



NZ ROCK LOBSTER INDUSTRY COUNCIL LTD

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REVIEW OF ROCK LOBSTER SUSTAINABILITY MEASURES FOR 01 APRIL 2018

Revised CRA 2 submission from the New Zealand rock lobster industry.

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1 Introduction

1. After further careful consideration of the stock assessment information, and discussion with CRA 2 quota share owners and fishermen at their 15 February AGM, NZ RLIC is submitting a position that has been revised for certain elements.
2. This new submission should be read with the NZ RLIC submission of 9 February. Most of the content of the submission remains the view of NZ RLIC and CRAMAC 2 and contains information and analysis that are relevant and should be considered by the decision maker. Where we have adjusted the 9 February submission this is set out in the material below.

2 Revised proposal for TAC and TACC

3. The CRAMAC 2 AGM fully supported a resolution that NZ RLIC should amend the submission to MPI to support a reduced TAC of 193 tonnes consisting of a TACC of 100 tonnes, a recreational allocation of 34 tonnes, a customary allocation of 16.5 tonnes, provision for illegal take of 40 tonnes and handling mortality of 2.5 tonnes.
4. A TACC reduction of this magnitude will have very serious socio-economic consequences for quota share owners, fisherman, associated businesses and iwi through unemployment, vessels off the water, loss of income of catching sector, for quota owners processors and contributors, inability to service debt, stranded assets, effects on iwi beneficiaries and flow on impacts to support businesses and regional communities. These consequences are set out in more detail in section 2.3 of our previous submission and remain relevant.
5. Despite these serious impacts, in considering the stock status and the need to put the stock on a clear rebuild trajectory with a high degree of certainty, we accept that a 50% TACC reduction is necessary. The discussion at the AGM confirmed the rock lobster industry adherence to the principles that the fishery must come first and that evidence based decision making should prevail.
6. Industry will be actively considering the support that might be necessary for their members in these very difficult circumstances. Many will not have alternative available employment opportunities, and as outlined in our previous submission, their vessels, equipment and experience will not be suitable for other fisheries, nor will they have the capital to purchase ACE for other stocks. Professional counselling, support and financial advice services may need to be considered where people wish to use those services.

2.1 REASONS FOR AMENDED POSITION

7. The new CRA 2 stock assessment considered a range of factors that could impact on a projected rebuild of the stock. There are tools to control removals by stakeholders, but environmental driven recruitment variation is not a factor that can be influenced. The only

management response is to constrain overall removals so the fishery can rebuild even if the recent lower recruitment were to persist. A TAC of 193 tonnes, with a TACC of 100 tonnes will ensure a rebuild irrespective of the range of recruitment scenarios considered by the Stock Assessment Working Group.

8. If recruitment is at the base case level (the average of the last 10 years) the stock will rebuild to the interim target in 5 years. Even if recruitment remains at the low levels estimated for the most recent years for an extended period this TAC will still ensure a rebuild to the interim target in 15 years. This low recruitment projection assumed recreational catch increasing as the biomass rebuilt. If recreational catch is constrained to support the rebuild the biomass increase trajectory will be faster.
9. The TAC of 193 tonnes therefore ensures a rebuild in a reasonable timeframe even in the most pessimistic of scenarios considered by the Stock Assessment Working Group. A 193 tonne TAC provides between an 86% and 93% probability in each of the next 10 years of that the stock will rebuild even with low recruitment. If the base case recruitment occurs there will be a 97% to 100% probability.
10. The NZ RLIC submission proposed a breakout rule that was designed to effect greater TACC reductions and accompanying changes to controls on the recreational sector if the stock declined further from its current position, as detected through CPUE changes. However, it is acknowledged that this rule would not address the situation where further deterioration of the stock position was arrested, but it did not rebuild from its current low point. Only reductions to current levels of removals will achieve that.
11. In the submissions and NRLMG discussion attention was drawn to the current estimates of vulnerable biomass in 2017 (203 tonnes) and spawning stock biomass (SSB) in 2016 (328 tonnes). These estimates suggest a high exploitation rate for the stock. This was another factor that indicated that a lower TAC and TACC would be appropriate.

2.2 RECREATIONAL ALLOCATION

12. The revised proposal from industry represents a 50% cut in the TACC, and a further 33% reduction on commercial removals in the last two years effected by the voluntary shelving. In these circumstances, at a maximum, the recreational allocation should be set at current removals. The best estimate of current removals by the Stock Assessment Working Group is 34 tonnes. In the context of further severe reductions to commercial catch it would not be responsible to consider providing for increased recreational catch by setting an allowance of 50 tonnes. In decision processes, the variation around the best estimate is considered but there is no precedent for selecting the high end of a range, or for using a six year old estimate when a more recent one is available.

2.3 MANAGING RECREATIONAL CATCH

13. The grave consequences for the CRA 2 industry, associated businesses and iwi, and the rebuild of the fishery, will be undermined if all sources of mortality are not constrained to ensure the integrity of the TAC set. This requires that immediate steps are taken to evaluate and put into effect meaningful adjustments to the controls on recreational take. These measures must take into account the likely improved fishing success for recreational fishers as the stock rebuilds. The measures need to be accompanied by implementing annual surveys to estimate recreational catch. A large proportion of submissions from the recreational sector acknowledged that the current bag limits were unsustainable in the current stock situation and that substantially lower individual daily bag limits of 2-3 were necessary and that other measures such as closures needed to be evaluated.
14. These new controls need to be implemented urgently. The level of reduction in commercial take can be expected to result very quickly in increasing availability and catch rate for recreational fishers. The management strategy evaluations show that unconstrained recreational catch expansion will slow the stock rebuild by years. It is imperative that MPI meet their stated commitment to have revised measures in place by 1 October 2018.

2.4 MONITORING RECREATIONAL CATCH

15. Having taken stringent measures to ensure stock rebuild, an improvement must be made in monitoring recreational catch so that decision makers have up to date and reliable information to inform further management interventions that might be necessary. Much has been learned from surveys undertaken in recent years and it there are now hybrid on-site mechanisms that can be used to deliver cost effective annual estimates of recreational catch. Off-site survey mechanisms could be made much more accurate and less expensive if there was a free register of rock lobster fishers. Section 2.5.2 of our previous submissions outlines other options for more effectively estimating recreational take. Whatever the approach used, annual estimates of recreational take are needed to inform decisions on management of this key fishery. Just in landed revenue, industry will forego \$8.4m annually from a 50% TACC reduction. An investment by government in annual catch estimation for the recreational sector will be very modest in comparison.

2.5 INDUSTRY INVESTMENT AND CONTRIBUTION

16. Industry will continue, and enhance, its voluntary contributions and investment in the CRA 2 stock.
 - a. The CRA 2 industry is determined to continue its commitment to the log book programme and observer catch sampling. You will understand that given the exit of vessels that cannot obtain the minimum legal ACE entitlement, or no longer have economic holdings, the CRA 2 industry will need to work hard to achieve the same high level of coverage achieved in recent years.
 - b. The tag release and recapture programme will continue so the assessment team has up to date estimates of growth to inform their modelling

- c. The puerulus settlement collectors will continue to be deployed so a relative abundance time series can be developed. Over time this may provide key information that can inform assessments by providing more predictive capacity of the strength of future year classes.
- d. Industry will continue the voluntary effort spreading arrangements in statistical area 906 to help address concerns about spatial competition, noting that the fleet reduction likely as a result of a 50% TACC reduction might temper the need to continue this initiative.
- e. NZ RLIC will take the lead in developing a proposal for a new approach to pre-recruit monitoring. This will likely involve the deployment of traps specifically designed to sample animals after settlement and before they reach the minimum legal size. An index of pre-recruit strength would fill a key gap in the information available to the stock assessment team to accurately predict future stock trends. NZ RLIC will work with science advisors to develop a proposal for review by the Stock Assessment Working Group.

3 Addressing illegal fishing

17. The 50% TACC reduction proposed will result in many current operators being forced to exit the industry and find new employment, quota share holders, processors and LFRS will suffer significant revenue losses and many associated businesses will lose substantial income. In these circumstances government must implement effective new measures to reduce illegal take in CRA 2. Illegal take for purpose of sale or barter is a direct extraction from the stock that could instead contribute to the rebuild or provide harvest for legitimate users. Relatively minor infringements such as an animal under the MLS are not the activities causing substantial levels of illegal extractions – increased focus is needed on poaching and blackmarket activity that leads to large quantities of rock lobster being traded other than that authorised by legal catching entitlements.
18. The current very dated and unreliable estimates of illegal take are inadequate to inform coherent management and MPI needs to take steps to collect the necessary metrics and provide useful estimates to inform the stock assessment. The rock lobster industry confirms its commitment to offer a reward of \$5000 for provision of information to MPI that materially supports a successful prosecution for illegal take and trade of rock lobster from CRA 2. This commitment demonstrates that industry is serious about using its resources to try and reduce illegal activity. A reward system should encourage provision of new intelligence that makes MPI's compliance operations and targeting of resources more effective.
19. Section 2.5.4 of our previous submission sets out other suggestions for improving the effectiveness of MPI's compliance activities. This includes the introduction of telson clipping which seems to have a considerable measure of support in the recreational sector and will be a meaningful step to expose fish thieves attempting to operate under the guise of recreational fishing. NZRLIC would also be prepared to provide submissions to governments appropriation process in support of a new initiative bid for increased resources for MPI to be directed at poaching and blackmarket activity. Credible and effective new measures need

to be introduced urgently to avoid any further erosion of catch entitlements for legitimate fishers.

4 Re-instatement of the TACC

20. The revised position in this submission, including the 50% reduction to the TACC, demonstrates the commitment of the CRA 2 industry to ensuring the rebuild of the fishery. Their assets, livelihoods and lifestyle, and that of their families and communities are inextricably linked to the health of this fishery. They have proposed these measures at huge personal cost to ensure rebuild of the fishery, and can reasonably expect to derive some benefit of that rebuild in future. Likewise, the financial institutions they are in debt to will be looking for signals that the restraint and financial pressure on reducing debt burden will be eased down the track. A clear signal here may mean some operators can remain solvent and make it through the tough period.
21. It is critical in this circumstance that government gives a clear signal that when the stock assessment indicates that fishery can sustain an increase in harvest, that there will be re-instatement of the TACC. It is accepted that future increases must be considered with some care – we are not talking about risking the rebuild to the management target. It is also recognised that when that increased take can be sustained this must be shared equitably with the recreational sector, and iwi authorities will be able to relax the constraint they have applied to customary take authorisations. NZ RLIC was much encouraged by the responsible position taken in many submissions, and the discussion in the NRLMG, that recognised the interests of both the non-commercial and commercial sectors and their shared responsibility and future in the fishery.

5 Environmental principles and interdependence of stocks

22. Some submissions discussed the role that rock lobsters play in coastal marine ecosystems and suggested that lower abundance of lobsters is contributing to changes in habitats such as the prevalence of urchin barrens and loss of macrophytes. The Minister's responsibilities under the Fisheries Act to consider the interdependence of stocks, the maintenance of biological diversity and the protection of habitats of particular significance to fisheries management are acknowledged. An examination of the scientific literature both here and overseas, and particularly research has been undertaken on the north east coast of the North Island, suggests there are a number of contributing factors that are important in influencing the observed changes in these marine environments.
23. These elements include the presence and abundance of different predators on algal grazers such as urchins, recruitment, survival patterns and disease for urchins, environmental and climatic forces including water temperature, nutrients and storm events, depth and adverse impacts such as catchment derived sedimentation and pollution. Some of the evidence is contradictory, and it is certainly complex.

24. Whatever the role of abundance of rock lobster relative to other elements in these changes in community assemblages, and there is real uncertainty about the relative importance of these factors and the way they interact, taking decisive steps to rebuild the rock lobster stock to higher levels of abundance will mitigate issues that might be related to rock lobster as a predator on urchins.

6 Conclusion

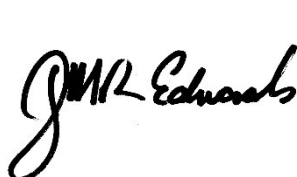
25. The measures outlined in the paragraphs above are a package outlined by the CRA 2 industry and NZ RLIC to rebuild this important fishery for all stakeholders. The elements of the package are linked and mutually supporting to ensure not only an outcome of rebuilding the fishery, but making critical improvements to the management of the CRA 2 fishery. All sectors need to work together and making the necessary contribution to support the utilisation benefits they enjoy and avoid the risks of further stock depletion. Government also needs to step up and put in place arrangements to deliver on its responsibilities as a regulator.

26. The elements of the package are;

- a. Reduction of the TACC by 50% to 100 tonnes
- b. Reset the allowance for recreational fishing to 34 tonnes
- c. Meaningful adjustments to the regulatory controls on recreational take must be promulgated by 1 October 2018.
- d. Annual surveys to estimate recreational rock lobster catch in CRA 2 must be put in place to inform decisions makers.
- e. Industry will continue, and enhance, its voluntary contributions and investment in the CRA 2 stock including the log book programme and observer catch sampling, the tag release and recapture programme, the deployment of puerulus settlement collectors and voluntary effort spreading arrangements in statistical area 906.
- f. NZ RLIC will take the lead in developing a proposal for a new approach to pre-recruit monitoring for review by the Stock Assessment Working Group.
- g. New initiatives must be implemented urgently by MPI to reduce illegal fishing. Industry will, for its part provide a \$5000 reward for information leading to a successful prosecution and is actively considering further measures.
- h. MPI needs to take steps to collect the necessary metrics and develop useful illegal take estimates to inform the stock assessment.
- i. Industry will seek a commitment from the Minister to re-instatement of the TACC when the stock assessment indicates this is sustainable while not preventing the rebuild or maintaining the stock at the target.

NZ Rock Lobster Industry Council

On behalf of CRAMAC 2



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