



Ships like this can catch and pack 1500 to 2000 tonnes of frozen fish per trip



The Russkies in town

FISHING FOR A FUTURE – REAL OR SCANDAL

BY PETER BARCLAY, IMAGES COURTESY FILMCO

In May 2005, on Whitiara Marae in Northland, a hui was convened to discuss fishing. As usual, where fishing matters are concerned, there was a lot of debate but in spite of the differences amongst those attending, a clear conclusion followed that surely few New Zealanders would argue with.

At the time, the essential issues at heart had more to do with recreational matters but the final corollary, announced in a joint statement at the conclusion of the hui, was that Maori had “joined forces to restore access for all New Zealanders to the nation’s marine environment”, and our wild marine fisheries.

“More fish in the water” was the theme for the hui which dealt with the need to rebuild New Zealand’s inshore shared fisheries, “following years of mismanagement under the quota system.”

Overseas, New Zealand’s quota management system has been hailed as a major step forward in fisheries management and, in some scientific quarters particularly, is looked up to as the ideal way to maintain a sustainable resource. We’ve even received a special mention for it. Earlier this year, in a paper published in the prestigious international journal *Science*, New Zealand was given a top ‘Green’ rating for the management strategies it has put in place to govern the world’s fourth largest territorial fishing ground.

Interestingly, our own Ministry of Fisheries was quick to take credit for the accolades handed out in this paper. Chief executive, Wayne McNee, stated that it was “an endorsement of our quota management system” and showed that the department “was on the right track” with the initiatives it was currently working on.

These days, few people doubt the need for good science when it comes to dealing with New Zealand’s fisheries and from a purely scientific point of view, the ‘award’ might be well deserved but its received much less than a lukewarm round of applause on the local waterfront. Fishermen there are saying, “so what! “If the quota management system is so great, how come we’re out of work?”

But while MFish basked in its moment of glory some local fishermen were dusting off the makeup (yeah right) after

completing what was to become a starring role of their own. With the help of Nelson based film director, Guye Henderson, they had put together a 90 minute television documentary called, *The Great New Zealand Fishing Scandal*.

The documentary screened on Sky’s Documentary channel on August 4. Billed as “an impassioned expose on an issue close to New Zealanders hearts,” the documentary lived up to its publicity as it clearly explained the shocking results of ... what? ... the “years of mismanagement” discussed in such depth on the Whitiara Marae in Northland so long ago? The many problems surrounding the management of New Zealand’s fishing resources have been publicly aired for a long time but the documentary raised issues which, if the gathering storm is anything to go by, could become a turning point. The key issues focused around what New Zealand has lost by allowing foreign chartered vessels to catch our deep sea resource. It pointed the finger at the methods big business have used to make money from the resource and at Maori for a failure to create jobs for its people.

Film maker, Guye Henderson, says he’s not really surprised that Maori, in general, haven’t raised a bigger voice on the issue because, he believes, many still don’t know what is really going on. He says for most of them, as with other New Zealanders, “the problem is hidden. It’s all happening over the horizon.”

Since the documentary aired, Henderson says one of the most interesting reactions he’s received has come in a letter from the Minister of Fisheries, Phil Heatley, in which he clearly justifies the current situation. Henderson says the letter was received by a viewer who wrote to him after viewing the documentary. Heatley’s response was:

“Any decision to limit the ability of companies to utilise charter vessels runs the risk of there being insufficient domestic capacity to meet demand and also increased costs. Such costs are likely to need to be recovered elsewhere such as with things like reduced marketing, research innovation and domestic processing.”

The minister’s response has flabbergasted Henderson who says it demonstrates his lack of understanding and awareness on



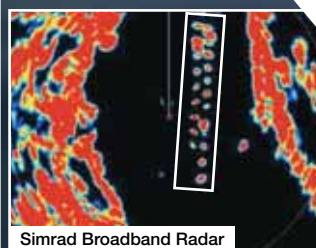
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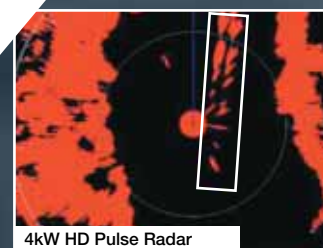
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what's really happening out there.

"Excuse me," Henderson says, "but if you keep putting a lot of quota into foreign vessels and not New Zealand vessels then the small guy doesn't get enough quota and they go out of business. It's all very well to say there is insufficient domestic capacity when the way I read it, it is these foreign vessels which have caused this decrease in domestic capacity. In 1996, which is the benchmark I use in the film, there was total capacity, New Zealand capacity, to catch all our own fish. But, because the larger companies wanted to make more money – they didn't." The result being the laying up of New Zealand fishing ships in favour of using foreign chartered vessels.

The Minister continues:

"All fishing vessels, including Foreign Charter Vessels (FCVs), must comply with fisheries legislation and regulation and must carry a Ministry of Fisheries observer when requested to do so ... the level of observer coverage amongst the FCV fleet is considerable and is traditionally much higher than exists in the domestic fleet."

But, from figures given to him by the Minister's own department, Henderson says this doesn't stack up either. Where observers are concerned, Henderson's information is that "for vessels of over 46m, the observer trips for foreign chartered vessels are half of what they are for Kiwi boats." *Professional Skipper* understands that on average, around 30 percent of foreign chartered vessels carry observers.

What bothers Henderson so much personally is the way in which our fishing resource is being used. He recognises that a strong management regime has been put in place and developed over succeeding years but somehow, somewhere we've lost touch with the spirit of the our original intentions.

"Here we are with a resource that's worth billions and we're not maximising it efficiently at all – not even getting anywhere near it. We're missing out, not only by having foreign crews and not New Zealand crews. There could be a hell of a lot more money going into the New Zealand economy."

In his letter Heatley maintains that the harvest of New Zealand's fisheries resources "is not a case of direct competition between FCVs and domestic vessels." It is simply a matter of choice.

He says for a company holding annual catch entitlement (ACE) "the choices available include harvesting the ACE using a domestic vessel, chartering a foreign vessel to fish the ACE on their behalf or choosing to sell the ACE to another New Zealand fisher who in turn can fish it directly or charter a foreign fishing vessel.

"The companies that choose to charter foreign vessels are New ►



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A tidy Kiwi fishing ship ...



... versus a Korean rust bucket

Zealand companies that have made a business decision determining that it is more cost effective for their business operation to charter a vessel to harvest their ACE rather than make the large capital investment into purchasing their own fishing vessel.”

Like the Minister and nearly everyone else, maritime industry commentator Keith Ingram, says he can see why companies have resorted to the use of foreign chartered vessels to catch their ACE, “but that doesn’t mean I agree with it,” he says.

In fact, like almost anyone else with any experience in the industry, he is strongly opposed to the way in which our much vaunted administration system appears to be conspiring against the very people desperate to establish a healthy local industry. As far as Ingram, and others mentioned here believe, the playing field for foreign chartered vessels and local operators is far from even and all boils down to the somewhat thorny issues of observers, conditions of work and crew wages.

The fisheries legislation requires that MFish observers must be carried on all fishing vessels when requested to do so.

“But,” says Ingram, “the big fishing companies are now dictating the rules to the Ministry of Fisheries. They are employing sub-standard vessels under all sorts of contracts and agreements. This is our fish and our water and if we can’t get 100 percent observer coverage on the boats because their vessels are so sub-standard then sorry, the boat shouldn’t come here.

“The boats that fish in our waters should be of equal standard, status and quality to New Zealand boats. That way the observers will work on them, we’ll get 100 percent coverage and we’ll know what the boats are doing. But, while we’re getting 30 percent observer coverage or less ... it’s getting scary.”

When you begin to examine the wider picture “scary” is probably the right word. As the documentary states, “fishing is New Zealand’s fifth largest primary industry, attracts nothing like the subsidies that

farming does and pays for most of its own research”. Originally, the argument was that New Zealand needed foreign chartered factory ships because we didn’t have the expertise to do it ourselves and before the current fishing regulations were established, there was virtually nothing to stop a foreign vessel taking whatever it wanted from New Zealand waters.

When the current regulations did become established the idea was that it would mean the “New Zealandisation” of the local fishing industry and for a time that did happen ... then someone with an accounting pen saw little economic point in sustaining the local infrastructure and gradually, the New Zealand based assets were sold off.

According to Henderson’s documentary...

“If New Zealandisation had continued and foreign owned vessels had been replaced by New Zealand owned vessels and New Zealand crew ... it is estimated that since 1996 New Zealand has missed out on over \$3.5b wages and income tax.

Wellington fisherman John Inkster has worked in the industry all his life. He started out at 17 and now, at 52, after all he’s seen over the years he’s totally frustrated and very angry at the way things have turned out.

“The other scary thing,” he says, “is that these bloody boats are processing fish onboard, freezing it, sending it to China and then it’s being on-processed and sold as New Zealand product. I’m really concerned that those factory decks look like a health department nightmare.

“Really it all comes back to the government. If they want to change it they can. The whole problem with our industry is that it is not a big public debate, never has been and possibly never will be. I think we’ve got sustainability of the product pretty well right but I just know for a fact that these joint venture boats that Sealords and Sanfords are using holus bolus ... They just don’t care. To them it’s just fish. Aotearoa Fisheries aren’t backwards in coming forwards with using joint ventures either. There’s no way that they can be fishing the same places that we are and putting in their catch books that they’re not catching the demersal bottom fish species,” Inkster says.

“It comes back to a compliance issue as far as I’m concerned. If they want to use JVs (joint venture ships) they should have an observer on them all the time. And, if the ships aren’t healthy enough to have people on them, New Zealand people, then they just shouldn’t be allowed in the bloody country.”

Chris (Pirate) Davidson has fished off the Taranaki coast for several years and could write a book about the problems he’s seen with foreign chartered vessels in New Zealand waters. He’s seen foreign vessels lined up seven abreast and trawling virtually the length of the country.

“There is a solution. If they want to fish our waters, then they shouldn’t be allowed to do it without enough observer power on board to watch them 24/7.”

As far as Davidson is concerned offshore processing is nothing



Where is the quality control?



So ... many fish



Bulk harvesting reduces quality

but a rort that enables foreign chartered vessels to circumvent the New Zealand catch regulations. As a blue nose fisherman he invariably finds himself in a head on battle against operators who are just “vacuuming” the sea and he has photographic evidence to prove his claim.

“They cannot DNA test fishmeal to find out what species it was. So ... you think about it ... they get a big bag of blue nose, no quota ... oops that was frost fish. We mealed it. The quota should be owned by New Zealanders and fished by New Zealanders ... like Talley’s are doing.”

At the risk of sounding too sceptical, Davidson says he has a bit of a chuckle to himself when he hears of a new marine reserve being established. Some of the marine reserves are only as long as an FCV fishing net. “Then, when you consider that the net is 90 metres high and they’re fishing in only 100 metres of water, it doesn’t leave much room for the fish to escape.”

Doug Saunders-Loder, from NZ Federation of Commercial Fishermen, admits that it was the New Zealand fishing industry that first invited foreign chartered vessels to fish our waters.

“When the deepwater fisheries were being developed back in the early 80s, we didn’t have the expertise and it’s a matter of common knowledge that the New Zealand fishing industry looked for that expertise offshore. These people came and they taught us how to catch fish in the deep water and the Sanfords and the Sealords and the Talleys of this world all went out and bought their own boats and started fishing it. They all put their balls on the line and they established it.

“They employed New Zealand people and they upskilled New Zealand fishermen and New Zealand fishermen went from not knowing much to arguably becoming some of the best fisherman in the world. But the tide has never turned. A number of those joint ventures, because of the economic benefits associated with them, just carried on.”

As the documentary notes, Maori seriously entered the offshore fishing effort in 1989 when iwi were given 10 percent of all existing quota as part of the settlements determined by the Waitangi Tribunal. Now, there was new cause for real hope that New Zealandisation would return to the industry. At the time, and still even now, Maori owned quota is seen as the ideal answer to Maori youth unemployment which is disproportionately high across the country.

The Treaty settlement also gave Maori 20 percent of any new quota. With other acquisitions since then, Maori now own at least 35 percent of all quota. Unfortunately however, this hasn’t translated into jobs on boats or even jobs in fish factories on shore. The Maori fishing effort has gone the same way as the big companies before them – foreign chartered vessels.

In the documentary, Ngapuhi, an iwi with substantial fishing interests, came in for special mention. With its \$67 million fisheries package it has been using a Korean vessel to catch its deep sea quota for the last 10 years.

“For me it’s outrageous that we should be receiving these assets and not using a multiple measurement of value to create jobs for our people in this country, says Maori commercial fisherman, Daren Coulston.

“We need to get onto that quick smart. They’ve got a lot of quota, a lot of assets, a lot of shares so there’s no reason why they can’t put a programme together or get some proper training done to actually help and encourage young Maori fishermen to get out there and work, because they do want to work.”

Ngapuhi Trust Board chairman, Sonny Tau, says the current state of iwi fishing is one that has been uncertain for more than 10 years.

“The circumstances over that period were designed to allow the generation of income from the fishing of ACE from year to year. The method by which the ACE was distributed over that period did not encourage investment in vessel or plant beyond the collectively owned companies which make up Aotearoa Fisheries Ltd now,” he said in response to questions from *Professional Skipper*.

He says as far as the movie was concerned, “Maori were painted in an unfair light because the programme did not delve deep enough into the quota management system. If the documentary’s researchers had explored further they would have found that the QMS is set up to achieve what is currently being attained by all quota holders, not just Maori, who are leasing the services of foreign vessels – that is maximum returns for shareholders of the companies with deepwater quota.

“The past five years has seen the assets allocated and transferred to iwi throughout the country in the form that they agreed to in 2002, after more than 10 years of debate and discussion. Forty-eight of the country’s 57 iwi now hold the lion’s share of their fishing assets. They are working through the responsibilities ▶



An observer cabin



A foreign vessel's galley



And it's passengers

that are attached to those rights. They are exploring the investment opportunities and their responsibilities to the tribe as owners. The purchase of vessels; the operation of jointly owned entities is a developing condition.

“Our assets are based on the complicated rights we hold in the coastal and deep-sea areas. They are not necessarily the same as other commercial quota parcels, so they sometimes need to be managed in ways which appear unusual. For instance, the many smaller iwi need to amalgamate their ACE in ways that make up an attractive commercial parcel. Sometimes that parcel is most attractive to the large ocean going vessels registered in overseas ports.”

Tau stresses that fishing within the quota management system is competitive, for Maori and non-Maori.

“Quota is quota, there is no such thing as “Maori quota”. Ngapuhi Fisheries Ltd made a commercial decision to contract foreign vessels to harvest the quota we own,” he said.

Ever since the establishment of our extended economic zone the problem of how to exploit our fisheries resource has remained


disenfranchised from something they consider a natural birthright. Why shouldn't they take part in it?

Onshore, land based production has benefited from the development of a myriad of value added products – what happened to fishing? Why can't we reap the value add from newly created deepwater fish products? Has our pioneering spirit died or is the idea that New Zealanders can have a local commercial fishing future anything more than a romantic notion?

And what about the role of Maori? In Henderson's documentary some claim that Maori have a “moral responsibility” to employ their own but one elder I spoke to on this responded with a chesty heave, a silence and a terse question. “Who the hell are they to point the moral finger at us?” Irrespective of the ‘moral’ issue however, others still ask how is the current situation really benefiting Maori? Few doubt that Maori have gained substantially from the fishing assets received but some still wonder just where is it all going?

Finally, the government, just where does it really stand? As observed at the meeting on Whitiara Marae there are all sorts of views when it comes to fishing and it's obvious that people don't always agree. But, when it comes to foreign chartered vessels, everyone is agreed that they shouldn't be out there without an observer on every one of them, 24/7 when fishing our fish. Science has proven that we can develop and maintain sustainable wild fisheries so why won't the government insist on carrying observers on all trips so we can ensure the foreign chartered vessels are not pillaging our fish?

There's no doubt that we still have plenty of fish out there and it is being managed, but it isn't being properly monitored. So is New Zealand gaining the full benefits of this bountiful supply? Sadly, the answer is no!

For scientists, and for many in the Ministry of Fisheries, our quota management system might have established a pathway. For New Zealand fishermen however, the pathway looks more like a yellow brick road and no matter how much they try, and in spite of all their protests, the answers still lie somewhere over the rainbow. 

When it comes to foreign chartered vessels, everyone is agreed that they shouldn't be out there without an observer on every one of them, 24/7

a vexed question, although some progress has been made. These days, few doubt the value and the need for science to explain what is happening out there. This year, perhaps one of the most significant scientific contributions to fisheries was the discovery that virtually all snapper on New Zealand's west coast, originated from the Kaipara Harbour. The value of that discovery could mean millions to future generations.

But many more questions still remain. Issues surrounding the management of the resource still provoke such strong emotional reactions. Many people, Maori and Pakeha alike, feel

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