

6 November 2003

Dear Stakeholder

Decisions Regarding Stocks to be introduced into the Quota Management System on 1 October 2004 (Declaration notice)

- 1 This letter outlines my final decisions on the introduction of further stocks into the Quota Management System (QMS) on 1 October 2004. I have made final decisions on the Quota Management Areas (QMAs), fishing year and unit of measure for the expression of Total Allowable Commercial Catches and Annual Catch Entitlements (ACE) for the following species; southern bluefin tuna, yellowfin tuna, bigeye tuna, Pacific bluefin tuna, broadbill swordfish, porbeagle shark, mako shark, blue shark, North Island freshwater eel, green-lipped mussel, kahawai, lookdown dory, moonfish, parore, porae, pipi (Whangarei Harbour), ray's bream, red snapper, and spiny dogfish.
- 2 I have decided not to introduce northern spiny dogfish, shovelnose dogfish, seal shark, javelin fish, redbait and red moki into the QMS. I share the concerns expressed in submissions about the rationale for introducing these species into the QMS at this time.
- 3 Copies of the relevant *Gazette* notices, which set out this information, are available on request from the Ministry of Fisheries (MFish) or can be purchased from Bennetts Bookstores.
- 4 In reaching my final decisions, I have considered the MFish Final Advice Paper, dated 26 September 2003, which includes the available fishery assessment information, results of the assessment of the costs and benefits of QMS introduction, and the issues and information put forward in your submissions.

- 5 I take this opportunity to acknowledge your participation in the MFish consultation process. I appreciate the amount of work and effort that went into the formulation of your submissions within the timeframe available. Overall, I am impressed with your comments in response to the 27 June 2003 consultation document, and I agree that the use of a decision path for assessing the costs and benefits of QMS introduction provides greater transparency and makes it easier to comment on in submissions.
- 6 Some general issues were raised in submissions. My views on these issues, along with my decisions on each stock, are outlined in the specific-species sections that make up the remainder of this letter.

Southern bluefin tuna (*Thunnus maccoyi*)

- 7 The case for the introduction of southern bluefin tuna into the QMS is clear, and there is wide support for this in submissions. The fishery is subject to an international catch limit, and the current competitive fishery is not providing for efficient utilisation of the species.
- 8 New Zealand is required to count the catch of southern bluefin tuna taken by its nationals within our waters and on the high seas against its national allocation. A single QMA for southern bluefin tuna will, therefore, include all New Zealand fisheries waters and the high seas.
- 9 I have decided that the fishing year for this tuna species will be from 1 October to 30 September, and the unit of measure will be greenweight.

Yellowfin tuna (*Thunnus albacares*), Bigeye tuna (*Thunnus obesus*) and Pacific bluefin tuna (*Thunnus orientalis*)

- 10 I have noted the opposition in some submissions to the introduction of yellowfin, bigeye and Pacific bluefin tuna into the QMS. I do not accept the argument that introduction into the QMS necessarily precludes development of fisheries for these species (the primary reason cited in opposition) where it is appropriate. I conclude that the utilisation benefits of introducing yellowfin, bigeye and Pacific bluefin tuna into the QMS outweigh the costs. These tuna species along with southern bluefin tuna form the basis of the domestic tuna longline fishery in New Zealand, and I consider that the QMS will provide the best framework for rationalisation and future development of this fishery.
- 11 I have determined that a single QMA (FMAs 1-10) encompassing all of New Zealand fisheries waters is the most appropriate, given the biological characteristics of the tuna species and to enable stakeholders to best utilise the resource.
- 12 I have decided that the fishing year for these tuna species will be from 1 October to 30 September, and the unit of measure will be greenweight.

Broadbill Swordfish (*Xiphias gladius*)

- 13 I accept that there are utilisation benefits associated with introducing broadbill swordfish into the QMS, and that these benefits outweigh the costs. This species is of importance as a bycatch of tuna longline fishing and is of considerable interest to the

recreational game fishing sector. Management of this species within the QMS will provide an opportunity to ensure that catches within New Zealand fisheries waters are matched to the availability of this resource.

- 14 The consultation document outlined two options for QMA boundaries based on either four or five management areas. MFish did not propose a single QMA option in its initial set of proposals. However, the SeaFIC submission includes a proposal for one QMA for swordfish. Analysis of the options presented in the consultation document and the option presented by SeaFIC identified a number of factors in support of the one QMA option.
- 15 Swordfish is part of a single biological stock throughout New Zealand waters. Swordfish is taken currently as a bycatch of the bigeye and southern bluefin tuna fisheries. These species are being introduced into the QMS as a single QMA. Multiple QMAs would impose increased reporting and administration costs and impede integrated management with the current target fisheries.
- 16 Further, it would be difficult to determine catch limits between QMAs given that the species is a single stock. It would also create difficulties for allocating a New Zealand national catch should international agreements result in national allocations in the future.
- 17 MFish initially expressed the view that a single QMA may lead to localised depletion and, therefore, conflict with recreational fishers and would not promote development of the fishery into areas outside the traditional fisheries (FMAs 1, 2 and 9). After further consideration, it is not clear that multiple QMAs would provide an optimal solution to any potential problems of localised depletion because management boundaries are essentially blunt management tools.
- 18 Localised depletion may occur because swordfish may be resident for some time around preferred habitat. QMA boundaries would not effectively manage catch and effort from these preferred habitats unless the boundaries were aligned to each habitat or small grouping of habitats. Further, the level of total allowable catch (TAC) set would determine the effectiveness of the management area in preventing depletion. There is no reliable information to suggest where these habitats of significance exist in New Zealand fisheries waters, nor information on abundance of swordfish in these areas.
- 19 I note that the dispute resolution process in the Fisheries Act 1996 is designed to deal with conflict between commercial and recreational fishers should it arise. These provisions can ultimately lead to regulatory imposition of recreational only fishing areas. However, introduction into the QMS will provide the opportunity for rights holders in the commercial fishery to be identified and allow discussions to take place on voluntary agreements that have greater potential for effort and catch spreading than use of multiple QMAs.
- 20 In summary, I do not think that there is any practicable reason to set different QMAs (multiple) for swordfish when compared to the other highly migratory species being introduced into the QMS on 1 October 2004. A single QMA is consistent with my obligations under s 19(2) of the 1996 Act, which requires that, as far as practicable the same QMAs should be maintained for different species. Given the potential

added costs of managing multiple QMAs, and the availability of other mechanisms in the 1996 Act to address any conflict that may arise between commercial and recreational fishers, I have decided on a single QMA for the management of swordfish.

- 21 I have also decided that the fishing year for broadbill swordfish will be from 1 October to 30 September, and the unit of measure will be greenweight.

Porbeagle shark (*Lamna nasus*), Mako shark (*Isurus oxyrinchus*) and Blue shark (*Prionace glauca*)

- 22 The case for introducing pelagic sharks into the QMS is equivocal, however, I have decided that, on balance, the benefits outweigh the costs. The biological characteristics of these species make them vulnerable to overfishing. Introducing these species into the QMS will help ensure their sustainable utilisation. However, their introduction into the QMS does not preclude the development of further measures and/or codes of practice in the future in the context of a national plan of action for sharks.
- 23 These pelagic shark species are taken primarily as bycatch of tuna fishing. I have decided that tuna species will be introduced into the QMS on the basis of a single QMA encompassing all New Zealand fisheries waters. Having regard to s 19(2) of the 1996 Act, I have decided that a single QMA (FMAs 1-10) is also appropriate for these shark species.
- 24 I have decided that the fishing year for these shark species will be from 1 October to 30 September, and the unit of measure will be greenweight.

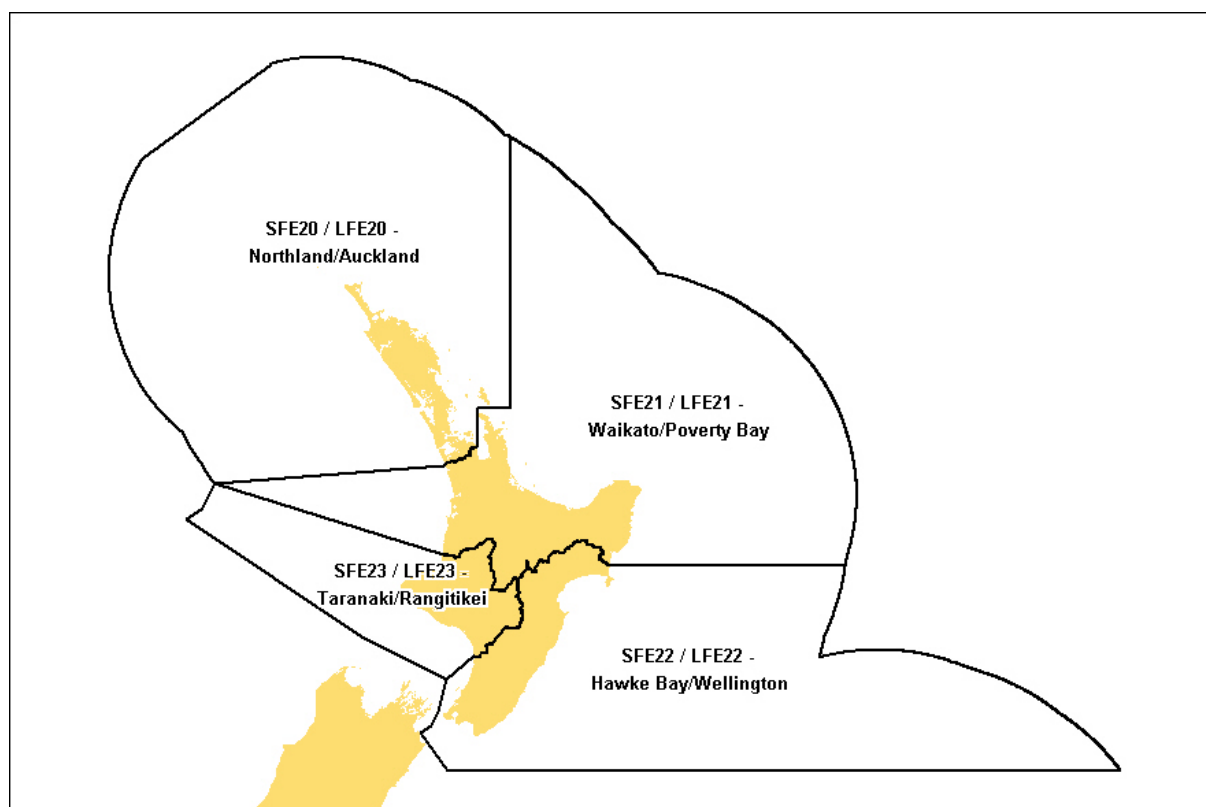
Freshwater eel (LFE & SFE) – North Island (*Anguilla dieffenbachii* & *A. reinhardtii*, *A. australis*)

- 25 I have decided to introduce the freshwater eel fishery within the North Island into the QMS. The introduction of North Island eel stocks will facilitate improved utilisation and sustainability of those stocks, and the eel resource at a national level. I note that several submitters have indicated that they would like to see an improvement in the quality of the eel fishery. I agree with MFish that the implementation of appropriately set catch limits within the QMS will provide for that outcome.
- 26 There are biological and fishery differences between the two main eel species found in New Zealand waters. Recognising these differences, I have decided that stocks will consist of either long-finned eel (*Anguilla dieffenbachii*) (stock code LFE), or a combination of short-finned eel (*Anguilla australis*) and Australian long-finned eel (*Anguilla reinhardtii*) (stock code SFE). Managing the two main species on a separate basis will allow for the application of sustainability measures that are effective in providing for more directed management for the respective species. I note the MFish advice that the Australian long-finned eel is a minor component of the overall catch, with a limited distribution in the North Island, and that its growth rates are more similar to short-finned eel than long-finned eel.
- 27 I have decided to adopt four QMAs for both long-finned eel and short-finned eel stocks in the North Island (refer Figure 1). This decision is consistent with option 3

noted in the MFish consultation document. The QMAs I have chosen recognise geographical differences in habitat and climate variables, differences in the fishery characteristics of the areas concerned, and the relative distribution of regional communities of interest. It is my view that the setting or future adjustment of sustainability measures at the level of these QMAs will assist in addressing fishery management objectives applicable to each QMA and the wider eel resource nationwide.

- 28 Nevertheless, the QMAs do not detract from the potential implementation of any further measures designed to address local issues. Over time, fishery interests may wish to implement appropriate controls that complement sustainability measures applied at the level of the stock. Such initiatives need to be well canvassed amongst all fishery interests to ensure that the proposed controls are likely to succeed. I would also observe that the Fisheries (Kaimoana Customary Fishing) Regulations 1998 do not include fisheries resources in the freshwater environment of the North Island (or the Chatham Islands), as they do in the South Island. This reduces the ability of tangata whenua to directly influence their preferred utilisation opportunities for customary purposes beyond fishing for just traditional hui or tangi, as provided by regulation 27 of the Fisheries (Amateur Fishing) Regulations 1986. It will be important for tangata whenua to inform me of their interests in the eel fishery to guide me in setting the sustainability and other management measures for eels in the next part of the QMS introduction process. The consultation timeframe will commence early next year.
- 29 I have decided that the fishing year for North Island eel stocks will run from 1 October to 30 September. This is consistent with other eel stocks in New Zealand (other than Lake Ellesmere), and current practice in the fishery. I have also decided that greenweight will be the unit of measure, as this is consistent with past and current practice in the fishery.
- 30 I encourage people interested in the eel fishery to offer further constructive input into the subsequent review of sustainability measures and other management controls that MFish will propose for this fishery. In addition, I also acknowledge that issues administered under the Resource Management Act 1991 affect the status of eel populations. I believe that the introduction of the North Island eel fishery into the QMS will provide better incentives for fishery interests to advocate collective concerns about habitat management and fish passage issues to the relevant authorities.

Figure 1: Quota Management Areas for the freshwater eel fishery in the North Island



Green-lipped mussel (*Perna canaliculus*)

- 31 After carefully considering all stakeholder concerns expressed in submissions and during meetings, I have decided to introduce green-lipped mussel into the QMS. I believe my decision will help ensure the sustainable utilisation of the green-lipped mussel fisheries.
- 32 It has been pointed out in submissions that the management of green-lipped mussel is complex, and I wholeheartedly agree. The species is the subject of two quite different commercial fisheries, involving the harvest of post larval spat (juvenile stock) at Ninety Mile Beach, and the dredging of wild adult stock around the top of the South Island. In addition, the species occupies an important niche in sensitive harbour and estuarine systems where it supports non-commercial fisheries. Each fishery (or potential fishery) has its own mix of issues concerning sustainability, adverse effects on the environment, and the extent to which efficient utilisation is encumbered. I conclude that the flexibility and incentives provided by the QMS makes it the most appropriate framework to manage the full range of issues associated with green-lipped mussel.
- 33 While not dismissing the benefits of QMS management, many submissions questioned the need to introduce juvenile stock into the QMS at this time. The marine farming sector's own strategic plan highlights that the demand for juvenile stock must increase if the mussel farming industry is to achieve its projected growth. But it is also clear that the amount of juvenile stock available for supply from the wild fishery will continue to be variable and uncertain, due to changeable climatic conditions and the occurrence of toxic algal blooms.

- 34 Under open access fishers will continue to ‘race to catch’ juvenile stock to maximise their share of the available resource. Fishers pursuing inefficient practices threaten the economic viability of the fishery and increase the risk of adverse effects on the environment. Introducing green-lipped mussel into the QMS provides for a proactive management approach to prevent these problems from escalating. It will also create an environment whereby quota owners will be able to invest in technology with the knowledge that their share of the fishery is established.
- 35 The relative certainty associated with QMS management will also assist the marine farming industry to make choices regarding investment in alternative sources of juvenile stock. In particular, the use of structures to catch spat and the further development of hatchery technology to produce spat.
- 36 The vulnerability of the wild adult stock to overfishing makes active management necessary. The best means of constraining catch levels is through the allocation of rights under the QMS. The QMS framework also allows existing scallop and dredge oyster fishers in Golden and Tasman Bays, and spat catching operators with ‘clean-up’ obligations, to rationalise their harvesting and increase the benefits they derive from the fishery.
- 37 Mussel farmers are concerned that they will face high costs to recover stock that drops off their farms. If a storm did cause stock to fall off the farms, and no longer be in the exclusive possession of the marine farmer, then the farmer will be able to secure ACE to cover catch taken directly from the seafloor. This would be an improvement over the status quo where the authorisation process is both complex and costly.
- 38 I note that the QMS framework provides for increased flexibility through the sub-division of areas. It is conceivable to imagine large-scale marine farming ventures negotiating a sub-division of the relevant QMA to provide for increased security over the rights to harvest stock beneath farms. This opportunity is not available outside the QMS.
- 39 Submissions raise concerns about the QMS adding cost. However, many of the costs associated with administration, compliance, and research also apply under non-QMS management. An adjustment to the spread of attributable costs is likely to occur irrespective of whether the fishery is managed under the QMS. The existing framework for recovering costs for management of the non-farmed green-lipped mussel resource is not durable, and hence cannot be used as a basis for direct comparison.
- 40 It is likely that juvenile stock will be harvested more efficiently under the QMS because of the added incentive to invest in maximising the value of the resource. I acknowledge that the requirement to hold quota and secure ACE will be a cost. However, this does not represent an additional cost to the industry as a whole, but it will influence the point in the mussel production process where profits are realised. As noted, there are additional sources of juvenile stock, and the industry (with funding support from government) is already investing in improved technology to reduce the unit cost.
- 41 I consider any reconfiguration of costs under QMS management will be more than

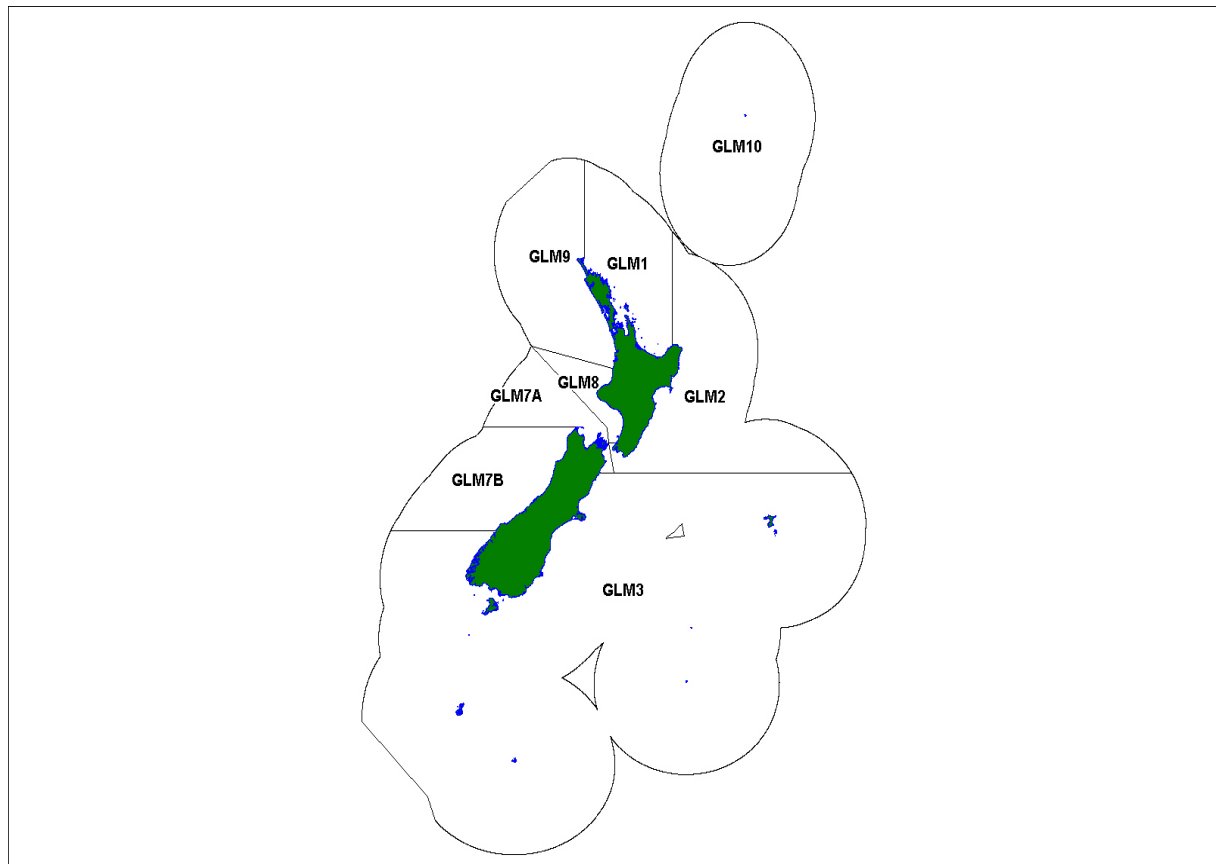
offset by the benefits of allocating rights that provide the incentives and opportunity for the participants in the green-lipped mussel fisheries to develop their own flexible arrangements. This will provide a sound basis for the mussel industry to plan its own growth in an integrated manner and in collaboration with other rights holders.

- 42 I agree with the eight QMAs proposed by MFish for green-lipped mussel (refer Figure 2) and defined as follows: GLM 1 (FMA 1); GLM 2 (FMA 2); GLM 3 (FMAs 3, 4, 5, 6); GLM 7 A and GLM 7B (FMA 7); GLM 8 (FMA 8); GLM 9 (FMA 9); and GLM 10 (FMA 10). As noted, the QMS framework provides for further sub-division of QMAs, if necessary.
- 43 I have decided that the fishing year for green-lipped mussel will run from 1 October to 30 September. Submissions indicate a preference for different fishing years in GLM 9 and GLM 7A. It is not critical what fishing year is chosen, and so I have agreed with the 1 October to 30 September fishing year proposal.
- 44 The unit of measure for green-lipped mussel will be greenweight. I recognise that it is impractical to separate the weight of juvenile stock from the material it is attached to with any degree of accuracy. However, a standard measure will suffice, as there are no pressing issues with stock sustainability associated with how much juvenile stock is taken. Using a set ratio will allow the reporting of the weight of juvenile stock to be standardised. It is not necessary for me to determine the ratio at this time, and I welcome stakeholder comment on forthcoming options.
- 45 A number of submissions request that I defer for six months my decision regarding whether to introduce green-lipped mussel into the QMS. However, I am satisfied the relevant management issues have been identified, and a delay for another six months would provide little in the way of additional information. With my decision now taken, the next 6-9 months provides the opportunity for stakeholders to work with MFish to develop the detail of the management framework and to have their remaining issues addressed before the TAC/total allowable commercial catch (TACC) and other management controls need to be determined.
- 46 I am satisfied that in-season adjustments of TACs, potentially in association with a fisheries plan, can provide the flexibility needed to ensure there is sufficient ACE available to enable efficient utilisation. The key challenge now becomes determining the TACs and the associated regulatory framework.
- 47 Submitters have already made many useful comments on these matters. There appear to be two viable options available for managing the two existing commercial fisheries (Ninety Mile Beach and top of the South Island):
- a) setting a 'low' TAC under s 14 of the Act and utilising an in-season adjustment available by virtue of being listed on the Third Schedule; or
 - b) setting a 'high' TAC under s 14 to enable within season stakeholder management, preferably in the context of a fisheries plan.
- 48 Both of these options are available for the existing fisheries because MSY-based targets are not applicable. In the undeveloped fisheries, management under TACs set pursuant to s 13 of the Act is likely to be more appropriate. I look forward to stakeholders working with MFish to consider the options and to take up the challenge

of maximising the benefits that the QMS can provide. I see considerable advantage to be gained by parties developing an agreed approach to managing this important species.

- 49 In my letter of 17 June 2003 I sought comment from permit holders and stakeholders involved in the Ninety Mile beach fishery as to what extent, if any, preference should be given to s 67Q(2)(b) permit holders in allocation of Crown-held quota to address concerns caused by the repeal of their permits. Submissions have provided some comment on preferences and I have asked MFish to prepare additional advice in response to these submissions.

Figure 2: Quota Management Areas for the green-lipped mussel fisheries



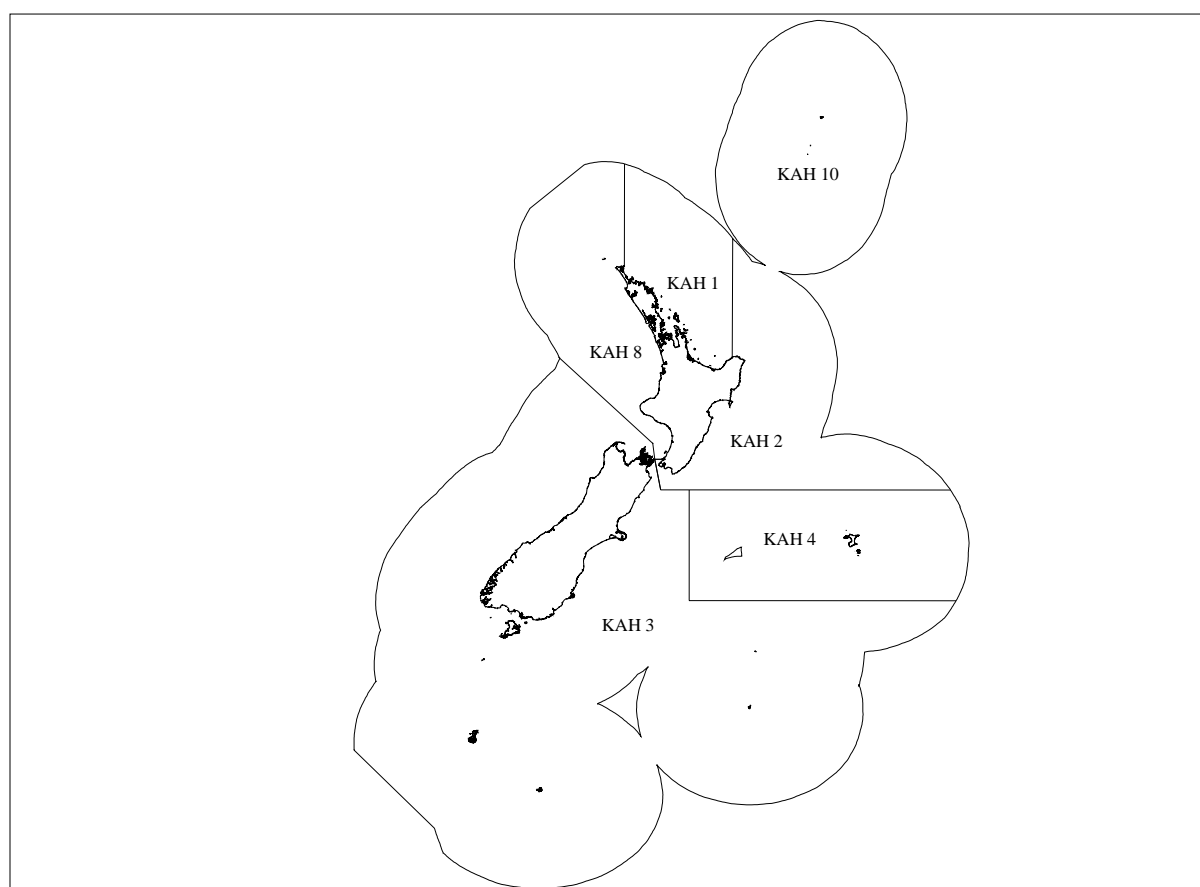
Kahawai (*Arripis trutta* & *A. xylabion*)

- 50 I accept there is need for management action in this fishery to provide for more efficient utilisation of the resource and to further resolve conflict between the commercial, customary and recreational sectors. I note that recreational and industry submissions agree that the current commercial fishery for kahawai is inefficient and does not provide optimal economic returns from the resource. The introduction of kahawai into the QMS will provide a framework for the commercial fishery to become more efficient by addressing the issues raised in submissions.
- 51 There are two species of kahawai (*Arripis trutta* and *A. xylabion*). It is likely that fishers do not distinguish between these species and that both species are reflected in

historical landings attributed to kahawai to some degree. Therefore, to minimise reporting and compliance issues associated with management as two species, I have agreed to introduce both species into the QMS as a species assemblage. I note no submissions oppose the proposal to manage kahawai as an assemblage of two species.

- 52 MFish proposed two options for QMA boundaries. Option one proposed that kahawai QMA boundaries should be set coincident with the FMA boundaries for KAH 1, 2, 4, 9 and 10, and that FMAs 3, 5, 6, 7 and 8 be combined into KAH 3. Option two differed from option one by combining FMAs 8 and 9 into KAH 8. All submissions support option two, as it provides the best alignment with the west coast North Island trawl fishery, and it is in line with s 19(2) of the 1996 Act. Accordingly, I have agreed to adopt this option (refer Figure 3).
- 53 I have decided that the fishing year for kahawai will be 1 October to 30 September and the unit of measure will be greenweight.

Figure 3: Quota Management Areas for the kahawai fishery

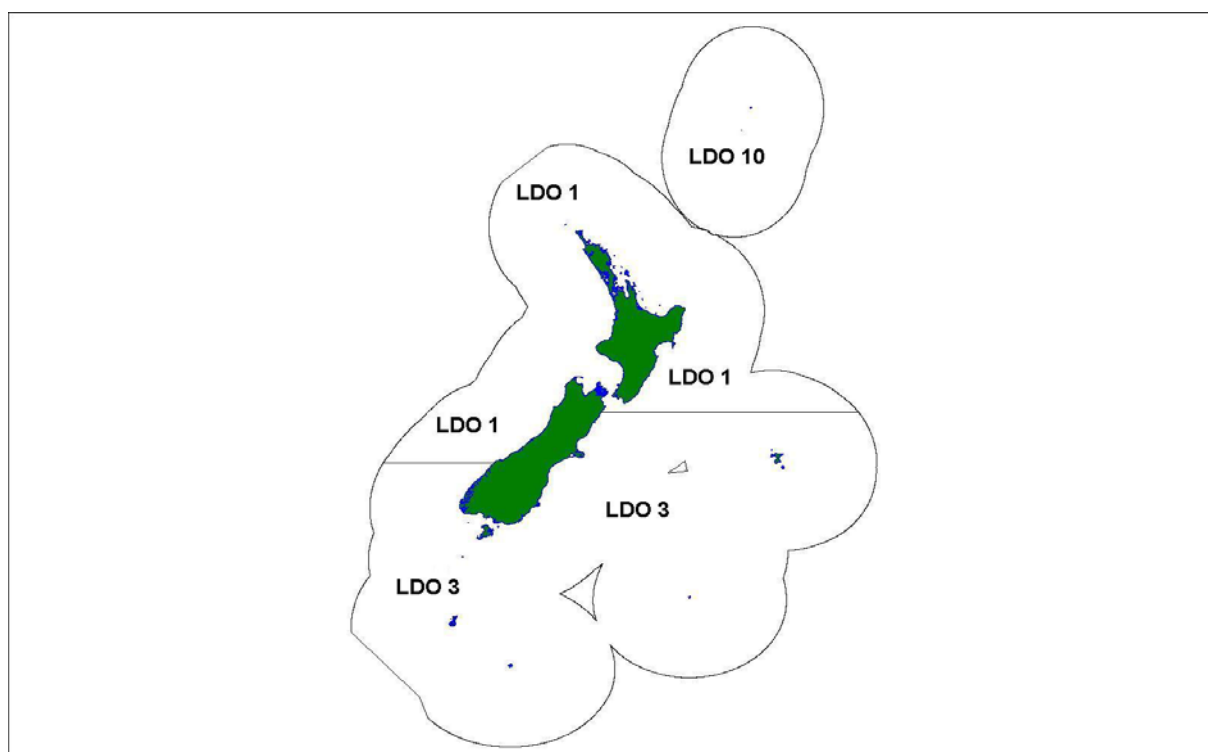


Lookdown Dory (*Cyttus traversi*)

- 54 I have decided to introduce lookdown dory into the QMS. Most lookdown dory catch is presently taken as bycatch, but I consider that the removal of the moratorium on issuing fishing permits could lead to increased targeting on the basis that a market already exists for this species. If catch does increase after the removal of the permit moratorium, given the known biological and fishery characteristics of lookdown dory, there might be some risk to the sustainability of the species.

- 55 I have decided that lockdown dory will be managed in the three QMAs as proposed by MFish (refer Figure 4). These are LDO 1 (FMAs 1, 2, 7-9), LDO 3 (FMAs 3-6), and LDO 10 (FMA 10). These areas are consistent with s 19(2). Given the spatial distribution of lockdown dory catch, I do not consider that the local development of a lockdown dory target fishery will be constrained by these larger management areas.
- 56 I have decided that the fishing year will be from 1 October to 30 September, which is consistent with the fishing year that applies to target fisheries that catch lockdown dory, including hoki, ling, hake, jack mackerel and arrow squid. I have also decided that the unit of measure will be greenweight, which has been used historically for this species.

Figure 4: Quota Management Areas for the lockdown dory fishery



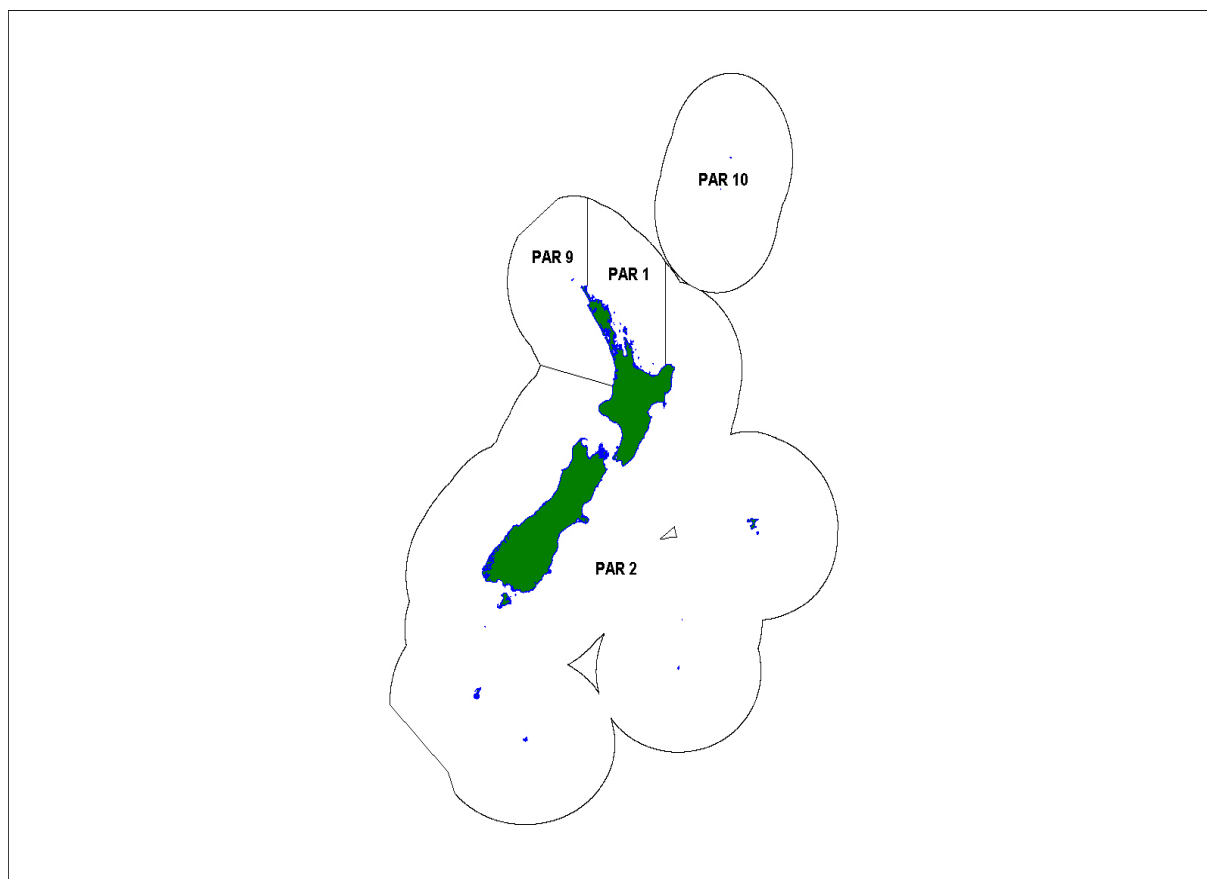
Moonfish (*Lampris guttatus*)

- 57 The consultation document expressed the view that active management of moonfish is required, and that while introduction into the QMS may not be urgent, on balance, this species should be introduced into the QMS sooner rather than later. I note the support for this view in submissions and agree with it. While there will be costs associated with introducing this species into the QMS, many of these costs will be short term. Further I consider that there will be utilisation benefits associated with the development of this fishery within the QMS that outweigh the costs.
- 58 I have decided that a single QMA encompassing all New Zealand fisheries waters will provide the best match with target tuna species, of which moonfish is a bycatch, in order to minimise the costs of compliance for commercial fishers.
- 59 I have decided that the fishing year for moonfish will be from 1 October to 30 September, and the unit of measure will be greenweight.

Parore (*Girella tricuspidata*)

- 60 I have decided to introduce parore into the QMS. Parore has a limited habitat range and is likely to have a low population size. These characteristics mean this species requires active management to mitigate the effects from increased commercial catch levels that are likely to occur under open access, as well as potentially greater non-commercial catches arising from the increase in human population in northern New Zealand. The combined effects of increased interest in parore also have the potential to create allocation conflicts between sectors.
- 61 I note that the two industry submissions on this species suggest that QMS introduction should only be contemplated when sustainability concerns or allocation issues are identified. However, I believe it is appropriate to introduce this species into the QMS at this time to provide a better framework to manage anticipated sustainability and allocation problems.
- 62 I agree with the four QMAs for parore as proposed in the consultation document (refer Figure 5) and defined as follows: PAR 1 (FMA 1); PAR 2 (FMAs 2, 3, 4, 5, 6, 7, 8); PAR 9 (FMA 9); and PAR 10 (FMA 10).
- 63 I have decided that the fishing year for parore will be from 1 October to 30 September. This is consistent with the fishing year that applies to associated fisheries for grey mullet, trevally, and flatfish. The unit of measure for parore will be greenweight.

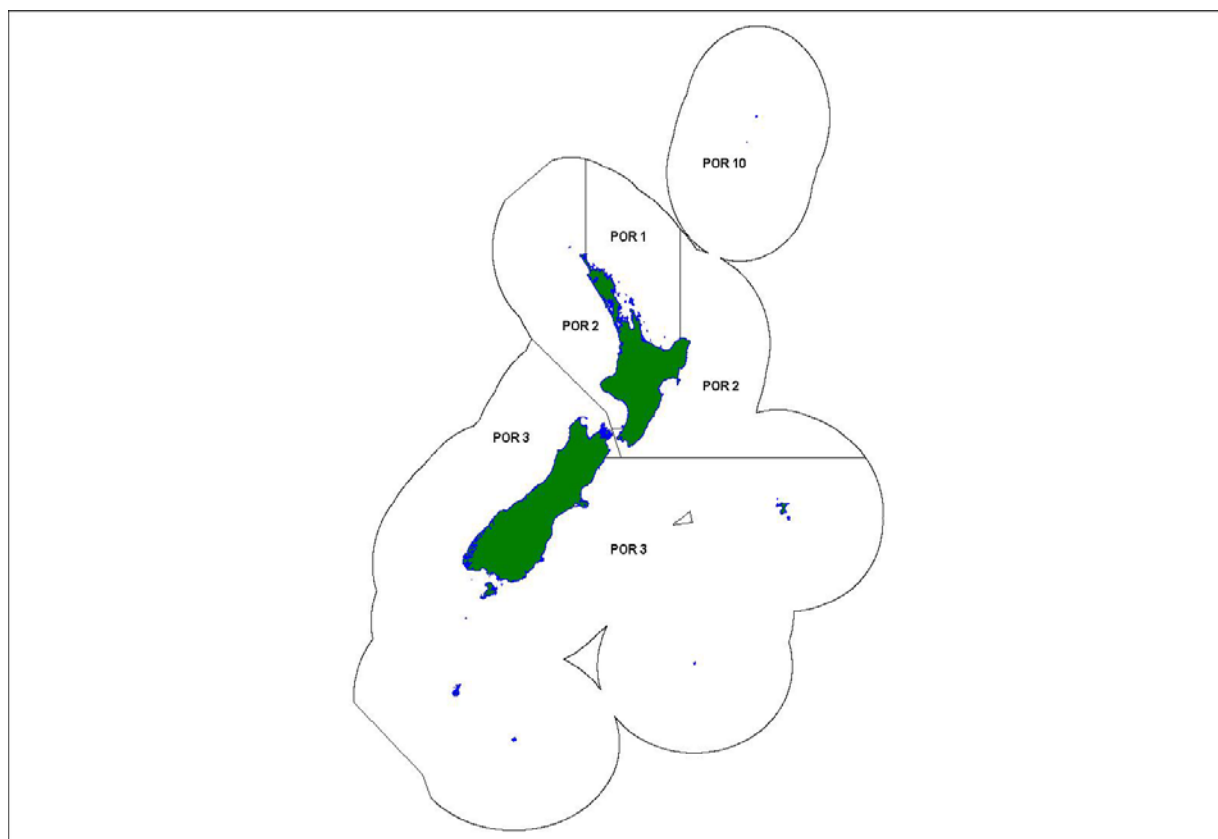
Figure 5: Quota Management Areas for the parore fishery



Porae (*Nemadactylus douglasii*)

- 64 I have decided to introduce porae into the QMS. Porae forms localised populations in inshore areas, with individuals exhibiting distinctive home ranges. This species is also thought to be long lived and may have low productivity. These biological characteristics require active management to mitigate the effects from increased commercial catch levels that are likely to occur under open access, as well as potentially greater non-commercial catches arising from an increasing human population in northern New Zealand. The combined effects of increased interest in porae also have the potential to create allocation conflicts between sectors.
- 65 As with parore, I note that the two industry submissions on porae suggest that QMS introduction should only be contemplated when sustainability concerns or allocation issues are identified. However, I believe it is appropriate to introduce this species into the QMS at this time to provide a better framework to manage for anticipated sustainability and allocation problems.
- 66 I agree with the four QMAs proposed for porae as outlined in the consultation document (refer Figure 6) and defined as follows: POR 1 (FMA 1); POR 2 (FMAs 2, 8, and 9); POR 3 (FMAs 3, 4, 5, 6, and 7); and POR 10 (FMA 10).
- 67 I have decided that the fishing year for porae will be from 1 October to 30 September. This is consistent with the fishing year that applies to the associated snapper and trevally set net fisheries. The unit of measure for porae will be greenweight.

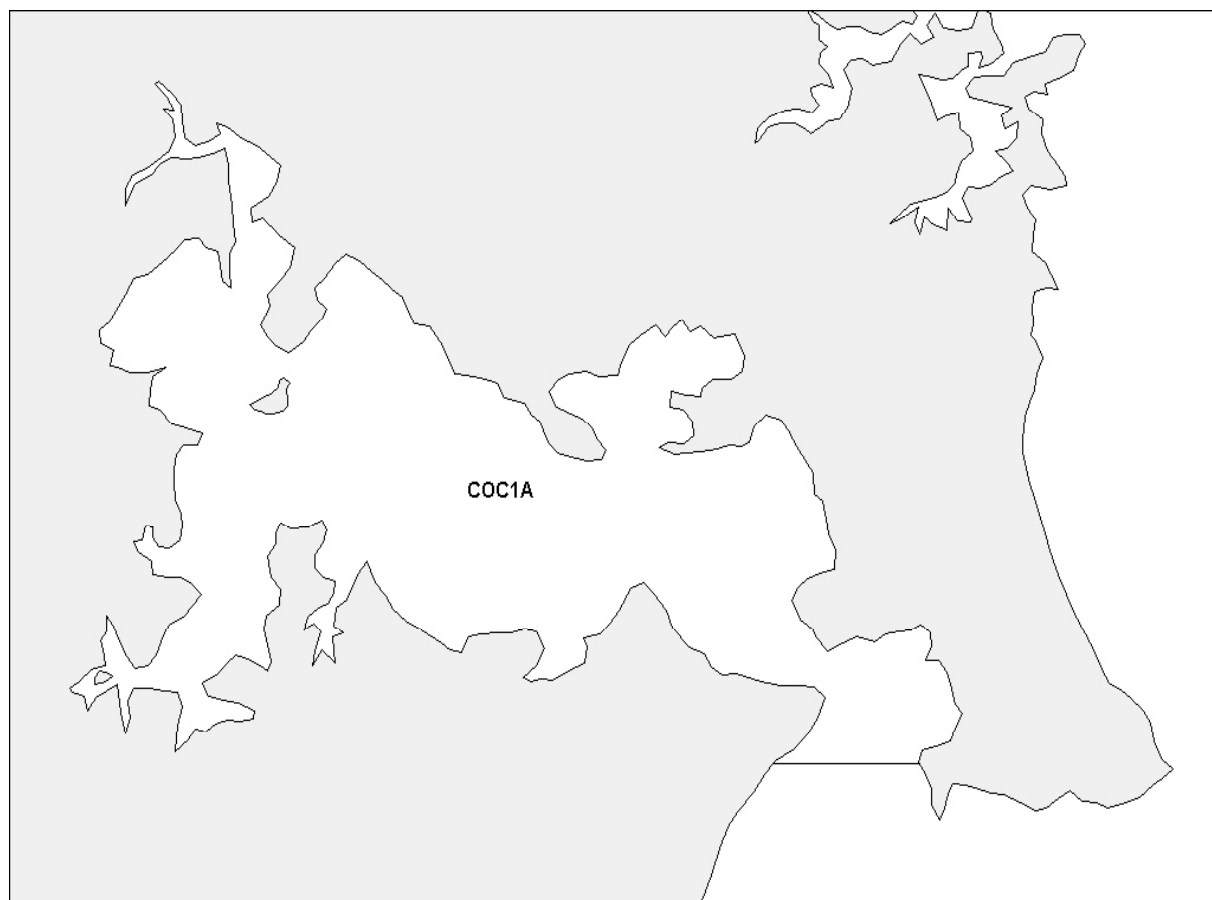
Figure 6: Quota Management Areas for the porae fishery



Pipi – Whangarei Harbour (*Paphies australis*)

- 68 I have decided to introduce pipi in the Whangarei Harbour into the QMS. As well as the benefit of ensuring sustainability of this fishery that underpins the introduction of all the species proposed here, I agree with the MFish assessment that there are some particular advantages for this fishery. They are that setting a TAC for pipi in the harbour and its sustainability benefits will address local concerns about the potential instability of Mair Bank if the (pipi) shell cover on the bank was removed. QMS introduction will also enable removal of the current daily limit on harvesting, thus improving economic efficiency by giving commercial harvesters greater freedom to harvest in accordance with market demand.
- 69 In making this decision, I have also determined that Whangarei Harbour should be the QMA for this fishery, as I decided for cockles (COC 1A). This is contrary to the request made in a submission on behalf of the commercial permit holders that this QMA should be larger – corresponding to FMA 1. The submission refers to the requirement as outlined in s 19(2) of the 1996 Act.
- 70 In this regard, I again concur with the MFish assessment that for this fishery, it is not practicable to do so. The reasons are that in combination, the particular biological characteristics of the pipi stock, the characteristics of the fishery, the pattern of existing utilisation, the species' importance for customary and recreational fishers, and its vulnerability to localised depletion, mean that the only practicable way to ensure sustainable utilisation of the fishery at this time is through adoption of a smaller QMA, based on Whangarei Harbour, and known as PIP 1A (refer Figure 7).
- 71 Finally, I have decided, and stakeholders support, the fishing year for PIP 1A will be from 1 October to 30 September, and greenweight will be the unit of measure.

Figure 7: Quota Management Area for the Whangarei Harbour pipi fishery – PIP 1A is the same area as COC 1A.



Ray's bream (*Brama brama*)

- 72 This species is taken as a bycatch of both trawl and tuna longline fishing. Submissions confirm the view that further development of the fishery is possible. I have decided that this development should occur within the QMS. I do not agree that the QMS will impose the constraints on development of this fishery that have been raised in submissions.
- 73 I have decided that one QMA encompassing all New Zealand fisheries waters will apply for Ray's bream. A single QMA provides the best match with other target tuna and trawl species in order to minimise the costs of compliance for commercial fishers.
- 74 I have decided that the fishing year for Ray's bream will be from 1 October to 30 September, and the unit of measure will be greenweight.

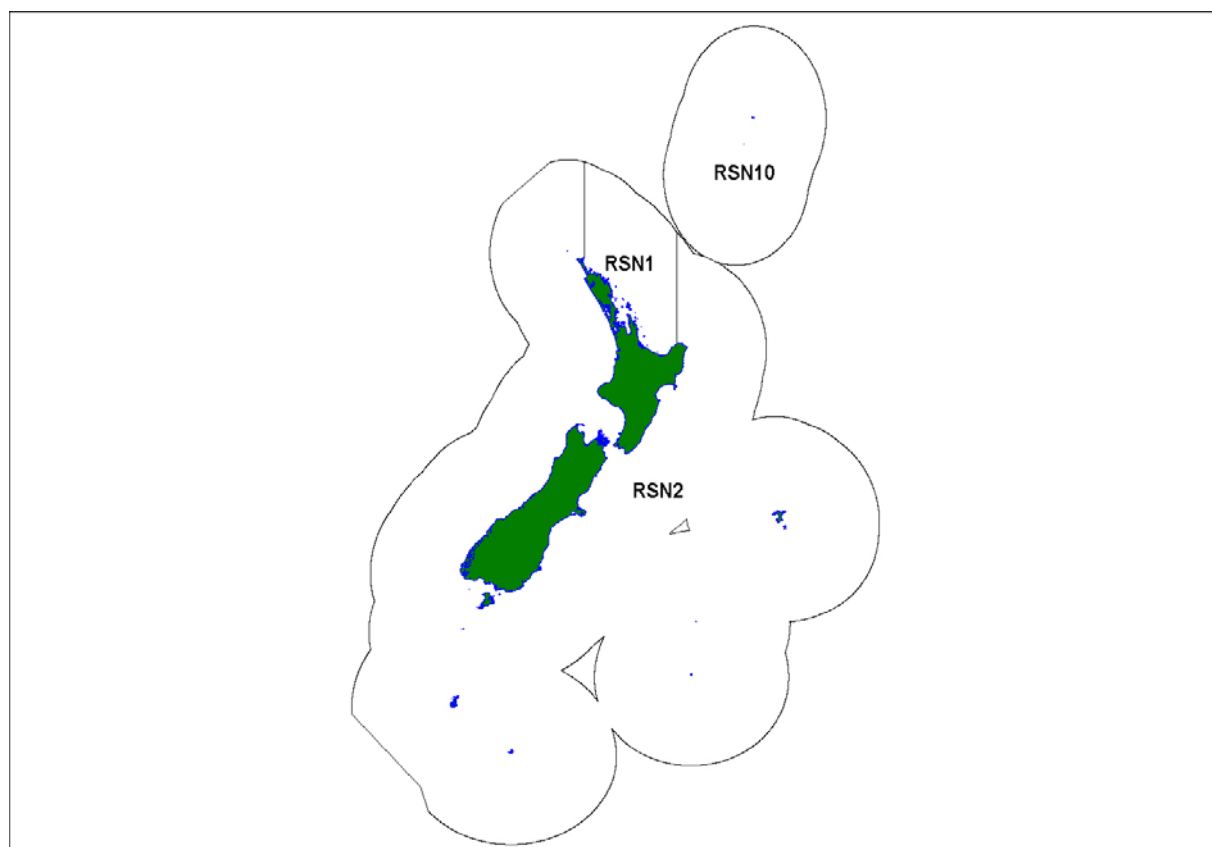
Red snapper (*Centroberyx affinis*)

- 75 I have decided that introducing red snapper into the QMS is the best way of ensuring the sustainability of this species, while providing for appropriate levels of utilisation. I have decided that there should be three QMAs for red snapper (refer Figure 7) and defined as follows: RSN 1 (FMA 1); RSN 2 (FMAs 2, 3, 4, 5, 6, 7, 8, 9); and RSN 10 (FMA 10). RSN 1 is separated out because historically most of the red snapper catch

taken by commercial fishers has been from FMA 1, and because red snapper is generally thought to be less abundant south of East Cape.

- 76 I have decided that the fishing year for red snapper will be from 1 October to 30 September, which is consistent with the fishing year for other inshore finfish species. I also decided that greenweight will be the unit of measure. This unit of measure is appropriate as red snapper is generally not processed at sea and is landed in an unprocessed state.

Figure 8: Quota Management Area for the red snapper fishery



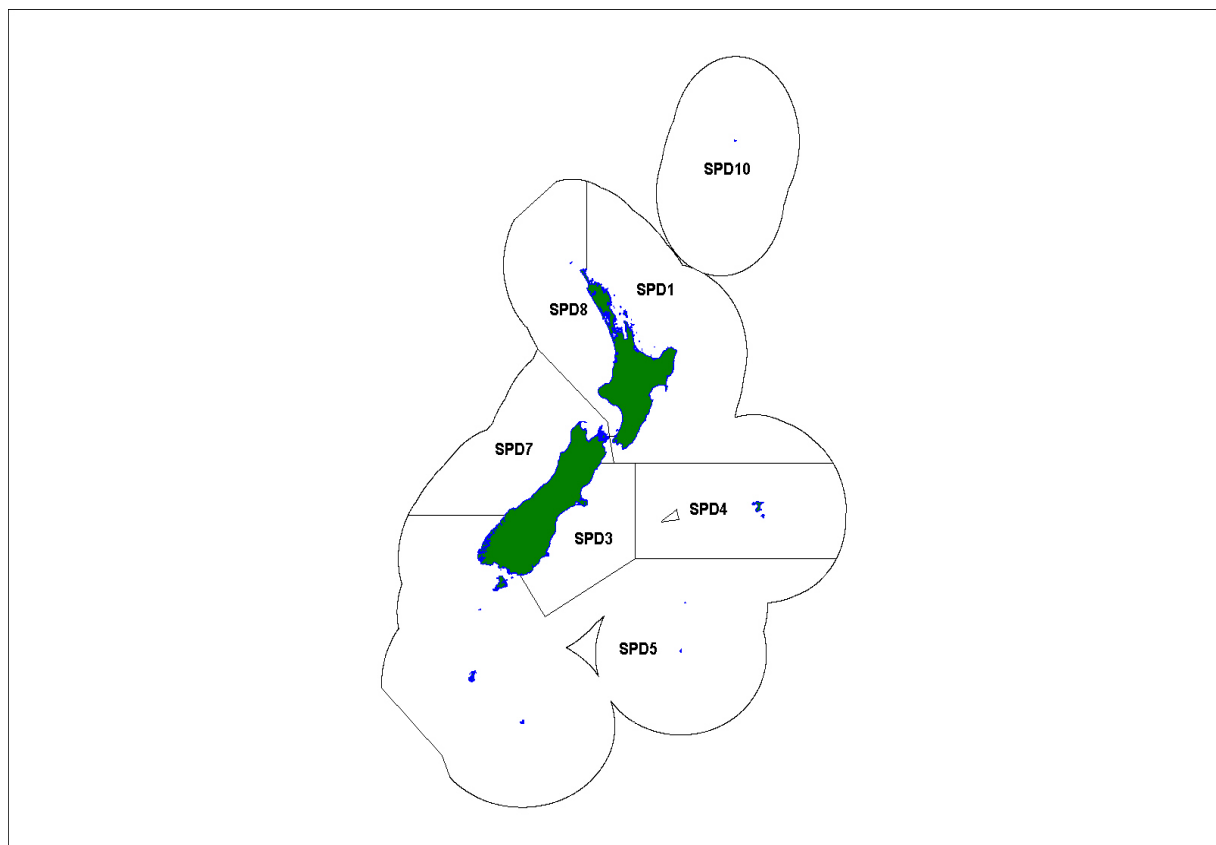
Spiny dogfish (*Squalus acanthias*)

- 77 I have decided to introduce spiny dogfish into the QMS on 1 October 2004. In reaching this decision, I gave careful consideration to the submissions both for and against its introduction. The high level of interest from commercial fishers in the management of this species was evident in the large number and detailed nature of the submissions received.
- 78 My primary reason for deciding in favour of QMS introduction is the sustainability risk for spiny dogfish that triggers a requirement for active management and, thus, inclusion in the QMS. The sustainability risk is due to the biological characteristics (low fecundity, late maturity and low natural mortality) and high level of exploitation of spiny dogfish catch, as well as the species' potential as a target fishery.
- 79 Issues raised in submissions do not negate the case for QMS introduction, because they do not show that concerns regarding the susceptibility of spiny dogfish to overfishing are unfounded, or that there is a workable non-QMS framework to

actively manage spiny dogfish into the future. Submissions provide information on potential economic costs, but these costs will depend largely on management settings for spiny dogfish within the QMS. They also highlight the complexities of fishing in multispecies or bycatch fisheries.

- 80 I accept submissions that, under current market conditions, there will be an economic cost to some operators if all spiny dogfish are required to be landed. I favour the development of management measures within the QMS that avoid or reduce this cost and result in the best reporting outcomes. Uncertainty regarding the actual level of fishing-related mortality of spiny dogfish is, arguably, the most important issue facing management of spiny dogfish. Early next year MFish will be consulting with stakeholders and providing me with advice on management options for spiny dogfish within the QMS.
- 81 I have decided to set six QMAs for spiny dogfish (refer Figure 9). The QMAs are similar to many interrelated deepwater and inshore stocks and take into account available information on seasonal migration and resident populations of spiny dogfish: SPD1 (FMAs 1, 2); SPD3 (FMA 3); SPD4 (FMA 4); SPD5 (FMAs 5, 6); SPD7 (FMA 7); SPD8 (FMAs 8, 9); and SPD10 (FMA 10).

Figure 9: Quota Management Areas for the spiny dogfish fishery



- 82 The fishing year for spiny dogfish will be from 1 October to 30 September to ensure consistency with other finfish taken in conjunction with this species. The unit of measure will be in greenweight, as this is consistent with past and current practice in the fishery.

- 83 Submissions note there is the potential for misidentification and misreporting of spiny dogfish and northern spiny dogfish in some areas. I consider misreporting is unlikely to be significant because catches of northern spiny dogfish are very low compared to spiny dogfish and, by and large, the main fisheries are spatially separated.

Northern Spiny Dogfish (*Squalus mitsukuri*)

- 84 I have decided not to introduce northern spiny dogfish into the QMS as I believe the costs of managing this species under the QMS framework outweigh the benefits at this time. My decision to introduce spiny dogfish while deferring the introduction of northern spiny dogfish into the QMS will require responsible catch reporting on the part of fishers. However, there are important differences between these two species regarding taxonomy, abundance, distribution, and development potential that preclude introducing northern spiny dogfish at this time, or combining this species with spiny dogfish.
- 85 Managing northern spiny dogfish under the QMS would impose costs on industry in terms of acquiring ACE to cover catches, as well as having implications on the more valuable target fisheries. While this species is likely to be vulnerable to the effects of fishing, there are no evident sustainability concerns, and it is unlikely that catches will substantially increase under open access. Part of my rationale for not advancing northern spiny dogfish at this time is the understanding that this species might be brought back for consideration within a year pending results of introducing spiny dogfish into the QMS. Accordingly, I consider it appropriate to continue to manage northern spiny dogfish outside the QMS until such time as more explicit sustainability or utilisation issues are identified that warrant active management.

Shovelnose Dogfish (*Deania colcea*), Seal Shark (*Dalatias licha*), Javelin Fish (*Lepidorhynchus denticulatus*), Redbait (*Emmelichthys nitidus*)

- 86 I have decided not to introduce shovelnose dogfish, seal shark, javelin fish and redbait into the QMS, as I believe the costs of managing these species under the QMS outweigh the benefits at this time. Managing these species under the QMS would impose costs on industry in terms of acquiring ACE to cover catches, as well as having implications on the more valuable target fisheries. While these species are likely to be vulnerable to the effects of fishing, there are no evident sustainability concerns, and it is unlikely that catches will substantially increase under open access. Accordingly, I consider it appropriate to continue to manage these species outside the QMS until such time as more explicit sustainability or utilisation issues are identified that warrant active management.

Red moki (*Cheilodactylus spectabilis*)

- 87 Red moki is a special case for management due to its particular biological and ecological characteristics as a reef fish species. I have decided that red moki will not be introduced into the QMS on 1 October 2004. Instead, red moki should be included with the other northern reef species (that currently may not be sold) in a process to consider the most appropriate future management arrangements.

Conclusion

- 88 I believe that on balance, my decisions provide for a fair and equitable outcome and certainty to be applied to the introduction of stocks into the QMS in the future. I would encourage you to contribute to the consultation process for setting TACs and other management measures for the new stocks next year, and the process for introducing further stocks into the QMS.

Yours sincerely

Hon Pete Hodgson
Minister of Fisheries