

Dear Stakeholder

Decisions on Stocks to be introduced into the Quota Management System on 1 October 2005

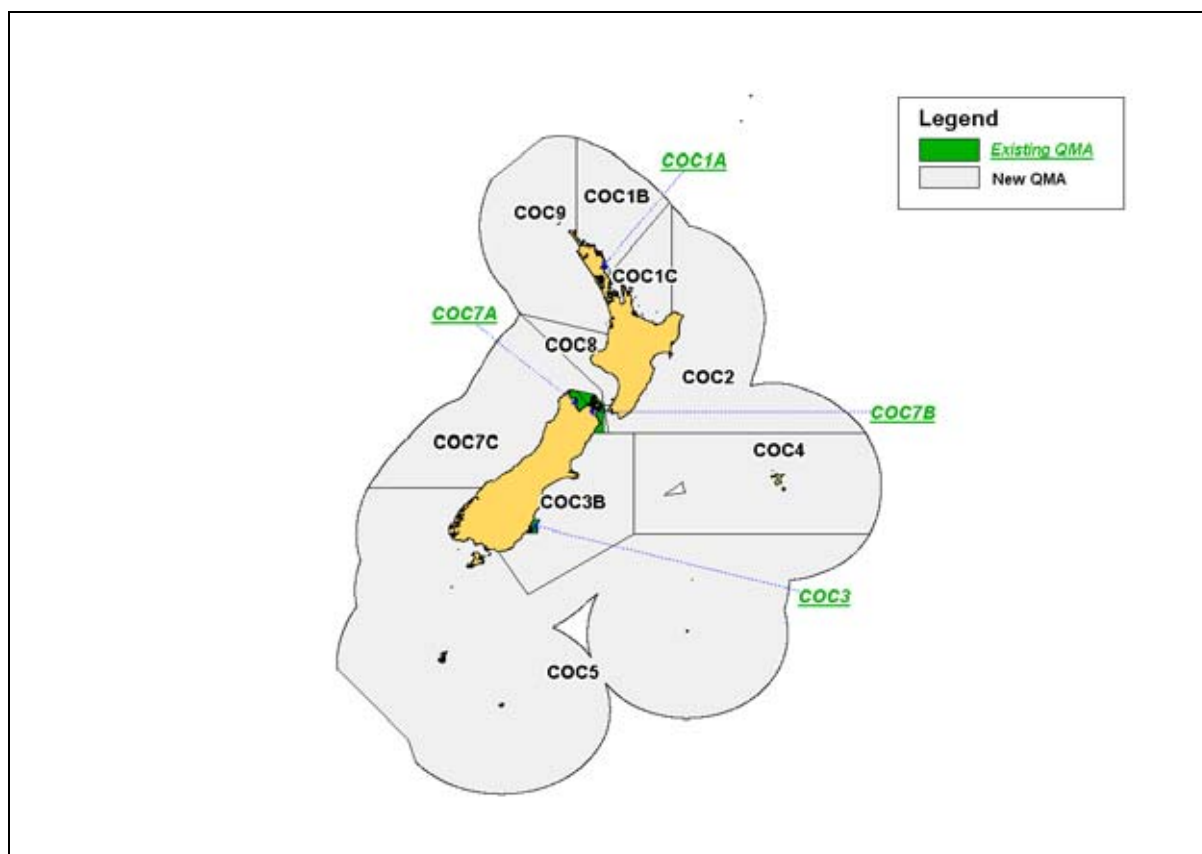
- 1 This letter outlines my final decisions on the introduction of stocks into the Quota Management System (QMS) on 1 October 2005. I have decided to introduce the following stocks and species into the QMS:
 - cockle stocks currently outside of the QMS;
 - dredge oyster stocks currently outside of the QMS;
 - pipi stocks currently outside of the QMS;
 - scallop stocks currently outside of the QMS; and
 - tuatua stocks.
- 2 For these stocks I have made decisions on the Quota Management Areas (QMAs), fishing year and unit of measure for the expression of Total Allowable Commercial Catches and Annual Catch Entitlements (ACE). I would encourage you to contribute to the consultation process for setting Total Allowable Catches and other management measures for the new stocks, which will commence shortly.
- 3 I have decided not to introduce albacore tuna and skipjack tuna into the QMS at this time. I have also deferred making any final decision on whether or not to introduce seaweeds into the QMS in any area.
- 4 I have not made any decision regarding the management of cockle, dredge oyster, pipi, and tuatua in the Kermadec Fisheries Management Area (FMA 10). The area where the species are likely to be found is within a marine reserve. I have not considered any formal proposal, nor made any formal decision to remove these species from Schedule 4C of the Fisheries Act 1996 (the Act) in respect of FMA 10, at this time.
- 5 In reaching my decisions, I have considered the Ministry of Fisheries' Final Advice Paper, dated 10 December 2004, and the issues and information put forward in your submissions. I acknowledge that the process was somewhat protracted due to the requirement to re-consult as a result of changes to the Fisheries Act. I recognise that this has caused some additional anxiety regarding the outcome of my final decisions. I appreciate the efforts

made by all concerned to enable decisions to be made on the introduction of stocks into the QMS on 1 October 2005.

Cockle (*Chione stutchburyi*)

- 6 I have decided to introduce the remaining cockle stocks into the QMS. These stocks are presently listed on Schedule 4C of the Act, preventing further commercial access (other than by existing permits) in areas not subject to the QMS. Schedule 4C operates to maintain the permit moratorium before a stock or species is considered for QMS introduction. In the event that a decision is made either to introduce or not introduce cockle stocks then they are removed from Schedule 4C.
- 7 I am required to introduce cockle into the QMS unless the purpose of the Act would be better met by setting one or more sustainability measures under s 11 of the Act. There are a range of measures that could be used under s 11 to manage cockle, some of those are currently in use such as closed areas and method restrictions. Cockle is a well-utilised shellfish resource, and of high importance to non-commercial fishing interests, particularly in the North Island. In some areas the resource is subject to considerable fishing pressure, while in other areas it may be under-utilised. On balance, I consider that s 11 measures alone will not adequately provide for the utilisation of cockles outside of the QMS, and therefore will not, compared to the QMS, better meet the purpose of the Act. Introduction of the remaining stocks into the QMS will ensure sustainability through the setting of appropriate sustainability measures for the commencement of the 2005-06 fishing year.
- 8 I have decided upon quota management areas (QMAs) that are generally similar to, or align with, administrative boundaries for the Fishery Management Areas (FMAs) (Figure 1). The QMAs adjoin, but do not include, the existing cockle stocks subject to the QMS at Whangarei Harbour, Tasman Bay, Golden Bay, and Otago. These relatively large areas are favoured, particularly where the resource is either sparsely distributed or where use of the resource is not subject to intensive harvest activity.
- 9 The one exception to creating QMA boundaries the same as those established for FMAs is my decision to have two QMAs within the area between North Cape and Cape Runaway, on either side of Te Arai Point (Pakiri Beach). There are likely to be significant differences in the state and use of the cockle beds between the Northland and Hauraki Gulf / Bay of Plenty areas, and the respective alignment of recreational and customary Maori fishing interests to those management areas. The QMAs within the northeastern region of the North Island are still sufficiently large to offer management flexibility for the fishery interests within the area.

Figure 1: Quota Management Areas for cockle.



- 10 The fishing year for cockle stocks will run from 1 October to 30 September. This is consistent with other cockle stocks already managed within the QMS. I have also decided that greenweight will be the unit of measure, as this is consistent with past and current practice in the fishery.

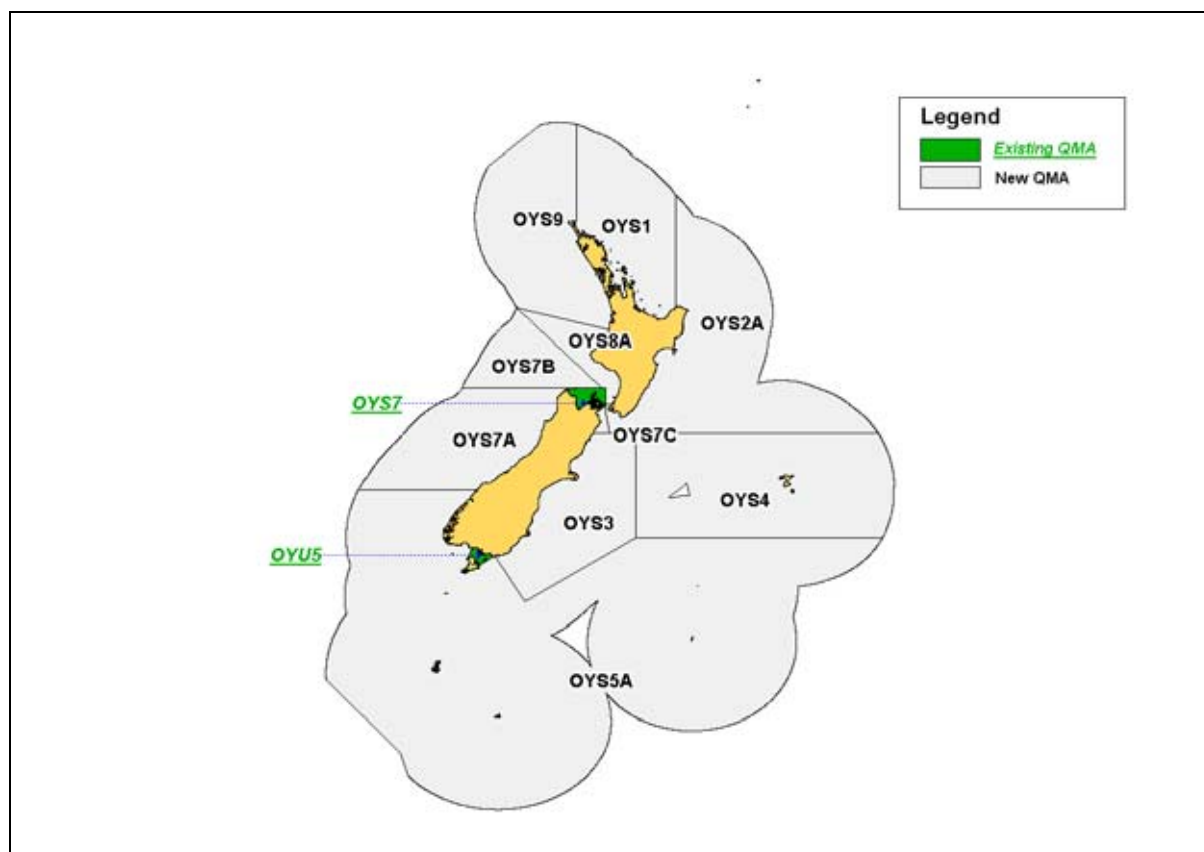
Dredge Oysters (*Tiostrea chilensis*)

- 11 I have considered whether or not to introduce the remaining dredge oyster stocks into the QMS. Dredge oyster is not listed on Schedule 4C of the Act; therefore no permit moratorium applies. As dredge oyster is not on Schedule 4C, I am required in the first instance to make a determination as to whether current management of the species is not ensuring the sustainability of the species or is not providing for the utilisation of the species. If satisfied that current management is not meeting one of those outcomes I am required to introduce dredge oysters into the QMS, unless the purpose of the Act would be better met by setting one or more sustainability measures under s 11 of the Act.
- 12 I have decided to introduce the remaining dredge oysters stocks into the QMS from 1 October 2005. Catch levels of non-QMS dredge oysters are likely to increase under the current open access management regime and may pose a sustainability problem. The commercial potential of non-QMS dredge oysters is not known, but fishers have indicated an interest in targeting these stocks, especially as there is an established market for dredge oysters. The QMS provides an effective framework for providing access to any under-utilised stocks and managing commercial use of the resource. The biological attributes of

dredge oysters mean that increased catches under open access are unlikely to be sustainable. Oysters are sedentary, long lived, slow growing in some areas, brood relatively few larvae that usually do not disperse widely and may have post-settlement mortality, and populations outside established commercial fishing areas are likely to be in small and localised areas. Increased dredging for non-QMS dredge oysters could also increase the risk of adverse effects of fishing on the aquatic environment. In light of these considerations, I consider the QMS will better meet the purpose of the Act than s 11 measures on their own.

- 13 I note the Challenger Scallop Enhancement Company propose amending Schedule 1 of the Act to change the boundaries of OYS 7 (an existing QMS stock) to extend to the Clarence River, thereby aligning with the boundary of green-lipped mussels in area 7A. Challenger has submitted that such a change is required to recognise legitimate catch history claims of OYS 7 permit holders. I do not support this proposal. For reasons of fairness I consider the normal QMA creation and quota allocation process should be followed to ensure all fishers have the opportunity to access quota in the remainder of FMA 7, and not just existing OYS 7 quota owners, in the first instance.
- 14 Te Ohu Kaimoana Trustee Ltd support the establishment of a single QMA covering the whole of FMA 7, except the area already established within the OYS 7 QMA. I do not support this proposal, as there are benefits in aligning the new dredge oyster QMAs with the existing QMAs for green-lipped mussel that are taken with dredge oysters. The area of GLM 7A outside OYS 7 should be split between OYS 7B and OYS 7C because the two new QMAs are not contiguous and cover very different areas. There is the option in the future for quota owners to reach an agreement to amalgamate QMAs.
- 15 I have therefore decided to set QMAs as outlined in Figure 2, and defined as follows: OYS 1 (FMA 1), OYS 2A (FMA 2), OYS 3 (FMA 3), OYS 4 (FMA 4), OYS 5A (FMAs 5 & 6 not including OYU 5), OYS 7A (FMA 7 - west coast of the South Island), OYS 7B (FMA 7 to the north and west of Bush End Point, Farewell Spit), OYS 7C (east part of FMA 7, Clarence River mouth to West Head, Tory Channel), OYS 8A (FMA 8), OYS 9 (FMA 9).
- 16 I have decided the unit of measure for the dredge oyster stocks will be greenweight. The unit of measure in the Foveaux Strait QMS oyster fishery (OYU 5) is numbers of oysters (not dozens), but in the OYS 7 fishery and non-QMS dredge oyster stocks the unit of measure is greenweight. The Foveaux Strait fishery was introduced into the QMS in 1998 by means of legislation. A specific unit of measure for Foveaux Strait was established by way of a specific legislative provision – s 368A(10). The general provision in the Act, s 19(1)(c) states the unit of measure is to be expressed in meatweight or greenweight.
- 17 I see no need to change the unit of measure for the remaining dredge oyster stocks on introduction into the QMS. To standardise the unit of measure for all dredge oyster fisheries to be the number of dredge oysters would require an amendment to the Act, with associated cost to change the unit of measure for OYS 7.
- 18 The fishing year for dredge oysters will be from 1 October to 30 September. This is consistent with the fishing year for dredge oyster stocks already managed in the QMS.

Figure 2: Quota Management Areas for dredge oyster.

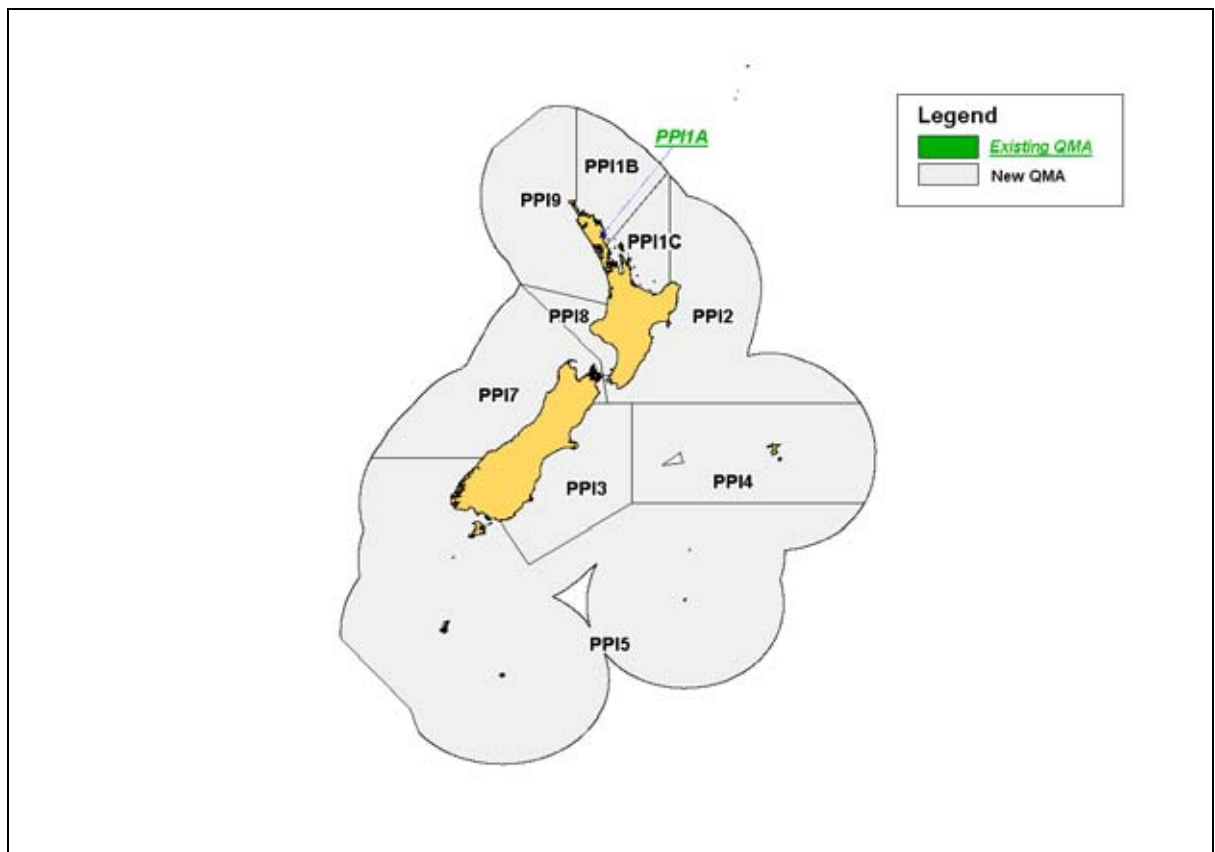


Pipi (*Paphies australis*)

- 19 I have decided to introduce the remaining pipi stocks into the QMS. The species is presently listed on Schedule 4C of the Act. I am required to introduce pipi into the QMS unless the purpose of the Act would be better met by setting one or more sustainability measures under s 11 of the Act. There are a range of measures that could be used under s 11 to manage pipi - closed areas and method restrictions are currently in place. In some areas the resource is subject to considerable fishing pressure, while in other areas it may be under-utilised. Pipi is of importance to recreational and customary fishers, particularly in the North Island.
- 20 On balance, I consider that s 11 measures alone will not adequately provide for the utilisation of pipi outside of the QMS, and therefore will not, compared to the QMS, better meet the purpose of the Act. Introducing the remaining stocks into the QMS will ensure sustainability through the setting of appropriate sustainability measures for the commencement of the 2005-06 fishing year. It will also provide a framework for the orderly development of under-utilised areas.
- 21 I have decided to set QMAs that are generally similar to, or align with administrative boundaries for FMAs (Figure 3). The QMAs adjoin, but do not include, the existing pipi stock subject to the QMS at Whangarei Harbour. These relatively large areas are appropriate, particularly where the resource is either sparsely distributed, or where use of the resource is not subject to intensive harvest activity.

- 22 The one exception to creating QMA boundaries the same as those established for FMAs was a preference to have two QMAs within the area between North Cape and Cape Runaway, on either side of Te Arai Point (Pakiri Beach). There are likely to be significant differences in the state and use of the pipi beds between the Northland and Hauraki Gulf / Bay of Plenty areas, and the respective alignment of non-commercial fishing interests to those management areas. The QMAs within the northeastern region of the North Island are still sufficiently large to offer management flexibility for the fishery interests within the area.
- 23 The fishing year for pipi stocks will run from 1 October to 30 September. This is consistent with other pipi stocks already managed within the QMS. I have also decided that greenweight will be the unit of measure, as this is consistent with past and current practice in the fishery.

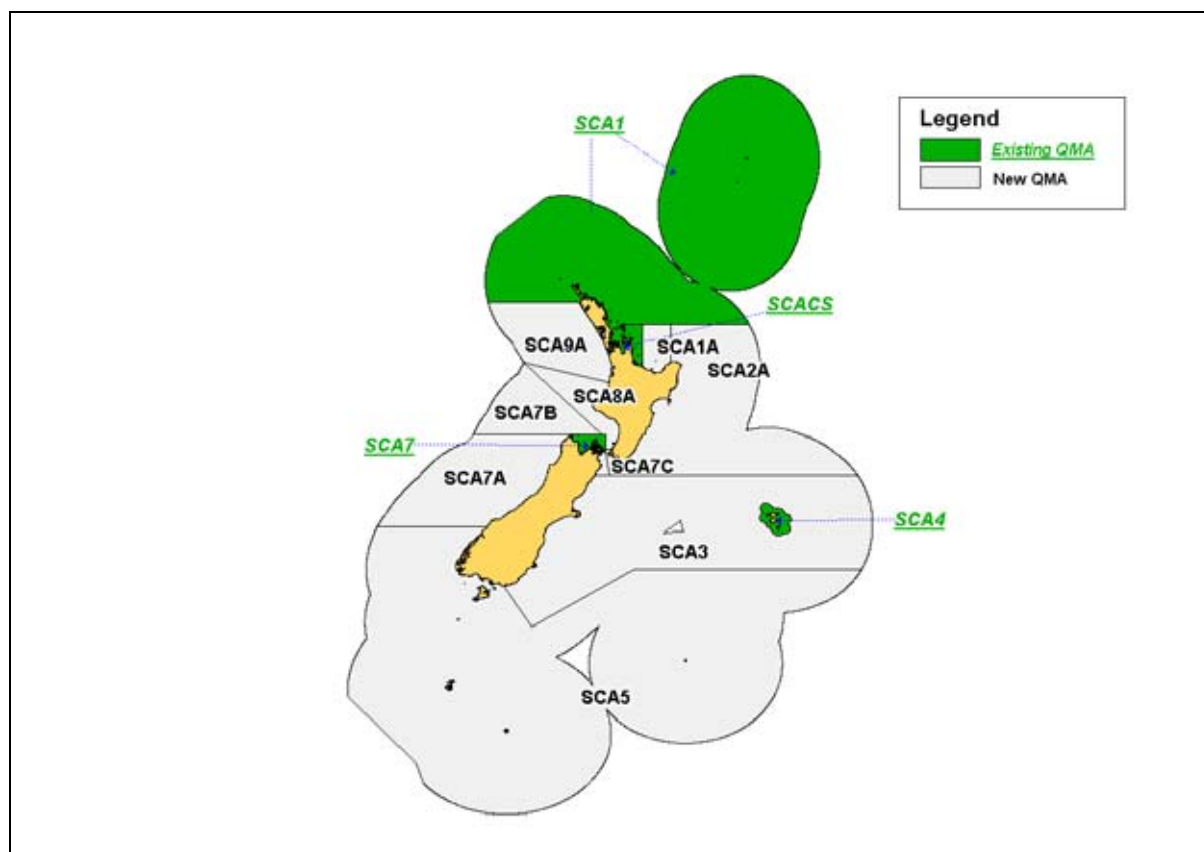
Figure 3: Quota Management Areas for pipi.



Scallop (*Pecten novaezelandiae*)

- 24 I have decided to introduce the remaining scallop stocks into the QMS from 1 April 2006. The species is presently listed on Schedule 4C of the Fisheries Act 1996 (the purpose of the Schedule is set out in the cockle section above). I am required to introduce scallop stocks into the QMS unless the purpose of the Act would be better met by setting one or more sustainability measures under s 11 of the Act.
- 25 There is a high level of interest by fishers across all sectors in harvesting QMS scallops. As a result there is significant potential for increased targeting of the remaining scallop stocks under open access. The biological attributes of scallop populations mean they are susceptible to the effects of over fishing. In addition, increasing levels of scallop fishing may increase the risk of adverse effects of fishing on the environment.
- 26 I am satisfied the QMS provides the best management framework for addressing these issues. Section 11 sustainability measures such as area, method, season controls and commercial catch limits are unlikely to control the level of catch without unnecessarily restricting utilisation or being inefficient when doing so.
- 27 I note the Challenger Scallop Enhancement Company propose amending Schedule 1 of the Act to change the boundaries of SCA7 to include most of the rest of GLM 7A (green-lipped mussels in area 7A) that extends from Cape Farewell to the Clarence River. I do not support this proposal. For reasons of fairness I consider the normal QMA creation and quota allocation process should be followed to ensure all fishers have the opportunity to access quota for scallops in the remainder of FMA 7, and not just existing SCA 7 quota owners, in the first instance.
- 28 Te Ohu Kaimoana Trustee Ltd support the establishment of a single SCA 7 area. I do not support this proposal, as there are benefits in aligning the new scallop QMAs with the existing QMAs for green-lipped mussel that are taken with scallops. In response to Te Ohu Kaimoana's other concern regarding consistency of the proposed QMAs with the boundaries of FMA 1, the reason the proposed new northern QMAs do not match FMA 1 is that the Act would need to be amended to make the existing scallop QMAs consistent with FMA 1. I do not support such an amendment as existing rights to SCA 1 were allocated on the basis of the current boundaries.
- 29 I have decided to set QMAs as outlined in Figure 4, and defined as follows: SCA 1A (remainder of FMA 1 outside SCA1 and SCACS), SCA 2A (primarily FMA 2), SCA 3 (FMA 3 and FMA 4 excluding SCA4), SCA 5 (FMA 5 and FMA 6), SCA 7A (FMA 7 west coast of the South Island), SCA 7B (FMA 7 to the north and west of Bush End Point, Farewell Spit), SCA 7C (east part of FMA 7, Clarence River mouth to West Head, Tory Channel), SCA 8A (FMA 8), and SCA 9A (FMA 9 outside SCA1).
- 30 The fishing year for scallop will be from 1 April to 31 March and the unit of measure for scallop will be meatweight (consistent with scallop stocks already managed in the QMS).

Figure 4: Quota Management Areas for scallop.



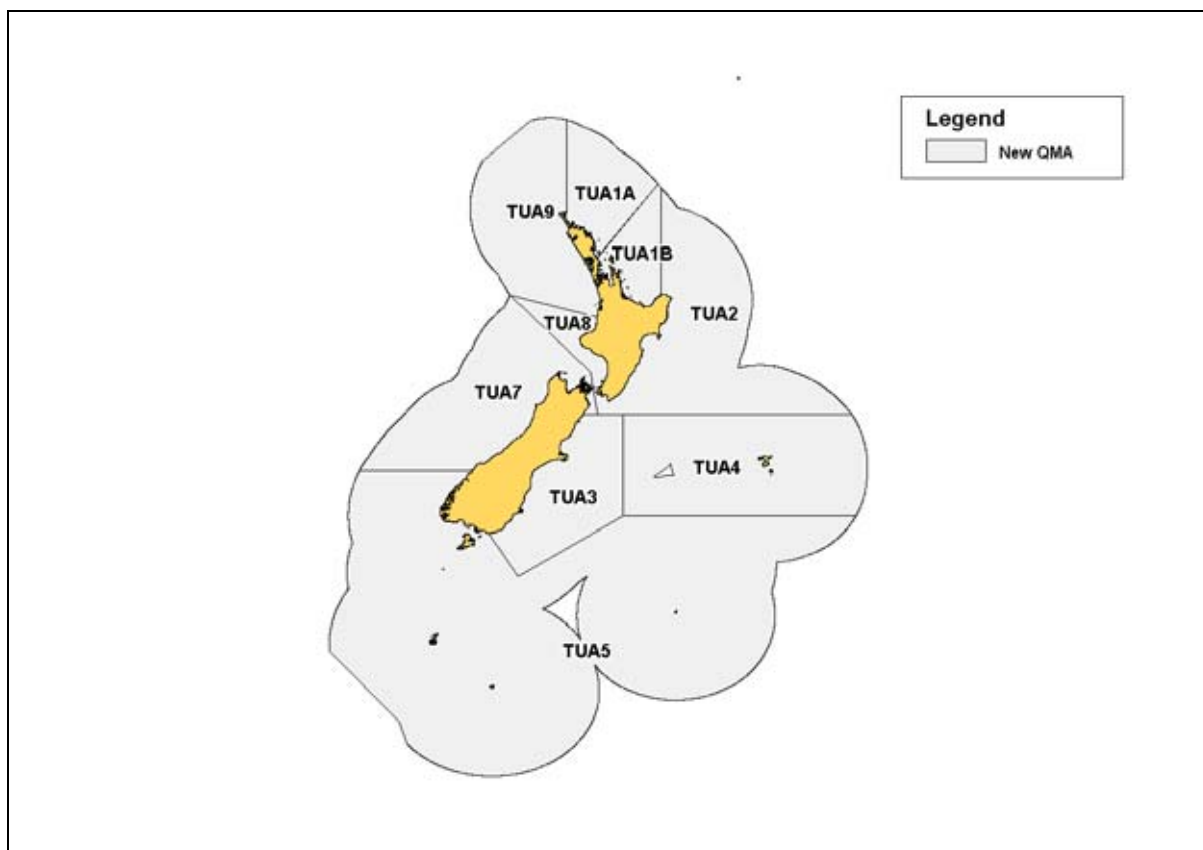
Tuatua (*Paphies subtriangulata*)

- 31 I have decided to introduce tuatua stocks into the QMS. The species is presently listed on Schedule 4C of the Act. I am required to introduce tuatua into the QMS unless the purpose of the Act would be better met by setting one or more sustainability measures under s 11 of the Act.
- 32 Tuatua is a well-utilised shellfish resource, and has high importance to non-commercial fishing interests, particularly in the North Island. In addition, a limited commercial dredge fishery exists in the Kaipara Harbour entrance. I am satisfied that the setting of measures under s 11 would not better meet the purpose of the Act. The QMS will provide a secure framework for the utilisation of tuatua resources by commercial fishers.
- 33 I have decided to set QMAs that are generally similar to, or align with the existing FMA boundaries. These relatively large areas are appropriate, particularly where the resource is either sparsely distributed, or where use of the resource is not subject to intensive harvest activity. An opportunity to discuss appropriate management measures will be provided this year as part of the consultation process for setting Total Allowable Catches and other management measures.
- 34 The one exception to creating QMA boundaries the same as those established for FMAs was a preference to have two QMAs within the area between North Cape and Cape Runaway, on either side of Te Arai Point (Pakiri Beach). There are likely to be significant differences in the state and use of the tuatua beds between the Northland and Hauraki Gulf

/ Bay of Plenty areas, and the respective alignment of recreational and customary fishing interests to those management areas. The QMAs within the northeastern region of the North Island are still sufficiently large to offer management flexibility for the fishery interests within the area. The QMAs for tuatua are outlined in Figure 5.

- 35 The fishing year for tuatua stocks will run from 1 October to 30 September. This is consistent with several other shellfish stocks already managed within the QMS. I have also decided that greenweight will be the unit of measure, as this is consistent with past and current practice in the fishery.

Figure 5: Quota Management Areas for tuatua.



Seaweed

- 36 I have considered the proposal to introduce seven species of seaweed into the QMS, plus the option of introducing a combined seaweed species complex associated with the green lipped mussel spat fishery at Ninety Mile Beach in FMA 9. I have decided to defer making a decision on the introduction of seaweeds into the QMS in all areas. There is no clear consensus amongst stakeholders on which seaweed species should be introduced into the QMS, the states of seaweed (beachcast, free-floating or attached) to be introduced, or the approach to be adopted for FMA 9. Equally, there are complex issues associated with management of the different states of seaweed. Further analysis of management options is required to ensure a workable reporting and compliance regime for seaweed is put in place to support the management of seaweed in its various states. I have directed the Ministry to

undertake this analysis before I consider any decision on whether or not to introduce seaweed into the QMS.

- 37 The effect of deferring a decision on this matter is that the seven individual species of seaweed will remain listed on Schedule 4C of the Act and therefore will remain subject to a permit moratorium. No new commercial permits for harvesting of these species can, therefore, be issued.
- 38 There are a variety of utilisation interests being achieved under the current regulatory framework, including;
- seaweed taken with mussel spat in FMA 9;
 - fresh seaweed for paua farmers and other aquaculture operations;
 - beachcast & free floating seaweed taken for compost;
 - the high value niche market for health, nutrition and pharmaceutical products; and
 - unwanted seaweed bycatch by trawl and set net.
- 39 These activities will not be impeded by the deferral of a decision on whether or not to introduce seaweed into the QMS. I acknowledge that there may be some concern regarding security of access to mussel spat in the future. However, fishers taking mussel spat can lawfully take seaweed as an inevitable consequence of harvesting spat. In addition, I accept that some expansion of commercial activities associated with the use of seaweed may be curtailed at the moment, but the difficulties associated with devising a prudent management regime for seaweed within the QMS are of sufficient concern to outweigh possible benefits to be derived from the introduction of seaweeds in the short term.

Albacore Tuna and Skipjack Tuna

- 40 I have decided not to introduce either albacore or skipjack tuna within the Exclusive Economic Zone (EEZ) into the QMS at this time. As a matter of law, because albacore and skipjack are not listed on Schedule 4C, I am required to make a determination to introduce a species into the QMS if satisfied that the current management of the species is not ensuring the sustainability of the species or is not providing for the utilisation of the species. In considering the information presented to me and the submissions received, I am not satisfied that those requirements are met.
- 41 I consider that there is no sustainability risk to either albacore or skipjack within the EEZ under the current open-access environment. Equally, I do not consider that current management is not providing for utilisation of albacore and skipjack. The advice prepared by the Ministry supported the introduction of the species in part on the grounds of the overall utilisation benefits associated with QMS management. I acknowledge that the QMS is the preferred management regime long-term for both species. However, there is no immediate urgency to introduce these stocks. Access is available to any fisher who chooses to apply for a permit to fish for albacore and skipjack. No permit moratorium is in place. In the case of skipjack, in particular, a rapid expansion of effort has occurred in recent years and I wish to provide an opportunity for that to continue in the interim, so that

the catch level can be taken into account when setting management measures in the QMS environment.

- 42 In addition, I note that the first working meeting of the Western and Central Pacific Fisheries Commission is scheduled for December 2005. The Commission is to consider the requirement for immediate management measures. The outcome of that meeting may influence the approach taken to management of albacore and skipjack tuna.
- 43 In making my decision not to introduce albacore and skipjack, I have no clear view on when these species may be introduced into the QMS. I wish to avoid the creation of any expectation as to the date of introduction and will consider any new information as it comes to hand.

Yours sincerely

Hon David Benson-Pope
Minister of Fisheries