to give effect to ecosystem-based management to support its claim to be “shifting towards” ecosystem based management. These include:

- revising harvest standards to provide a minimum stock size of 50% of B0 for both target and bycatch stocks, but with higher minima for prey species and limits on all mortality that are set with respect to predator-prey relationships;
- ecosystem functions and trophic interactions; and
- consideration of other human-induced stressors such as environmental effects of fishing methods and practices, climate and earth-system changes and other environmental variables and functions.

Similarly, the precautionary approach is specified in the FAO Code of Conduct, including specifically noting that a lack of information should not delay conservation and precautions should be exercised in favour of the environment:

“States and subregional and regional fisheries management organizations should apply a precautionary approach widely to conservation, management and exploitation of living aquatic resources in order to protect them and preserve the aquatic environment, taking account of the best scientific evidence available. The absence of adequate scientific information should not be used as a reason for postponing or failing to take measures to conserve target species, associated or dependent species and non-target species and their environment.”

Both concepts have also been reiterated, in relation to bottom trawl fisheries, through the United Nations General Assembly (UNGA). For example (emphasis added) in its [2006 Sustainable Fisheries Resolution](#), which called upon States:

“...to take action immediately, individually and through regional fisheries management organizations and arrangements, and consistent with the precautionary approach and ecosystem approaches, to sustainably manage fish stocks and protect vulnerable marine ecosystems, including seamounts, hydrothermal vents and cold water corals, from destructive fishing practices, recognizing the immense importance and value of deep sea ecosystems and the biodiversity they contain.”

Neither of these fundamental concepts is even mentioned in the Fisheries Industry Transformation Plan, which instead takes a single-stock-focused and narrow approach to fisheries, such as in the misleading statistics presented on New Zealand’s fisheries performance (focused only on target stock levels), and in the promotion of a gear innovation that apparently improves performance in relation to target stocks, but may be exacerbating bycatch rates.

Precautionary and ecosystem based approaches also require that fishing methods and their impacts on ecosystems be considered and avoided, remedied or mitigated. Section 8 of the Fisheries Act requires that all adverse impacts on “the aquatic environment” be avoided.

New Zealand has a range of international obligations relating to fishing and all persons exercising powers, duties and functions under the Fisheries Act must act consistently with these. These include obligations relating to:

- marine biodiversity protection,
- the creation of marine protected areas as defined by the International Union for the Conservation of Nature (IUCN),
- refugia and conditions to provide a baseline for understanding earth systems changes, and especially
- carbon emission-induced changes such as ocean acidification, sea-surface temperature and salinity changes, ocean current freshening and biophysical responses

An important part of an ecosystem-based and precautionary approach to fisheries management is having a comprehensive network of marine reserves and other marine protected areas. According to the IUCN definition, an MPA is:

“A clearly defined geographical space, recognised, dedicated and managed, through legal or other effective means, to achieve the long-term conservation of nature with associated ecosystem services and cultural values.”

That definition puts them under the Department of Conservation (DOC)'s mandate, however there are clear steps that the Ministry of Primary Industries must take to supporting the creation and implementation of that network:

- Utilise protected species bycatch data to implement preliminary and precautionary fishery closures where bycatch is occurring, for instance by introducing an **encounter protocol** for benthic bycatch and **move-on rule** (as is the case in waters beyond our EEZ), and support DOC to establish MPAs in those locations to genuinely protect species listed as protected under the Wildlife Act.
- Where marine reserves and other MPAs are established, reflect these through listing them as fishery closed areas. This will ensure that the Ministry for Primary Industries (MPI)'s full monitoring, compliance and enforcement abilities can be exercised with respect to those areas, and prevent further cases such as the conviction of a fishing company for trawling in a marine reserve being overturned on Appeal because the Marine Reserves Act does not have the provisions of the Fisheries Act in relation to company liability for the actions of its skippers and vessels.
- Stop referring to fishing gear restricted areas as MPAs in New Zealand's international reporting, as these were not established on the basis of their biodiversity value, nor are they designated or managed for the conservation of nature. We refer here in particular to the so-called Benthic Protection Areas, which were designated in areas of low rather than high biodiversity (a subsequent study has shown that random choice of sites would have protected more biodiversity) according to the preference of the fishing industry. This approach led to the majority of these areas being below the maximum depth of trawl fishing, and largely below the depths at which deep-sea corals flourish. In addition, the BPAs are not managed to achieve the long-term conservation of nature.

2. Urgent steps to restrict, and an overall deadline to end, bottom trawling

Bottom trawling has outsized environmental impacts, and of the world's major fishing nations, New Zealand stands out as having among the heaviest reliance on this form of fishing - 68% of New Zealand's fish catch is by bottom trawling, according to the draft FITP.

MPI and some major fishing companies have acknowledged the impacts of bottom trawling on the seabed, yet despite decades of efforts to reduce the impact of bottom trawling it remains a highly destructive fishing method, which in some cases may even be exacerbated by so-called "innovations" (for example, the possibility of increased coral bycatch by trawlers using precision seafood harvest technology).

Awareness of the severe environmental impacts of bottom trawling dates back over a century in New Zealand, to when concerns were raised about intentional and self-serving (though ultimately self-defeating) efforts to destroy seabed communities with trawl nets to make them more trawlable. Our

knowledge of seabed and deep sea ecosystems, and bottom trawling's impacts on those ecosystems, have increased in the past two decades. Over that time, the social license afforded to this fishing method has eroded, both internationally and here in Aotearoa.

[International resolutions agreed at the United Nations since 2006](#) commit nations not to authorise bottom trawling unless it can be managed to prevent significant adverse impacts on all vulnerable marine ecosystems. No management system has been developed that prevents such impacts on deep-sea ecosystems, meanwhile evidence of significant impacts of bottom trawling on protected species such as deep-sea corals, and vulnerable marine ecosystems. Closures of vulnerable marine ecosystems, including those found on seamounts and features, have been widely used in other jurisdictions (including both national and international waters) to prevent the significant adverse impacts of trawling.

Recent data presented in DOC's Conservation Services Programme indicates that [99% of coral bycatch over the past 13 years comes from bottom trawl fisheries](#), and the majority of that from orange roughy fisheries and from Fisheries Management Area (FMA) 4, the Chatham Rise, characterised by its high number of seamounts and features. Therefore the emphasis must be on not authorising bottom trawling on vulnerable marine ecosystems. These, we know, occur predominantly on seamounts and features - and as an immediate first step, these features must be closed to trawling.

[NIWA has identified the location of 1,996 of these features in Aotearoa waters](#), and these must be closed immediately. This closure should be complemented by the adoption of a move-on rule (as is in place in the waters surrounding our Exclusive Economic Zone) so that when protected species are brought up from areas beyond the known seamounts and features, this triggers a stop-fishing response and evaluation of the area for its biodiversity value and for protection.

In the longer-term, the government must finally signal an end to bottom trawling by enacting a deadline for all trawl nets to be off the seabed. This is something that the trawl industry has claimed to already be the case (for example in presentations suggesting that their nets "fly above" the seabed) however continued bycatch of seabed-dwelling corals and sponges demonstrates otherwise. A deadline, coupled with real consequences for seabed damage (ie, the move-on rule and closure of areas where protected benthic species are trawled up) would finally stimulate the evolution of New Zealand's fishing industry away from its current high-impact model.

This would achieve the proposed objective of "fishing with care and precision" much better than the options set out in the draft FITP - some of which may have increased rather than decreased impacts on benthic species (e.g. precision seafood harvesting) and others which would further entrench this destructive fishing method (e.g. subsidies or other incentives to the fishing industry to build new vessels equipped for trawling and dredging).

3. Reducing the carbon footprint of New Zealand fisheries

The carbon footprint of New Zealand’s fishing fleet must be properly measured and reduced, as the world decarbonises to keep warming to the 1.5°C warming limit. This analysis must include not only the fuel consumption of fishing vessels, but also:

- the impact of fishing methods on stored carbon (e.g. the release of carbon stored in the seabed by bottom trawling),
- the impact of fisheries management settings on stored carbon (e.g. the stored carbon benefit of higher abundance populations, released when those populations are fished down and managed at lower stock levels) and
- the carbon footprint of transport of seafood products, for processing and consumption locally or overseas.

In general, bottom trawl fisheries have been found to have [more than double the greenhouse gas emissions](#) of fisheries that do not trawl the seabed.

Any efforts to reduce greenhouse gas emissions of the fishing fleet itself (through more energy-efficient vessel design) must be done with cost-neutrality, i.e. a levy on high emission operations used to subsidise low or zero emission operations, **not through government subsidies to vessel building** and furthermore they must not perpetuate damaging methods and practices that harm ecosystems.

Rather than investing in new fishing capacity that includes benthic-impacting gear types, we would instead see a triple carbon benefit if the government were to prioritise restoring the abundance of New Zealand’s targeted fish populations and ending bottom trawl methods:

- Greater amounts of carbon would be “stored” in the living ecosystem (fish populations and habitat-building benthic species),
- carbon would remain locked in the seabed structure rather than being released through trawl and dredge action, and
- fishers would be able to reduce their fuel use in two ways: (a) lowering the fuel use intensity by not dragging nets over the seabed, and (b) when stocks are managed at higher levels, catch per unit effort increases and fuel use generally decreases for the same level of catch.

4. Reform the industry and institutions, and address poor agency culture

The government’s role in managing New Zealand’s fisheries must be focused on providing public benefits from our ocean and fisheries, including clear, precautionary and ecosystem-based fisheries regulation and environmental protection. Essentially, managing this public resource for the benefit of the people of New Zealand. *It is not the government’s role to act as an industry marketing board, nor to incentivise, underwrite or otherwise subsidise the building of new fishing vessels - both of which are proposed in the draft FITP.*

In the almost three decades since the financial basis of fisheries management under the Quota Management System (QMS) shifted from resource rentals to cost recovery, there has been considerable erosion of the commitments by the fishing industry to contribute to the costs of management and research that are necessitated by the existence of the fishing industry and QMS.

Even as more stocks entered the QMS, the [funding to fisheries research and management costs declined in real terms by at least half](#), and the commitment by industry to contributing that funding under cost recovery has been whittled away (for the example the reduction in cost recovery from the trawl industry by \$300,000 to \$400,000 per annum when the Benthic Protection Areas were introduced, despite very little displacement of the industry from the areas they had been trawling). Over that time, there have also been issues over undue influence by industry over the research that is undertaken.

The Oceans and Fisheries Ministerial portfolio was established and the Ocean Secretariat was set up, in part, to give the Minister access to advice that did not simply come from the fishing industry via MPI. Yet we continue to see New Zealand take positions internationally that reflect the economic interests of a few big industry players, even at the cost of our international reputation.

New Zealand's insistence on continuing bottom trawling on seamounts and features in the South Pacific - the last country with a trawl fleet still fishing in this way in the SPRFMO area - is a case in point. When a New Zealand vessel trawled illegally in an area closed by SPRFMO, the New Zealand delegation rallied around to prevent their inclusion on the Commission's blacklist of illegal, unreported and unregulated fishing. When a New Zealand trawler destroyed a vulnerable marine ecosystem, rather than stop authorising fishing in that area (in line with our UNGA commitments) the New Zealand delegation pushed for the area to be reopened to further trawling.

Closer to home, this draft FITP is itself a symptom of industry's capture of regulators. Two full pages and various Actions are dedicated to supporting the renewal of the inshore fleet, based on a proposal received from industry just a few months ago and not made public, and including government subsidies that would go against New Zealand's position in international fora.

Meanwhile, a proposal made by a coalition of non-government organisations almost three years ago to protect deep sea life by ending trawling on all seamounts and features, backed by a petition of over 80,000 people and polling suggesting 79% public support, does not even rate a mention in the FITP. Our proposal is informed by NIWA studies showing [the locations of 1,996 such features](#), the [vulnerability and lack of resilience of deep sea corals to trawling](#), yet the glimmer of hope that trawl-damaged areas may [begin to recover over multi-decade timeframes](#) once trawling is stopped - and is the most obvious step the government could take towards the goal of "fishing with care and precision".

5. Genuine transparency and public involvement

The default setting for fisheries management in New Zealand should be that information on these public resources, and on the use of our shared ocean space, is publicly available. Often, that is far from the case and the operations of the fishing industry remain shrouded in secrecy.

Transparency is compromised by confidentiality clauses in data reporting, which simply should not apply to an industry that is exploiting a public resource. Similarly, information should be made public rather than being held until it is requested under the Official Information Act, and OIA requests should be dealt with in non-extended timeframes.

New Zealand can - and should - transition its fishing industry to full transparency and a stronger level of community and public engagement. This must include cameras and/or observer coverage on all New Zealand fishing vessels. Cameras on boats have been unacceptably delayed, and the indication given at the Auckland public consultation on the FITP was that the initial roll out would only be on the inshore fleet. The reason given for this was the claim of “a high level of observer coverage” on deep water fishing vessels.

However, for deep water bottom trawl vessels, the trawl sector with the highest rate of benthic bycatch, more than seven out of every ten trawls over the past decade were not observed, according to the most recent data ([DOC Conservation Services Programme 2020-21 Annual Research Summary](#)). This level of observer coverage is not good enough, and well below the 100% coverage required on New Zealand bottom trawl and purse seine vessels fishing in the Pacific and all vessels fishing in the Southern Ocean, under relevant international agreements.

DSCC concerns with MPI's draft Fisheries Industry Transformation Plan

In addition to our concern that the draft FITP fails to take much-needed and truly transformational steps for the fishing industry, we are also worried that some aspects of the plan would in fact take New Zealand's fishing industry further down the wrong path. We have set out detailed information on these concerns below, first our overall concerns with the plan in general, and then specific comments in relation to each of the priority areas outlined in the draft FITP.

Overall comments

A. Lack of clear targets and timelines

The draft FITP lacks clear and measurable objectives, targets and timeframes, which would make it impossible to measure achievement against the plan. We recommend that a revised FITP includes clear targets and timeframes, for example:

- Close all seamounts and features in New Zealand waters to trawling by the end of this term of government (given that the petition now signed by over 80,000 people was delivered to the Minister in the first month of this term of government).
- Set a 2028 deadline, by which time all trawl gear must be maintained at a height above the sea floor that prevents benthic damage from occurring.

B. Limited NGO engagement and delayed public access to key information

NGO involvement in the development of this plan has been exaggerated: many of us had not even heard of it until it was published. We also only received the business scoping study for the inshore fleet renewal (that we have been requesting for 1.5 years) after the FITP was released, a couple of weeks before the submission deadline.

Despite not having been released publicly, and being seemingly at odds with New Zealand's position against subsidies to the fishing industry, that business proposal for subsidies and/or tax incentives towards ship building and fleet renewal has been heavily reflected in the draft FITP. Although we have now received this scoping study under the Official Information Act, as far as we are aware it is neither referenced in the document nor publicly available to others reading the FITP.

On the other hand, our proposal (initially delivered to Government as a 52,443-signature petition, now backed by 80,000 people and a publicly-available report of supporting evidence) has not been reflected at all in the draft FITP. Our report [Save deep sea corals - ban bottom trawling on seamounts](#) makes clear proposals that would truly transform the fishing industry and help it “fish with care and precision” ie, not trawling over those areas we know protected corals, sponges and other deep-sea life are found.

It is unclear why a proposal that would involve using the latest information on the locations of 1,996 seamounts and features to prevent trawling of these sensitive areas, in line with our international commitments and numerous priorities and actions of this plan, did not get any mention in the FITP. Meanwhile, a non-public proposal to subsidise building new inshore vessels, including trawlers and dredgers, at odds with New Zealand's position on subsidies to industrial fishing, was included.

Environmental Performance

C. Failure to address destructive bottom trawling

The glaring omission in this plan that purports to transform New Zealand's fishing industry and shift it to “fishing with care and precision” is the lack of a clear proposal to urgently end trawling in sensitive areas and to address bottom trawling altogether with a clear timeframe.

We know that bottom trawling is devastating to marine habitats (99% of coral bycatch in the past 13 years is from bottom trawling) and we have a good knowledge of where these protected species and sensitive areas occur (for instance, NIWA's update to the SEAMOUNT database in 2022).

The government has all the pieces of the puzzle at its fingertips, there's a clear public desire for change ([79% wanting trawling off seamounts and features](#), and [84% wanting it out of the Hauraki Gulf](#)), and we even see fishing industry marketing materials that imply these changes have already been made. But instead of proposing to get trawling off seamounts and features, the draft FITP proposes more tinkering with trawl nets and asks for government support to build new vessels - which the non-public scoping document reveals would include trawl and dredge vessels. It's time MPI and the New Zealand government stopped cheerleading for an outdated, destructive method and started doing something about it.

D. Lack of regard to the precautionary principle or ecosystem based management

The draft transformation plan does not even mention the concept of ecosystem-based management, and some of its promotional material showcases the exact opposite of an ecosystem approach. The claim that "96% of the catch is from stocks with no sustainability concerns" is an out-dated single species management statistic, and highly misleading, ignoring bycatch and ecosystem issues.

Most people would consider (for example) the killing of endangered sea lions in the squid trawl fishery to be a "sustainability concern" whether or not the population of squid is above the "soft limit" set by Fisheries New Zealand. Misleading figures like this should be replaced with ecosystem-based performance measures, for example the proportion of the catch that comes from fisheries where protected species are not killed, or the proportion of the catch taken by methods that are not damaging or destroying the marine habitat.

The precautionary principle is also fundamental to "evidence-based decision making" (which is mentioned in various parts of the draft FITP, but without that this vital caveat). While this sounds like an approach that we should all support - it comes with risks. Waiting for evidence before taking action on environmental impacts is the antithesis of the precautionary principle - we must not wait until we have an accumulation of evidence that something is being damaged or destroyed to take action, and international agreements spell this out clearly:

"The absence of adequate scientific information should not be used as a reason for postponing or failing to take measures to conserve target species, associated or dependent species and non-target species and their environment" ([FAO Code of Conduct for Responsible Fisheries](#))

E. Actions to “fish with care and precision” are far from precise

Action 1.1 sails straight past the opportunity to substantially reduce benthic impacts and protected species interactions by getting trawling off seamounts and features, introducing an encounter protocol and move-on rule to shift fishing away from areas that protected species are found to occur, and setting a deadline for trawl nets to be off the seabed.

Action 1.1.1 instead commits more dollars and years to finding the magic solution that would make bottom trawling environmentally friendly, when such a solution does not exist and the real solution is to not authorise it.

Meanwhile, **Action 1.1.2** completely mischaracterises the problem as being one of regulatory barriers, when in fact it’s a lack of regulation to get trawling out of sensitive areas and trawl nets off the seabed that is the problem.

Action 1.3 proposes band-aid fixes to seabed damage, essentially getting out the mop to clean up the mess we’ve made without first turning off the tap (bottom trawling). It also mentions other technologies, such as artificial upwelling, which is [completely unproven and may come with serious harmful unintended consequences](#).

F. Remove regulatory barriers to, and incentivise/facilitate adoption of innovations

Actions 1.1.2 and 1.2 sound good on paper, however some recent examples give cause for concern about rushing the implementation of new technologies or innovations without adequately assessing their environmental impacts.

Specifically, the development of Precision Seafood Harvest (PSH) gear is being done with a myopic focus on target stocks only, rather than the whole ecosystem. The wider environmental impacts of the gear do not appear to have been properly investigated; looking at the [2019-20 coral bycatch rates of PSH](#) compared to the rest of the fishery it is predominantly being deployed in (the hoki, hake, ling and warehou mid-water trawl fishery) the coral catch rate was actually *higher* with PSH gear than with mid-water trawl. In [2020-21](#), there was no separate reporting of coral bycatch from PSH gear at all. From the data available, it is not possible to distinguish whether PSH is associated with higher coral bycatch, however there is cause for concern that it may be so. On that basis, the proposal to remove regulatory barriers to innovation, and fast track the roll out of new or modified gear is risky, rather than precautionary. On the other hand, the rollout of gear modifications that *do* have environmental benefits is often limited by the *lack* of regulation, rather than regulatory barriers. For example, multiple species of threatened seabirds are at risk of strike or capture in trawl fishing operations, and there is clear evidence showing the effectiveness of fish waste management ([reducing the incidence of albatross and most petrel species](#) in the danger area by 95%) as well as gear modifications including tori lines and bird bafflers. However, fish waste management on trawl vessels is not regulated, and for vessels under 28 meters length tori lines or bird bafflers are only

subject to voluntary guidelines and not always deployed. In this case and others like it, regulation - not the removal of regulation - would have benefits for the roll-out of environmentally beneficial modifications to our fisheries, and help to meet the zero bycatch vision and goals of the [National Plan of Action - Seabirds 2020](#) and 2025 goal of [Te Mana o Te Taiao](#).

- The development of new or modified gear needs to be done on an ecosystem and precautionary basis, assessing impacts on non-target species and habitats, not just the benefits for target species and/or fishing industry profitability.
- The assumption that regulation is a barrier to development and roll-out of gear innovations is incorrect, there are examples where it's a lack of regulation that is hampering the roll-out of best practice mitigation measures. The FITP should contain actions to regulate for these.

G. Utilising data to fish selectively and with least effort

We support **Action 1.4** and the general proposals to use data more quickly and effectively, but urge that specific actions are listed and timeframes given. This should include the removal of data confidentiality over fishers operating in our shared marine space and fishing for a public resource. DOC should also be receiving all fisheries data related to the Acts that they are responsible for, including protected species bycatch data (Wildlife Act) and VMS fishing data around marine protected areas (Marine Reserves Act and others).

We also urge that existing data is acted upon: A 2022 update to the SEAMOUNT database identified 1,996 seamounts and features in our EEZ - utilising that data by closing these areas to trawling would enable immediate improvement in the care and precision of fisheries.

Furthermore, in the waters bordering our EEZ under the competence of the South Pacific Regional Fisheries Management Organisation (SPRFMO) there are an encounter protocol and move-on rules that provide a data-responsive template that New Zealand should introduce, whereby protected species bycatch would result in a series of actions to prevent further damage. This is most obviously and simply applied to sessile benthic species (e.g. corals, sponges and sea pens), however data-responsive approaches are also possible in other cases, even migratory species.

For example, a [2022 research report published by DOC](#) revealed that the level of sea turtle bycatch in New Zealand's longline fishery in 2020-21 was more than three times the level that would have led to the fishery being closed if it were operating in US Pacific waters. That report made a number of recommendations that would be completely in line with the FITP's declared intention to better utilise data to fish selectively, yet the recommendations are not reflected in the FITP. Similarly, our proposal to introduce an encounter protocol and move-on rule within New Zealand's EEZ (compatible with the rule in place in the South Pacific, therefore also meeting our obligation to implement compatible measures for straddling stocks with that fishery) has not been included in the FITP's list of actions. These should be added.

- Use the latest data on the location of 1,996 seamounts and features to place these areas off-limits to trawling to reduce environmental impacts and protected species bycatch.
- Incorporate specific recommendations from reports such as DOC’s Review of commercial fishing interactions with marine reptiles into the FITP, with clear timeframes.
- Adopt an encounter protocol and move-on rule in line with that applied in the South Pacific, as we’re required to do under Article 7 of the UN Fish Stocks Agreement.
- Improve data sharing from MPI to DOC, and ensure specific data is being collected on the environmental impacts of fishing gears (e.g. PSH) in line with the ecosystem approach.
- Remove confidentiality clauses and make data publicly accessible, reflecting the public interest in this public resource and opening up further opportunities for innovation.

H. Reducing the carbon footprint and improving resilience to climate change

We fully support the decarbonisation of New Zealand’s fishing industry, but to be transformative this **must** involve more than just measuring the industry’s carbon footprint (i.e. actually reducing it) and **must not** include investing in building vessels that use bottom trawling and dredging (which release carbon from the seabed, whatever fuel source they are powered by).

- An accurate measure of the industry's carbon footprint must include not just the fuel type and fuel use intensity, but also the release of stored carbon by bottom-contact fishing gear, the loss of carbon from fish populations managed at relatively low levels and the carbon footprint of transporting fish for processing and consumption locally or overseas.
- The suggestion of reducing carbon emissions from the fishing industry by incentivising or subsidising building new vessels - but including bottom trawling and dredging in the gear types that are planned for those new vessels - would be laughable, if it weren’t for the fact the a government department is formally consulting on it. This proposal must be dropped.
- Any scheme to reduce greenhouse gas emissions of the fishing fleet (through more energy-efficient vessel design) must be done in a cost-neutral way, i.e. a levy on high emission/high impact operations used to subsidise low or zero emission operations, and these must also be sustainable on an ecosystem basis.

Profitability and Productivity

I. New Zealand seafood’s tall story

The Ministry of Primary Industries is not a fish marketing board, and it must stop behaving like one. Government involvement in **Action 2.1** “The New Zealand Seafood Story” must be on ensuring the *actual* environmental sustainability, transparency and traceability of New Zealand caught seafood - not promoting these concepts that we are not in fact living up to.

Examples of government marketing and promotional material that gloss over the reality of New Zealand fisheries include the misleading statistic that “96% of the catch is from stocks with no sustainability concerns” (page 9 of the FITP, and on the MPI website). To demonstrate environmental sustainability, transparency and an ecosystem approach, we should be reporting how much of the catch is taken by fisheries without protected species bycatch, or using methods that do not destroy marine habitats.

Similarly, the draft FITP refers to a study claiming that New Zealand’s deep water fisheries have a lower carbon impact than other sources of protein, however environmental aspects of the industry’s operation (release of carbon by trawling the seabed, reduction of carbon storage by disturbing/destroying benthic habitats and drastically reducing fish populations) do not appear to be factored into that analysis. Meanwhile, real steps to improve the environmental sustainability, transparency and traceability of New Zealand caught seafood - such as banning trawling from seamounts and features, rolling out cameras on boats, etc - have not been achieved, nor have commitments to and deadlines for their completion been included in the draft FITP.

We support **Action 2.3**, but to deliver it the government must stop shielding the NZ fishing industry from our international obligations, export market requirements and best practice fishing methods, and begin implementing them.

- Where is the encounter protocol and move on rule compatible with management under the South Pacific Regional Fisheries Management Organisation?
- Why is bycatch of leatherback turtles allowed to reach more than three times the level that would have closed a fishery in Pacific US waters?
- Why is our Marine Mammal Protection Act inadequate to stop the population decline of Māui dolphins or meet US policy expectations, leading to a ban on some New Zealand seafood exports to the US?

These regulations are not in place because MPI has been serving industry as a marketing body instead of focusing on its role as a regulatory agency.

J. Inshore fleet renewal - subsidies to destructive fisheries

We fundamentally oppose **Action 2.5** and the spectre of the New Zealand government using public money to subsidise new vessel building. This is contrary to the position that New Zealand has taken internationally, as recently as this year. To quote from New Zealand’s submission to the 2023 Review Conference on the United Nations Fish Stocks Agreement:

“New Zealand does not subsidise its commercial fisheries. New Zealand is a long standing advocate of global subsidies reform, including through negotiations on the WTO Agreement on Fisheries Subsidies, leading work on subsidies reform in APEC and the OECD (including on preventing subsidies to IUU fishing), and establishing binding subsidies reform

commitments in our Free Trade Agreements (e.g. with the United Kingdom, European Union, and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership)."

We note that the definition of subsidies extends beyond outright hand-outs of public money, and includes more subtle forms of support to industry. As defined by the [FAO](#) and [others](#):

"Fisheries subsidies are government actions or inactions outside of normal practices that modify - by increasing or decreasing - the potential profits by the fisheries industry in the short-, medium- or long-term."

We also note that among the most concerning forms of subsidies are capacity enhancing subsidies to industrialised fishers, and that fishing capacity may be enhanced without increasing the fleet size in terms of the number of vessels, for example if the subsidies increase the size, power and technology of vessels.

[Daniel Pauly describes clearly the danger of fishery subsidies](#):

"Subsidies are government funds or other benefits, such as lower taxes, awarded to certain economic sectors or industries. Subsidies to fisheries are nothing new. Fishing reduces abundance, and overfishing even more. At some point, revenue from fishing no longer covers its costs. This is a clear signal that fish populations should be allowed to rebuild. Subsidies, however, keep the fishing industry from hearing the clear message that nature sends. These subsidies substitute for the abundance that nature provides; indeed, they decouple fishing operations from the state of the fish populations that are being exploited."

New Zealand's fish populations have been fished down to a fraction of their natural size, and habitats destroyed in the process, increasing the costs of fishing and decreasing the catch per unit effort. Subsidies in whatever form - buying vessels off fishers so they can purchase new ones, underwriting vessel building, contributing to the cost of new fishing vessels, or offering tax incentives - are muting the signal from nature that we have fished beyond our limits and need to allow our inshore and deep water fish populations to recover to a minimum of 50% of their natural population levels, and switch to sustainable fishing methods.

The details of what MPI is proposing, in terms of subsidies, vessel purchases, tax incentives etc, are vague in the FITP. There is, however, a clear proposal that the government purchases the first three new-built vessels, at an estimated cost of up to \$18 million. We do not support this proposal. It is also not clear what the government plans to do with those trawl and dredge-capable vessels once it has purchased them. Similarly, it is not clear what the government would do with old vessels purchased from fishers under a buy-back scheme, nor what would happen to quota that had been fished by operators selling old vessels to the government in order to leave the fishery.

MPI's support for what are plainly fishery subsidies flies in the face of New Zealand's strong principled position internationally against fishery subsidies and will seriously undermine New Zealand's international standing. This proposal must be rejected.

People and Communities

We support the actions outlined to support people and communities, with the exception of the Government encouraging people to increase their seafood consumption (MPI is not a fish marketing board).

We also note that there are obvious actions and timeframes missing to address the current state as described in the FITP: *"It can be difficult for customers to establish whether the fish was caught locally and to develop direct connections with their local fishers."* Consumer information regulations should require all seafood on sale must be identified by the species, country/area of catch, fishing method used and (if relevant) the location of processing.

Respond to strong public support for a ban on bottom trawling

Finally, we urge the Government to heed 'people and communities' more broadly than just those working in the fishing industry or owning quota. More than 80,000 people have signed our petition calling for an end to trawling on seamounts and features, and 79% of New Zealanders polled support that. Similarly, [84% of people living around the Hauraki Gulf want trawling and dredging out of the Hauraki Gulf Marine Park altogether](#).

The FITP absolutely fails to respond to the growing public concern that New Zealand's industry is fishing in outdated and unsustainable ways, damaging ocean ecosystems in the process.

We urge the Minister of Oceans and Fisheries to reject the draft Fisheries Industry Transformation Plan in its current form, and instead task MPI and DOC with developing a plan based on the five points we outlined above. Doing so would truly transform New Zealand fisheries into a sector that we can all be proud of.

We welcome the opportunity to discuss our proposals and concerns with the Minister, and to outline the issues we raised in our briefing to her as incoming Minister last month.

For any questions regarding this submission from the DSCC, please contact:

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