



Office of Hon Nathan Guy

MP for Otaki

Minister for Primary Industries

Minister for Racing

B14-059

Dear Stakeholder

Sustainability measures and other management controls for 1 October 2014

I write to inform you of the decisions I have made following the review of sustainability measures and management controls for the 2014/15 fishing year commencing on 1 October 2014. Any changes to sustainability measures and management controls will come into effect at the start of the new fishing year on 1 October 2014. Copies of the initial position papers and final advice papers are available on the Ministry for Primary Industries' (the Ministry) website (www.mpi.govt.nz).

These decisions reflect my desire to maximise the benefits obtained from New Zealand's fisheries whilst ensuring continued sustainability. Where I consider there to be opportunities for additional utilisation, I have increased the TAC and where a sustainability risk is apparent I have reduced the TAC or put in place other measures to address this risk.

In reaching my decisions I have considered all submissions received in response to the Ministry's initial position papers, as well as the final advice provided to me by the Ministry. The final advice included an analysis of submissions received, resulting in amendments to some of the options that were consulted on to reflect views raised by submitters. I also considered the relevant legislative provisions and my obligations under the Fisheries Act 1996 (the Act). 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 each stock are attached.

Yours sincerely

Hon Nathan Guy
Minister for Primary Industries

Hoki (HOK1)

I have decided to increase the TAC for HOK1 from 151,540 tonnes to 161,640 tonnes for the 2014/15 fishing year. Within this TAC, I have increased the TACC from 150,000 to 160,000 tonnes and the allowance for other sources of fishing-related mortality from 1,500 to 1,600 tonnes. I have retained the Māori customary non-commercial and recreational fishing allowances at 20 tonnes each.

Although the TAC is set for HOK1 as a whole, the stock consists of two sub-stocks that are managed separately. A key factor in my decision was the most recent hoki stock assessment results, which shows biomass of both sub-stocks has continued to increase and is currently at or above the biomass that can produce the maximum sustainable yield (B_{MSY}) and the management target of 35-50% of un-fished biomass (B_0). Projections using the 2014 stock assessment model show that both stocks are highly likely to remain above B_{MSY} and at or above the management target range for the next five years under the new TAC.

As in previous years, my decision is made with assurances from industry of their continued support of the catch split arrangement. The catch split manages the proportion of the TACC harvested from each stock, avoiding potential sustainability concerns that could arise if the entire TACC was harvested from a single stock. This arrangement has proven an effective mechanism to avoid such concerns and I acknowledge that the industry has worked well to adhere to this arrangement in recent years. I expect this high level of adherence to continue during 2014/15.

The full 10,000 tonne TACC increase will be allocated to the western stock, increasing the catch limit for this stock from 90,000 tonnes to 100,000 tonnes. The catch limit for the eastern stock will remain at 60,000 tonnes, despite this stock being estimated to be above the management target range. This decision reflects quota owners' views that juvenile hoki from both stocks that occur on the Chatham Rise should be protected from further harvesting.

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

2014 TAC (t)	TACC (t)	Other Sources of Fishing-Related Mortality (t)	Māori Customary Allowance (t)	Recreational Allowance (t)
161,640	160,000	1,600	20	20

Challenger orange roughy (ORH 7A)

I have decided to increase the TAC for ORH 7A for the 2014/15 fishing year from 525 tonnes to 1,680 tonnes and set the TACC at 1,600 tonnes. I have retained nil allowances for the Māori customary non-commercial and recreational fishing interests and set an allowance of 80 tonnes for other sources of fishing-related mortality.

This decision is based on the best available information that shows the stock has fully rebuilt and is above the level that will produce the maximum sustainable yield and the upper bound of the current ORH7A management target range. The science

information shows the stock is unlikely to decline below the management target range at the new TAC.

The ORH 7A deemed value rates will also be revised, to bring them in line with the deemed value rates in other orange roughy stocks around the country. The updated rates aim to provide an effective incentive for commercial catch to be balanced with ACE. This will result in deemed value rates to be set as follows:

- a) Annual deemed value rate of \$5.00 per kg
- b) Interim deemed value rate of \$2.50 per kg; and
- c) A differential deemed value rate of \$6.25 which will apply to catch in excess of 110% of ACE holdings.

2014 TAC (t)	2014 TACC (t)	Other Sources of Fishing-Related Mortality (t)	Māori Customary Allowance (t)	Recreational Allowance (t)
1,680	1,600	80	0	0

Orange roughy (ORH3B)

The ORH3B TAC will be increased for the 2014/15 fishing year, from 4,725 tonnes to 5,250 tonnes and the TACC will be set at 5,000 tonnes. I have retained nil allowances for Māori customary non-commercial and recreational fishing interests and set an allowance of 225 tonnes for other sources of fishing-related mortality.

My decision to increase the TAC was based on the best available information that indicates that one of the main biological stocks in ORH 3B has fully rebuilt and is at the upper end of the management target range.

The ORH3B stock is made up of several sub-stocks, for which separate catch limits are in place. The responsible and co-operative attitude of the industry in its adherence to these sub-stock catch limits is vital to the management of this fishery and I acknowledge industry's previous commitment and expect adherence to sub-stock catch limits to continue. The increase to the ORH3B TACC will be applied only to the Northwest Chatham Rise sub-stock, thereby increasing that catch limit from 750 tonnes to 1,250 tonnes. I have retained the existing catch limits for the remaining ORH3B sub-stocks.

I do not consider it necessary to alter the existing annual and interim deemed value rates. However, the Ministry will monitor fishing activity closely during the 2014/15 fishing year to assess whether this regime is appropriate.

TAC (t)	TACC (t)	Other Sources of Fishing-Related Mortality (t)	Māori Customary Allowance (t)	Recreational Allowance (t)
5,250	5,000	250	0	0

Mid-East Coast orange roughy (ORH 2A, 2B, and 3A)

Three orange roughy quota management areas exist in the middle portion of New Zealand's east coast: ORH 2A, ORH 2B, and ORH 3A. These three QMAs are assessed as two biological units: ORH 2A North and ORH MEC. As a consequence, separate catch limits are set for ORH 2A North and ORH MEC. The catch limit for the ORH MEC stock is made up of the catch limit for ORH 2A South and the TACCs for ORH 2B and ORH 3A combined.

The most recent stock assessment for the ORH MEC stock has indicated the stock is below the level that can produce the maximum sustainable yield and below the Soft Limit (20% B_0). The status of the stock triggers implementation of a time-bound rebuilding plan, in line with the New Zealand Harvest Strategy Standard. This Standard advises that the stock should be rebuilt to the management target in less than twice the time it would take to rebuild in the absence of fishing. For ORH MEC, this timeframe is estimated to be 42 years.

The TAC for ORH 2A for the 2014/15 fishing year will be reduced from 919 tonnes to 512 tonnes and the TACC set at 488 tonnes. I intend to retain nil allowances for Māori customary non-commercial and recreational fishing interests and set an allowance of 24 tonnes for other sources of fishing related mortality. This reduction will only apply to the catch limit for ORH 2A South, it is considered that the ORH 2A North stock is rebuilding under the current catch limit of 200 tonnes.

ORH 2A 2014 TAC (t)	TACC (t)	Other Sources of Fishing-Related Mortality (t)	Māori Customary Allowance (t)	Recreational Allowance (t)
512	488	24	0	0

I have also decided to reduce the TAC for ORH 2B for the 2014/15 fishing year from 147 tonnes to 63 tonnes and set the TACC at 60 tonnes. I have retained nil allowances for Māori customary and recreational fishing interests and set an allowance of 3 tonnes for other sources of fishing related mortality.

ORH 2B 2014 TAC (t)	TACC (t)	Other Sources of Fishing-Related Mortality (t)	Māori Customary Allowance (t)	Recreational Allowance (t)
63	60	3	0	0

I have also decided to reduce the TAC for ORH 3A for the 2014/15 fishing year from 436 tonnes to 186 tonnes and set the TACC at 177 tonnes. I have retained nil allowances for Māori customary and recreational fishing interests and set an allowance of 9 tonnes for other sources of fishing related mortality.

ORH 3A 2014 TAC (t)	TACC (t)	Other Sources of Fishing-Related Mortality (t)	Māori Customary Allowance (t)	Recreational Allowance (t)
186	177	9	0	0

These TAC and TACC reductions will decrease the overall catch limit for ORH MEC to 525 tonnes. The stock assessment projected that the stock will rebuild in 32 years

at this level of catch, which is consistent with the New Zealand Harvest Strategy Standard guidance.

I do not consider it necessary to alter the existing annual and interim deemed value rates. However, the Ministry will monitor fishing activity during the 2014/15 fishing year to assess whether this regime is appropriate given the reduced TAC.

Blue Moki (MOK 3)

Prior to this management review MOK 3 only had a TACC in place. In line with my legislative obligations, as part of the review process, I have decided to set a TAC, TACC and allowances for MOK 3 as follows:

TAC(t)	TACC(t)	Other Sources of Fishing-Related Mortality (t)	Māori Customary Allowance (t)	Recreational Allowance (t)
197	160	16	1	20

I believe there is opportunity to provide for a modest increase to the current TAC for this fishery to reflect the likely low levels of harvest relative to biomass. Alongside this change in catch level I expect there to be further work on a cost effective monitoring programme for this fishery.

I have decided to set the recreational allowance at 20 tonnes. This estimate is slightly above best available information on current recreational catch levels. I consider the allowance reasonable because it reflects uncertainty in the recreational catch information, in particular that the recreational survey is not optimised for species such a blue moki, the increasing value of blue moki to recreational fishers as evidenced by comments in submissions and it allows for a modest increase in recreational catch over time.

The best available information suggests that Māori customary take of blue moki is low and as such I have decided to set a nominal allowance of 1 tonne.

I have decided to set the allowance for other sources of fishing related mortality at 10% of the TACC. This is consistent with the Ministry's approach to other fish stocks of this nature.

Deemed Value Rates for Bluenose 3 (BNS 3)

The deemed value rates for BNS 3 have been reviewed in response to concerns that the rates currently set for landing BNS 3 in the Chatham Islands are not achieving the right balance of incentives to effectively encourage fishers to balance catch with ACE. The existing level of over catch is well beyond what could reasonably be considered rare and infrequent and this is of particular concern as BNS 3 is part of a national bluenose rebuilding plan.

I have carefully considered the socio-economic impacts of proposed changes relative to the need to ensure the TACC for BNS 3 has integrity. The following annual rates are intended to reflect the economic reality of landing and processing fish on the Chatham Islands but also ensure that there are no economic incentives to land BNS without ACE.

The interim rate has been set at 90% of the lowest annual rate, in accordance with the Deemed Value Guidelines.

	Interim rate	Annual rates for various thresholds of exceeding ACE entitlement										
		0-5%	5-10%	10-20%	20-30%	30-40%	40-50%	50-60%	60-80%	80- 100%	100%-120%	120%<
BNS3 landed in the Chatham Islands	\$0.95	\$1.05	\$1.05	\$1.05	\$3.00	\$4.00	\$5.00	\$6.00	\$7.00	\$7.00	\$7.00	\$10.00
BNS 3 landed elsewhere	\$2.70	\$3.00	\$4.00	\$5.00	\$6.00	\$7.00	\$8.00	\$9.00	\$10.00	\$10.00	\$10.00	\$10.00

I appreciate the complex issues associated with bluenose by catch. MPI will continue to engage with the Bluenose 3 Project Team and other stakeholders on the issue of bluenose bycatch and assist where possible in the context of the wider rebuild of bluenose stocks.

Pipi (PPI 1A)

I have decided to close Mair Bank and Marsden Bank, located at the entrance to Whangarei Harbour (PPI 1A), to commercial and recreational harvesting of pipi.

New research information shows a substantial decline in pipi abundance at Mair Bank, and no halt to the decline or sign of recovery in the pipi population at the adjacent Marsden Bank despite the temporary closure that has been in place since 2011. While fishing is not the primary cause of the decline in pipi abundance, there is an immediate sustainability concern that harvest pressure may inhibit the recovery of the populations. A permanent closure is prudent to allow the pipi populations on these banks have the opportunity to rebuild.

In reaching my decision I have considered the submissions received on the consultation paper and final advice from MPI. I am pleased to make a decision that has strong support from local residents and iwi. I have also considered the relevant legislative provisions and my obligations under the Act.

Hagfish (HAG)

I have decided to introduce a requirement for a minimum of 100 escape holes with a diameter of 18 mm for hagfish pots. This reflects that hagfish populations are believed to be slow growing, low productivity species, and vulnerable to overfishing. There is a relatively large proportion of catch returned to the water in the target fishery, and the market preference for hagfish (>300 mm) involves taking individuals that have not yet had an opportunity to spawn. I consider it necessary to require escape holes for pots, to allow a greater chance for smaller individuals to escape at the sea floor, and therefore increase the survival rate of juvenile hagfish.

I have decided that none of the hagfish species (common, goliath or *N. Biniplicata*) will be introduced into the Quota Management System at this time. Following consultation and new information I consider that there is not a sustainability risk, nor is there a utilisation concern, for the goliath hagfish or *N. Biniplicata* because these species are not targeted and are not commonly found at the same depths as the targeted common hagfish.

I have also decided not to proceed with introduction of common hagfish into the QMS. As part of consultation on proposed sustainability measures for hagfish a number of submitters raised concerns about the future management regime and impacts of that regime on utilisation of the fishery. The hagfish fishery has considerable development potential if managed carefully. I believe the future of the fishery warrants further consideration. In addition to the new requirements for escape holes mentioned above I have asked my officials to work with the submitters to clarify the future management regime for the hagfish fishery over the coming year and report back to me. Close monitoring of the fishery will occur in the meantime and if sustainability concerns arise I will not hesitate to act.

Seal shark (BSH) and Carpet shark (CAR)

Seal shark and carpet shark will not be introduced into the Quota Management System at this time. A risk assessment is being undertaken for these species later this year in line with the National Plan of Action for Sharks. I consider it pertinent to wait for any new information that may arise from the completion of the risk assessment before reviewing management of these species.