Hon Stuart Nash LLM, MMgt, MForSc

MP for Napier

Minister of Police
Minister of Fisheries
Minister of Revenue
Minister for Small Business

Dear Stakeholder,

Changes to sustainability measures and other management controls for 1 October 2018, and closure of the Kaipara Harbour to the taking of scallops

I write to inform you of the decisions I have made to:

- implement a closure of the Kaipara Harbour recreational scallop fishery under section 11 of the Fisheries Act 1996; and
- change sustainability measures and other management controls for selected fishstocks as a result of the review of sustainability measures and management controls for the 2018/19 fishing year commencing on 1 October 2018.

The new closure will apply to recreationally caught scallops throughout the Kaipara Harbour. It will come into effect on 23 October 2018 and will remain in place until I consider that the stock has rebuilt enough to support recreational harvest.

The other changes to sustainability measures and management controls outlined in this letter will come into effect at the start of the new fishing year on 1 October 2018.
Copies of the discussion documents and the information paper providing final advice are available on the Fisheries New Zealand website at:
(https://www.fisheries.govt.nz/news-and-resources/consultations/review-of-sustainability-measures-for-1-october-2018/)

The decisions I have made reflect my desire to increase the benefits obtained from New Zealand's fisheries whilst ensuring sustainability. Where I consider there to be opportunities for more utilisation I have increased Total Allowable Catches (TACs) and, where I consider there to be a sustainability risk or a need to better reflect the purpose of the Fisheries Act 1996 (the Act), I have decreased TACs (or in the case of Kaipara Harbour scallops, implemented a new closure). I have also reviewed deemed value settings for a number of stocks to encourage fishers to balance their catch with appropriate Annual Catch Entitlement.

In reaching my decisions I have considered the submissions received on Fisheries New Zealand's discussion documents, the relevant legislative provisions and my obligations under the Act, and the final advice provided to me by Fisheries New Zealand. This advice included Fisheries New Zealand's analysis of submissions received during the consultation process and the discussion of alternative options in response to these submissions, as appropriate.

The specific decisions and rationale for the closure and for each stock are attached.

Yours sincerely

Hon Stuart Nash
Minister of Fisheries

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General issues

A number of submitters raised a range of generic issues which apply to the legislative framework, fisheries management system and/or processes. The Fisheries New Zealand decision document contains a detailed analysis and response to these points. However, I will outline my views on some of some of the matters raised to provide some understanding of my view as the Minister of Fisheries.

I continue to be impressed and heartened by the number of submissions I receive on fisheries issues, and the passion and capability of the people and representative organisations that submit them. I have taken the time to go through the advice presented to me by Fisheries New Zealand, which contains a summary of all of the submissions, in detail, from cover to cover. I have also specifically looked at a range of submissions in full so that I can be clear on the position of the submitters, and also because I was particularly interested in the detailed analysis and interpretation of my obligations that they contained.

Timeframes for consultation

A number of submitters expressed concern about the timeframe for consultation on options for changes to sustainability measures. I am advised by Fisheries New Zealand that the consultation timeframe is limited by a range of processes that provide input to the management process and the requirement to have measures in place before the start of the fishing year. In particular, the important role of the science working groups in reviewing the new scientific information that forms the evidence base for options on management changes.

I understand these limitations. However, I am looking to trial a longer consultation phase for the next round in order to see if this meets the needs of key submitting stakeholders. I expect to see Fisheries New Zealand engaging meaningfully with stakeholders and iwi in order to ensure that information is made available and opportunity provided to work through problems and find solutions. Getting buy-in, or at least understanding, of management approaches is important for them to have the best chance of success.

I am keen to make sure that we operate processes that ensure sufficient opportunity to have a say. I also support the idea of taking different engagement approaches to key shared fisheries, so that we can allow longer for discussion on changes and approaches. I have asked Fisheries New Zealand to review the sustainability measures process, to ensure that consultation approaches and timeframes are fit for purpose.

Allowance for all other sources of mortality caused by fishing

While reviewing the options presented to me by Fisheries New Zealand in final advice, it became clear that a consistent approach to calculating the allowance for all other sources of mortality caused by fishing was lacking. While I appreciate that the information to inform this allowance is, by its nature, uncertain, I believe it is reasonable to consider some basic criteria. To this end, I have made the decision to set an allowance for all other sources of mortality caused by fishing at a minimum of 10% of the TACC for inshore stocks that are taken predominantly by trawl. I consider this allowance is likely to be highest in fisheries where trawl is the predominant method, based on the best available scientific, anecdotal and compliance information. I am aware that this information varies in quantity and reliability between species and areas. I also note that, in some cases, this information suggests that the allowance could be considerably larger than 10%, but I consider a generic 10% best reflects the overall level of uncertainty in this information across all of the stocks taken predominantly by the trawl

method. Where there is particular information to suggest the allowance should be either higher or lower than 10%, then I will reflect that in my decision.

I am keen that information to support the setting of this allowance is improved. I consider that the requirement to report all catch of stocks below minimum legal size as part of the introduction of digital monitoring is long overdue. I intend to create strong incentives to ensure mortality of fish below the minimum legal size is minimised so that these fish can recruit into our fisheries, and more importantly, have an opportunity to breed.

Customary Allowance

In setting a TACC I must set an allowance for customary non-commercial fishing, acting consistently with the provisions of the Treaty of Waitangi (Fisheries Claims) Settlement Act 1992. That Act provides that the extent of Māori rights and interests in fishing are to be provided through regulations made under the Fisheries Act 1996.

I have considered the extent of customary non-commercial fishing conducted under the relevant customary fishing regulations, noting that some regulations do not require catches to be reported to Fisheries New Zealand. While acknowledging the uncertainty around the final figures in relation to current or actual fishing effort, I have made very few changes to the status quo. I would like future decisions to be based on better information on current or actual harvest and officials will consult on a way forward over the coming months. When better information on harvest becomes available, I will reconsider these allowances.

Allocation

In relation to allocation of fishing allowances between sectors, the Fisheries Act outlines, and the courts have confirmed, the considerable discretion that I have. There is no priority accorded any sector by the Act. I am also not obliged to meet any sector's needs in full, and I can consider a variety of information in reaching a decision on how to allocate. I can give weight to the proportions of existing allocations or decide to alter those proportions based on a range of factors, including what might deliver best value from utilisation of the fishery.

Having said that, I recognise that providing a level of certainty around the basis for allocation decisions is of benefit. Where stakeholders are able, I am open to giving weight to collective agreement around allocation through fisheries plans or other mechanisms. I urge stakeholders to consider the discretion afforded by the Act as an opportunity to work together to achieve their desired outcomes in relation to allocation.

Shelving

The use of shelving[1] as a tool to achieve a reduction in commercial catch has been raised by both Te Ohu Kaimoana and industry in submissions and discussions since I became Minister. I understand the benefits associated with shelving from an industry perspective: it promotes collective action; it allows faster response to changes in abundance; it provides certainty around allocation decisions and it prevents possible issues associated with 28N rights.

I am also advised by Fisheries New Zealand that, although there is ambiguity in the use of voluntary tools such as shelving and they are not directly referred to in the Act, they consider there is discretion for me to take planned shelving arrangements into account when making my decisions on a case by case basis. However, shelving cannot be used as a substitute for an appropriately set TAC as required under section 13. I take this to mean that shelving is available as an interim tool to reduce catch over a defined time period where, for example, there may be considerable uncertainty over the need for a change to the TAC and more

[1] Shelving is voluntary decision by commercial fishers not to fish their Annual Catch Entitlement.

information is being gathered. Obviously, if that situation arose then I would also need to be satisfied as to the risk of the TAC and TACC being fully fished, i.e. the certainty that a shelving arrangement would operate successfully, and the impact on the stock if it did not.

I consider there is more policy work to be done in defining the circumstances in which shelving might be considered. I also note that wider consideration may want to be given to whether the Act currently reflects the value of shelving as a management tool adequately.

Shelving has been proposed in relation to one stock under review as part of this sustainability round (east coast tarakihi). A proposal to shelve Annual Catch Entitlement was received from the fishing industry in relation to the four quota management stocks that include east coast tarakihi. I have considered the specific circumstances of that proposal and outlined my views on it, in the appropriate section below.

28N rights

These rights were generated at the time of implementation of the Quota Management System in 1986. I am sympathetic to the frustrations of 28N rights holders who were allocated these rights in return for a reduction to their Individual Transferable Quota, and the concerns of existing rights holders who may not receive full return from their effort in ensuring sustainable utilisation of fisheries resources as a result of preferential allocation. I understand that industry and Te Ohu Kaimoana are working with Fisheries New Zealand on options for resolution. Once I receive a report from this process, I will then consider how best to address this longstanding problem, but I am serious in developing a methodology for resolving this contentious issue.

Innovation

I am determined to promote innovation in the way we manage and use our fisheries and the way we market products domestically and internationally. The way that the majority of inshore finfish are caught is largely unchanged since the 1950s. The way we operated then is much less acceptable now. Without change Government will be forced to intervene and also, as of recently, local authorities have acted to address local community concerns.

I intend to create stronger incentives for innovation via strengthening of the legislative framework. Landing and discards will be a key focus. I am keen to work with all sectors and iwi on how this change might best occur.

I understand Fisheries New Zealand is working with industry on how best to support gear innovation at the fisher, rather than company, level. I strongly support this work. I am personally aware of fishers driving to innovate, and I am sure there are large numbers of others that have innovative ideas, but need some help putting them into place.

I have asked Fisheries New Zealand to advise me on how we might best encourage innovation. This is not just a job for Government, Fisheries New Zealand will need to talk to a wide range of people in preparing that advice. I look forward to receiving it in early 2019.

Kaipara Harbour scallop fishery

Management action:	Close the Kaipara Harbour to the taking of scallops as a sustainability measure under section 11 of the Fisheries Act 1996.

I have decided to implement a closure to the harvesting of scallops within the Kaipara Harbour by recreational fishers. I note the fishery has been closed to commercial fishers since 1986. I have asked Fisheries New Zealand to discuss the information we have on the state of the fishery with tangata whenua so that they can consider how best to manage customary harvest. The closure to other users will be in place from 23 October 2018.

The most recent scientific information indicates that scallop abundance in the harbour is the lowest on record, and the distribution of scallops is increasingly limited. There are currently very few scallop beds with scallops of harvestable size, and low juvenile scallop abundance. Scallops sampled in the harbour were also identified to be in poor condition, with several diseases detected. Increased sedimentation in the harbour is also likely to have made the environment less suitable for scallop recruitment.

Given this information, I do not consider the scallop population in the Kaipara Harbour can support utilisation. I want to stop fishing-related mortality to provide the best opportunity for the population to recover. Overseas, closures to scallop beds has been shown as an effective measure to improve population size. However, I recognise that fishing is not the only impact. I realise that some recreational fishers will be adversely impacted by this closure. I will consider removing the closure if scientific information indicates that scallops can be harvested from the harbour sustainably.

More generally, the marine environment within the harbour forms a key nursery ground for species and fisheries that range over a much larger area up and down the west coast of the North Island, particularly snapper. Ongoing degradation of the environment within the harbour has the potential to have a significant effect on this fishery, alongside others.

I have directed Fisheries New Zealand to work with tangata whenua, local authorities, and the Integrated Kaipara Harbour Management Group to help achieve a co-ordinated and integrated approach to identifying and mitigating the human impacts on this important fisheries habitat. I have asked Fisheries New Zealand to keep me informed of progress on this wider issue.

Elephant fish (ELE 3 – East Coast South Island)

	2018 TAC (t)	TACC (t)	All other mortality to the stock caused by fishing (t)	Māori Customary Allowance (t)	Recreational Allowance (t)
Old	1060	1000	50	5	5
New	1285	1150	115	5	15

I have decided to increase the ELE 3 TAC from 1060 tonnes up to 1285 tonnes. Within this TAC, I have decided to increase the allowance for other sources of fishing-related mortality

from 50 tonnes to 115 tonnes, retain the customary fishing allowance at 5 tonnes, and increase the recreational fishing allowance to 15 tonnes. I have decided to increase the TACC from 1000 tonnes to 1150 tonnes.

Best available information indicates that elephant fish abundance in ELE 3 has increased to the point where I consider that increased utilisation can be provided for, while ensuring sustainability.

I am informed that there is comprehensive information available on this fishery from commercial catch and also, importantly, fishery independent information from the inshore trawl survey. While there is some uncertainty in the information from ELE 3 catch per unit effort (CPUE) indices and scientific trawl survey estimates, this information suggests that ELE 3 is likely (40-60% probability) to be at, or above the 40% B_0 reference point.

I have increased the allowance for other sources of fishing-related mortality from 5% of the TACC to 10%, and acknowledge the points raised in some submissions regarding the reports and records of discarding and high grading, as well as incentives to high grade in this bycatch fishery. I note that digital monitoring will provide better information in the future to allow the allowance to be reviewed.

I also note that the ELE 3 TAC has not been reviewed since an updated estimate of recreational catch became available as part of the 2011/12 National Panel Survey of marine recreational fishers. Accordingly, I have raised the recreational allowance to reflect this information.

Fishery independent information from the trawl survey is key to providing additional certainty to the assessment of abundance in this and other fisheries off the east coast of the South Island. The ability to monitor performance of the fishery using this tool provides the opportunity to adjust catch limits more responsively up and down as abundance changes.

Flatfish (FLA 1 – Northern North Island)

	2018 TAC (t)	TACC (t)	All other mortality to the stock caused by fishing (t)	Māori Customary Allowance (t)	Recreational Allowance (t)
Old	1762	1187	35	270	270
New	986	890	19	50	27

I have reduced the TAC for FLA 1 from 1762 tonnes to 986 tonnes for the 2018/19 fishing year. Within this new TAC, I have decided to reduce the allowance for other sources of fishing-related mortality from 35 tonnes to 19 tonnes, reduce the Māori customary non-commercial fishing allowance from 270 tonnes to 50 tonnes, and reduce the recreational fishing allowance from 270 tonnes to 27 tonnes. I have also reduced the TACC from 1187 tonnes to 890 tonnes.

There are no established reference points for the biomass of flatfish in FLA 1 in relation to fisheries management targets. However, a long-term decline in the commercial catch of flatfish in FLA 1 (the TACC has been under caught by an average of approximately 60% over the most recent 10-year period), in conjunction with declining CPUE in two of the three main areas of targeted fishing (the Kaipara and Manukau Harbours), suggests a stock-wide decline in flatfish abundance and recruitment in FLA 1. I recognise that abundance of flatfish is driven

largely by environmental factors, and that to some extent the TACC may have been under caught for market reasons. However, the extent of under catch, and importantly decline in CPUE, are concerning to me.

The consultation document contained options for significant reductions to commercial catch limits. It was considered that the socio-economic impact of those reductions would be mitigated by the fact that the catch limit has been well under caught. During consultation, those fishers fully utilising their ACE expressed concern about the impact on them of the proposed reductions. Also, a number of other matters were raised such as the varying trends in abundance within the wider management area, multiple species with different biological characteristics being managed within a single stock, and concern over the management boundaries themselves. In light of these issues, I have decided on a smaller decrease than those consulted on.

Alongside the reduction in the TAC, I have also decided to reduce the customary allowance to better reflect actual harvest levels. I note that available information on annual take of flatfish in FLA 1 for customary purposes is incomplete because the reporting of authorisations and catches is currently not mandatory in the majority of the management area. I also acknowledge that flatfish is of particular value to customary interests as an important taonga species. I have set an allowance that I am confident will allow for current take, and can be reconsidered as better information becomes available.

I recognise that customary fishing is managed by tangata whenua. The allowance does not limit the quantity of fish that may be taken under authorisations issued by tangata whenua. I have instructed Fisheries New Zealand to work with tangata whenua to develop more accurate information on the level of customary fishing for flatfish. I will reconsider the allowance when better information is available.

I have also decided to decrease the recreational allowance to 27 tonnes. This reflects the best available information on the current estimate of recreational take of flatfish from FLA 1, provided by the 2011/12 National Panel Survey of marine recreational fishers.

I have decided to decrease the FLA 1 TACC from 1187 tonnes to 890 tonnes. This TACC is based on the approximate average annual catch of the most recent 5-year period of high flatfish abundance (2003/04 to 2007/08).

Given that FLA 1 is a fishery not taken using trawl methods, I consider that it is appropriate to retain the current approach to setting an allowance for all other sources of mortality for FLA 1 at 2% of the combined allowances for commercial and non-commercial fishers. This has decreased this allowance from 35 tonnes to 19 tonnes, in line with the reduction to the TAC.

I acknowledge that decreasing the FLA 1 TAC is unlikely to be a complete answer to managing the FLA 1 fishstock, and that the management of many of the factors influencing flatfish abundance and recruitment are outside of the scope of the Act. However, if the FLA 1 fishstock is declining, I am obliged to implement appropriate measures to ensure that the sustainability of the fishery is not affected further.

In recognition of the complex nature of the fishery, and the issues impacting on it, I would like Fisheries New Zealand to work with industry, recreational and customary fishers to consider the best future management approach for flatfish in the northern region. I anticipate this will include consideration of management boundaries and even whether the current multi-species complex remains the best way to ensure sustainability and provide for use of the species within this stock.

Green-lipped mussel (GLM 9 – Northwest North Island)

	2018 TAC (t)	TACC (t) (mussel spat only)	All other mortality to the stock caused by fishing (t)	Māori Customary Allowance (t)	Recreational Allowance (t)
	Includes spat & adult mussels	*Currently only a fishery for mussel spat*		*Currently only a fishery for adult mussels*	
Old	278	180	0	59	39
New	233	135	0	59	39

I have decided to reduce the TAC for GLM 9 from 278 tonnes to 233 tonnes for the 2018/19 fishing year. This is a reduction of 45 tonnes. Within this new TAC, I have decided to maintain the allowance for other sources of fishing-related mortality at 0 tonnes, retain the Māori customary non-commercial fishing allowance of 59 tonnes, and the recreational fishing allowance of 39 tonnes. I have reduced the TACC by 45 tonnes from 180 tonnes to 135 tonnes.

GLM 9 is an unusual fish stock because it includes customary and recreational fisheries for adult mussels across the entire GLM 9 area and a commercial fishery that only fishes for spat (mussels less than 10mm) that wash up at Te Oneroa a Tohe/ Ninety Mile Beach attached to seaweed. It is also unusual because it is not practical to weigh the spat separately from the seaweed for commercial reporting.

My decision to reduce the TAC and TACC takes into account the decision of Fisheries New Zealand to change the 'spat ratio' which is used to determine the volume of spat landed as a proportion of the landed seaweed and spat. Fisheries New Zealand have changed the ratio to align with best available information on the composition of catches, requiring fishers to report 25% of the weight of the combined spat and seaweed material as spat, instead of the current ratio of 50%.

Under the current TACC, the old ratio allowed 360 tonnes of seaweed and spat to be harvested which was estimated to equate to 180 tonnes of spat. However, best available information suggests that the old spat ratio (50%) was over estimating the amount of spat as a proportion of seaweed. In effect, this means fishers were likely harvesting only 90 tonnes of spat but reporting 180 tonnes.

The new ratio (25%) would result in an increase in the amount of seaweed/spat combined that could be landed from 360 to 720 tonnes, if the full TACC of 180 tonnes were to be harvested. I considered that it was appropriate to review the TAC, TACC and allowances in light of this change to the spat ratio, to ensure that any increased activity in this fishery provided for use while ensuring sustainability.

The majority of submissions from the aquaculture industry and spat fishery supported no change to the TAC and TACC, which would in effect allow for twice as much combined spat/seaweed to be taken at Te Oneroa a Tohe/ Ninety Mile Beach.

On the other hand tangata whenua opposed any changes that would allow increased harvest, due to concerns about the impact of harvesting methods on toheroa and other shellfish.

I am aware that the concerns of local iwi are well known amongst rights holders, fishers, and the aquaculture industry that depends on the spat. I am also aware that there is a history of voluntary initiatives to work with iwi on their concerns and mitigate the impacts of harvesting. However, clearly for iwi at least, these initiatives have not been effective.

Fisheries New Zealand advises me that, as a rule, catch limits are not used to manage impacts on the environment associated with harvesting. They note that regulatory measures are most often used to manage these issues. However, in this case I consider managing impact using the catch limit is the most effective approach. I have therefore reduced the TAC by 45 tonnes that will in practice allow a 50% increase in spat (from the currently estimated 90 tonnes to 135 tonnes) to be landed given the new ratio. I understand this will support some of the immediate needs of the aquaculture industry. However, I expect iwi concerns to be addressed as soon as possible through measures agreed between the fishers and the community. If they are not, regulatory intervention will need to be considered. Once an agreed plan is in place to mitigate the impacts of fishing, I would be happy to consider further changes to the catch limit to ensure ongoing growth of this fishery.

As the rationale for, and focus of, this year's review has been focused on the mussel spat portion of the fishery, I have decided not to make any changes to the allowances for Māori customary or recreational fishing which will remain at 59 and 39 tonnes respectively. I also do not consider that there is a need to alter the allowance for other sources of fishing-related mortality, which is currently set at zero.

John dory (JDO 1 – Northern North Island)

	2018 TAC (t)	TACC (t)	All other mortality to the stock caused by fishing (t)	Māori Customary Allowance (t)	Recreational Allowance (t)
Old		704			
New	423	354	18	15	36

No TAC has been set for JDO 1 since it was introduced into the QMS in 1986. I have therefore set a TAC at 423 tonnes and, within this TAC, set an allowance of 15 tonnes for Māori customary non-commercial fishing interests; an allowance of 36 tonnes for recreational fishing interests; and an allowance of 18 tonnes for other sources of fishing-related mortality. Within the new TAC, I have decided to set the TACC at 354 tonnes, reduced from the current 704 tonnes.

John dory are relatively short lived, and their abundance can vary considerably depending on variations in recruitment, which is driven largely by environmental conditions. Fisheries New Zealand is working on new management approaches for these types of stocks, focused on the use of decision rules to guide when management intervention is required. This approach will allow utilisation to be increased in times of high abundance and sustainability ensured when abundance is low. I strongly support this work.

In that context, I note that the TACC has been under caught for the last 18 years. Although there may be a number of contributing factors to this situation, it is clear that the TACC has not tracked abundance over time. Further, CPUE for some areas of the stock is showing a consistent decline, and all areas appear to be below target levels of abundance. Although there are some signs of increase in abundance in parts of the stock, we are unable to predict future recruitment to know whether this trend will continue. I consider the current TACC poses

a risk to this potential rebuild. I believe that if catch is constrained to current levels, ongoing JDO 1 recruitment is likely to at least maintain the rate of rebuild towards the biomass level that can support the MSY.

I acknowledge that decreasing the JDO 1 TAC is unlikely to be the complete answer to managing the JDO 1 fishstock, due to the differing localised trends in catch and abundance. I have instructed my officials to work with tangata whenua and stakeholders to explore options for adjusting stock boundaries, and a longer term management approach for this stock.

John dory (JDO 7 – West Coast South Island)

	2018 TAC (t)	TACC (t)	All other mortality to the stock caused by fishing (t)	Māori Customary Allowance (t)	Recreational Allowance (t)
Old	206	190	10	2	4
New	226	209	11	2	4

I have decided to increase the TAC for JDO 7 from 206 tonnes to 226 tonnes for the 2018/19 fishing year. Within this new TAC, I have decided to increase the allowance for other sources of fishing-related mortality from 10 tonnes to 11 tonnes, retain Māori customary non-commercial fishing allowance at 2 tonnes, and retain the recreational fishing allowance at 4 tonnes. I have decided to increase the TACC from 190 tonnes to 209 tonnes.

The best available information suggests that the abundance of John dory in JDO 7 remains high (the 2017 West Coast South Island trawl survey suggests that JDO 7 biomass is well above the reference level), and future recruitment into the fishery looks promising.

I have decided to increase the TAC, TACC, and the allowance for other sources of fishing-related mortality for JDO 7 to utilise the increase in biomass whilst ensuring sustainability. Current allowances are maintained for both customary and recreational fishing allowances, as I understand that the current allowances will provide for the additional availability of John dory.

I anticipate that the increase in catch limits and allowances will cover the increased bycatch of John dory as a result of its increased availability and abundance in JDO 7, rather than result in any additional fishing effort. John dory is a valued fish in the domestic market, and increasing the TACC will increase the availability of John dory for New Zealand consumers.

Kingfish (KIN 3 – East Coast and Southern South Island)

	2018 TAC (t)	TACC (t)	All other mortality to the stock caused by fishing (t)	Māori Customary Allowance (t)	Recreational Allowance (t)
Old	3	1	0	1	1
New	17	6	1	4	6

I have decided to increase the TAC for KIN 3 from 3 tonnes to 17 tonnes for the 2018/19 fishing year. Within this new TAC, I have decided to increase the allowance for other sources of fishing-related mortality from 0 to 1 tonne, the Māori customary non-commercial fishing allowance from 1 tonne to 4 tonnes, and the recreational fishing allowance from 1 tonne to 6 tonnes. I have decided to increase the TACC from 1 tonne to 6 tonnes.

The best available information suggests that the abundance of kingfish in KIN 3 has increased. Information received during consultation confirmed that all sectors are noting an increase in kingfish abundance, possibly due to warmer water temperatures. Prior to 2011/12, the TACC of 1 tonne had never been fully caught. However, since 2011/12 landings of KIN 3 have consistently exceeded the TACC each year, and by increasingly higher levels, with no evidence of any increased targeting of kingfish by commercial fishers.

Ling (LIN 5 – Southern South Island)

	2018 TAC (t)	TACC (t)	All other mortality to the stock caused by fishing (t)	Māori Customary Allowance (t)	Recreational Allowance (t)
Old	4036	3955	79	1	1
New	4834	4735	97	1	1

I have decided to increase the TAC for LIN 5 from 4036 to 4834 tonnes for the 2018/19 fishing year. Within the new TAC, the Māori customary allowance and recreational allowance will both remain at 1 tonne, while the allowance for other sources of fishing-related mortality will increase from 79 tonnes to 97 tonnes. I have decided to increase the TACC for LIN 5 from 3955 to 4735 tonnes.

The 2018 stock assessment for the LIN 5 and LIN 6 biological stock indicated that the stock was at 88% of unfished biomass (B_0). Projections undertaken based on the stock assessment indicated that the stock status was unlikely to change over the next five years if catch increased to the level proposed. I decided to increase the TAC and TACC for LIN 5 because of the utilisation opportunity that exists for this stock.

While some might consider the 20% increase to the TAC/TACC for LIN 5 to be slightly arbitrary I am satisfied that, given the high biomass estimate for the stock and projections indicating that increased catch would be sustainable, the stock can support this increase.

I expect that the increase will provide for additional target fishing of ling during the spring spawning season.

North Island longfin eel (LFE 20, 21, 22 & 23)

Stock		2018 TAC (t)	TACC (t)	All other mortality to the stock caused by fishing (t)	Māori Customary Allowance (t)	Recreational Allowance (t)
Combined	Old	167	81	8	46	32
	New	141	55	8	46	32
LFE 20 (Northern North Island)	Old	39	19	2	10	8
	New	34	14	2	10	8
LFE 21 (Waikato)	Old	60	32	2	16	10
	New	51	23	2	16	10
LFE 22 (East Coast North Island)	Old	34	21	2	6	5
	New	26	13	2	6	5
LFE 23 West Coast North Island)	Old	34	9	2	14	9
	New	30	5	2	14	9

I have decided to decrease the TACs for all North Island longfin eel stocks (LFE 20, 21, 22 and 23), from a combined catch limit of 167 tonnes to 141 tonnes for the 2018/19 fishing year. Within the TACs, I have decided to maintain the status quo for the allowances for other sources of fishing-related mortality, Māori customary non-commercial fishing, and recreational fishing, and decrease all TACCs from a combined total commercial catch limit of 81 tonnes to 55 tonnes. For stock-specific sustainability decisions, see the table above.

Longfin eel abundance is currently considered to be at, or above, the target levels that were defined during the scientific assessment process. However, longfin eels have suffered a significant decline in abundance, when compared to historic levels, as a result of habitat reduction, drain clearing, flood and hydro turbines, as well as fishing. The biology and habitat preferences of longfin eels mean that they remain vulnerable to these activities. I would like to take a more cautious approach to management of this fishery.

More generally, I consider there are aspects of the management of longfin eels that require further consideration. In particular I note that the current assessment of status of the stock is driven by an abundance target determined during the stock assessment process which may not reflect the broader needs and aspirations of all stakeholders and tangata whenua. I note that customary fishers could well consider that levels of abundance much higher than the maximum sustainable yield may better provide for their needs. I am also aware that there is ongoing debate about the appropriateness of continued commercial utilisation of longfin eels, given their customary importance and unique characteristics.

I have asked Fisheries New Zealand to undertake a further review of longfin eels over the coming year. I am interested in views on future management of this species, in particular views on desired levels of abundance and how we might best achieve those levels.

In the interim, I would like to take a cautious approach to manage and ensure as much as possible that all of the populations have the best opportunity to increase in size. I note that, combined with TACC reductions that occurred in 2008, TACCs for North Island longfin eels will have been reduced by 74% since introduction into the Quota Management System in 2004.

I am acutely aware that this species is also, and perhaps more significantly, impacted by a range of non-fishing related factors not under the purview of Fisheries New Zealand. I have asked my officials to prepare a briefing paper on possible scope of a risk assessment for longfin eels which would seek to examine the nature and extent of all of the human impacts on the eel population, what could be done to mitigate those impacts, and prioritise management action. Such a process would clearly need to be cross-agency with multi-stakeholder and iwi engagement, and involvement. I recognise the process will likely be time consuming and resource intensive, but I am keen, if we are going to look at the long term management of this taonga, that we do so comprehensively and effectively.

North Island shortfin eel (SFE 20, 21, 22 & 23)

Stock		2018 TAC (t)	TACC (t)	All other mortality to the stock caused by fishing (t)	Māori Customary Allowance (t)	Recreational Allowance (t)
Combined	Current	486	337	12	74	63
SFE 20 (Northern North Island)	Current	148	86	4	30	28
SFE 21 (Waikato)	Current	181	134	4	24	19
SFE 22 (East Coast North Island)	Current	121	94	2	14	11
SFE 23 (West Coast North Island)	Current	36	23	2	6	5

I have decided to retain the current TACs for North Island shortfin eels (SFE 20, 21, 22 and 23). Within these TACs, I have also decided to retain the allowances for other sources of fishing-related mortality, Māori customary non-commercial fishing, and recreational fishing, and retain the current TACCs. For stock-specific sustainability decisions, see the table above.

I consider this approach to be appropriate because the best available scientific information suggests the abundance of shortfin eels is increasing, and retaining the current catch limits is likely to allow for sustainable utilisation while simultaneously allowing the abundance of shortfin eels to continue to increase.

Orange roughy (ORH 3B – Chatham Rise)

	2018 TAC (t)	TACC (t)	All other mortality to the stock caused by fishing (t)	Māori Customary Allowance (t)	Recreational Allowance (t)
Old	5470	5197	268	5	0
New	6413	6091	317	5	0

I have decided to increase the TAC for ORH 3B from 5470 to 6413 tonnes for the 2018/19 fishing year, on the basis of new estimates of yield from one of five sub-stocks within ORH 3B. Within the new TAC, the Māori customary allowance will remain at 5 tonnes and recreational allowance will remain at 0 tonnes, while the allowance for other sources of fishing-related mortality will increase from 268 tonnes to 317 tonnes. I have decided to increase the TACC for ORH 3B from 5197 to 6061 tonnes.

Updated stock assessment information for the East & South Chatham Rise sub-area in 2018 indicates that the stock is at 33% B_0 and there is an 86% probability that the stock is above the lower bound of the management target range of 30% of B_0. Updated stock assessment information for the Northwest Chatham Rise sub-area in 2018 indicates that the stock is at 38% B_0 and there is a 98% probability that the stock is above the lower bound of the management target range of 30% of B_0.

Application of the Harvest Control Rule agreed for ORH 3B indicates that there is a clear opportunity to increase utilisation on East & South Chatham Rise (by 47%), whilst maintaining the stock within target biomass levels. Therefore I am increasing the TAC, TACC and allowance for all other mortality caused by fishing for ORH 3B to take advantage of the utilisation opportunity identified for this sub-stock.

I have chosen to stage the increase to the full amount indicated by the application of the Harvest Control Rule over the next three years to allow the East & South Chatham Rise sub-stock to increase further toward the mid-point of the management target biomass range, to take into account uncertainties in the stock assessment model, and to allow Fisheries New Zealand to continue to monitor the orange roughy stock following the initial increase.

This increase applies only to the East & South Chatham Rise sub-area of ORH 3B; the Northwest Chatham Rise sub-area catch limit is reduced from 1,250 tonnes to 1,150 tonnes to ensure the sub-stock remains within the target range. All other sub area catch limits remain unchanged. I expect quota owners to adhere to these sub-area catch limits.

I intend to consult with stakeholders and make separate TAC and TACC decisions for each of the next two fishing years, prior to the start of those respective fishing years.

Oreo (OEO 4 – Chatham Rise)

	2018 TAC (t)	TACC (t)	All other mortality to the stock caused by fishing (t)	Māori Customary Allowance (t)	Recreational Allowance (t)
Old	3150	3000	150	0	0
New	3780	3600	180	0	0

I have decided to increase the TAC for OEO 4 from 3150 tonnes to 3780 tonnes for the 2018/19 fishing year, which represents an increase of 20%. This increase was not presented as an option in the recent consultation process, and represents a midpoint between Options 1 (10% increase) and 2 (20% increase) proposed during consultation.

Within this new TAC, I have proportionally increased the allowance for other sources of fishing-related mortality from 150 to 180 tonnes. I have not increased the current allowance of zero tonnes for Māori customary non-commercial fishing and recreational fishing, as best available information suggests that no such take occurs in OEO 4. Within the new TACC, I am expecting that industry will implement and adhere to a non-regulatory smooth oreo catch limit of 2600 tonnes.

The 2018 stock assessment indicates that there is a utilisation opportunity for smooth oreo in OEO 4. However there is uncertainty in the stock assessment and I have decided on a compromise option to provide for additional utilisation, while recognising this uncertainty and to increase the likelihood of this species being at or above the management target in 5 years. The next stock assessment for this stock is scheduled for 2021.

I expect that the increase will provide for additional target fishing of oreo in OEO 4. The increase in effort may result in an increase in the environmental impacts of fishing, however I am satisfied that processes are in place to avoid and mitigate any adverse impacts.

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

Paua (PAU 5B – Stewart Island)

	2018 TAC (t)	TACC (t)	All other mortality to the stock caused by fishing (t)	Māori Customary Allowance (t)	Recreational Allowance (t)
Old	105	90	3	6	6
New	123	107	3	7	6

The most recent stock assessment for PAU 5B shows that the biomass of paua is steadily increasing above the target, and that there is an opportunity to allow for greater utilisation in the fishery. Therefore, I have decided to increase the TAC for PAU 5B from 105 tonnes to 123 tonnes. This increase is intermediate in terms of the options presented in the recent consultation.

Within this new TAC, I have decided to increase the allowance for Māori customary non-commercial fishing to 7 tonnes and left the allowance for recreational and other sources of fishing-related mortality at 6 tonnes and 3 tonnes, respectively. I have decided to increase the TACC from 90 to 107 tonnes.

The TACC makes up the majority of the TAC, and changes to the TACC are likely to have the biggest impact on the sustainability of the stock. I consider that the PAU 5B stock is able to support the proposed TACC increase while ensuring sustainability, given the results of the stock assessment.

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

Red gurnard (GUR 3 – East Coast South Island)

	2018 TAC (t)	TACC (t)	All other mortality to the stock caused by fishing (t)	Māori Customary Allowance (t)	Recreational Allowance (t)
Old	1290	1220	61	6	3
New	1593	1320	264	6	3

I have increased the TAC for GUR 3 from 1290 tonnes to 1593 tonnes for the 2018/19 fishing year. Within this new TAC, I have decided to increase the allowance for other sources of fishing-related mortality from 61 tonnes to 264 tonnes, and retain the Māori customary non-commercial fishing allowance of 6 tonnes, and the recreational fishing allowance of 3 tonnes. I have also increased the TACC from 1220 tonnes to 1320 tonnes.

For both Māori customary non-commercial fishing and recreational fishing, available information indicates that the existing settings will provide for current levels of catch, including any increase in harvest.

The available information shows that the abundance of gurnard in GUR 3 is high. Gurnard is a relatively short-lived and fast-growing species, requiring responsive increases to catch limits to utilise the stock when abundance and recruitment are high, and decreases in periods of poor recruitment and low abundance to maintain the sustainability of the stock.

I have increased the allowance for other sources of fishing-related mortality from 5% of the TACC to 20% and acknowledge the points raised in some submissions regarding the reports and records of discarding and high grading, as well as strong incentives to high grade in this bycatch fishery. I note digital monitoring will provide better information in the future to allow the allowance to be reviewed.

I anticipate that the increases in GUR 3 catch limits will cover the increased bycatch of gurnard as a consequence of the increased abundance, rather than result in any additional fishing effort. Gurnard is an important fish on the domestic market, and increasing the TACC will increase the availability of gurnard for New Zealand consumers.

I note submissions that the high abundance of gurnard in GUR 3 is requiring fishers to avoid many areas, and that unintentional catch of gurnard is resulting in high deemed value

payments being incurred. However, I consider it more appropriate to increase the TAC than to alter the deemed value rates this year.

Rig (SPO 7 – West Coast South Island)

	2018 TAC (t)	TACC (t)	All other mortality to the stock caused by fishing (t)	Māori Customary Allowance (t)	Recreational Allowance (t)
Old	306	246	12	15	33
New	346	271	27	15	33

I have decided to increase the TAC for SPO 7 from 306 tonnes to 346 tonnes for the 2018/19 fishing year. Within this new TAC, I have decided to increase the allowance for other sources of mortality to the stock caused by fishing from 12 tonnes to 27 tonnes, retain the Māori customary non-commercial fishing allowance of 15 tonnes, and maintain the recreational fishing allowance of 33 tonnes. I have decided to increase the TACC from 246 tonnes to 271 tonnes.

The best available information suggests that the abundance of rig in SPO 7 is near an all-time high and increasing (the 2018 West Coast South Island trawl survey suggests that SPO 7 biomass is at the second highest level ever recorded, and approximately twice the target reference point).

I have decided to increase the TAC, TACC, and non-commercial allowances for SPO 7 to utilise this increase in biomass whilst ensuring sustainability. Current allowances are maintained for both customary and recreational fishing allowances as, based on the best available information, the current allowances provide for likely customary and recreational catch of rig.

I anticipate that the increase in catch limits and allowances will cover the increased bycatch of rig as a result of its increased availability and abundance in SPO 7, and only expect a small amount of additional fishing effort.

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

Scampi (SCI 3 – East Coast South Island)

	2018 TAC (t)	TACC (t)	All other mortality to the stock caused by fishing (t)	Māori Customary Allowance (t)	Recreational Allowance (t)
Old	357	340	17	0	0
New	428	408	20	0	0

I have decided to increase the TAC for SCI 3 from 357 tonnes to 428 tonnes for the 2018/19 fishing year. Within the new TAC, I have decided to increase the allowance for other sources of fishing-related mortality from 17 tonnes to 20 tonnes, retain the Māori customary non-commercial fishing allowance of 0 tonnes and retain the recreational fishing allowance of 0 tonnes. I have decided to increase the TACC from 340 tonnes to 408 tonnes.

The 2018 SCI 3 stock assessment estimated the biomass of scampi in SCI 3 to be at 76% of unfished biomass (B_0). Projections based upon the stock assessment indicated that increased catches, up to 20% more than current levels, are unlikely to impact upon the status of the SCI 3 stock. Based on this advice, I have decided to increase the TAC and TACC of SCI 3 by 20% to provide for increased utilisation of the stock.

I expect that the increase will provide for additional target fishing of scampi in SCI 3. The increase in effort may result in an increase in the environmental impacts of fishing, however I am satisfied that processes are in place to avoid and mitigate adverse impacts.

No information was received during consultation regarding the Māori customary non-commercial or recreational take of scampi in SCI 3. Therefore, I decided to retain a nil allowance for these sectors.

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

Southern bluefin tuna (STN 1 – all New Zealand waters)

	2018 TAC (t)	TACC (t)	All other mortality to the stock caused by fishing (t)	Māori Customary Allowance (t)	Recreational Allowance (t)
Old	1000	971	20	1	8
New	1088	1046	20	2	20

I have decided to increase the TAC for STN from 1000 tonnes to 1088 tonnes for the 2018/19 fishing year. Within the new TAC, I have decided to retain the allowance for other sources of fishing-related mortality at 20 tonnes, increase the Māori customary non-commercial fishing allowance from 1 tonne to 2 tonnes, and increase the recreational fishing allowance from 8 tonnes to 20 tonnes. I have decided to increase the TACC from 971 tonnes to 1046 tonnes.

My decision to increase the TAC to 1088 tonnes reflects the most recent increase in the New Zealand country allocation, as determined by the Commission for the Conservation of Southern Bluefin tuna.

It is my view that an increase in the TAC and the TACC provides for the sustainable utilisation of this fishery, whilst being consistent with the Fisheries Act 1996 and New Zealand's international obligations.

I have chosen to increase the customary allowance from 1 tonne to 2 tonnes to acknowledge and reflect tangata whenua's desire to utilise the customary allowance for southern bluefin tuna in the future. I note that although there has been little use of provisions for customary catch of southern bluefin tuna to date, the introduction of recreational management constraints in 2019 may result in an increased use of those provisions.

I have increased the recreational allowance from 8 tonnes to 20 tonnes to reflect the importance and the development of the southern bluefin tuna recreational fishery. This retains the recreational allowance set as part of the 2017/18 in-season changes. I believe that the new allocation reflects a likely level of recreational catch given the variability in this fishery.

Fisheries New Zealand will be instructed to move ahead with the introduction of bag and/or boat limits for this species prior to the start of the 2019 southern bluefin tuna recreational fishery, and I am interested in exploring more robust recreational management measures in the near future, to ensure New Zealand complies with its international obligations to manage within its national allocation.

Tarakihi (TAR 1, 2, 3 & 7 – East Coast North & South Island)

Stock		2018 TAC (t)	TACC (t)	All other mortality to the stock caused by fishing (t)	Māori Customary Allowance (t)	Recreational Allowance (t)
Combined	Old	6702	5734	128	188	652
	New	5561	4679	468	193	221
TAR 1	Old	2029	1447	22	73	487
	New	1390	1097	110	73	110
TAR 2	Old	2082	1796	36	100	150
	New	1823	1500	150	100	73
TAR 3	Old	1503	1403	70	15	15
	New	1174	1040	104	15	15
TAR 7	Old	1088	1088	-	-	-
	New	1174	1042	104	5	23

I have decided to decrease the combined TAC for TAR 1, 2, 3 and 7 from 6702 tonnes to 5561 tonnes for the 2018/19 fishing year. Within this TAC, I have decreased the combined TACC from 5734 to 4679 tonnes, increased the combined allowance for other sources of fishing-related mortality from 128 to 468 tonnes, increased the combined Māori customary non-commercial fishing allowance from 188 to 193 tonnes, and decreased the combined recreational fishing allowance from 652 to 221 tonnes. For stock-specific sustainability decisions, see the table above.

For the first time, I have set allowances for customary, recreational and other sources of mortality in TAR 7. The increase in the Maori customary non-commercial fishing allowance is due to the setting of an allowance in TAR 7 for the first time. Maori customary allowances in all other QMAs remain unchanged. I have decided to adopt a consistent approach in setting the allowances for all other mortality to the stock caused by fishing. For each QMA, the allowance is set at 10% of the new TACC. I have also decided to reduce the allowances for recreational harvest in all QMAs to ensure they are set at levels that are consistent with the best available estimates of recreational catch.

I am also keen to promote innovation in the way this fishery is utilised. I am hopeful that industry will be able to develop a range of measures that will support the rebuild of the stock, alongside catch reductions. More details on this approach are outlined below.

This is a key fishery for commercial inshore trawl fishers in particular, and is also of value to the recreational and customary sector. The stock assessment indicates that east coast tarakihi was heavily fished prior to introduction into the QMS in 1986, particularly during the 1960s and 1970s. The stock has been relatively stable since 1986, but at significantly reduced levels of abundance.

Not surprisingly, there were a large number of submissions received which I considered carefully. Also not surprisingly, there was a dichotomy between views, on status of the stock and the nature and extent of proposed management measures, between commercial and non-commercial fishers and environmental groups.

The industry raised particular concern about uncertainty in the assessment (driven by it being the first assessment for east coast tarakihi), the assumed stock structure and projections. They are concerned about this uncertainty given the magnitude of the economic impacts on the inshore commercial sector from some of the options proposed.

It is clear to me that there is always some level of uncertainty associated with management of fisheries. It is difficult to be certain about abundance and trends when you cannot see what you are trying to estimate. The Fisheries Act information principles deal with the issues of uncertainty directly. In that context, I am advised that the stock assessment has been peer reviewed and is regarded as robust. It is the best available information. Fisheries New Zealand has indicated areas of particular uncertainty in its final advice to me. I have considered the nature and extent of the uncertainty, and given appropriate weight to it in my decision.

I have a series of key decisions to make, firstly on an appropriate target, secondly on a way and rate to reach that target, and thirdly on catch limit reductions necessary to support moving the stock to the target in the way and rate I consider appropriate.

For the purposes of the stock assessment, a target level of 40% of spawning stock biomass was used. This target is consistent with the Harvest Strategy Standard, used by Fisheries New Zealand to provide policy guidance. The target level is consistent with stocks of similar productivity to tarakihi.

The industry has submitted on the need to undertake a management strategy evaluation process to better determine a specific management target for tarakihi. I am advised that if such work was undertaken, it is highly unlikely to suggest a management target of less than 30%, and it is more likely to be between 35% and 40%. I am at this stage satisfied that the proxy target suggested by application of the Harvest Strategy Standard is robust and constitutes best available information. Should any new information that is robust and scientifically peer-reviewed suggest a different target, then I will be open to considering this information at that time. However, I would encourage industry to focus their efforts on measures to rebuild the stock rather than on devoting significant time and resource to examining the target level when the stock is so far below any likely result.

In order to best provide for utilisation while ensuring sustainability, I consider it is necessary to rebuild the stock to the target level specified in the Act. I have considerable discretion in how the management measures I put in place move the stock to that target level. I have carefully considered the issue of the way and rate that I move the stock. This is clearly a decision that has potentially significant socio-economic implications, and these implications, along with the biological characteristics of the stock, form a key consideration in my determination.

A range of options were consulted on, from 10 to 20 years for the rebuild period. The trade-offs between these rates are clear. The shorter the rebuild time, the quicker the benefits of a rebuilt stock are available to all users, but the larger the short-term socio-economic impact. I am conscious that this stock has been well below the target level since introduction to the QMS over 30 years ago. Further, I do not consider the current stock status of less than half of the target level to be in any way acceptable. I consider the stock at this level of abundance is impacting significantly on the ability of all users to derive benefits they would like from the stock, relative to the value they place on it.

I note that science advice suggests the stock would rebuild over a minimum period of 5 years in the absence of fishing. I recognise there is uncertainty in this assessment, but nonetheless it appears to me to be a very short timeframe. I have no intention of closing the fishery, but the potential speed of rebuild does provide opportunities not available in many other fisheries. I note that the Harvest Strategy Standard suggests, as a guide, that a fishery should be rebuilt in twice this timeframe.

Rebuilding the stock over 10 years makes the benefits associated with rebuild available to people in a timeframe that is more tangible than is possible for some other inshore finfish species. I see this as a real opportunity for benefits from our management regime to be illustrated in a stock that covers a wide area, and would be accessible to wide variety of users. I therefore favour a rebuild timeframe of 10 years.

I recognise the potential for very significant socio-economic impacts that may result from this rebuild rate, and I would like to see innovative approaches to the way we rebuild this stock to mitigate those impacts.

The final decision I need to make is on the way the stock rebuilds to the target at the rate I have decided on. A reduction in catch is necessary to ensure a rebuild. The advice provided to me outlined the requirement for a 55% reduction from current commercial catch to provide a 50% probability of rebuild within 10 years.

I note that this is not a particularly high probability of rebuild. However, to rebuild with more certainty would require even larger reductions. I consider a probability of rebuild of 50% reasonable given the status of the stock, the size of rebuild required, and the socio-economic impact associated with achieving a rebuild with greater certainty.

Fisheries New Zealand commissioned independent advice from BERL on the economic impacts of TACC reductions. I have reviewed this information carefully and noted the uncertainties associated with it. I am conscious of the value of the east coast tarakihi fishery to the commercial sector, both as a target species but also a species that is taken as a bycatch in most inshore trawl fisheries. I have considered the impact on the trawl fleet and associated industries.

I want to mitigate the impact on the commercial sector and ensure that the stock rebuilds. For this reason, I have decided on a phased approach to implementation of the reductions in catch required. In the first year, from 1 October 2018, I have decided to reduce the commercial catch by 20%. This is consistent with a proposal put forward in submissions by industry. A reduction in catch of 20% will begin the process of rebuilding the stock. I acknowledge that it will not rebuild the stock at the rate I want without significant further measures. However, it will give industry a short period to plan and adjust their operations to the change in catch that will be needed overall.

The industry submitted that this change in catch should be implemented through voluntary shelving. I recognise the benefits that tools like shelving can bring in encouraging collective

action. I also recognise there is a degree of discretion provided in the Act around when shelving can be used. I also note that it is possible to use shelving as part of considering the way and rate a stock rebuilds. However, although I am keen to make more use of this tool where possible, in this case I consider that there is a need to change the TAC and TACC to set them at an appropriate level for the stock, and to reflect the rebuild plan I have decided on and which is detailed above. I recognise industry concern about uncertainty in the assessment and their desire to undertake more research to lower the uncertainty. I also recognise the view that shelving could be used as an interim tool to reduce catch levels while more research is underway. However, I consider the stock assessment to be best available information. Based on that information I do not consider that the current TAC and TACC are set appropriately. There is no suggestion that the TAC and TACC could be returned to the current level in the short term while rebuilding toward the target that I have set. Therefore, I consider that adjustment to the TAC will best provide for utilisation while ensuring sustainability.

I have outlined my decisions on allocation of this reduction across the various stocks that comprise the eastern tarakihi fishery in the table above. While I acknowledge that the fishery is largely utilised by commercial fishers, I consider it reasonable that the recreational and commercial sectors contribute to the rebuild. I have therefore decided on reductions to recreational allowances and to the TACCs.

I have reduced the recreational allowances in each QMA to reflect best available information on current catch. I note that there is uncertainty in this information. Further data on recreational catch will be available from the new national panel survey currently underway. This information will be incorporated into the stock assessment and management review, currently scheduled for 2021.

There are a range of options available to me to spread the overall catch reductions over TAR 1, TAR 2, TAR 3, and TAR 7. I could choose to proportionally allocate the reduction evenly across each of the QMAs, or vary the amount of the reduction in each as proposed by the industry in submissions. Whilst this latter approach does not allocate the reduction evenly, I am advised by industry that it reflects industry agreement on an approach to reduce overall catch. I have therefore decided to allocate the reduction based on this approach.

The customary allowance is a very small component of overall removals. It reflects best available information on current catch and is not proposed to change. I have allocated a 5-tonne allowance within the new TAC set for TAR 7. I will also ask Fisheries New Zealand to inform customary fishers of my concerns for the stock, so that they can exercise appropriate discretion in issuing customary permits for this species.

Additional management controls

I am acutely aware of the potential socio-economic impact of the rate of rebuild on commercial fishers. However, I am hopeful that an alternative approach can be developed that will mitigate that impact. In their submission, industry and Te Ohu Kaimoana proposed a range of measures designed to gather more information. Some of the measures were also specifically designed to support rebuild of the stock. I would like industry to build on that package of measures, and the cross-industry agreement around them, to consider new and innovative ways to help this fishery rebuild. I anticipate this package could include development of new gear technology, monitoring and reporting, and different ways of fishing to improve selectivity amongst other things.

The package of measures will need to be robust and effective if it is to influence future decisions. I would therefore like any measures proposed to be evaluated by the Fisheries New Zealand science working group process, and I am particularly keen to understand how these measures will contribute towards rebuilding the stock.

I would like a report on progress, and if possible a draft plan or at least an outline of it, to be presented to me before the end of the year, with a final plan presented to me by no later than the middle of 2019. I would then like the measures in the plan to be considered alongside any proposed catch reduction as part of the 1 October 2019 sustainability round process. The size of the reduction in commercial catch needed on 1 October 2019 will be dependent on the effectiveness of the suite of measures industry can develop as part of this plan. Fisheries New Zealand will provide guidance to industry and Te Ohu Kaimoana around this plan and what I expect to see from it, particularly the criteria by which it will be evaluated to determine the effectiveness of its contribution towards the rebuild.

I have also asked Fisheries New Zealand to implement a requirement to report commercial catch of tarakihi below the minimum legal size as soon as possible. While I appreciate this is a requirement under the new digital reporting system which will be implemented over the next year or so, I am keen to get information on the level of this type of mortality as soon as we can.

I am aware that both the TAR 1 and TAR 7 management areas cover both East and West coast populations of TAR. Industry indicated their willingness to manage this catch split voluntarily in their submission. I am supportive of this approach. However, I will review the effectiveness of these measures next year to determine if further action is required.

Future Management

Catch limit changes

The reduction in catch I have decided on for 2018 will clearly not rebuild the stock at the rate I have determined appropriate for the stock. A further catch reduction will therefore be needed on 1 October 2019. At this time, based on current best available information, and in the absence of any additional measures that would form part of a carefully considered and approved rebuild plan, a further 35% reduction in commercial catch from the 2017/18 catch level would most likely be required.

Deemed Value Rates (multiple stocks)

I have decided to adjust deemed value rates for a number of fish stocks. Tables 1 and 2 summarise my decisions on deemed value rates.

My decisions are consistent with both the Deemed Value Guidelines and my statutory obligations. For all stocks, I have given particular consideration as to how best to encourage fishers to balance catch with ACE throughout the year and to avoid creating incentives to misreport, whilst still ensuring the long term value of the stocks.

Table 1: Deemed value rate changes to apply on and from 1 October 2018 (changes highlighted in blue)

Species	Stock	Old				New			
		Interim $/kg	Annual $/kg	Annual at maximum excess $/kg	Differential	Interim $/kg	Annual $/kg	Annual at maximum excess $/kg	Differential
Bluenose	BNS 3	2.70	3.00	10.00	Special	3.60	4.00	10.00	Special
	BNS 3[2]	0.95	1.05	10.00	Special	1.26	1.40	11.00	Special
Flatfish	FLA 1	0.75	1.50	3.00	Standard	1.35	1.50	3.00	Standard
John dory	JDO 1	1.96	3.92	7.84	Standard	3.53	3.92	7.84	Standard
	JDO 7	2.62	5.25	10.00	Special	4.73	5.25	10.00	Special
Pilchard	PIL 7	0.30	0.60	1.20	Standard	0.30	0.45	0.45	Special
	PIL 8	0.54	0.60	1.20	Standard	0.30	0.45	0.45	Special
Gemfish	SKI 3	0.65	1.29	2.58	Standard	0.65	0.72	1.44	Standard
	SKI 7	0.65	1.29	2.58	Standard	0.65	0.72	1.44	Standard
Tarakihi	TAR 1	1.50	3.00	5.50	Special	3.15	3.50	5.75	Special
	TAR 2	2.48	2.75	5.75	Special	3.15	3.50	5.75	Special
	TAR 3	0.55	1.09	2.18	Standard	2.25	2.50	5.50	Special
	TAR 7	1.25	2.50	5.50	Special	2.25	2.50	5.50	Special
Trevally	TRE 1	0.70	1.25	2.50	Standard	1.13	1.25	5.00	Special

Table 2: New (highlighted blue) special deemed value rates ($/kg) for TAR 3, PIL 7, PIL 8, and TRE 1.

Stock	Option	Interim deemed value rate ($/kg)	Standard annual differential rates ($/kg) for excess catch (% of ACE)					
			100-120%	120-140%	140-160%	160-180%	180-200%	>200%
TAR 3	Current	0.55	1.09	1.31	1.53	1.74	1.96	2.18
	New	2.25	Special annual differential rates ($/kg) for excess catch (% of ACE)					
			100-110%	110-120%	>120%	-	-	-
			2.50	4.00	5.50	-	-	-
			Standard annual differential rates ($/kg) for excess catch (% of ACE)					
			100-120%	120-140%	140-160%	160-180%	180-200%	>200%
PIL 7	Current	0.30	0.60	0.72	0.84	0.96	1.08	1.20
	New	0.30	Special annual differential rates ($/kg) for excess catch (% of ACE)					
			>100%		-	-	-	-
			0.45		-	-	-	-
			Standard annual differential rates ($/kg) for excess catch (% of ACE)					
			100-120%	120-140%	140-160%	160-180%	180-200%	>200%
PIL 8	Current	0.54	0.60	0.72	0.84	0.96	1.08	1.20
	New	0.30	Special annual differential rates ($/kg) for excess catch (% of ACE)					
			>100%		-	-	-	-
			0.45		-	-	-	-
			Standard annual differential rates ($/kg) for excess catch (% of ACE)					
			100-120%	120-140%	140-160%	160-180%	180-200%	>200%
TRE 1	Current	0.70	1.25	1.50	1.75	2.00	2.25	2.50
	New	1.13	Special annual differential rates ($/kg) for excess catch (% of ACE)					
			100-120%	120-140%	140-160%	≥160%-	-	-
			1.25	2.00	3.00	5.00	-	-

[2] Landed to licenced fish receivers located on the Chatham Islands