

REGULATORY IMPACT STATEMENT

Shorten the Closed Season for Commercial Fishing in the CRA 7 Otago Rock Lobster Fishery

a. Executive Summary

The Ministry of Fisheries (MFish) proposes to shorten the closed season for commercial fishing in the Otago (CRA 7) rock lobster fishery by 19 days to provide commercial businesses with interests in CRA 7 more flexibility to target harvesting effort towards periods when the price for lobster in the marketplace is high. Commercial sector interests requested and support having additional fishing days and no new compliance costs will be incurred as a result of the proposed change.

Currently, CRA 7 is closed to commercial fishing for seven months (from 20 November to 20 June inclusive of both days). An Initial Position Paper (IPP), released 23 February 2009, proposed two options:

- Option 1, the status quo, would retain the existing seven month closed season for commercial fishing in CRA 7; and
- Option 2 would shorten the closed season for commercial fishing in CRA 7 to approximately four and a half months (20 November to 30 March, inclusive).

Available information and submissions did not indicate that an overall increase in stakeholder utilisation value or well-being would be achieved by shortening the commercial closed season by 80 days as proposed under Option 2. Information did indicate a decrease in overall stakeholder value was possible under this option because of impacts on non-commercial fishing activities.

MFish therefore considers an alternate option – shortening the commercial closed season by 19 days – to be the best option. Under this option, some additional flexibility would be provided to commercial businesses with interests in CRA 7. In addition, the number of ‘non-commercial only’ fishing days in the key non-commercial fishing seasons of spring and autumn would be retained, thus minimising possible negative impacts on non-commercial CRA 7 stakeholders.

b. Adequacy Statement

This Regulatory Impact Statement has been approved by the MFish’s Regulatory Impact Analysis Review Group and is considered adequate according to the criteria agreed by Cabinet.

c. Status quo and Problem

The Otago Rock Lobster Industry Association advised MFish that the existing closed season from 20 November to 20 June (inclusive of both days) was preventing commercial stakeholders from maximising the value they receive from harvesting CRA 7 rock lobster. Prices paid to commercial fishers fluctuate throughout the fishing year. Commercial stakeholders consider the current commercial fishing season does not always coincide with times when rock lobster command high prices.

d. Objectives

The key fisheries management objectives for the CRA 7 fishery are:

- The sustainable utilisation of the CRA 7 rock lobster resource;
- The value of the CRA 7 rock lobster resource is maximised; and
- Management of the CRA 7 rock lobster resource is credible.

e. Alternative Options

The alternative options consulted on in an IPP were: (i) maintain the status quo CRA 7 commercial closed season of seven months; or (ii) shorten the commercial closed season by 80 days to four and a half months (20 November to 31 March).

Retaining the existing closed season (the status quo) would have the following benefits:

- Retains non-commercial access to, and fishing success at, shared fishing grounds during the autumn months of April and May; and
- Nil implementation costs as no change to the management framework will result.

Retaining the existing closed season (the status quo) would have the following costs:

- Commercial stakeholders may be constrained in their ability to maximise future value of the commercial CRA 7 harvest; and
- May not be seen as credible by commercial stakeholders because the closed season was initially introduced as part of an egg per recruit approach to managing stock abundance, which is now redundant.

Shortening the closed season by 80 days to approximately four and a half months would have the following benefits:

- Provide more flexibility for commercial fishers to create and respond to new market opportunities;
- May provide commercial fishers with additional safe-guards against periods of inclement weather by increasing the number of fishing days available to harvest their quota; and
- May be viewed by commercial fishers as a more credible option than retaining the status quo because the option is more consistent with the current CRA 7 management approach.

Shortening the closed season would have the following costs:

- May not be viewed as a credible option to customary and recreational fishers because shortening the closed season may reduce fishery access and fishing success for non-commercial fishers during the period they have identified as an important non-commercial fishing time; and
- Low administrative costs of amending Fisheries (South-East Commercial Fishing) Regulations 1986, and education costs to inform fishery stakeholders of the new shortened closed season.

f. Preferred Option

MFish's preferred option is to shorten the closed season for commercial fishing by 19 days to approximately six and half months (20 November through to 31 May, inclusive of both days). The preferred option was not consulted on in the IPP. MFish developed the preferred option after carefully considering submissions received from CRA 7 fishery stakeholders. The preferred option represents a "middle-ground" between the two options presented in the IPP.

Shortening the closed season to commercial fishing by 19 days would have the following benefits:

- Minimises effects on non-commercial sector values by retaining existing non-commercial access to, and fishing success at, shared fishing grounds during the important non-commercial fishing months of April and May;
- Provides some additional days fishing for commercial fishers, thereby increasing their flexibility to target catch towards times when lobster price in the marketplace is high;
- No new compliance costs for commercial stakeholders; and
- Low administrative costs of amending the Fisheries (South-East Commercial Fishing) Regulations 1986, and education costs to inform fishery stakeholders of the new shortened closed season.

Shortening the closed season as proposed would have the following costs:

- May not provide as much flexibility in the marketplace as commercial sector participants would like.

MFish considers the preferred option is the "best fit" between balancing the competing value and wellbeing interests of non-commercial and commercial CRA 7 stakeholders. MFish notes that analysis of export market data does not indicate current opportunities exist to maximise commercial value by opening the fishery in the important non-commercial fishing months of April and May. Over the last three years, maximum export prices per kilo for April and May were \$3-\$35 per kilo less than the prices paid in the months already open to commercial fishing in CRA 7.

g. Implementation and Review

Proposed amendments to regulation 8 of the Fisheries (South-East Commercial Fishing) Regulations 1986 would come into force on 1 October 2009.

MFish, with the National Rock Lobster Management Group (NRLMG), will be developing a national rock lobster fishery plan. This plan will set out management objectives and services (including regulations) in support of fishery objectives. The plan will include an annual review process for monitoring progress towards achieving objectives, and the regulations will be considered as part of the review process.

Non-commercial and commercial fishers will be notified of changes via Ngai Tahu tangata-kaitaki forum, Southern South Island regional recreational forum, the Otago Rock Lobster Industry Association, stakeholders on the NRLMG, by notice from FishServe, material posted on MFish external website and through contact with MFish Fisheries Surveillance Officers and Fisheries Operations staff. The NRLMG will also conduct an annual review of the fishery to ensure that the objectives are being met.

h. Consultation

MFish consulted with all persons and organisations having an interest in shortening the closed season for commercial fishing in the CRA 7 fishery. This included (but was not limited to) regional and national tangata whenua, commercial and recreational fishing sector organisations, and environmental organisations with an interest in the CRA 7 fishery.

An IPP, which did not include MFish's preferred option, was released for consultation with stakeholders. MFish received six submissions on the IPP. In summary, non-commercial submitters supported Option 1 (status quo) whereas commercial sector submitters support Option 2 (shortening the closed season for commercial fishing). MFish's preferred option represents a "middle ground" between the two options consulted on in the IPP.

MFish will seek feedback from relevant government departments when final advice has been considered by the Minister of Fisheries.