

Security Level – Restricted

10. This is the first time such a package has been proposed to mitigate the socio-economic impacts of a fisheries sustainability measure. The Fisheries Act does not require such a process and in fact protects the Crown from financial claims made against it resulting from sustainability measures.
11. The intent of the package is to keep impacted fishers in the business of fishing through transition to different fishing methods where possible. However, we have also been advised by some significantly impacted fishers that they would like to exit the industry if given the opportunity to recover some of their cost of capital and sunk cost. Whether fishers choose to leave the fishing industry entirely, or transition to another fishing method or area, is very difficult to predict because it relies on individual circumstances which vary considerably.
12. The proposed package is still being designed. However, it is proposed that it will include two main parts:
 - a. Expert advisors to work with impacted fishers to assess the impact of measures on their business and help them to make informed decisions about their future; and
 - b. Ex-gratia payments to fishing businesses that are no longer viable, to support them to move to different fishing grounds or transition to alternative fishing methods, or in some cases leave the fishery. It is proposed that the payments received would be scaled to reflect relative income of each fisher based on highest average catch over several fishing years.
13. The process is intended to commence as soon as any announcement on measures is made. Applications for support would be available on that day. The immediate focus would be to identify impacted fishers and help them to accurately determine their viability, and therefore eligibility for an ex-gratia payment. Some funding would also be made available to support all impacted fishers to get independent advice on how best to manage the impacts on their business. Some fishers could find it challenging to assess their options without such support.
14. Then focus would then shift to work with fishers that are no longer viable to assist them to determine the best approach (transition or exit) based on their circumstances. This could include providing advice on additional potential funding options that could support transition and supporting the development of applications. Wherever possible, we have a strong desire to maintain fishers in these affected areas in the business of fishing.
15. It is proposed that applications for an ex-gratia payment would be considered by a three person panel, including representatives from government and one from industry. Decisions on the amount of the payment would be considered collectively to ensure it is made within the allocated funding. Importantly, any financial assistance would be approved and made available to fishers before any measures are implemented.

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Transitioning fishers to dolphin-safe methods

16. One possibility for fishers who want to stay in the industry is to transition from either set-netting or trawling to a dolphin-safe method such as bottom longlining in the areas impacted.
17. There is a significant value add possible using this method as evidenced by small high value longline fisheries on the east coast. Fishers that are trialling the method have indicated that it is potentially viable depending on individual financial circumstances. Known limitations are:
 - a. Lack of snapper (SNA 8) harvest rights (either ACE or quota) at a price that would make fishing economically viable;
 - b. Cost and practicality of converting existing vessels to this method; and
 - c. Smaller number of fishing days suitable for use of this method due to weather and water turbidity, and more distance to travel to areas where longlining is an effective method.
18. For significantly affected set-net fishers in the South Island some may look to transition to trawling if their vessel is able to be fitted with the necessary structures and gear.
19. Some fishers in both areas are investigating new innovative technologies, such as potting for finfish species, which could be supported by the transition process and potentially, innovation grants through other programs.

Minister / Minister's Office

Seen / Referred

/ / 2020