

Dear Stakeholder,

Review of Sustainability Measures and Other Management Controls for the 2008-09 fishing year

This letter outlines final decisions on sustainability measures and other management measures for southern blue whiting 6B (SBW 6B) and deemed value rates for selected fishstocks for the 2008-09 fishing year. I will advise of my decisions on rock lobster (CRA 7 and CRA 8) separately.

I would like to take the opportunity to acknowledge all submissions received in this year's review. I appreciate the time and effort taken by all submitters to prepare submissions on the proposals. The information within these submissions was valuable in my consideration of each proposal.

In reaching my final management decisions for 2008-09, I carefully considered the available information from the Ministry of Fisheries (MFish), and all of the issues and information put forward in submissions on each proposal within the review.

I also had careful regard to the relevant legislative provisions for the proposals within the review. A summary of the SBW 6B decisions for 2008-09 and deemed value rates for selected fishstocks for 2008-09 are attached.

Copies of MFish's final advice paper (FAP) for SBW 6B and deemed value rates for selected fishstocks are available on MFish's website at www.fish.govt.nz.

SBW 6B

I have decided to increase the Total Allowable Catch (TAC) for SBW 6B to 10,000 tonnes for the 2008-09 fishing year. Within that TAC I have agreed to set a Total Allowable Commercial Catch (TACC) of 9,800 tonnes and an allowance of 200 tonnes for other sources of fishing related mortality.

The acoustic survey successfully undertaken by an Industry vessel in 2007 shows a large increase in biomass in SBW 6B. Biomass estimates derived directly from the survey data indicate a stock size 6-7 times higher than the previous survey in 2006. Stock size in SBW 6B is now considered to be well above estimates of the biomass that can produce the maximum sustainable yield.

Applying a fishing mortality rate of 0.2 to conservative estimates of biomass derived directly from the acoustic survey results in a yield estimate in the order of 15,000 – 20,000 tonnes. The fishing mortality rate of 0.2 is equal to the estimated natural mortality rate which is considered to be an

analytical proxy for F_{MSY} , the fishing mortality limit that if applied constantly would result in the maximum sustainable yield. Therefore I am satisfied that a TAC of 10,000 tonnes is appropriate for this stock.

Industry supports a measured approach to harvesting the increased biomass in SBW 6B and supports a TACC of 8,000 to 10,000 tonnes. I am heartened by this approach. I also wish to commend Industry for their successful involvement in the 2007 acoustic survey and their agreement to undertake a further survey in 2008. Depending on the results of this survey, it may be appropriate to review the TAC for this stock in a years time.

Deemed value rates for selected fishstocks

This section sets out the deemed value changes I will implement for a range of stocks in accordance with section 75 of the Fisheries Act 1996 (the Act) for the 2008-09 fishing season. These deemed value rates will continue to apply until subsequently changed under section 75 of the Act.

These deemed value rates will be implemented in time for the start of the fishing year season which commences on 1 April 2008, and will apply to all fish caught in excess of Annual Catch Entitlement (ACE) holdings on a monthly and annual basis.

In reaching my decision on where to set the deemed value rates for each species I was informed by MFish advice and stakeholder submissions. I also acknowledge the additional effort made by some stakeholder groups to work with MFish to determine appropriate deemed value rates. I am pleased that the process of setting deemed values has involved staff from the New Zealand Seafood Industry Council (SeaFIC), Deepwater Group (DWG) and New Zealand Rock Lobster Industry Council (NZRLIC). The information used to set deemed values is complex and greater involvement from industry can only assist in setting and monitoring the deemed value setting process in future.

These deemed value rates have been developed using the deemed value standard which I approved in March 2007. I am pleased that the standards framework – a critical element of objectives based fisheries management - is being implemented at a practical level. The purpose of these deemed value changes is to ensure my obligations under section 75 (2)(a) of the Act are fulfilled, which requires that I set deemed value rates that provide an incentive for every commercial fisher to balance their catch with ACE.

A key element of this standard is much more active monitoring and frequent adjustments. This means that the effects of these deemed values decisions, and of other deemed value rates, will be evaluated and changes will be made where necessary.

A description of the decision I have reached and why I reached it is described below for each species. This is preceded by general comments on deemed values and the purpose of the catch balancing provisions of the Act.

General Comments

Setting correct deemed values is as important to the sustainability of a fishery – and its economic value – as setting a proper TACC. I have therefore decided to make a number of changes across a whole range of fish stocks to better ensure that catch is balanced with a fisher's ACE. I will not tolerate excessive catch in a fishery above the available ACE in that fishery. This general 'tightening' of the system is critical to ensure the integrity of the Quota Management System.

I know this will cause problems for some parts of the industry. But this was a change that was a long time coming. My message is clear: ACE should be used to balance catch.

I am advised that there may be a tendency for some irresponsible fishers to try and avoid deemed values by discarding unwanted fish. This is unacceptable. Under the Act, this is a criminal act. When caught, such fishers will be prosecuted and face large fines and potential forfeiture of quota and vessels. I expect that my deemed values decisions will influence where enforcement effort is applied.

Deemed values should be used less than they are now, and they should be for small and unexpected overruns above ACE holdings. It does not matter if fishers are deliberately continuing to target species over their ACE holdings, or have insufficient ACE to cover bycatch when harvesting a target species: in all cases, my obligation is to ensure that the incentive is to cover that catch with ACE.

I recognise that some believe the TACCs for some stocks are too low, and I agree that these should be reviewed. However, I am not willing to decide which TACCs are worthwhile defending, and which we should allow to be breached. I will not make some TACCs 'real' and others 'on paper'. I agree that some TACCs need more urgent review, and these are noted in the individual stock sections.

Spiny (Red) Rock Lobster: CRA1-9 (inclusive)

I have increased the annual deemed value rate to \$100.00 per kg to continue the strategy of setting the annual deemed value rate at least twice the port price for high value species. I increased the annual deemed value rate to account for the increase in port price and export price for all CRA stocks.

I have set the interim deemed value rate at \$75.00 per kg (75% of the annual deemed value rate) to encourage fishers to balance their catch with ACE regularly instead of paying interim deemed values.

I have adjusted the differential deemed value rates for all CRA stocks to match the new annual deemed value rate.

Packhorse Rock Lobster: PHC1

I have decided to take a consistent approach when setting the deemed rate rates for all rock lobster species, therefore, I have decided to set the deemed value rates for PHC1 at the same rates as the CRA stocks.

I have increased the annual deemed value rate to \$100.00 per kg to continue the strategy of setting the annual deemed value rate at least twice the port price for high value species.

I have set the interim deemed value rate at \$75.00 per kg (75% of the annual deemed value rate) to encourage fishers to balance their catch with ACE regularly instead of paying interim deemed values.

I have adjusted the differential deemed value rates for PHC1 to match the new annual deemed value rate.

Southern Blue Whiting: SBW6A, SBW6B, SBW6I & SBW6R

I have decided to increase the southern blue whiting deemed value rates in response to the overfishing that has occurred in SBW6B in recent years. At the end of the 2006/2007 fishing season, \$258,313 of deemed value invoices were issued. I do not consider this acceptable and it is evidence that the current deemed value rate has been set too low to discourage fishing in excess of the annual catch entitlement.

I have increased the annual deemed value rate to \$0.36 per kg to better reflect the port price (\$0.35 per kg) for southern blue whiting.

I have set the interim deemed value rate at \$0.32 per kg (90% of the annual deemed value rate) to encourage fishers to balance their catch with ACE regularly instead of paying interim deemed values.

I have decided to set a single differential deemed value rate of \$0.50 per kg at 102% of ACE holdings as a backstop to the new annual deemed value rate. I consider that large catch overruns are avoidable, as SBW is a clean target fishery and vessels operating in this fishery have good control over their catch. ACE holdings by fishers are typically large, so sizeable and accidental overruns of ACE holdings are unlikely.

In the interests of providing the same incentives for all Area 6 SBW stocks, I have decided that the deemed value rates will remain the same in all Area 6 SBW fisheries, therefore, the deemed rates outlined above will also apply to SBW6A, SBW6I and SBW6R.

Sea Cucumber: All stocks except SCC10,

I have decided to set the deemed value rates for the sea cucumber stocks differently depending on whether they taken as mainly a target species (diving) or as a bycatch species (trawling). I have decided that target fisheries for sea cucumber operate in SCC1B and SCC7A and I have set the annual deemed value rate at \$3.00 per kg to better reflect the nature of these fisheries.

I have set the interim deemed value rate at \$2.70 per kg (90% of the annual deemed value rate) to encourage fishers to balance their catch with ACE regularly instead of paying interim deemed values.

I have decided to introduce differential deemed value rates into SCC1B and SCC7A to discourage excessive deeming and to provide an incentive to acquire ACE to balance catch.

I have decided that bycatch fisheries operate in SCC1A, SCC2A, SCC2B, SCC3, SCC4, SCC5A, SCC5B, SCC6, SCC7B, SCC7D, SCC8 and SCC9. I have decided to increase the annual deemed value rate to \$0.25 per kg in these fisheries.

I have set the interim deemed value rate at \$0.20 per kg (80% of the annual deemed value rate) to encourage fishers to balance their catch with ACE regularly instead of paying interim deemed values.

I have decided that differential deemed value rates are not appropriate for SCC1A, SCC2A, SCC2B, SCC3, SCC4, SCC5A, SCC5B, SCC6, SCC7B, SCC7D, SCC8 and SCC9 and they will not be introduced.

Yours sincerely

Jim Anderton
Minister of Fisheries

/ / 2008