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Attorney-General

Minister for the Environment

Minister for Oceans and Fisheries

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B21-0537

Tēnā koe

Changes to fisheries sustainability measures for the 2021 October Round

I write to inform you of the decisions I have made to ensure New Zealand's fisheries are sustainable for our cultural, social and economic wellbeing.

In this round I have made decisions relating to Total Allowable Catches (TACs), non-commercial allowances, and Total Allowable Commercial Catches (TACCs) for fifteen fish stocks, and decisions on deemed value rate adjustments for twelve fish stocks; all with an October fishing year. Attached to this letter are my decisions along with a brief rationale for each of the changes I have decided on.

In making my decisions, I have considered feedback and submissions received from tangata whenua and stakeholders on initial proposals, final advice from Fisheries New Zealand, relevant legislative provisions and my obligations under the Fisheries Act 1996 (the Act).

Where there were opportunities for increasing utilisation within sustainable limits, I have decided to implement appropriate increases to catch limits to reflect this. On the other hand, where sustainability is at risk, I have taken management action to ensure the sustainability of our fish resources.

This round included proposed changes for a number of highly valued shared fisheries. Some of these fisheries, such as West Coast North Island snapper (SNA 8) and East Coast South Island blue cod (BCO 3), garnered strong public interest and more than 10,000 submissions were received across the round of proposals during public consultation. I would like to express my thanks to tangata whenua and the various organisations and members of the public who took time to provide feedback on these important fisheries.

The changes to sustainability measures outlined in this letter will come into effect at the start of the new fishing year on 1 October 2021.

The Decision Document that informed my decisions is available on the Fisheries New Zealand website: <https://www.mpi.govt.nz/consultations/review-of-sustainability-measures-2021-october-round>.

Nāku iti noa, nā

A handwritten signature in red ink, appearing to read 'David Parker'.

Hon David Parker

Minister for Oceans and Fisheries

October 2021 Sustainability Round: summary of changes

Changes to catch limits and allowances for selected fish stocks from 1 October 2021		
Stock(s)	Change	Rationale
Deepwater stocks		
Hoki – HOK 1 All New Zealand	↓	The western stock biomass of HOK 1 is predicted to fall below the management target range next year and remain below that range for the remainder of the 5-year projection. To mitigate potential sustainability risks, I have decided to decrease the TAC and have asked for non-regulatory east and west catch limits to be rebalanced.
Ling – LIN 5 Southland region	↑	Based on the 2021 stock assessment of LIN 5, the stock's biomass appears to be well above the management target and could support increased catch levels. I have therefore decided to increase catch limits for LIN 5 to support greater utilisation of the stock.
Gemfish – SKI 3 & SKI 7 South Island, Chatham Rise, West Coast off Taranaki & Wellington	↑	An updated Catch Per Unit Effort (CPUE) analysis indicates that biomass of SKI 3 and SKI 7 has increased in recent years. The TACs and TACCs of both stocks were increased significantly in 2019, but CPUE estimates have continued to increase. Based on this information I have decided to increase SKI 3 and SKI 7 catch limits further to enable greater utilisation of these stocks.
Black cardinalfish – CDL 1 Off East Coast of Northland & Auckland	↓	Catches of CDL 1 have declined over the past few decades, and in more recent years, have been well below the TACC. While recent catch levels are unlikely to pose a sustainability risk, there may be risks for the stock if catch levels were to increase to the current TACC. A decrease in the TACC of CDL 1 will ensure catches remain sustainable if catch increased.
Highly Migratory Species (HMS) stocks		
Southern bluefin tuna – STN 1 All New Zealand waters	↑	Following an internationally agreed outcome at the Commission for the Conservation of Southern Bluefin Tuna (CCSBT), I have decided to increase the STN 1 TAC by 14 tonne and allocate that increase to the recreational allowance. This increase reflects growing recreational interest in STN 1 and it was largely supported by submissions.
Inshore stocks		
Snapper – SNA 8 West Coast of Northland, Auckland, Taranaki & Wellington	↑	The 2021 stock assessment for SNA 8 indicates that the stock is in good health and has successfully rebuilt from low levels. Biomass for the fishery is projected to continue increasing even under scenarios where catch limits and allowances are considerably higher. However, tangata whenua, stakeholders and the public have expressed concern regarding options proposing large-scale increases for the stock at this time. After taking into account a range of relevant factors, I have decided to take a measured approach. The new settings for the SNA 8 fishery should allow the fishery to be managed to a biomass well above the default target and will provide benefits for all sectors of the fishery as the fishery continues to be monitored before the next stock assessment in 2024.
Hāpuku and bass – HPB 1 & HPB 2 Northland, Bay of Plenty & East Coast North Island	↓	Concern for the sustainability of northern hāpuku and bass stocks has been expressed by tangata whenua and commercial and recreational fishers. Commercial catch of HPB 1 and HPB 2 has trended downwards over the last decade, particularly in the last 5 years, and current catch is well below the TACCs. To mitigate this potential sustainability concern, I have decided to set TACs and allowances for these stocks conservatively and to reduce their TACCs. I have also decided to progress the regulatory process for a change to recreational controls for these fisheries. This should ensure that recreational catches remain at sustainable levels in future.
Red gurnard – GUR 1 East and West Coasts of Auckland & Northland, Bay of Plenty	↓	GUR 1 is an important shared inshore fishery, which overlaps with other highly valued stocks such as SNA 8. The commercial catch limit has been consistently under caught and landings appear to be declining. While the most recent scientific assessment for GUR 1 sub-stocks in 2017 did not indicate any sustainability concerns with current catch levels, it was noted that the sustainability risk of catching the full TACC was unknown. To ensure catch of GUR 1 remains sustainable, I have set a TAC and allowances for the stock and decreased the TACC to a level that, if fully caught, should not pose a risk to sustainability.

Changes to catch limits and allowances for selected fish stocks from 1 October 2021		
Stock(s)	Change	Rationale
Red gurnard – GUR 7 West Coast and Top of South Island	↑	The stock status of GUR 7 is informed by biomass indices from regular trawl surveys, which indicate that the stock is currently in good health and at or above target level. The surveys suggest that GUR 7 is experiencing a recruitment pulse (consecutive years of good recruitment). In light of these factors, I have decided to approve a modest increase to the TAC, TACC and allowances of GUR 7 to support greater utilisation.
School shark – SCH 5 Southland and Sub-Antarctic	↓	CPUE has declined in SCH 5 since 2005, indicating a potential sustainability risk. In 2021, the stock was assessed as unlikely to be at or above the target biomass, with overfishing very likely to be occurring. In line with this information, I have made the decision to decrease the TAC, TACC and allowances for SCH 5 to help restore this stock back toward its sustainable management target.
Blue cod – BCO 3 Kaikōura, Canterbury and Otago	↓	Potting survey results within BCO 3 have been trending down in recent years and action was taken last year to address localised depletion issues in key areas of BCO 3 through introduction of a traffic light system and regulations. As a further step, I have set a TAC and allowances for BCO 3 and decided to decrease the TACC to mitigate potential sustainability risks.
Pāua – PAU 3A and PAU 3B Kaikōura and Canterbury	*	PAU 3 is being subdivided from 1 October 2021 into north and south Quota Management Areas (PAU 3A – Kaikōura, and PAU 3B – Canterbury) to enable more targeted management of pāua (particularly in the Kaikōura earthquake affected area, which is currently closed to fishing). I have made decisions on catch settings for PAU 3A and PAU 3B that take into account the nature of each fishery and the best available information on sustainable levels of utilisation for pāua.
Changes to deemed value rates for selected stocks from 1 October 2021		
<p>I have made decisions on adjustments to deemed value rates for the following 12 fish stocks. Six of these are stocks which were also reviewed for changes to catch limits and allowances, and the other six are additional stocks for which only deemed value adjustments are being implemented. The deemed value rate adjustments I have decided on for each of these stocks are consistent with the Deemed Value Guidelines and aim to ensure that fishers are incentivised to balance catch against Annual Catch Entitlement, whilst not incentivising misreporting. The specific changes and rationale for individual adjustments are provided in this letter under the relevant headings for these stocks. For the six stocks receiving standalone deemed value adjustments, specific changes and rationale is presented at the end of this letter.</p>		
Stock(s) and general deemed value rate changes		
Alfonsino - BYX 2 , East Cape, Hawke's Bay, Wellington ↑		
Black cardinalfish - CDL 1 , Off East Coast of Northland & Auckland ↑		
Blue cod - BCO 3 , Kaikōura, Canterbury and Otago ↑		
Blue cod - BCO 7 , West Coast and Top of South Island ↑		
Bluenose - BNS 2 , East Cape, Hawke's Bay, Wellington ↑		
Gemfish - SKI 1 , Northern East and West Coasts North Island ↓		
Gemfish - SKI 2 , East Cape, Hawke's Bay, Wellington ↓		
Gemfish - SKI 7 , South Island, Chatham Rise, West Coast off Taranaki & Wellington ↑		
Kingfish - KIN 8 , West Coast of Northland, Auckland, Taranaki and Wellington ↓		
Pāua - PAU 3A and PAU 3B , Kaikōura and Canterbury *New		
Snapper – SNA 8 , West Coast of Northland, Auckland, Taranaki & Wellington ↓		

Summary Report on the 2021 October Sustainability Round Decisions

Hoki

HOK 1 – New Zealand wide

I have decided to decrease the TAC, allowance for other sources of mortality caused by fishing, and TACC of HOK 1, and adjust the non-regulatory catch split arrangement for the fishery as follows:

Settings	TAC (t)	TACC (t)	Non-regulatory catch split arrangement (t)		Allowances (t)		
			Western stock limit	Eastern stock limit	Customary Māori	Recreational	All other mortality caused by fishing
Previous	116,190	115,000	55,000	60,000	20	20	1,150
New	111,140 ↓	110,000 ↓	45,000 ↓	65,000 ↑	20	20	1,100 ↓

HOK 1 is subject to a non-regulatory catch split arrangement between two sub-stocks, eastern and western, based on analyses of the size and shape of fish.

The biomass of the eastern stock is estimated to be within the management target range, however, the biomass of the western stock is estimated to be at the lower threshold of this range. Five-year projections, assuming a catch taken at the current limits, estimate that the eastern stock biomass would remain within the top third of the management target range. Furthermore, the eastern stock would be in the top half of the management target range with a 5000 tonne increase in the catch limit for this sub-stock. However, if catch was taken at the current limits, the western stock biomass would fall below the management target range next year and would remain below this threshold.

The majority of submissions received were from fishing companies or quota owners and their representatives that supported the status quo of HOK 1 catch allowances. However, in light of the sustainability concern from the western stock projection I have taken a conservative approach to the uncertainty surrounding the HOK 1 stock structure by setting catch limits so the western stock is estimated to return to being within the management target range, whilst buffering against the economic impact to the industry with a small increase in the catch limit of the eastern stock.

Ling

LIN 5 – Southland region

I have decided to increase the TAC, allowance for other sources of mortality caused by fishing, and TACC for the LIN 5 fishery as follows:

Settings	TAC (t)	TACC (t)	Allowances (t)		
			Customary Māori	Recreational	All other mortality caused by fishing
Previous	4,834	4,735	1	1	97
New	5,314 ↑	5,208 ↑	1	1	104 ↑

The 2021 LIN 5 stock assessment indicates that the biomass of this stock is healthy, with a greater than 99 percent likelihood to be above the management target of 40 percent virgin biomass. Current biomass is estimated to be between 63 percent and 80 percent of the virgin biomass, and consequently there is an opportunity for further utilisation.

I have decided to implement a modest increase to the stock’s TAC, allowance for other sources of mortality and TACC. This increase will allow for increased utilisation while also maintaining the stock above the default management target.

Gemfish

SKI 3 & SKI 7 – South Island, Chatham Rise, West Coast off Taranaki & Wellington

I have decided to increase the TACs, allowances for other sources of mortality caused by fishing, and TACCs for SKI 3 and SKI 7 as follows:

Stock	Settings	TAC (t)	TACC (t)	Allowances (t)		
				Customary Māori	Recreational	All other mortality caused by fishing
SKI 3	Previous	606	599	1	0	6
	New	848 ↑	839 ↑	1	0	8 ↑
SKI 7	Previous	606	599	1	0	6
	New	848 ↑	839 ↑	1	0	8 ↑

I have also decided to adjust the deemed value rates for SKI 7 as follows:

DV settings	Interim DV rate \$/kg	Annual DV rate \$/kg	Annual DV rate at maximum excess \$/kg	Differential
Previous	0.44	0.49 (100-200%)	1.44 (300%+)	Special
New	0.65	0.72 (100-120%)	1.44 (200%+)	Standard

Gemfish in SKI 3 and SKI 7 are rarely targeted by the commercial fishing fleet but are a common bycatch species of the hoki and squid trawl fisheries in the Southern Ocean.

The recent assessment of catch per unit effort (CPUE) indices for SKI 3 and SKI 7 indicates that the biomass of gemfish in these two stocks has substantially increased in recent years and is likely to continue to increase over the short term. I note that both stocks were increased in 2019, but the further increase in each stock's respective catch per unit of effort index indicates an opportunity for greater utilisation. In light of this, I have increased the TAC, TACC and allowance for other sources of mortality caused by fishing.

I have also adjusted the deemed value rates for SKI 7 to continue incentivising fishers to balance catch against Annual Catch Entitlement (ACE).

Overall, these settings should ensure continued sustainability for these stocks while also providing for a moderate increase in commercial utilisation.

Black cardinalfish

CDL 1 – East Coast of Northland & Auckland

I have decided to decrease the TAC, allowance for other sources of mortality caused by fishing, and TACC for CDL 1 as follows:

Settings	TAC (t)	TACC (t)	Allowances (t)		
			Customary Māori	Recreational	All other mortality caused by fishing
Previous	1320	1200	0	0	120
New	176 ↓	160 ↓	0	0	16 ↓

I have also decided to adjust the deemed value rates for CDL 1 as follows:

DV settings	Interim DV rate \$/kg	Annual DV rate \$/kg	Annual DV rate at maximum excess \$/kg	Differential
Previous	0.27	0.30 (100-120%)	N/A	None
New	0.54	0.60 (100-120%)	0.69 (120%+)	Special

This low knowledge stock has not been formally reviewed since being introduced into the Quota Management System (QMS) in 1999, and in recent times CDL 1 catch levels have been well below the TAC and TACC. While mostly utilised by commercial trawl fisheries, as both targeted catch and bycatch, the reoccurring low catch levels of this stock imply there is a low sustainability risk. However, given the limited understanding of CDL 1, and to mitigate the risk of catch levels increasing to an unsustainable level in future, I have decided to decrease the TAC, allowance for other sources of mortality and TACC.

This change will still allow for commercial activity in CDL 1 to continue at its current level. The vast majority of submitters were in favour for decreasing the catch allowance of this stock.

I have also adjusted the deemed value rates for CDL 1 to align them appropriately with those of the adjacent CDL 2 stock.

Southern bluefin tuna

STN 1 – All of New Zealand & Extraterritorial waters

I have decided to increase the TAC and recreational allowance of STN 1 as follows:

Settings	TAC (t)	TACC (t)	Allowances (t)		
			Customary Māori	Recreational	All other mortality caused by fishing
Previous	1,088	1,046	2	20	20
New	1,102 ↑	1,046	2	34 ↑	20

In making my decision, I note that a recent increase in New Zealand's country allocation, as determined by the Commission for the Conservation of Southern Bluefin Tuna (CCSBT), has provided an opportunity for further utilisation of this stock within New Zealand's QMS.

After considering best available information and the views received during consultation, I have decided to increase the TAC and the recreational allowance of STN 1 in line with the CCSBT's allocation increase. This goes in hand with the increase in recreational fishing effort targeting southern bluefin tuna that has been seen in recent years.

It is noted that the majority of submitters were in favour of this increase. However, some submitters raised concern about the effectiveness of current recreational controls in this fishery. I note that in relation to recent increases in catch from amateur charter vessels, there is an opportunity to influence the level of catch using a targeted intervention. In light of this, I have asked officials to review recreational controls applied to amateur charter vessels fishing for southern bluefin tuna.

Snapper

SNA 8 – West Coast of Northland, Auckland, Taranaki & Wellington

I have decided to increase the TAC, allowances and TACC of SNA 8 as follows:

Settings	TAC (t)	TACC (t)	Allowances (t)		
			Customary Māori	Recreational	All other mortality caused by fishing
Previous	1,785	1,300	43	312	130
New	3,065 ↑	1,600 ↑	100 ↑	1,205 ↑	160 ↑

I have also decided to adjust the deemed value rates of SNA 8 as follows:

DV settings	Interim DV rate \$/kg	Annual DV rate \$/kg	Annual DV rate at maximum excess \$/kg	Differential
Previous	5.40	6.00 (100-105%)	22.00 (160%+)	Special
New	4.03	4.48 (100-120%)	8.96 (200%+)	Standard

SNA 8 is the second largest of our snapper stocks and is highly valued by tangata whenua, and stakeholders. This value represents not only the economic return from commercially landed and sold fish, but also the role snapper plays in the ecosystem and in providing for cultural and social benefits.

Since sustainability concerns were identified in 2005, the fishery has been rebuilding and the most recent stock assessment for SNA 8 in 2021 shows that the stock has recovered well and is likely to be well above the default management target. The biomass for the fishery has also been projected to continue increasing, even under scenarios where catch limits and allowances are considerably higher. Based on this, there is an opportunity to provide for increased utilisation across all sectors while the fishery continues to be monitored.

Given the shared nature of the fishery Fisheries New Zealand undertook an extended engagement process prior to public consultation, which included multi-sector stakeholder workshops to collaboratively discuss the sustainability and ongoing management of SNA 8. I would like to thank the tangata whenua and stakeholders who participated in this process and helped develop the options for public consultation.

The strong performance of this fishery is a success story. It shows how the quota management regime can successfully respond to stock decline, and drive rebuilds in stocks which are depleted. The SNA 8 stock is vitally important to users of the resource but also plays an important role in the wider West Coast North Island ecosystem. The significant improvement in the state of the SNA 8 stock puts us in a unique position that I would like to take advantage of.

Fisheries New Zealand proposed four options for increasing SNA 8 catch limits and allowances, and these options garnered strong public interest with more than 8,000 individuals and organisations submitting their views on the options.

Responses and submissions received through public consultation expressed a range of views. There was strong support for the larger proposed increases from the commercial fishing industry, who believe the strength of the information available gave confidence that these options were sustainable. In contrast, the responses and submissions from Iwi Fisheries Forums and recreational stakeholders highlighted strong opposition to the options proposing increases to SNA 8 commercial catch limits, and highlighted concerns around the impacts a large scale increase might have on other associated stocks and the wider marine environment. The majority of these submissions cited the need for a conservative approach, particularly given the historical overexploitation of the fishery.

Having considered the wide range of views, the history of the fishery, its importance to West Coast North Island iwi, fishers, coastal communities and the inshore ecosystem, I have used the opportunity presented by the improved abundance in SNA 8 to take a measured and integrated approach to increasing utilisation within the fishery. This approach will ensure we all benefit from the increasing abundance of SNA 8, but is also cautious about the scale of increases in use and considers those stocks taken in association with SNA 8, recognising the interdependence between them.

In particular, I want the future approach to management of the SNA 8 fishery to be far more responsive to changes in abundance than has been the case since the last review in 2005. I also expect close monitoring of how the fishery responds to incremental changes over time and much more regular reviews of catch limits. This will allow a far more managed approach to providing for sustainable utilisation within the fishery.

I am also aware that SNA 8 is a large QMA and that regional concentration of fishing activity has the potential to create localised depletion in certain areas. These concerns were raised by Iwi from the Te Hiku o Te Ika fisheries forum, who have around 25 percent of all SNA 8 catch coming from within their rohe moana. Monitoring how the fishery responds to smaller scale changes will allow for identification of these issues and provide opportunity to get the wider management tools and settings correct before larger changes to catch limits might be made.

I have asked my officials to begin a process of engagement with iwi and stakeholders on this planned management and monitoring approach and will be looking to receive the plan within a year.

In the context of the above, I also want to signal clearly now that I am keen to manage the SNA 8 fishery for higher abundance (above B_{MSY}). It is clear there is strong support amongst many sectors for this approach. Managing for higher abundance will broaden the age structure of the population to include a higher number of older, bigger fish, and offers greater protection against environmental change that may impact spawning success. There are also benefits in terms of increased availability including mitigating some of the impacts of localised depletion that were of concern to many submitters. I have not chosen a particular target yet but expect that to be something Fisheries New Zealand will work through with tangata whenua and stakeholders before providing me with further advice.

I recognise the inherent trade-offs associated with managing for higher abundance, particularly for the commercial sector, but consider the benefits of getting the foundation of improved management right in this important shared fishery outweigh the short-term costs.

In that context I have decided to take a relatively cautious approach to changes in the TAC, moving from 1,785 tonnes to 3,065 tonnes. This was the lowest of the options consulted on. I am aware that the projections from the stock assessment suggest that biomass will continue to increase in size under this TAC setting and that I am forgoing potential utilisation in taking this cautious decision. I consider this outcome is reasonable in the short to medium-term while we work through the process of deciding on a longer-term management target and associated approach to utilisation. To support the ongoing process, I have directed Fisheries New Zealand to conduct a further review of the SNA 8 stock no later than three years from now. Appropriate research should be scheduled to monitor how the fishery has responded to my decisions. I expect at that time there would be an opportunity to provide for further utilisation as part of the plan, if the available information confirms the current projections and that it is sustainable to do so.

In terms of allocation I have decided to provide increases to the customary allowance from 43 tonnes to 100 tonnes, the recreational allowance from 312 tonnes to 1,205 tonnes and the TACC from 1,300 to 1,600 tonnes.

The change to the recreational allowance reflects estimates of current catch levels, based on the best available information. I appreciate that I do not need to provide for current recreational catch in full when making this decision. However, I consider that the current allowance does not reflect a reasonable share of the fishery for recreational fishers based on importance and social, cultural, and economic value. The historic share reflects more the depleted state of the fishery and associated lower recreational catch at the time the TAC was last reviewed. I consider that there has been a reset in terms of proportions of the TAC. It is important that recreational catch is monitored and managed regularly as part of the future plan for the fishery.

While information on customary take in SNA 8 is limited, it is clear that Māori have aspirations for further utilisation within the fishery, particularly through the exploration of Pātaka kai. The increase to the allowance seeks to provide for this, particularly in the context of the increase in abundance and associated availability of fish.

The 300 tonne increase to the TACC is likely to result in increased revenue of \$1.48 million per annum. I acknowledge that this change is at the low end of the commercial utilisation options presented in the consultation document, and that with potential further increases in abundance the level of available catch will likely continue to put pressure on operators in the fishery. I acknowledge that snapper in SNA 8 is an unavoidable bycatch when targeting other species that occupy the same habitat, and that fishers must manage the snapper component of their catch to enable them to utilise other stocks. However, I want to clearly signal that I see this decision as the start of a process to expand use of the fishery over time in a more structured way than we have done in the past. I am hopeful that this planned approach will provide greater certainty for industry around those future opportunities.

I have also made the decision to lower deemed value rates for SNA 8 from 1 October 2021. The previous stringent deemed value scheme for SNA 8 was set at a time when the fishery was depleted and was effective in maintaining catches within or close to the TACC during the rebuild. However, the stock status has significantly improved since that stringent schedule was set, and updated rates are now considered appropriate. I have decided to align deemed value rates for SNA 8 with the standard rate regime. These settings will provide some level of tolerance for low levels of catch above ACE but should also provide appropriate incentives for commercial fishers to balance catch with ACE. This standardised approach is in line with Fisheries New Zealand's Deemed Value Guidelines. I have asked my officials to closely monitor the use of deemed value payments over the next fishing year and if there is excessive use of deemed values, then the rates will be reviewed again in 2022.

Hāpuku and bass

HPB 1 & HPB 2 – Northland, Bay of Plenty & East Coast North Island

I have decided to set TACs and allowances for HPB 1 and HPB 2, and decrease their current TACCs as follows:

Stock	Settings	TAC (t)	TACC (t)	Allowances (t)		
				Customary Māori	Recreational	All other mortality caused by fishing
HPB 1	Previous	N/A	480.8	N/A	N/A	N/A
	New	215	140 ↓	10	58	7
HPB 2	Previous	N/A	266.2	N/A	N/A	N/A
	New	132	80 ↓	10	38	4

I have also agreed to progress the regulatory process for a change on recreational controls for HPB 1 and HPB 2, including:

- a change in the daily limit of HPB to two per person per day;
- the removal of the stocks from the combined daily limit of five with kingfish; and
- the introduction of an accumulation limit of three HPB for trips over a period of more than one day.

These stocks are highly valued by Māori, recreational, and commercial fishers. Recent engagement with tangata whenua and stakeholders revealed a unanimous sustainability concern for these stocks. It is also noted that, despite past research efforts, both HPB 1 and

HPB 2 are low knowledge stocks and stock status is unknown. The best available information on these stocks is commercial catch history that shows a downwards trend over the last decade, and in the last five years catches have been well below the current TACCs.

In light of these factors, I have decided to set the TACs and allowances for HPB 1 and HPB 2 cautiously, and to apply relatively large decreases to the current TACCs to mitigate the potential sustainability risk.

I have also agreed to initiating the regulatory process to modify the recreational rules for these species by introducing a daily catch limit of no more than two hāpuku and/or bass per person, the removal of these stocks from the combined daily catch limit of five with kingfish, and the introduction of an accumulation limit of three HPB for trips over a period of more than one day.

All submissions I received during the consultation for this sustainability round supported efforts to reduce the catch levels for these two stocks and pre-consultation engagement feedback agreed that the changes presented be shared across the recreational and commercial sectors.

Red gurnard

GUR 1 – East and West Coasts of Auckland & Northland, Bay of Plenty

I have decided to set a TAC and allowances for GUR 1, and decrease the current TACC for the fishery as follows:

Settings	TAC (t)	TACC (t)	Allowances (t)		
			Customary Māori	Recreational	All other mortality caused by fishing
Previous	N/A	2,288	N/A	N/A	N/A
New	996	800 ↓	40	100	56

GUR 1 is a shared fishery that is important to commercial, recreational, and customary fishers. The TACC for GUR 1 has been significantly under caught since the stock was introduced to the QMS and a TAC and allowances have never been set. The sustainability of the full TACC is unknown, but the most recent analysis of GUR 1, which covers the fishery through the 2016 fishing year, showed the stock was being fished at a sustainable level when approximately 50 percent of the TACC was caught annually.

More recently, however, additional information has become available that indicates a potential sustainability risk to the stock. In the past five years, landings have declined to approximately 35 percent of the TACC. The reasons for this decline are not known, but it is concerning given GUR 1 is actively targeted, particularly within the West Coast North Island trawl fishery. Furthermore, recent fishery independent trawl surveys in the three GUR 1 sub-stocks have also produced lower pre-recruit biomass estimates than those earlier in the time series, potentially signalling poor recruitment to come in GUR 1.

In light of these factors, I have made decisions to set a TAC and allowances for GUR 1, and to significantly decrease the TACC from the current 2,288 tonnes to a cautious level of 800 tonnes. I determined that the most cautious option presented to me was the best option,

until an updated analysis of GUR 1 – one that covers the time period of recent declines in landings and the trawl surveys – is available. I have instructed my officials to expedite this research, which is currently scheduled for 2023.

I note that a range of perspectives were put forward through submissions. The majority of submitters were in favour of a decrease in the GUR 1 TACC, with most of these supporting the most cautious option.

I recognise that the environmentally driven variability in red gurnard recruitment and the uncertainties surrounding the decline in GUR 1 landings may mean this cautious option could overly constrain GUR 1 commercial catch in some years. I have therefore instructed my officials to conduct a subsequent review of GUR 1 as soon as the updated analysis is available, ideally in one year’s time.

In the meantime, I have asked my officials for advice on options for splitting the GUR 1 QMA to better align with population boundaries.

GUR 7 – West Coast and Top of South Island

I have decided to increase the TAC, allowances and TACC of the GUR 7 fishery as follows:

Settings	TAC (t)	TACC (t)	Allowances (t)		
			Customary Māori	Recreational	All other mortality caused by fishing
Previous	1 294.65	1 180	15	38	61.65
New	1 422 ↑	1 298 ↑	17 ↑	42 ↑	65 ↑

Recent scientific trawl surveys show that this stock is very likely at or above the management target of 40 percent unfished biomass, and experiencing a strong recruitment pulse. The stock has had several years of continuous good recruitment.

Based on these factors, I have decided to provide a utilisation opportunity for the commercial sector and increase allowances to reflect likely increases in customary and recreational take. I have also decided to increase the allowance for other mortality caused by fishing in line with the increase in TACC. In making these decisions, I note that the biomass estimates from the 2021 scientific trawl survey, while preliminary, are robust and unlikely to change as they are part of a long time series with consistent methodology.

Submissions on the proposal to increase GUR 7 catch limits and allowances were mixed, with many favouring maintaining the status quo. While I acknowledge the concerns raised by these submitters, I consider that this increase is modest in the context of the available information which shows the stock is doing well. Fisheries New Zealand has advised it does not expect an increase in the trawl footprint or interactions with associated or dependent species, given higher catches of gurnard are being taken in this fishery without additional effort.

School shark

SCH 5 – Southland and Sub-Antarctic

I have decided to reduce the TAC, most allowances, and the TACC for the SCH 5 fishery as follows:

Settings	TAC (t)	TACC (t)	Allowances (t)		
			Customary Māori	Recreational	All other mortality caused by fishing
Previous	794	743	7	7	37
New	558 ↓	520 ↓	7	5 ↓	26 ↓

SCH 5 supports the largest school shark fishery in New Zealand and is economically important to the region. A recent re-assessment of SCH 5's stock status suggests, however, that the fishery is unlikely to be at or above target and that overfishing is very likely to be occurring. This is consistent with concerns raised by some fishers about increasing effort required to catch school shark in SCH 5.

I have decided, therefore, to decrease the TAC and the TACC for SCH 5 to ensure sustainability of this stock, as well as the allowances for recreational and other sources of mortality caused by fishing to better reflect available information.

All submissions received during consultation were in favour of decreasing catch limits to ensure sustainability of this stock, however, submitters and responders varied in terms of how much these limits should be reduced. I wish to acknowledge the responsible position taken by industry in its submissions.

My decision on the level of reduction required for SCH 5 reflects the need to address immediate sustainability concerns for this stock and restore the stock back to its sustainable management target to provide higher annual yields in the long term. The stock will continue to be closely monitored and assessed.

Blue cod

BCO 3 – Kaikōura, Canterbury and Otago

I have decided to set a TAC and allowances for BCO 3, and reduce the TACC for the fishery as follows:

Settings	TAC (t)	TACC (t)	Allowances (t)		
			Customary Māori	Recreational	All other mortality caused by fishing
Previous	N/A	162.732	N/A	N/A	N/A
New	243	130 ↓	20	83	10

I have also decided to adjust the deemed value rates of BCO 3 as follows:

DV settings	Interim DV rate \$/kg	Annual DV rate \$/kg	Annual DV rate at maximum excess \$/kg	Differential
Previous	3.38	3.75 (100-120%)	7.50 (150%+)	Special
New	4.05	4.50 (100-120%)	9.00 (200%+)	Standard

Last year action was taken to address localised depletion in blue cod fishing areas through a regulatory package implemented under the National Blue Cod Strategy that increased the minimum legal size, reduced recreational daily limits and changed commercial and recreational pot mesh requirements for blue cod. As well as these changes, it is a further objective under the strategy to review the TAC, TACC and allowances for BCO 3.

Available scientific information indicates that some parts of BCO 3 are overfished and declining, particularly in the inshore and northern parts of the fishery. However, the stock as a whole is considered to be unlikely to be at a level that would initiate a formal, time constrained, rebuild plan, and the regulatory measures put in place for the fishery last year are expected to increase survival of undersize cod and improve the productivity of the fishery.

After taking this information into account, I have decided to set the TAC of the stock at 243 tonnes, set allowances for recreational, customary and other sources of fishing related mortality, and reduce the TACC. This decision places weight on the information from the potting surveys used to monitor the fishery that suggest blue cod abundance is declining in these areas. I have also increased deemed value rates of BCO 3 to ensure that appropriate incentives are in place for commercial fishers to balance their BCO 3 catch against ACE.

A large number of submissions sought bigger cuts to the TACC of BCO 3 along with a higher allowance for recreational catch. I carefully considered this input but consider that, based on the available information, a 20 percent reduction to the TACC is sufficient to ensure sustainability. In terms of the recreational allowance, more robust information about total recreational catch in BCO 3 will be available in 2023. Fisheries New Zealand will continue to closely monitor the stock and include this updated information in the next review of the fishery.

I acknowledge many of these submissions also raised issues that are beyond the scope of the TAC setting process, including aspects of recreational 'traffic light zone' rules and the impact of trawling on the marine environment. Fisheries New Zealand will shortly be consulting on a regulatory proposal to address concerns about transiting through traffic light zones, and is also actively working with the fishing industry and other government agencies on benthic impacts, including assessments of trawling.

Pāua

PAU 3A and PAU 3B - Kaikōura & Canterbury

I have decided to set new TACs, allowances and TACCs for the subdivided PAU 3A (Kaikōura) and PAU 3B (Canterbury) fisheries in place of the former PAU 3 QMA as below:

Settings	TAC (t)	TACC (t)	Allowances (t)		
			Customary Māori	Recreational	All other mortality caused by fishing
PAU 3 (Previous)	79.3	45.8	15	8.5	10
PAU 3A (Kaikōura) New	40.5	23	7.5	5	5
PAU 3B (Canterbury) New	80	46	15	9	10

I have decided to set deemed value rates for both stocks in line with the previous rates for the PAU 3 fishery, as below:

DV settings	Interim DV rate \$/kg	Annual DV rate \$/kg	Annual DV rate at maximum excess \$/kg	Differential
PAU 3A and PAU 3B New (same as current PAU 3 settings)	59.40	66.00 (100-120%)	132.00 (200%+)	Standard

From 1 October this year the PAU 3 QMA will be subdivided into two smaller QMAs (PAU 3A – Kaikōura and PAU 3B - Canterbury). This subdivision will support finer scale management of the Kaikōura pāua fishery, which was significantly affected by the 2016 Kaikōura earthquakes. The Kaikōura (PAU 3A) fishery is currently closed to fishing under section 11 of the Fisheries Act 1996, however, I will shortly be making a separate decision on whether to reopen this fishery.

I have decided on catch limit and allowance settings for these subdivided stocks that provide for sustainable utilisation, taking into account input from tangata whenua, the Kaikōura Marine Guardians and the views and information provided by stakeholders during consultation on the proposed options.

For PAU 3A I have set the TAC, allowances and TACC at levels that provide for limited harvest within the context of a rebuilding pāua fishery. The 2016 earthquakes caused significant coastal uplift and led to high mortality of pāua. Research demonstrates the fishery is rebuilding at an area-wide level. The proposed TAC, allowances and TACC represent a 50 percent reduction of pre-earthquake catch levels and also take into account the commercial harvest strategy set out under the approved PAU 3 Fisheries Plan.

For PAU 3B I have set the TAC, allowances and TACC at levels that will allow for this fishery, which was unaffected by the earthquakes to continue under the existing catch levels which are considered to be sustainable.

I have set interim and annual deemed value rates for PAU 3A and PAU 3B based on the previous rates of PAU 3. I am confident that these deemed value rates will keep appropriate incentives in place for commercial fishers to balance catch with ACE in these areas.

Deemed value rate changes for other stocks

I have decided to adjust the deemed value rates of six additional stocks in this round. The stocks and adjustments are summarised in the table below, followed by rationales for each of the adjustments. My decisions on the changes are consistent with the Deemed Value Guidelines and aim to ensure that fishers are incentivised to balance catch against Annual Catch Entitlement, whilst not incentivising misreporting.

		Previous settings				New settings			
Species	Stock	Interim \$/kg	Annual \$/kg	Annual at maximum excess \$/kg	Differential	Interim \$/kg	Annual \$/kg	Annual at maximum excess \$/kg	Differential
Alfonsino	BYX 2	1.98	2.20	4.40	Special	2.16	2.40	4.80	Special
Blue cod	BCO 7	1.21	1.34	2.68	Special	4.05	4.50	9.00	Standard
Bluenose	BNS 2	3.60	4.00	11.00	Special	4.05	4.50	11.50	Special
Gemfish	SKI 1	1.58	1.75	3.50	Standard	1.35	1.50	3.00	Standard
	SKI 2	1.35	1.50	3.00	Standard	0.90	1.00	2.70	Special
Kingfish	KIN 8	8.00	8.90	17.80	Special	4.00	4.45	8.90	Standard

Alfonsino - BYX 2 (East Cape, Hawke's Bay, Wellington)

The landed price for this stock has increased by around 25 percent in the last year and catch regularly exceeds available ACE. I have made a small upward adjustment to the deemed value rates of BYX 2 to ensure that there continues to be appropriate incentives for fishers to remain within ACE holdings.

Blue cod - BCO 7 (West Coast and Top of South Island)

The previous deemed value rates for BCO 7 were lower than the neighbouring BCO 3 stock, and under the landed price. I have implemented an upward adjustment to BCO 7 deemed value rates that accounts for these factors.

Bluenose - BNS 2 (East Cape, Hawke's Bay, Wellington)

Bluenose stocks are currently in a rebuilding phase and there is a need for strong incentives for fishers to balance catch with ACE in this fishery. Landed price for this stock has increased by over 15 percent in the last year and catch regularly exceeds available ACE. I have implemented a small increase to BNS 2 deemed value rates to address these factors, and ultimately to ensure that incentives for catch balancing are still appropriate.

Gemfish - SKI 1 (Northern East and West Coasts North Island)

The basic annual deemed value rate of SKI 1 was increased by \$0.25/kg from 1 October 2020 based on an increase in landed price for 2020/21. Landed price for 2021/22 has subsequently decreased back to the 2019/20 value, so I have decided to implement a corresponding downward adjustment to the stock's deemed value rates.

Gemfish - SKI 2 (East Cape, Hawke's Bay, Wellington)

A decision to increase SKI 2 TACC from 1 October 2020 was not given effect due to a court injunction regarding '28N' rights. I have decided to implement a small reduction to the stock's deemed value rates to better reflect the current state of the fishery and to reduce the financial costs incurred by fishers because of ongoing court proceedings.

Kingfish - KIN 8 (West Coast of Northland, Auckland, Taranaki and Wellington)

Deemed values rates for KIN 8 were previously double the rates of the adjoining KIN 7 stock while the landed price for this stock has almost halved in the last year. I have decided to decrease the deemed value rates of KIN 8 to align them with those of KIN 7. The existing incentives for fishers to return live kingfish wherever possible remain, while avoidance and reduction of kingfish catch is still incentivised. Aligning deemed value rates between the KIN 8 and KIN 7 stocks should also reduce incentives for area misreporting.