



Office of Hon Phil Heatley

MP for Whangarei
Minister of Fisheries
Minister of Housing

H0454

Kia ora

Notice of Decisions: October 2009 Sustainability Measures and other Management Controls

I write to inform you of the decisions I have made for the fish stocks under review for the 2009/10 fishing year. My decisions on total allowable catches (TACs), allowances, total allowable commercial catches (TACCs) and deemed values will come into effect on 1 October 2009. My decisions on beachcast seaweed will come into effect 28 days after I gazette my decisions. This will be in late October 2009.

A copy of the Ministry of Fisheries (the Ministry) final advice paper is available on the Ministry's website (www.fish.govt.nz).

While the specific decisions for each fish stock are detailed below, there are two overarching remarks on the use of information and voluntary measures that you need to be aware of.

I am very pleased that the Ministry has continued the cautious use of a more responsive and flexible approach to TAC decisions. This has involved, for some stocks, the use of indicators and proxies of abundance. This approach is consistent with the legal obligations of the Fisheries Act 1996 (the Act) to maintain or move a stock towards its maximum sustainable yield. In this year's review round, this information generally signalled increases in abundance and therefore available yield. I was aware that I needed to balance these indicators with any likely risk to the stock. Given this balance I acted cautiously when making my decisions. I want to be absolutely clear that in the future, should the same indicators indicate a decline in abundance, I will not hesitate to reduce catch limits in line with the information available. Responsible fisheries management, in my view, requires such an approach

A number of fish stocks rely on voluntary measures by the commercial fishing industry - for example oyster 7C fishing areas and the catch split arrangement for hoki. I consider these essential to the sustainability and management of those stocks and therefore important in my decisions on catch limits and allowances. To maintain the credibility of the management regime I expect commercial fishers to strictly adhere to these voluntary measures.

The specific decisions for each stock are detailed below.

Beach Cast Seaweed

I have agreed to amend the Fisheries (Beach Cast Seaweed Area Prohibition) Notice to expand the areas open to commercial harvesting of brown and green beach cast seaweed in the North Island (FMAs 1, 2, and 8). The expansion will include areas currently of interest to commercial operators, except where prohibited by regulation and excluding ecologically sensitive areas.

I note that the utilisation opportunities of the commercial sector will be improved under this option without compromising the utilisation values of the other sectors. Although there is concern over the potential impact of beach cast seaweed removal on the marine food web, the current and expected volumes of commercial harvest are low compared to the likely abundance of the resource. Additionally, in recognition of the lack of information currently available on localised removal of beach cast seaweed in areas considered ecologically sensitive, this option provides a more conservative and proactive approach to address potential ecological concerns. Keeping such areas closed until tools are available to manage intensity and distribution of harvest to levels appropriate to the environment will help protect against risks associated with intensive harvesting in the short-medium term, without adversely affecting short-medium term utilisation by commercial fishers. These areas will be available for harvest in late October.

Marlborough Dredge Oyster Fishery (OYS 7C)

I have agreed to increase the TAC for the Marlborough Dredge Oyster Fishery (OYS 7C) from 50 tonnes to 72 tonnes greenweight. The proposed TAC includes a new TACC of 63 tonnes (currently 43 tonnes) and an increased allowance for other sources of mortality of seven tonnes (currently five tonnes). Existing allowances for customary and recreational interests remain unchanged.

The new catch limits reflect the developing nature of this new fishery and will enable commercial fishers to take advantage of a relatively unexploited dredge oyster biomass. I believe an additional 20 tonne commercial harvest is sustainable. Commercial fishing under the higher TACC will enable the industry to derive greater profitability from this fishery.

I am aware that concerns have been raised about the potential impacts of increased dredging for oysters on sensitive benthic habitats, particularly in areas close to shore. I also share these concerns. However, I am pleased that industry has given a commitment to voluntarily restrict all dredging to the existing commercial harvest area and stay well away from inshore areas. As noted above I expect fishers to adhere to this arrangement. I understand that fishing within this area has a negligible long-term impact on the benthic environment due to high current flow across the oyster beds and that fishing will be completed within 3-4 weeks - this provides at least eleven months for the beds to recover. I am confident that all participating vessels will comply with this measure as they will voluntarily use the Challenger Oyster Company's vessel monitoring technology when fishing.

I believe that non-commercial fishers are not being constrained by the existing allowances and that the new commercial catch limit will not impact on the ability for customary and recreational fishers to collect their respective allowances.

Elephant Fish – ELE 5

I deliberated carefully before setting a TAC for ELE 5. Based on the available information, and information received from the submissions, I have decided to increase the TAC for ELE 5 from 136 tonnes to 157 tonnes. There is no new information on which to base a change in the customary and recreational estimates of take. Consequently, I am setting the TACC at 140 tonnes, a 17% increase.

I have taken this course of action for the following reasons. While reported commercial landings are at an historical high, and currently exceed the recommended TACC, the quality of the available information is uncertain and a cautious approach to TAC setting is warranted. This is especially so as elephant fish has biological characteristics that make it vulnerable to fishing pressure. I am also mindful that the CPUE index for the last two fishing years appears to have levelled off or declined, and that the increase in recorded landings over the most recent three fishing years may well be influenced by the relaxing of the deemed value regime. There is, therefore, uncertainty that catches at the current level are sustainable into the future and that, without a full stock assessment, anything more than a moderate increase in the TACC would not be prudent.

I also note that the next update of the CPUE index is scheduled for 2011. Two more years of CPUE information will provide greater certainty about trends in relative stock size. Where CPUE changes indicate the need for a substantial increase or decrease in TAC, a full stock assessment should first be conducted to determine the status of the stock in relation to the biomass that will support MSY.

After reference to submissions, I have decided to increase existing annual and interim deemed values for ELE 5 to an annual rate of \$1.30 per kg and an interim rate of \$1.10 per kg. I also consider it necessary to re-introduce differential deemed value rates (“ramping”) for the ELE 5 fishery, however, using lower ramped rates than the standard regime.

Catch in excess of ACE holdings (%)	Proposed deemed value rate for ELE5 (\$)
30	1.43 per kg
40	1.69 per kg
50	1.95 per kg
60	2.08 per kg
80	2.34 per kg
100	2.60 per kg

I consider this deemed value package should provide incentives for fishers to land and report catch and to balance overcatch with ACE under the increased TACC. This

deemed values regime will also provide a transition period for ACE fishers to arrange their ACE management in preparation for that time when standard differential deemed values are introduced in the future.

Elephant Fish (ELE 3)

I have decided to increase the TAC for ELE 3 from 960 tonnes to 1,060 tonnes. The best available information suggests a modest increase to the TAC for ELE 3 is sustainable. I believe that increasing the TAC will provide increased value to be realised from this stock. A cautious approach to increasing the TAC is warranted as elephant fish have biological characteristics that make it vulnerable to fishing pressure.

I have increased the TACC by 50 tonnes to 1,000 tonnes. This increase provides for greater utilisation to be obtained from ELE 3, providing ACE to cover recent levels of reported overcatch without providing an incentive for an increase in targeting.

The customary and recreational allowances will remain at five tonnes each as there is no new information to justify a change in these allowances. I am introducing an allowance of 50 tonnes for all other sources of fishing-related mortality. This allowance will provide for any high-grading caused by market preference for larger fish, dumping to avoid deemed value penalty payments, and mortality caused by the trawling method.

I do not consider it necessary to alter existing annual and interim deemed values for ELE 3 and these will remain at an annual rate of \$1.41 per kg and an interim rate of \$1.21 per kg. I am re-introducing differential deemed value rates (“ramping”) for the ELE 3 fishery using lower ramped rates than the standard regime;

Catch in excess of ACE holdings (%)	Proposed deemed value rate for ELE3 (\$)
30	1.55 per kg
40	1.83 per kg
50	2.11 per kg
60	2.26 per kg
80	2.54 per kg
100	2.82 per kg

Lower ramped rates will provide incentives for fishers to land and report catch, and to balance overcatch with ACE under the increased TACC. It will also provide a transition period for ACE fishers to better manage their ACE arrangements for when standard differential deemed values are introduced in the future.

Red Gurnard (GUR 7)

I have decided to increase the GUR 7 TAC to 759 tonnes and set a TACC of 715 tonnes (from 680.86 tonnes), while retaining other allowances.

The West Coast South Island trawl survey provides a reliable index of abundance for GUR 7 and indicates that the stock biomass is above the current long-term mean, with

the 2009 estimate being the highest in the series since 1992. I also note that GUR 7 is an important shared fishery and there is agreement within the Challenger Inshore Finfish Plan Advisory Group to increase abundance of this fishstock over time to maximise the value all users obtain from this resource. I consider that a modest TACC increase should both provide additional commercial access to this fishstock and allow biomass to remain at, or above, the current long-term mean biomass.

There was no information to suggest the current customary, recreational and other fishing-related mortality allowances should be altered.

An approximate 5% TACC increase may change economic incentives that influence commercial fishers. The port price for the GUR 7 fishstock is around \$1.85 per kg and a deemed value at \$0.85 per kg is too low and allows for profitable fishing on deemed values; thus not providing sufficient incentive to balance catch with ACE for the purposes of s 75(2)(a) of the Act. Therefore, I have decided to increase the annual deemed value rate from \$0.85 per kg to \$1.25 per kg and increase the interim deemed value rate from \$0.43 per kg to \$0.63 per kg. I also decided to adjust the differential deemed value rates to match the proposed annual deemed value rate as follows:

Current differential rates		Proposed differential rates	
Catch in excess of ACE holdings (%)	Current deemed value rate for GUR7 (\$)	Catch in excess of ACE holdings (%)	Proposed deemed value rate for GUR7 (\$)
20	1.02 per kg	20	1.50 per kg
40	1.19 per kg	40	1.75 per kg
60	1.36 per kg	60	2.00 per kg
80	1.53 per kg	80	2.25 per kg
100	1.70 per kg	100	2.50 per kg

John Dory (JDO 7)

I have decided to increase the JDO 7 TAC to 131 tonnes (from 120 tonnes) and set a TACC of 125 tonnes (from 114 tonnes), while retaining other allowances at existing levels.

The West Coast South Island trawl survey provides a reliable index of abundance for JDO 7 and indicates that the stock biomass is above the current long-term mean, with the 2009 estimate being the highest in the series since 1992. I also note that JDO 7 is also a recruitment driven fishery and the latest survey results show a healthy number of pre-recruits in the fishery. Although customary and recreational fishers enjoy catching JDO 7, it is not as important a shared fishery as SNA 7 or GUR 7. I consider that a larger TACC increase than originally proposed should both provide additional commercial access to this fishstock and allow biomass to remain at, or above, the current long-term mean biomass.

There was no information to suggest the current customary, recreational and other fishing-related mortality allowances should be altered.

I also decided to retain the current deemed value rates for the JDO 7 fishstock. The deemed value is set between the current ACE price and port price and appears to be working because this fishstock is not significantly overcaught and deemed value payments are presently low.

Snapper (SNA 7)

I have decided to maintain the current TAC for SNA 7 at 306 tonnes.

SNA 7 is one of the most important shared fisheries valued by tangata whenua, commercial and recreational fishers in the top of the South Island. However, it is one of the few important shared fisheries in New Zealand where a biomass estimate is unavailable. The Ministry's Harvest Strategy Standard indicates that where knowledge about the fishstock is low and uncertainty is high, the fishstock should be managed more conservatively. Although there is anecdotal information to suggest biomass is increasing, this information must be treated with caution.

I consider it appropriate to wait until new research develops a reliable index of abundance before I review the TAC.

I also decided to retain the current deemed value rates for the SNA 7 fishstock. The deemed value for this fishery is currently set higher than the port price. SNA 7 is an important commercial and recreational species and its important catches are constrained to the TACC. This approach creates a stronger economic incentive for commercial fishers not to exceed the TACC. I believe the current deemed value rates are providing the correct incentives in this fishery.

Rig (SPO 2)

After careful consideration of the available information and submissions on SPO 2, I have decided to retain the existing TAC for SPO 2 at 122 tonnes for the 2009-10 fishing year. I consider the current TAC to be sustainable, whereas there is much uncertainty regarding the sustainability of increased catch landings. The TACC will be retained at 86 tonnes, the customary fishing allowance at 20 tonnes, the recreational fishing allowance at 10 tonnes, and the allowance for other sources of fishing related mortality at six tonnes.

I have decided to retain the annual deemed value rate for SPO 2 at \$2.70 per kg and the interim deemed value rate at \$1.35 per kg. Current ACE, port and export price indicators have changed, but not enough to indicate a need to amend interim and annual deemed values. After careful consideration of the submissions, I have decided to remove the 20% and 40% deemed value differential ramps to provide incentives for fisheries to balance catches against ACE while avoiding the creation of incentives for fisheries to discard. The differential deemed value rates for SPO 2 for the 2009-10 fishing year will be:

Catch in excess of ACE holdings (%)	Proposed differential deemed value rate for SPO2 (\$)
60	4.32 per kg
80	4.86 per kg
100	5.40 per kg

Red Gurnard (GUR 3)

I have decided to increase the GUR 3 TAC from 806 tonnes to 953 tonnes (an 18% increase) for the 2009-10 fishing year. The best available information suggests a modest increase to the TAC for GUR 3 is sustainable. A cautious approach to increasing the TAC is warranted because a stock assessment has not been conducted to ascertain how accurately the CPUE index reflects the actual status of GUR 3. In addition, red gurnard is a moderately short lived species (up to around 16 years) that is vulnerable to changes in abundance.

I have increased the TACC by 100 tonne to 900 tonnes (a 12.5% increase). This increase will provide economic benefits by providing more ACE to cover bycatch at current levels of reported overcatch without creating a strong incentive to increase targeting.

I am retaining the allowance of three tonnes for customary non-commercial interests because there is no new information to do otherwise. I am also increasing the allowance for recreational interests from three tonnes to five tonnes because of better information on the level of recreational catch. For the first time, I am setting an allowance for all other sources of fishing-related mortality. This allowance will be set at 45 tonnes to provide for high-grading caused by market preference for larger fish, dumping to avoid deemed value penalty payments, and mortality caused by the trawling method.

I have decided to amend existing annual, interim and non-standard differential deemed values for GUR 3 for the 2009-10 fishing year. The annual deemed value rate will decrease to \$1.50 per kg and the interim deemed value rate to \$0.75 per kg. The non-standard differential deemed value rates will be adjusted as follows:

Catch in excess of ACE holdings (%)	Proposed deemed value rate for GUR3 (\$)
30	1.65 per kg
40	1.95 per kg
50	2.25 per kg
60	2.40 per kg
80	2.70 per kg
100	3.00 per kg

The amended deemed values will provide incentives for fishers to land and report catch, and to balance overcatch with ACE under the increased TACC. Deemed values set at these levels will provide a transition period for ACE fishers to better manage their ACE arrangements if standard differential deemed values are introduced in the future

Black Cardinalfish (CDL 2)

I have decided to reduce the CDL 2 TAC for the 2009-10 fishing season from 2,223 tonnes to 1,780 tonnes, and to set a TACC of 1,620 tonnes. My decision will implement Option 1 in the FAP and represents the initiation of a three year staged reduction of the TAC to allow the stock to rebuild.

Deciding on the appropriate management response for this fishery was not easy. On one hand it is clear that there are significant sustainability concerns in CDL 2. Although uncertain, the stock assessment suggests the stock is likely to be well below B_{MSY} . All those who submitted on the IPP consider that action is required to arrest the decline in the stock and that retention of the existing TAC is untenable. I am also convinced that action is required now.

However, I also accept that a rapid reduction of the TACC to initiate a rebuild of the stock will come at significant economic and social cost to commercial fishers. Black cardinalfish, while not a particularly valuable species in its own right, is an important component of the catch plans for vessels operating in deepwater trawl fisheries off the east coast of the central and lower North Island. A large decrease in the CDL 2 TACC is likely to adversely impact on the ability of some vessels to remain active in these trawl fisheries.

Ultimately, my decision hinged on the appropriate way and rate to rebuild the CDL 2 stock, having regard to the relevant social and economic factors. I have weighed the significant economic implications of a greater TAC reduction now, against the increased sustainability risk of initiating a rebuild in the stock over the slightly longer time frame of three years. I have decided that initiating a rebuild over three rather than two years will not jeopardise the future of the stock and will give operators time to adjust their fishing operations accordingly.

Although satisfied that the three year staged reduction of the TAC is appropriate, I nonetheless remain concerned about the state of the stock. I have directed Ministry officials to investigate options for how to better monitor the status of the stock over the long term. I ask that industry constructively engages with the Ministry in this work.

I have decided not to change the deemed value arrangements for CDL 2 at this time.

Hoki (HOK 1)

I have decided to increase the HOK 1 TAC for the 2009-10 fishing year from 91,040 tonnes to 111,140 tonnes, and to increase the TACC by 20,000 tonnes to 110,000 tonnes. I also request that industry alters the catch split arrangement so that 60,000 tonnes, or 55% of the TACC, is taken from the eastern stock and the remaining 50,000 tonnes, or 45% of the TACC, is taken from the western stock.

In making my decision I recognise that hoki is a recruitment driven fishery and large fluctuations in year class strength can occur. I am also aware that between 1995 and 2001 there was an absence of good recruitment to the western stock. However, the 2009 hoki stock assessment results indicate that western stock recruitment has

improved and I am satisfied that both the western and eastern biological stocks, and therefore HOK 1 as a whole, are above B_{MSY} .

I believe the recent increase in biomass of the western stock provides additional utilisation opportunities in the fishery. Therefore I consider it is appropriate to increase the TACC by 20,000 tonnes. I am also formally requesting industry to adjust the catch split arrangement to ensure that this increase is harvested from the western stock only. I am confident that an increase of 20,000 tonnes will not cause any sustainability concerns for this stock.

I also support the recent moves by industry to formalise the voluntary catch split arrangement. I am confident that the recently implemented contractual agreement between the major quota holders will enable the catch split arrangement to work as an effective management tool for maintaining the sustainability of HOK 1.

I have decided not to change the deemed value arrangements for HOK 1 at this time.

Ling (LIN 7)

I have decided to set a TAC for LIN 7 of 2,501 tonnes for the 2009-10 fishing year, and to increase the TACC from 2,225 tonnes to 2,474 tonnes.

In deciding on where to set the TAC, I am satisfied that the biomass of the LIN 7 stock is likely to be above a level that can produce the maximum sustainable yield (B_{MSY}). For LIN 7, B_{MSY} is estimated to be 30-40% of the biomass that would exist in the absence of fishing (B_0). Although there is some uncertainty about current biomass of the stock, the best available information indicates that the LIN 7 biomass is 40-70% of B_0 . Furthermore, five year projections of stock biomass, based on the current commercial catch limit, indicate that the LIN 7 biomass is likely to increase further above B_{MSY} . I therefore consider it appropriate to set a TAC above the current TACC.

Within the TAC of 2,501 tonnes, I have set allowances of one tonne each for customary non-commercial interests and recreational interests. Recorded catch by customary and recreational interests is negligible and I consider these allowances reasonably reflect use of the LIN 7 stock.

I also set an allowance of 1% of the TACC to account for other sources of fishing-related mortality. This allowance acknowledges that some dead fish will be lost from trawl nets and longlines as part of normal fishing operations. Although there is no information available to quantify this mortality, I considered that 1% of the TACC was reasonable and consistent with the allowance for the hoki fishery where much of the LIN 7 catch is taken.

I have decided to increase the TACC from 2,225 tonnes to 2,474 tonnes which reflects the average catch of LIN 7 over the last five years. The increase would make additional ACE available to cover catch at recent levels which would decrease the likelihood of fishers paying deemed values. As such, the Ministry anticipates that an increase in the TACC is unlikely to result in a significant increase in fishing effort as the new TACC would reflect the recent effort in LIN 7.

I have decided not to change the deemed values for LIN 7 at this time.

Oreo (Oreo 3A)

I have decided to increase the TAC for OEO3A to 3,518 tonnes for the 2009/10 fishing year. Within that TAC I have decided to set a TACC of 3,350 tonnes and an allowance of 168 tonnes for other sources of fishing-related mortality.

Although comprising four species, the OEO3A fishery is mostly based on black oreo and smooth oreo. A stock assessment carried out in 2009 for the smooth oreo component of the stock indicates that the biomass of smooth oreo is above the estimated level of B_{MSY} .

Forward projections based on the stock assessment indicate that the biomass of smooth oreo will continue to increase even if existing catch levels are increased. For this reason I am satisfied that a conservative increase in catch levels will provide additional utilisation opportunities in this fishery while ensuring the biomass remains above B_{MSY} and continues to increase.

Smooth Oreo (OEO 3A)

Within OEO3A, voluntary species-specific catch limits apply that are administered by industry and audited by the Ministry. My decision to increase the TAC is intended to apply to the smooth oreo component of OEO3A. Within the new TACC of 3,350 tonnes the smooth oreo catch limit will increase from 1,400 tonnes to 1,650 tonnes. The black oreo catch limit will remain unchanged at 1,700 tonnes.

I would like to take this opportunity to both commend the fishing industry for adhering to the voluntary catch split arrangements to date and to encourage continued adherence during the coming fishing year. Observing these arrangements will help ensure the long term sustainability of this fishery.

I have decided not to change the deemed value arrangements for OEO 3A at this time.

Orange Roughy (ORH 3B)

I have decided to reduce the ORH 3B TAC for the 2009-10 fishing season from 9,890 tonnes to 8,350 tonnes, and to set a TACC of 7,950 tonnes. The ORH 3B fishery is made up of several sub-stocks and the TACC is split into agreed catch limits for each of these sub-stocks. This reduction to the TACC will apply to the agreed catch limit for the East and South Chatham Rise.

In making my decision I was mindful of the 2008 decision to initiate a three year phased introduction of an F_{MSY} -based harvest strategy for the East and South Chatham Rise fishery. Under this strategy the fishing mortality rate (F) will be set at the level (F_{MSY}) that allows the sub-stock to fluctuate around the maximum sustainable yield (MSY) over the long term from the 2010-11 fishing year.

I consider that the phased introduction of the new harvest strategy remains an appropriate way and rate to rebuild this sub-stock. Accordingly, I have decided to reduce the ORH 3B TAC consistent with the second year of this phased approach and incorporating the best available information on the current status of the East and South Chatham Rise sub-stock.

I am advised that over the course of the 2008-09 fishing year to date, industry has again abided by its commitment to meet agreed catch spreading and sub-quota management area reporting arrangements. I commend industry for this and request that it again commits to the agreed catch spreading and reporting arrangements. I have directed Ministry officials to continue to monitor catch against agreed limits over the coming fishing year.

I am heartened by the continued progress in the assessment and management of the East and South Chatham Rise fishery. I understand that industry has recently completed a further acoustic survey of the main spawning aggregation for this fishery and I look forward to this information being available to inform the final step in the phased introduction of the harvest strategy next year.

I have decided not to change the deemed value arrangements for ORH 3B at this time.

DEEMED VALUE RATES FOR SELECTED FISH STOCKS

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, per s 75 (2) (a). There are at least four situations where fishers might fish without acquiring appropriate ACE:

- i. When ACE is available for purchase, a commercial fisher decides to pay deemed values rather than acquire ACE. In general, deemed values should be sufficiently above ACE price to provide an incentive to acquire ACE rather than pay deemed values;

- ii. 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;
- iii. 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
- iv. 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.

Snapper: SNA2

I have decided to increase the interim and annual deemed value rates for SNA2. I have also adjusted the non-standard differential deemed value rates to match the new annual deemed value rates. SNA2 is an important shared fishery and these changes should provide the correct incentives to fishers to cover their catch with ACE instead of paying the deemed value.

I have decided to increase the annual deemed value rate to \$5.60 per kg for SNA2.

I have decided to increase the interim deemed value rate to \$4.60 per kg (82% of the annual deemed value rate) for SNA2.

I have adjusted the non-standard differential deemed value rates for SNA2 to match the new annual deemed value rate.

Kermadec Islands: BAR10, BCO10, BYX10, ELE10, FRO10, HOK10, JDO10, KAH10, MOK10, ORH10, PAD10, PAR10, PAU10, SCH10, SKI10, SPO10, STA10, SWA10, TAR10, TRE10 and WAR10

I have decided to implement a standard approach to setting the deemed value rates for the Kermadec Islands (QMA10). This approach is to set the deemed value rate in QMA10 at the highest deemed value rate out of QMA1 or QMA2 for that species. QMA1 and QMA2 are being used as these are the two QMAs that border QMA10.

I have set the deemed value rates for BAR10, BCO10, BYX10, ELE10, FRO10, HOK10, JDO10, KAH10, MOK10, ORH10, PAD10, PAR10, PAU10, SCH10, SKI10, SPO10, STA10, SWA10, TAR10, TRE10 and WAR10 for the 2009/10 fishing year using this approach.

Anchovy: All ANC stocks

I have decided to introduce a standard differential deemed value regime into all ANC stocks. This should limit incentives to fish on deemed values for ANC even if there are any sudden changes in the fishing patterns in these fisheries.

I have decided to retain the annual deemed value rate of \$0.06 per kg for all ANC stocks.

I have decided to retain the interim deemed value rate of \$0.03 per kg (50% of the annual deemed value rate) for all ANC stocks.

I have introduced standard differential deemed value rates for all ANC stocks. I believe this should provide a disincentive to fishers to fish on deemed values.

Pilchard: All PIL stocks

I have decided to introduce a standard differential deemed value regime into all PIL stocks. This should limit incentives to fish on deemed values for PIL even if there are any sudden changes in the fishing patterns in these fisheries.

I have decided to retain the annual deemed value rate of \$0.60 per kg for all PIL stocks.

I have decided to retain the interim deemed value rate of \$0.30 per kg (50% of the annual deemed value rate) for all PIL stocks.

I have introduced standard differential deemed value rates for all PIL stocks. I believe this should provide a disincentive to fishers to fish on deemed values.

Sprat: All SPR stocks

I have decided to introduce a standard differential deemed value regime into all SPR stocks. This should limit incentives to fish on deemed values for SPR even if there are any sudden changes in the fishing patterns in these fisheries.

I have decided to retain the annual deemed value rate of \$0.06 per kg for all SPR stocks.

I have decided to retain the interim deemed value rate of \$0.03 per kg (50% of the annual deemed value rate) for all SPR stocks.

I have introduced standard differential deemed value rates for all SPR stocks. I believe this should provide a disincentive to fishers to fish on deemed values.

Jack Mackerel: JMA1

I have decided to increase the interim and annual deemed value rates for JMA1. I have also introduced a non-standard differential deemed value regime into JMA1. These changes should provide the correct incentives to fishers to cover their catch with ACE instead of paying the deemed value.

I have decided to increase the annual deemed value rate to \$0.24 per kg for JMA1.

I have decided to increase the interim deemed value rate to \$0.12 per kg (50% of the annual deemed value rate) for JMA1.

I have introduced non-standard differential deemed value rates for JMA1. The first ramp is set at \$0.36 per kg for catch 10% above ACE holdings and the second ramp is set at \$0.50 per kg for all catch 50% above ACE holdings.

Barracouta: BAR7

I have decided to increase the interim and annual deemed value rates for BAR7. I have also adjusted the differential deemed value rates to match the new annual deemed value rates. These changes should provide the correct incentives to fishers to cover their catch with ACE and to constrain the catch to the TACC.

I have decided to increase the annual deemed value rate to \$0.24 per kg for BAR7.

I have decided to increase the interim deemed value rate to \$0.12 per kg (50% of the annual deemed value rate) for BAR7.

I have adjusted the differential deemed value rates for BAR7 to match the new annual deemed value rate.

Bluenose: BNS2

I have decided to increase the interim and annual deemed value rates for BNS2. I have also adjusted the non-standard differential deemed value rates to match the new annual deemed value rates. These changes should provide the correct incentives to fishers to cover their catch with ACE in light of the increase in the landed value of BNS2.

I have decided to increase the annual deemed value rate to \$4.00 per kg for BNS2.

I have decided to increase the interim deemed value rate to \$2.00 per kg (50% of the annual deemed value rate) for BNS2.

I have adjusted the non-standard differential deemed value rates for BNS2 to match the new annual deemed value rate.

Green Lipped Mussel: GLM9

I have decided to increase the interim and annual deemed value rates for GLM9. I have also introduced a standard differential deemed value regime into GLM9. These changes should provide the correct incentives to fishers to cover their catch with ACE instead of paying the deemed value.

I have decided to increase the annual deemed value rate to \$6.00 per kg for GLM9.

I have decided to increase the interim deemed value rate to \$3.00 per kg (50% of the annual deemed value rate) for GLM9.

I have introduced standard differential deemed value rates for GLM9. I believe this should provide a disincentive to fishers to fish on deemed values.

Dark Ghostshark: All GSH stocks

I have decided to increase the interim and annual deemed value rates for GSH3 and GSH6. This increase should ensure that the deemed value rates are set at a level above the transaction costs involved in acquiring ACE. I have also introduced a standard differential deemed value regime into all GSH stocks. This should limit incentives to fish on deemed values for GSH even if there are any sudden changes in the fishing patterns in these fisheries.

I have decided to increase the annual deemed value rate to \$0.15 per kg for GSH3 and GSH6.

I have decided to increase the interim deemed value rate to \$0.08 per kg (53% of the annual deemed value rate) for GSH3 and GSH6.

I have introduced standard differential deemed value rates into all GSH stocks. I believe this should provide a disincentive to fishers to fish on deemed values.

I have decided to set the deemed value rates for GSH10 at the same deemed value rates as GSH1 as per the approach for the Kermadec Islands (QMA10) described above.

Pale Ghostshark: All GSP stocks

I have decided to increase the interim and annual deemed value rates for GSP1 and GSP5. This increase should ensure that the deemed value rates are set at a level above the transaction costs involved in acquiring ACE. I have also introduced a standard differential deemed value regime into all GSP stocks. This should limit incentives to fish on deemed values for GSP even if there are any sudden changes in the fishing patterns in these fisheries.

I have decided to increase the annual deemed value rate to \$0.15 per kg for GSP1 and GSP5.

I have decided to increase the interim deemed value rate to \$0.08 per kg (53% of the annual deemed value rate) for GSP1 and GSP5.

I have introduced standard differential deemed value rates into all GSP stocks. I believe this should provide a disincentive to fishers to fish on deemed values.

Spiny Dogfish: All SPD stocks

I have decided to increase the interim and annual deemed value rates for all SPD stocks. This increase should ensure that the deemed value rates are set at a level above the transaction costs involved in acquiring ACE. This should ensure that the appropriate incentives are provided to fishers to cover their catch with ACE instead of paying the deemed value.

I have decided to increase the annual deemed value rate to \$0.10 per kg for all SPD stocks.

I have decided to increase the interim deemed value rate to \$0.05 per kg (50% of the annual deemed value rate) for all SPD stocks.

I have decided that differential deemed value rates should continue to not be used in all SPD stocks.

Sea Perch: SPE2, SPE3, SPE4, SPE7 and SPE10

I have decided to increase the interim and annual deemed value rates for SPE2, SPE3, SPE4 and SPE7. This increase should ensure that the deemed value rates are set at a level above the transaction costs involved in acquiring ACE. I have also introduced a standard differential deemed value regime into SPE2, SPE3, SPE4 and SPE7. These changes should provide the correct incentives to fishers to cover their catch with ACE instead of paying the deemed value.

I have decided to increase the annual deemed value rate to \$0.15 per kg for SPE2, SPE3, SPE4 and SPE7.

I have decided to increase the interim deemed value rate to \$0.08 per kg (53% of the annual deemed value rate) for SPE2, SPE3, SPE4 and SPE7.

I have introduced standard differential deemed value rates into SPE2, SPE3, SPE4 and SPE7. I believe this should provide a disincentive to fishers to fish on deemed values.

I have decided set the deemed value rates for SPE10 at the same deemed value rates as SPE1 as per the approach for the Kermadec Islands (QMA10) described above.

Blue Cod: BCO3

I have decided to introduce a non-standard differential deemed regime into BCO3. This should provide the appropriate incentives to individual fishers to cover their catch with ACE instead of paying the deemed value.

I have decided to retain the annual deemed value rate of \$3.75 per kg for BCO3.

I have decided to retain the interim deemed value rate of \$2.50 per kg (67% of the annual deemed value rate) for BCO3.

I have introduced non-standard differential deemed value rates for BCO3. The first ramp is set at \$4.50 per kg for catch 10% above ACE holdings, the second ramp is set at \$5.25 per kg for catch 20% above ACE holdings, the third ramp is set at \$6.00 per kg for catch 30% above ACE holdings, the fourth ramp is set at \$6.75 per kg for catch 40% above ACE holdings, and the fifth ramp is set at \$7.50 per kg for all catch 50% above ACE holdings.

Blue Cod: BCO4 (non-Chatham Islands)

I have decided to increase the interim and annual deemed value rates for BCO4 (non-Chatham Islands). I have also introduced a non-standard differential deemed value regime into BCO4 (non-Chatham Islands). These changes should provide the correct incentives to fishers to cover their catch with ACE instead of paying the deemed value, and minimise any incentives to misreport BCO4 (non-Chatham Islands) as BCO3.

I have decided to increase the annual deemed value rate to \$3.75 per kg for BCO4 (non-Chatham Islands).

I have decided to increase the interim deemed value rate to \$2.50 per kg (67% of the annual deemed value rate) for BCO4 (non-Chatham Islands).

I have introduced non-standard differential deemed value rates for BCO4 (non-Chatham Islands).

The first ramp is set at \$4.50 per kg for catch 10% above ACE holdings, the second ramp is set at \$5.25 per kg for catch 20% above ACE holdings, the third ramp is set at \$6.00 per kg for catch 30% above ACE holdings, the fourth ramp is set at \$6.75 per kg for catch 40% above ACE holdings, and the fifth ramp is set at \$7.50 per kg for all catch 50% above ACE holdings.

Blue Cod: BCO4 (Chatham Islands)

I have decided to increase the interim and annual deemed value rates for BCO4 (Chatham Islands). I have also introduced a standard differential deemed value regime into BCO4 (Chatham Islands). These changes should provide the correct incentives to fishers to cover their catch with ACE instead of paying the deemed value.

I have decided to increase the annual deemed value rate to \$3.00 per kg for BCO4 (Chatham Islands).

I have decided to increase the interim deemed value rate to \$1.50 per kg (50% of the annual deemed value rate) for BCO4 (Chatham Islands).

I have introduced standard differential deemed value rates for BCO4 (Chatham Islands). I believe this should provide a disincentive to fishers to fish on deemed values.

Blue Cod: BCO5

I have decided to increase the interim and annual deemed value rates for BCO5. I have also adjusted the differential deemed value rates to match the new annual deemed value rates. These changes should provide the correct incentives to fishers to cover their catch with ACE instead of paying the deemed value.

I have decided to increase the annual deemed value rate to \$2.00 per kg for BCO5.

I have decided to increase the interim deemed value rate to \$1.00 per kg (50% of the annual deemed value rate) for BCO5.

I have adjusted the differential deemed value rates for BCO5 to match the new annual deemed value rate.

Moki: MOK1

I have decided to introduce a non-standard differential deemed regime into MOK1. This should provide the appropriate incentives to individual fishers to cover their catch with ACE instead of paying the deemed value.

I have decided to retain the annual deemed value rate of \$0.88 per kg for MOK1.

I have decided to retain the interim deemed value rate of \$0.44 per kg (50% of the annual deemed value rate) for MOK1.

I have introduced non-standard differential deemed value rates for MOK1. The first ramp is set at \$1.06 for catch 10% above ACE, the second is \$1.23 for catch that is 20% above ACE, the third is \$1.41 for catch that is 30% above ACE, the fourth is \$1.58 for catch that is 40% above ACE, and the fifth is \$1.76 for catch that is 50% above ACE.

Rough Skate: RSK1, RSK3, RSK7 and RSK10

I have decided to adjust the annual and interim deemed value rates for RSK1, RSK3, RSK7 and RSK10 based on a decrease in the landed value of RSK. I have decided to introduce a standard differential deemed value regime into RSK1, RSK3, RSK7 and RSK10. This should limit incentives to fish on deemed values for RSK1, RSK3, RSK7 and RSK10 even if there are any sudden changes in the fishing patterns in these fisheries.

I have decided to increase the annual deemed value rate to \$0.30 per kg for RSK1, retain the annual deemed value rate of \$0.30 per kg for RSK3, decrease the annual deemed value rate to \$0.30 per kg for RSK7 and decrease the annual deemed value rate to \$0.30 per kg for RSK10.

I have decided to decrease the interim deemed value rate to \$0.15 per kg (50% of the annual deemed value rate) for RSK1, RSK3, RSK7 and RSK10.

I have introduced standard differential deemed value rates for RSK1, RSK3, RSK7 and RSK10. I believe this should provide a disincentive to fishers to fish on deemed values.

Smooth Skate: SSK1, SSK3, SSK7 and SSK10

I have decided to decrease the annual and interim deemed value rates for SSK1, SSK3, SSK7 and SSK10 based on a decrease in the landed value of SSK. I have decided to introduce a standard differential deemed value regime into SSK1, SSK3, SSK7 and SSK10. This should limit incentives to fish on deemed values for SSK1, SSK3, SSK7 and SSK10 even if there are any sudden changes in the fishing patterns in these fisheries.

I have decided to decrease the annual deemed value rate to \$0.30 per kg for SSK1, SSK3, SSK7 and SSK10.

I have decided to decrease the interim deemed value rate to \$0.15 per kg (50% of the annual deemed value rate) for SSK1, SSK3, SSK7 and SSK10.

I have introduced standard differential deemed value rates for SSK1, SSK3, SSK7 and SSK10. I believe this should provide a disincentive to fishers to fish on deemed values.

School Shark: SCH1

I have decided to increase the interim and annual deemed value rates for SCH1. I have also adjusted the differential deemed value rates to match the new annual deemed value rates. These changes should provide the correct incentives to fishers to cover their catch with ACE instead of paying the deemed value.

I have decided to increase the annual deemed value rate to \$1.98 per kg for SCH1.

I have decided to increase the interim deemed value rate to \$0.99 per kg (50% of the annual deemed value rate) for SCH1.

I have adjusted the differential deemed value rates for SCH1 to match the new annual deemed value rate.

School Shark: SCH2

I have decided to increase the interim and annual deemed value rates for SCH2. I have also introduced a standard differential deemed value regime into SCH2. These changes should provide the correct incentives to fishers to cover their catch with ACE instead of paying the deemed value.

I have decided to increase the annual deemed value rate to \$1.75 per kg for SCH2.

I have decided to increase the interim deemed value rate to \$0.88 per kg (50% of the annual deemed value rate) for SCH2.

I have introduced standard differential deemed value rates for SCH2. I believe this should provide a disincentive to fishers to fish on deemed values.

School Shark: SCH5

I have decided to increase the interim and annual deemed value rates for SCH5. I have also adjusted the differential deemed value rates to match the new annual deemed value rates. These changes should provide the correct incentives to fishers to cover their catch with ACE instead of paying the deemed value.

I have decided to increase the annual deemed value rate to \$1.25 per kg for SCH5.

I have decided to increase the interim deemed value rate to \$0.63 per kg (50% of the annual deemed value rate) for SCH5.

I have adjusted the differential deemed value rates for SCH5 to match the new annual deemed value rate.

Rig: SPO7

I have decided to increase the interim and annual deemed value rates for SPO7. I have also adjusted the differential deemed value rates to match the new annual deemed value rates. These changes should provide the correct incentives to fishers to cover their catch with ACE instead of paying the deemed value.

I have decided to increase the annual deemed value rate to \$3.00 per kg for SPO7.

I have decided to increase the interim deemed value rate to \$1.50 per kg (50% of the annual deemed value rate) for SPO7.

I have adjusted the differential deemed value rates for SPO7 to match the new annual deemed value rate.

Stargazer: STA1 and STA2

I have decided to introduce a standard differential deemed value regime into STA1 and STA2. This should limit incentives to fish on deemed values for STA1 and STA2 even if there are any sudden changes in the fishing patterns in these fisheries.

I have decided to retain the annual deemed value rate of \$0.56 per kg for STA1 and retain the annual deemed value rate of \$0.68 per kg for STA2.

I have decided to retain the interim deemed value rate of \$0.28 per kg (50% of the annual deemed value rate) for STA1 and retain the interim deemed value rate of \$0.34 per kg (50% of the annual deemed value rate) for STA2.

I have introduced standard differential deemed value rates for STA1 and STA2. I believe this should provide a disincentive to fishers to fish on deemed values.

Tarakihi: TAR2

I have decided to increase the interim and annual deemed value rates for TAR2. I have also adjusted the non-standard differential deemed value rates to match the new annual deemed value rates. These changes should provide the correct incentives to fishers to cover their catch with ACE in light of the increase in the landed value of TAR2.

I have decided to increase the annual deemed value rate to \$2.75 per kg for TAR2.

I have decided to increase the interim deemed value rate to \$1.38 per kg (50% of the annual deemed value rate) for TAR2.

I have adjusted the non-standard differential deemed value rates for TAR2 to match the new annual deemed value rate.

Trevally: TRE1

I have decided to decrease the interim and annual deemed value rates for TRE1. I have also adjusted the differential deemed value rates to match the new annual deemed value rates. These changes should provide the correct incentives to fishers to cover their catch with ACE in light of the decrease in the landed value of TRE1.

I have decided to decrease the annual deemed value rate to \$1.10 per kg for TRE1.

I have decided to decrease the interim deemed value rate to \$0.55 per kg (50% of the annual deemed value rate) for TRE1.

I have adjusted the differential deemed value rates for TRE1 to match the new annual deemed value rate.

Hake: HAK7

I have decided to increase the interim and annual deemed value rates for HAK7. I have also adjusted the differential deemed value rates to match the new annual deemed value rates. These changes should provide the correct incentives to fishers to cover their catch with ACE instead of paying the deemed value.

I have decided to increase the annual deemed value rate to \$1.60 per kg for HAK7.

I have decided to increase the interim deemed value rate to \$0.80 per kg (50% of the annual deemed value rate) for HAK7.

I have adjusted the differential deemed value rates for HAK7 to match the new annual deemed value rate.

Orange Roughy: ORH2A, ORH2B and ORH3A

I have decided to increase the interim and annual deemed value rates for ORH2A, ORH2B and ORH3A. I have also adjusted the differential deemed value rates to match the new annual deemed value rates in these fisheries. These changes should provide the correct incentives to fishers to cover their catch with ACE instead of paying the deemed value.

I have decided to increase the annual deemed value rate to \$5.00 per kg for ORH2A, ORH2B and ORH3A.

I have decided to increase the interim deemed value rate to \$2.50 per kg (50% of the annual deemed value rate) for ORH2A, ORH2B and ORH3A.

I have adjusted the differential deemed value rates for ORH2A, ORH2B and ORH3A to match the new annual deemed value rate.

Rubyfish: RBY1 and RBY3

I have decided to increase the interim and annual deemed value rates for RBY1 and RBY3. This increase should ensure that the deemed value rates are set at a level above the transaction costs involved in acquiring ACE. This should ensure that the appropriate incentives are provided to fishers to cover their catch with ACE instead of paying the deemed value.

I have decided to increase the annual deemed value rate for RBY1 to \$0.14 per kg and increase the annual deemed value rate for RBY3 to \$0.19 per kg.

I have decided to increase the interim deemed value rate for RBY1 to \$0.07 per kg (50% of the annual deemed value rate) and increase the interim deemed value rate for RBY3 to \$0.10 per kg (53% of the annual deemed value rate).

I have decided that differential deemed value rates should continue to not be used in RBY1 and RBY3.

Ribaldo: RIB1, RIB2, RIB3, RIB4, RIB5, RIB6 and RIB10

I have decided to introduce a standard differential deemed value regime into RIB1, RIB2, RIB3, RIB4, RIB5, RIB6 and RIB10. This should limit incentives to fish on deemed values in these RIB stocks even if there are any sudden changes in the fishing patterns in these fisheries.

I have decided to retain the current annual deemed value rates for RIB1, RIB2, RIB3, RIB4, RIB5, RIB6 and RIB10.

I have decided to retain the current interim deemed value rates for RIB1, RIB2, RIB3, RIB4, RIB5, RIB6 and RIB10.

I have introduced standard differential deemed value rates into RIB1, RIB2, RIB3, RIB4, RIB5, RIB6 and RIB10. I believe this should provide a disincentive to fishers to fish on deemed values.

White Warehou: WWA5B

I have decided to increase the interim and annual deemed value rates for WWA5B. I have also introduced a non-standard differential deemed value for WWA5B. These changes should provide the correct incentives to fishers to cover their catch with ACE instead of paying the deemed value.

I have decided to increase the annual deemed value rate to \$1.03 per kg for WWA5B.

I have decided to increase the interim deemed value rate to \$0.52 per kg (50% of the annual deemed value rate) for WWA5B.

I have introduced a non-standard differential deemed value for WWA5B. When catch exceeds ACE by 10%, the differential deemed value will be \$2.00 per kg

Nāku noa, nā



Hon Phil Heatley
Minister of Fisheries