



Office of Hon Nathan Guy

MP for Otaki

Minister for Primary Industries
Minister of Civil Defence

Associate Minister for Economic Development

B17-0532

Dear Stakeholder

Further closure of earthquake-affected fisheries, and changes to sustainability measures and other management controls for 1 October 2017

I write to inform you of the decisions I have made to:

- replace the current closure for earthquake-affected shellfish and seaweed fisheries along the Kaikōura and Cape Campbell coastline with a closure under section 11 of the Fisheries Act 1996; and
- change sustainability measures and other management controls for selected fishstocks as a result of the review of sustainability measures and management controls for the 2017/18 fishing year commencing on 1 October 2017.

The new fisheries closure will apply to the same species (all shellfish (excluding rock lobster and scampi) and seaweed) and the same area along the Kaikōura/Cape Campbell coastline as the current closure. The new closure will come into effect on 20 November 2017, replacing the current emergency closure when it expires. The other changes to sustainability measures and management controls outlined in this letter will come into effect at the start of the new fishing year on 1 October 2017. Copies of the discussion documents and the information paper providing final advice are available on the Ministry for Primary Industries' (MPI's) website (www.mpi.govt.nz).

The decisions I have made reflect my desire to maximise the benefits obtained from New Zealand's fisheries whilst ensuring sustainability. Where I consider there to be opportunities for increased utilisation, I have increased Total Allowable Catches (TACs) and where I consider there to be a sustainability risk or a need to better reflect the purpose of the Fisheries Act 1996 (the Act), I have decreased TACs (or in the case of Kaikōura/Cape Campbell implemented a new closure). I have also reviewed deemed value settings for a number of stocks to encourage fishers to balance their catch with appropriate Annual Catch Entitlement.

In reaching my decisions I have considered the submissions received on MPI's discussion documents, the relevant legislative provisions and my obligations under the Act, and the final advice provided to me by MPI. This advice included MPI's analysis of submissions received during the consultation process. MPI's analysis resulted in the consideration of some new options in response to input from tangata whenua and views put forward in submissions.

I would like to thank everyone who took the time to make submissions or has been involved in discussions during the consultation period for this process.

The specific decisions for the closure and for each stock are attached.

Yours sincerely

A handwritten signature in blue ink that reads "Nathan Guy" with a stylized flourish at the end.

Hon Nathan Guy
Minister for Primary Industries

Earthquake-affected Fisheries Decisions

Kaikōura/Cape Campbell fisheries closure

Management action: Replace the emergency closure with a closure under section 11 of the Fisheries Act 1996.

I have decided to continue the closure for earthquake-affected shellfish and seaweed species in Kaikōura and Cape Campbell. The new closure will be put in place under section 11 of the Fisheries Act 1996 (the Act) rather than using the emergency closure provisions under section 16. It will continue to apply to all shellfish (excluding rock lobster and scampi) and seaweed in the earthquake-affected area from the Conway River to Marfells Beach Area. The closure will apply from 20 November 2017.

There is no information to suggest the stocks within the earthquake area have recovered to the extent necessary to support utilisation, and any utilisation will only slow down recovery of the populations. As a consequence, I consider closure of the stocks in the earthquake impacted area remains the best management approach at this time. The new closure will remain in place until information from the research programme currently underway in Kaikōura becomes available from mid-2018. I will consider the information and whether any adjustment needs to be made to the closure at this time. However, I am expecting the closure will need to remain in place for some time to come.

Earthquake-affected paua (PAU 3 and PAU 7)

Stock		2017 TAC (t)	TACC (t)	Other Sources of Fishing-Related Mortality (t)	Māori Customary Allowance (t)	Recreational Allowance (t)
PAU 3	Old	-	91.6	-	-	-
	New	79.3	45.8	10	15	8.5
PAU 7	Old	133.6	93.6	10	15	15
	New	121.8	84.2	10	15	12.6

For PAU 3, I have decided to set the Total Allowable Catch (TAC) at 79.3 tonnes for the 2017/18 fishing year. Within the new TAC, I have introduced an allowance for other sources of fishing-related mortality of 10 tonnes, a Māori customary non-commercial fishing allowance of 15 tonnes, and a recreational fishing allowance of 8.5 tonnes. I have decided to decrease the Total Allowable Commercial Catch (TACC) from 91.6 tonnes to 45.8 tonnes.

For PAU 7, I have decided to decrease the TAC from 133.6 tonnes to 121.8 tonnes for the 2017/18 fishing year. Within the new TAC, I have retained the allowance for other sources of fishing-related mortality of 10 tonnes, retained the Māori customary non-commercial fishing allowance of 15 tonnes, and I have decided to decrease the recreational fishing allowance from 15 tonnes to 12.6 tonnes. I have decided to decrease the TACC from 93.6 tonnes to 84.2 tonnes.

The new closure of earthquake-affected fisheries described above will cover the upper part of PAU 3 and the lower south-eastern part of PAU 7. I am concerned that the existing catch limits for these stocks would be unsustainable if they were taken in the area of these fisheries that remain open.

The reductions to catch limits in both fisheries reflects the proportion of the harvest previously taken from the open areas.

I have decided to decrease the PAU 3 TACC by 50%, and set a recreational allowance that is based on a 50% reduction of the most recent harvest estimate. This reflects the significant proportion of PAU 3 area and potential harvest that is now inaccessible to both commercial and recreational fishers as a result of the earthquakes and the closure. I consider that the new TAC and TACC will be sustainable when harvested from the open area of PAU 3.

The reductions to the PAU 7 TACC and the recreational allowance are based on a 10% decrease to the TACC, and a 10% decrease to the estimated recreational catch. The smaller reduction in PAU 7 reflects the smaller amount of the fishery affected by the earthquake and subsequent closure.

I do not consider it necessary to alter the existing annual or interim deemed value rates for either PAU 3 or PAU 7 this year.

MPI will be consulting on further measures to support the revised catch limits over the coming months. This will include changes to recreational bag limits and other management controls to ensure the recreational allowance is not exceeded.

Other Sustainability Round Decisions

Bluenose (BNS 1, 2, 3, 7 & 8)

Stock		2017 TAC (t)	TACC (t)	Other Sources of Fishing-Related Mortality (t)	Māori Customary Allowance (t)	Recreational Allowance (t)
Combined	Old	990	900	18	9	63
	New	704	620	12	9	63
BNS 1	New	251	230	4	2	15
BNS 2		279	247	5	2	25
BNS 3		114	93	1	2	18
BNS 7		40	34	1	2	3
BNS 8		20	16	1	1	2

I have decided to decrease the combined TAC for BNS 1, 2, 3, 7 and 8 from 990 tonnes to 704 tonnes for the 2017/18 fishing year. Within this TAC, I have decreased the combined TACC from 900 to 620 tonnes and the combined allowance for other sources of fishing-related mortality from 18 to 12 tonnes. I have retained the combined Māori customary non-commercial fishing allowance at 9 tonnes and the combined recreational fishing allowance at 63 tonnes.

For stock-specific sustainability decisions, see the table above.

I am concerned about the status of bluenose. Management measures to ensure its rebuild began in 2011 where the Minister at the time decided on a rebuild plan based around a phased reduction to the catch limit over a three year period. Only two of those phased reductions were completed because new information suggested that the stock may be recovering more quickly, or was in better shape than initially thought. There was a pause on further management action while the information was reviewed and more data gathered. The latest update to the stock assessment does not support the view that the fishery has improved significantly. The assessment suggests that the stock remains well below its target level, with little sign of increase in abundance.

I recognise the impact of further catch reductions in this fishery on industry. I note that in my previous decision in 2016 I reduced the TAC by 205 tonnes (17%) and did not take stronger action because I wanted to provide the opportunity for a management procedure/decision rule to be developed. I am disappointed that a revised rule was not able to be developed in an appropriate timeframe this year. The best available information indicates that the fishery remains in a depleted state, well below any reasonable management target. This is a valuable fishery to the commercial sector, and also increasingly important to recreational fishers. Accordingly, I do not wish the rebuild in this fishery to be delayed any longer. I have therefore decided to reduce the catch limits by an amount I consider provides a reasonable probability of allowing a rebuild of the fishery within the timeframe and targets that were agreed to in 2011. I note that these targets are also in line with the Harvest Strategy Standard defaults for low productivity stocks like bluenose, and reflect international best practice.

I remain supportive of the development of a management procedure to guide a rebuild of the fishery. I consider that any proposed procedure should maintain the rebuild target and timeframe agreed in 2011. While I have considerable discretion, I would need to be convinced of the merits of any change from the target and timeframes set out already in the rebuild plan given the current state of the fishery and its importance to all sectors.

I have decided to maintain the recreational allowance at the current levels as the best available information suggests that these settings will provide for current levels of catch. I note that recreational catch is small compared to commercial take and that recreational catch is not considered to be contributing to the decline of the bluenose fishery. In addition, the recreational bag limit was reduced from 20 to its current level of five as part of the review in 2011, and I consider that this adequately restrains recreational harvest.

While bluenose is recognised as a taonga species, no increase is proposed for the Māori customary allowance as the best available information suggests that current settings will provide for current levels of catch. In addition, customary catch of bluenose is comparatively minor and is not considered to be contributing to the decline of the bluenose fishery.

I have decided to set the allowance for other sources of fishing related mortality at approximately 2% of the TACC. This is consistent with MPI's approach to other fish stocks of this nature.

I do not consider it necessary to alter the existing annual and interim deemed value rates this year.

Paua (PAU 4)

	2017 TAC (t)	TACC (t)	Other Sources of Fishing-Related Mortality (t)	Māori Customary Allowance (t)	Recreational Allowance (t)
Old	-	326	-	-	-
New	204	196	2	3	3

I have decided to set the TAC for PAU 4 at 204 tonnes for the 2017/18 fishing year. Within this new TAC, I have introduced an allowance for other sources of fishing-related mortality of 2 tonnes, a Māori customary non-commercial fishing allowance of 3 tonnes, and a recreational fishing allowance of 3 tonnes. I have decided to decrease the TACC for PAU 4 from 326.5 tonnes to 196 tonnes.

There is uncertainty in information on stock status of the paua fishery surrounding the Chatham Islands. However, the best available information suggests stock biomass in PAU 4 is declining. Despite voluntary shelving of 10-20% of ACE by industry since 2010/11, fishers consider there has been a decline in the abundance of paua in the fishery since the early 2000s. Quantitative data on the fishery is uncertain, but a new scientific analysis completed earlier this year supports fisher’s concerns and suggests a precautionary approach is required.

To reflect the sustainability concerns in the PAU 4 fishery, I have decided to reduce the PAU 4 TACC by 40% to support a rebuild and ensure the long term sustainability of the stock. This reduction is based on best available information, including stock assessment modelling, to ensure the stock stabilises or increases. It takes into account that industry initiatives covering shelving between 20-30% of the ACE have been unsuccessful in preventing further decline.

I am very aware of the economic impact such a reduction will have on fishers and potentially the wider economy of the Islands. However, the value of the fishery is precisely the reason I believe it is critically important to act decisively to prevent further decline and begin to rebuild the fishery.

I note the strong preference by submitters for shelving of between 30 to 40% of ACE in order to rebuild the fishery, while avoiding a reduction to the TACC. However, under the Act, I cannot rely on a shelving arrangement to ensure sustainability. Effectively I must be confident that if the TACC was fully taken it would move the stock biomass in a direction I consider appropriate reflecting my obligations under the Act. Given best available information I am not confident that the current TAC for PAU 4 is sustainable. Shelving remains a valuable tool to support increasing the rate at which a stock rebuilds to its target level if fishers consider the way and rate I have set is too slow.

I do not consider it necessary to alter the existing annual and interim deemed value rates this year.

Red cod (RCO 2)

	2017 TAC (t)	TACC (t)	Other Sources of Fishing-Related Mortality (t)	Māori Customary Allowance (t)	Recreational Allowance (t)
Old	500	500	-	-	-
New	554	500	25	5	24

I have increased the TAC for RCO 2 from 500 tonnes to 554 tonnes to better reflect all sources of fishing occurring in RCO 2 and to set allowances for non-commercial fishing for the first time.

I have decided to maintain the TACC for RCO 2 at 500 tonnes for the 2017/18 fishing year. Within the new TAC of 554 tonnes, I have introduced an allowance for other sources of fishing-related mortality of 25 tonnes, a Māori customary non-commercial fishing allowance of 5 tonnes, and a recreational fishing allowance of 24 tonnes.

For RCO 2 (a species listed in Schedule 2 of the Fisheries Act 1996), the TAC can be increased within a fishing year (an in-season increase), reverting to the original (baseline) level at the end of each season. The settings that I am making now are referred to as baseline settings and are intended to stay in place over the medium-term, while in-season increases may also be provided for in fishing years where high abundance is detected (as occurred in 2016/17).

There are currently no known sustainability concerns for RCO 2 and I believe this option allows for commercial and non-commercial catch utilisation given the best available information.

I have decided to increase the interim deemed value rate from \$0.14/kg to \$0.25/kg for the 2017/18 fishing year. I do not consider it necessary to alter the existing annual deemed value rates this year. See *Deemed Value Rates* below for more information.

Red gurnard (GUR 7)

	2017 TAC (t)	TACC (t)	Other Sources of Fishing-Related Mortality (t)	Māori Customary Allowance (t)	Recreational Allowance (t)
Old	919	845	42	10	22
New	1,065	975	50	15	25

I have decided to increase the TAC for GUR 7 from 919 tonnes to 1,065 tonnes for the 2017/18 fishing year. Within this new TAC, I have decided to increase the allowance for other sources of fishing-related mortality from 42 tonnes to 50 tonnes, increase the Māori customary non-commercial fishing allowance from 10 tonnes to 15 tonnes, and increase the recreational fishing allowance from 22 tonnes to 25 tonnes. I have decided to increase the TACC from 845 tonnes to 975 tonnes

The best available information suggests that the abundance of gurnard in GUR 7 is at an all-time high (the 2017 West Coast South Island trawl survey suggests that GUR 7 biomass is approximately three times the reference level) and the fishery is experiencing a recruitment pulse. Gurnard is a relatively short-lived and fast-growing species, requiring increases to catch limits and allowances to best utilise the stock when abundance and recruitment are high, and decreases in periods of poor recruitment and low abundance to maintain the sustainability of the stock.

I have decided to increase the TAC, TACC, and non-commercial allowances for GUR 7 to utilise the increase in biomass whilst ensuring sustainability. Increases are proposed for both customary and recreational fishing allowances, to allow for the additional availability of gurnard. As a result of feedback received during input and participation and consultation, I have set an increased customary allowance. This takes into account anticipated increased customary use of the resource.

I anticipate that the increase in catch limits and allowances will cover the increased bycatch of gurnard as a result of its increased availability and abundance in GUR 7, rather than result in any additional fishing effort. Gurnard is an important fish on the domestic market and increasing the TACC will increase the availability of gurnard for New Zealand consumers.

I do not consider it necessary to alter the existing annual and interim deemed value rates this year.

Hake (HAK 7)

	2017 TAC (t)	TACC (t)	Other Sources of Fishing-Related Mortality (t)	Māori Customary Allowance (t)	Recreational Allowance (t)
Old	7,777	7,700	77	0	0
New	5,120	5,064	51	5	0

I have decided to decrease the TAC for HAK 7 from 7,777 tonnes to 5,120 tonnes for the 2017/18 fishing year. Within this new TAC, I have reduced the allowance for other sources of fishing-related mortality from 77 tonnes to 51 tonnes, I have introduced a Māori customary non-commercial fishing allowance of 5 tonnes, and I have maintained the recreational fishing allowance at 0 tonnes. I have decided to decrease the TACC for HAK 7 from 7,700 tonnes to 5,064 tonnes.

A new 2017 stock assessment of HAK 7 suggests two equally likely possible statuses for the stock. Different abundance indices show conflicting trends: one (trawl survey series) indicates a decrease in abundance (at 26% of the unfished biomass (B_0) and declining) while the other (catch-per-unit-effort series) indicates a steady level of abundance (at 50% B_0 and stable at current catch levels). Therefore the overall status of the HAK 7 stock is uncertain.

I have decided to decrease the TAC, TACC, and allowance for all other mortality caused by fishing to address potential sustainability concerns and the uncertainty of the status of the fishery. This is intended to minimise the risk of the stock declining below the soft limit (20% B_0) in the short term while additional scientific research is completed.

Feedback received during input and participation with tangata whenua and consultation prompted the addition of a customary allowance of 5 tonnes. This is intended to provide for increased customary use of the resource. I have decided to retain the current nil allowance for recreational fishing considering that no recreational catch is believed to be occurring in HAK 7 (hake is a deepwater species primarily caught offshore). An allowance for all other mortality caused by fishing set at 1% of the TACC is proposed for all options.

I do not consider the status quo a viable option because, if it were fully caught, a TAC of 7,770 tonnes would lead to a stock decline in HAK 7 according to both models in the 2017 stock assessment and is therefore considered to not meet the requirements of the Act.

I do not consider it necessary to alter the existing annual and interim deemed value rates this year.

Orange roughy (ORH 3B)

	2017 TAC (t)	TACC (t)	Other Sources of Fishing-Related Mortality (t)	Māori Customary Allowance (t)	Recreational Allowance (t)
Old	5,250	5,000	250	0	0
New	5,470	5,197	268	5	0

I have decided to increase the TAC for ORH 3B from 5,250 tonnes to 5,470 tonnes for the 2017/18 fishing year. Within this new TAC, I have increased the allowance for other sources of fishing-related mortality from 250 tonnes to 268 tonnes, increased the Māori customary non-commercial fishing allowance from 0 tonnes to 5 tonnes, and maintained the recreational fishing allowance of 0 tonnes. I have decided to increase the TACC for ORH 3B from 5,000 tonnes to 5,197 tonnes.

Updated stock assessment information for the Puysegur sub-area in 2017 estimates this sub-stock to be at 49% unfished biomass (B_0). This result places the status of the sub-stock near the top of the management target range indicating a utilisation opportunity exists for the Puysegur fishery.

I am increasing the TAC, TACC, customary Māori allowance, and allowance for all other mortality caused by fishing for ORH 3B to take advantage of the utilisation opportunity identified for the Puysegur sub-stock. This increase applies only to the Puysegur sub-area of ORH 3B, all other sub area catch limits remain unchanged.

The increase will provide for orange roughy target fishing and also for a return of the oreo fishery which has been excluded from the area as a result of the previous agreement not to take orange roughy in the Puysegur area.

Feedback received during input and participation with tangata whenua and consultation prompted the addition of a customary allowance of 5 tonnes. This is intended to provide for increased customary use of the resource. I have decided to retain the current nil allowance for recreational fishing considering that no recreational catch is believed to be occurring in ORH 3B (orange roughy is a deepwater species exclusively caught offshore). I am increasing the allowance for all other mortality caused by fishing from 250 tonnes to 268 tonnes.

I do not consider it necessary to alter the existing annual or interim deemed value rates this year.

Deemed Value Rates (multiple stocks)

I have decided to adjust deemed value rates for a number of fish stocks to ensure they provide an effective incentive for commercial catch to be balanced with Annual Catch Entitlement (ACE). Table 1 summarises my decisions on deemed value rates.

My decisions are consistent with both the Deemed Value Guidelines and my statutory obligations. For GLM 9 I have adjusted the deemed value rates to better reflect the commercial value of green-lipped mussel spat and to help constrain GLM 9 harvest within available ACE. For the other stocks reviewed, I have given particular consideration as to how best to encourage fishers to balance catch with ACE throughout the year and to avoid creating incentives to misreport, whilst still ensuring the long term value of the stocks.

Table 1: Deemed value rate changes to apply on and from 1 October 2017 (changes highlighted)

Species	Stock	Current				Proposed			
		Interim \$/kg	Annual \$/kg	Annual at maximum excess \$/kg	Differential	Interim \$/kg	Annual \$/kg	Annual at maximum excess \$/kg	Differential
Green-lipped mussel	GLM 9	5.40	6.00	12.00	Standard	9.00	10.00	20.00	Special
Red cod	RCO 2	0.14	0.28	0.56	Standard	0.25	0.28	0.56	Standard
School shark	SCH 3	0.90	1.80	3.60	Standard	3.20	3.60	7.20	Standard
Skates	RSK 8	0.32	0.35	0.70	Standard	0.24	0.26	0.52	Standard
	SSK 8	0.32	0.35	0.70	Standard	0.24	0.26	0.52	Standard
Tarakihi	TAR 8	1.25	2.50	5.50	Special	2.48	2.75	5.50	Special
Trevally	TRE 2	0.70	1.25	5.00	Special	1.13	1.25	5.00	Special