

Office of Hon Phil Heatley

MP for Whangarei

Minister of Fisheries

Minister of Housing

H0174

Tēnā koe

Review of Sustainability Measures and Other Management Controls for the 2009-10 Fishing Year

This letter outlines final decisions on sustainability measures and other management measures for southern blue whiting (SBW 6B) and deemed value rates for selected fishstocks for the 2009-10 fishing year.

I would like to take the opportunity to acknowledge all submissions received in this year's review. I appreciate the time and effort taken by all submitters to prepare submissions on the proposals. The information within these submissions was valuable in my consideration of each proposal.

In reaching my final management decisions for 2009-10, I carefully considered the available information from the Ministry of Fisheries (the Ministry), and all of the issues and information put forward in submissions on each proposal within the review. I also had careful regard to the relevant legislative provisions.

Copies of the Ministry's final advice paper (FAP) for SBW 6B and deemed value rates for selected fishstocks are available on the Ministry's website at www.fish.govt.nz.

SBW 6B

I have decided to increase the Total Allowable Catch (TAC) for SBW 6B to 15,000 tonnes for the 2009-10 fishing year. Within that TAC I have agreed to set a Total Allowable Commercial Catch (TACC) of 14,700 tonnes and an allowance of 300 tonnes for other sources of fishing related mortality.

The acoustic surveys successfully undertaken by an industry vessel in 2007 and 2008 show a large increase in biomass in SBW 6B caused by a very large 2002 year class. Biomass estimates derived directly from the survey data indicate a stock size 6-7 times higher than that estimated from the 2006 survey. Stock size in SBW 6B is now considered to be well above estimates of the biomass that can produce the maximum sustainable yield.

An estimate of the current biomass of the SBW 6B stock has been derived directly from these acoustic survey results and this has been used to determine a conservative range for the catch limit in this fishery. I carefully considered this information when making my decision and I am satisfied that a TAC of 15,000 tonnes is appropriate.

Industry supports a conservative approach to harvesting the 2002 year class in recognition that there is likely to be a long-term economic benefit in enabling bigger fish to be harvested in future years. I would like to take this opportunity to commend industry for this approach and for its involvement in the successful 2007 and 2009 acoustic surveys.

Deemed Value Rates for Selected Fishstocks

Setting correct deemed values is as important to the sustainability and utilisation of a fishery as setting a proper TACC. I have therefore decided to adjust deemed values for several fish stocks to better ensure that catch is balanced with a fisher's ACE. In each of the following stocks or sets of stocks, my goal is to ensure that every commercial fisher has an incentive to acquire or maintain ACE that matches that fisher's catch of each stock, as per s 75 (2) (a) of the Fisheries Act (the Act).

There are at least four situations where fishers might fish without acquiring appropriate ACE:

1. When ACE is available for purchase, a commercial fisher decides to pay deemed values rather than acquire ACE. In general, deemed value should be sufficiently above ACE price to provide an incentive to acquire ACE rather than pay deemed values;
2. In fisheries where all ACE is used, fishers continue to fish without ACE and instead pay deemed values. In general, the deemed value price should be high enough to discourage overfishing of stocks;
3. When a fisher catches fish from some stock and decides to illegally discard the fish instead of acquiring ACE. Where some by-catch may be inevitable, deemed values should if possible, be below the landed value of the fish in order to provide incentives to land the fish (discarding fish to avoid deemed values is unacceptable and is a criminal act. When caught, such fishers will be prosecuted and face large fines and potential forfeiture of quota and vessels. While I wish to avoid unnecessary incentives for such illegal activity, fishers continue to have every responsibility to comply with the Act); and
4. When a fisher catches fish from stock, but illegally misreports the fish as coming from a second stock in order to take advantage of lower deemed values in the second stock to avoid purchase of ACE in the first stock. Where possible, deemed values should avoid creating incentives to misreport.

The four criteria identified above summarise the general criteria that I have used to assist in my decision-making. In some cases, it may be difficult to manage all four of these incentives at the same time. Also, s 75 (2) (b) identifies six additional criteria that I may have regard for in setting deemed values. These include: the incentive not to discard; the market value of ACE; the market value of the stock; any efficiency benefits; the extent of overfishing; and other matters that I consider relevant. Each stock requires an individual consideration of the incentives under s 75 (2), which I will discuss below.

Sea Cucumber: SCC1A, SCC1B and SCC7A

Since SCC1A, SCC1B and SCC7A are target dive fisheries, I have decided to set the deemed values in these fisheries using the "high value single species" strategy of setting deemed value rates at twice landed value. Thus, I have increased the annual deemed value rate to \$40.00 per kg to remove the incentive to overfish these SCC fisheries and to provide very

strong incentives to balance catch with ACE.

I have set the interim deemed value rate at \$20.00 per kg (50% of the annual deemed value rate) to encourage fishers to balance their catch with ACE regularly instead of paying interim deemed values.

I have adjusted the differential deemed value rates for SCC1B and SCC7A to match the new annual deemed value rate. I have introduced differential deemed values into SCC1A at the same rates as SCC1B and SCC7A.

Sea Cucumber: SCC3

SCC3 is a bycatch of the inshore trawl fishery, making it inappropriate to use the “high value single species” strategy to set their deemed value rates. Because of the high level of landings against deemed values, I have decided to increase the annual deemed value rate to \$2.00 per kg to remove the incentive to overfish SCC3 fisheries and to provide the appropriate incentives to balance catch with ACE.

I have set the interim deemed value rate at \$1.50 per kg (75% of the annual deemed value rate) to encourage fishers to balance their catch with ACE regularly instead of paying interim deemed values.

I have introduced a standard differential deemed value regime into SCC3.

Sea Cucumber: SCC2A, SCC2B, SCC4, SCC5A, SCC5B, SCC6, SCC7B, SCC7D, SCC8, SCC9 and SCC10

These stocks are currently unutilised. Because of the potential for development of target dive fisheries, I have increased the annual deemed value rate to \$40.00 per kg to provide the appropriate incentives to balance catch with ACE. This also avoids incentives to misreport across QMAs in the dive fisheries.

I have set the interim deemed value rate at \$20.00 per kg (50% of the annual deemed value rate) to encourage fishers to balance their catch with ACE regularly instead of paying interim deemed values.

I have introduced a standard differential deemed value regime into these SCC fisheries.

Friiled Venus Shell: All BYA Stocks

I have decided to introduce a backstop differential deemed value into all BYA stocks. This will limit incentives to fish on deemed values for BYA even if there are any sudden changes in the surf clam fishery.

I have decided to retain the annual deemed value rate of \$0.42 per kg for all BYA stocks.

I have decided to retain the interim deemed value rate of \$0.21 per kg (50% of the annual deemed value rate) for all BYA stocks.

I have introduced one differential deemed value rate for all BYA stocks for all catch 100% above ACE holdings. The differential deemed value rate will be twice the annual deemed

value rate.

Ringed Dosinia: All DAN Stocks

I have decided to introduce a backstop differential deemed value into all DAN stocks. This will limit incentives to fish on deemed values for DAN even if there are any sudden changes in the surf clam fishery.

I have decided to retain the annual deemed value rate of \$0.42 per kg for all DAN stocks.

I have decided to retain the interim deemed value rate of \$0.21 per kg (50% of the annual deemed value rate) for all DAN stocks.

I have introduced one differential deemed value rate for all DAN stocks for all catch 100% above ACE holdings. The differential deemed value rate will be twice the annual deemed value rate.

Silky Dosinia: All DSU Stocks

I have decided to introduce a backstop differential deemed value into all DSU stocks. This will limit incentives to fish on deemed values for DSU even if there are any sudden changes in the surf clam fishery.

I have decided to retain the annual deemed value rate of \$0.42 per kg for all DSU stocks.

I have decided to retain the interim deemed value rate of \$0.21 per kg (50% of the annual deemed value rate) for all DSU stocks.

I have introduced one differential deemed value rate for all DSU stocks for all catch 100% above ACE holdings. The differential deemed value rate will be twice the annual deemed value rate.

Horse Mussel: All HOR Stocks

I have decided to increase the interim and annual deemed value rates for all HOR stocks. I have also introduced a backstop differential deemed value into all HOR stocks. These changes will limit incentives to fish on deemed values for HOR even if there are any sudden changes in these fisheries.

I have increased the annual deemed value rate to \$0.12 per kg to reduce future incentives to overfish HOR and to provide the appropriate incentives to balance catch with ACE.

I have set the interim deemed value rate at \$0.06 per kg (50% of the annual deemed value rate) to encourage fishers to balance their catch with ACE regularly instead of paying interim deemed values.

I have introduced one differential deemed value rate for all HOR stocks for all catch 100% above ACE holdings. The differential deemed value rate will be twice the annual deemed value rate.

Trough Shell: All MDI Stocks

I have decided to introduce a backstop differential deemed value into all MDI stocks. This will limit incentives to fish on deemed values for MDI even if there are any sudden changes in the surf clam fishery.

I have decided to retain the annual deemed value rate of \$1.56 per kg for all MDI stocks.

I have decided to retain the interim deemed value rate of \$0.78 per kg (50% of the annual deemed value rate) for all MDI stocks.

I have introduced one differential deemed value rate for all MDI stocks for all catch 100% above ACE holdings. The differential deemed value rate will be twice the annual deemed value rate.

Large Trough Shell: All MMI Stocks

I have decided to increase the deemed value rates for all MMI stocks to correct an error made when gazetting the interim deemed value rates when MMI was first introduced into the QMS.

I have also introduced a backstop differential deemed value into all MMI stocks. This will limit incentives to fish on deemed values for MMI even if there are any sudden changes in these fisheries.

I have decided to retain the annual deemed value rate of \$1.92 per kg for all MMI stocks.

I have set the interim deemed value rate at \$0.96 per kg (50% of the annual deemed value rate) for all MMI stocks to correct the error outlined above.

I have introduced one differential deemed value rate for all MMI stocks for all catch 100% above ACE holdings. The differential deemed value rate will be twice the annual deemed value rate.

Deepwater Tuatua: All PDO Stocks

I have decided to introduce a backstop differential deemed value into all PDO stocks. This will limit incentives to fish on deemed values for PDO even if there are any sudden changes in the surf clam fishery.

I have decided to retain the annual deemed value rate of \$1.44 per kg for all PDO stocks.

I have decided to retain the interim deemed value rate of \$0.72 per kg (50% of the annual deemed value rate) for all PDO stocks.

I have introduced one differential deemed value rate for all PDO stocks for all catch 100% above ACE holdings. The differential deemed value rate will be twice the annual deemed value rate.

Triangle Shell: All SAE Stocks

I have decided to introduce a backstop differential deemed value into all SAE stocks. This will limit incentives to fish on deemed values for SAE even if there are any sudden changes in the surf clam fishery.

I have decided to retain the annual deemed value rate of \$1.02 per kg for all SAE stocks.

I have decided to retain the interim deemed value rate of \$0.51 per kg (50% of the annual deemed value rate) for all SAE stocks.

I have introduced one differential deemed value rate for all SAE stocks for all catch 100% above ACE holdings. The differential deemed value rate will be twice the annual deemed value rate.

Southern Blue Whiting: SBW6A, SBW6B, SBW6I and SBW6R

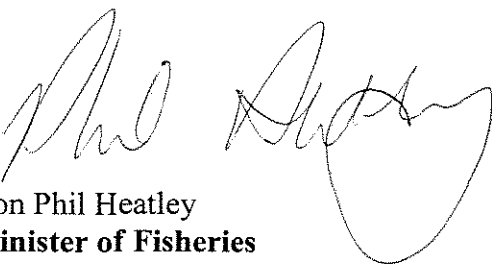
I have decided to introduce an additional differential deemed value into SBW6A, SBW6B, SBW6I and SBW6R. This will protect the current TACCs for SBW6A, SBW6B, SBW6I and SBW6R if there are any sudden changes to these fisheries.

I have decided to retain the annual deemed value rate of \$0.36 per kg for SBW6A, SBW6B, SBW6I and SBW6R.

I have decided to retain the interim deemed value rate of \$0.32 per kg (88.88% of the annual deemed value rate) for SBW6A, SBW6B, SBW6I and SBW6R.

I have introduced an additional differential deemed value rate for SBW6A, SBW6B, SBW6I and SBW6R for all catch 50% above ACE holdings. I have set this differential deemed value rate at \$0.72 per kg.

Nāku noa, nā



Hon Phil Heatley
Minister of Fisheries