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Fisheries New Zealand
Ministry for Primary Industries
PO Box 10420
Wellington

REVIEW OF SUSTAINABILITY MEASURES 2022 OCTOBER ROUND Submission of Fisheries Inshore New Zealand

1. Fisheries New Zealand (FNZ) has invited submissions on the proposed Sustainability Controls for 1 October 2021 stocks. This submission is presented on behalf of Fisheries Inshore New Zealand Ltd (Fisheries Inshore).
2. Fisheries Inshore is the Sector Representative Entity for inshore finfish, pelagic and tuna fisheries in New Zealand. Its role is to deal with national issues on behalf of the sector and to work directly with, and behalf of, its quota owners, fishers and affiliated sector representative organisations. Its key outputs are:
 - developing appropriate policy frameworks, processes and tools to assist the sector to manage inshore, pelagic and tuna fish stocks more effectively;
 - minimising fishing interactions with protected species and the associated ecosystems; and
 - working positively with other fishers and users of marine space where we carry out our harvesting activities.
3. Fisheries Inshore provides management services through regional committees to the quota owners, fishers and Licensed Fish Receivers of fish stocks in FMA1, 2, 8 and 9. Fisheries Inshore has a species committee for HMS fish stocks and has a close relationship with Southern Inshore Fisheries Management Company Limited, which is also a member of Fisheries Inshore and provides management services to the quota owners of stocks in FMAs 3, 5 and 7 (and some FMA 8 stocks).
4. We have circulated our draft comments to our members and received feedback that has been taken into account in the response. Nevertheless, we note that companies and other quota-holders may also make their own submissions on the proposals.
5. In this submission, we provide general comments on aspects of the consultation documents and process. Following this we provide comments on the stock specific proposals.

Management of Inshore Finfish Fisheries

6. In previous submissions, we have raised our concerns relating to the management of the inshore finfish stocks. Given the absence of any comprehensive progress in this area, we consider it appropriate to raise those issues in the context of this sustainability process. The points we wish to make relate to management processes that set the context for the sustainability round are:

- The Absence of an Inshore Finfish Strategic Plan

It appears the most recent strategic plan has succumbed to the same malaise and lack of interest that afflicted its 2010 predecessor. Without the plan, there are no cogent objectives, principles or guidelines for the management of the inshore stocks, meaning that consistent sustained investment to progressively lift the management of these complexes is not occurring.

- The Absence of Stock Specific Management and Monitoring Frameworks

The majority of inshore target stocks still have no specific management and monitoring frameworks or stock specific management settings in place. Many have had no research into their sustainability or performance since their introduction. The vast majority of by-catch stocks similarly have no management frameworks, settings or research to underpin their management since they were introduced to the QMS. Sustainability research is fragmented, unstructured and inadequate for the effective and timely management of stocks.

- Absence of Sustainability Reviews

In the past five years, 50 out of 233 inshore stocks had a stock assessment of some form, from which 41 stocks proceeded to sustainability reviews. A further 5 stocks had administrative sustainability reviews to reduce TACC headroom. The abundance of stocks can fluctuate significantly in either direction. The TAC and TACC settings need to reflect that variance though either providing adequate TACC headroom to allow industry to manage the fluctuation of abundance or to provide active and timely TACC reviews. 50 stock assessments in 5 years and 46 TAC reviews in 5 years does not meet the needs for efficient and effective management.

Several of the stocks in the current consultation fall under the administrative sustainability reviews category that are seeking to reduce TACC headroom, but without sufficient data or an updated characterisation of the fisheries to adequately inform the proposed review.

Fisheries Inshore requests that future proposed changes to the TACC for any stock start by being informed by updated characterisations of the fishery. We endorse Southern Inshore's comments regarding this concern and their request to develop a more structured approach to the management of those low knowledge and under caught stocks. We are managing for today and tomorrow and with the major changes that industry is facing it will be important to have an accurate assessment of commercial fishing activity.

- Absence of Multi-sectoral Management processes

FNZ seems reluctant to hold regionally-based cross-sectoral meetings to discuss the performance of stocks, emerging trends and issues and management and research priorities. Allowing the parties to talk might engender a closer relationship between the stakeholders and allow FNZ to facilitate consensus outcomes rather than attempt to deliver unilateral decisions.

7. The QMS requires stocks to be managed in an informed active manner, reacting to changes in environmental and economic factors. While there is a wealth of commercial catch information available, the current delivery model of FNZ is light on information, reactive and slow and dependent on heavy compliance. Fisheries Inshore considers the FNZ current delivery model is not appropriate for a world-leading fisheries management regime.

Sustainability Proposals - Fisheries Inshore Mandated Stocks

RSK8 – Rough Skate

Fisheries Inshore Position: Support Option 2 Increasing the TACC To 37 T.

8. Fisheries Inshore welcomes a review of sustainability measures for both RSK8 and SSK8. Fisheries Inshore has repeatedly requested this – it is long overdue given RSK8 has been overcaught every year since sustainability measures were first set on introduction to the QMS in 2003/04.
9. RSK8 is categorised as a Low Knowledge Stock within the Draft National Inshore Finfish Fisheries Management Plan, whereby changing trends in catch trigger a review of management measures.
10. There is no stock specific approved harvest strategy, no stock assessment methodology approved and no stock specific reference settings for RSK8. There is no current accepted stock assessment for RSK8. A stock assessment for all RSK/SSK stocks was undertaken in 2022 but data from West Coast North Island Independent Trawl Surveys was not reliable to inform an assessment.
11. Prior to the introduction of skates to the QMS, rough and smooth skate were reported under a joint SKA species code. Due to rapid ammonification of the flesh and a lack of demand for the product, prior to QMS introduction,

many skates caught were neither landed nor reported. Notwithstanding the initial TACC being based on an arbitrary split of pre-QMS catches, the known under-reporting of the catch and the initial TACC being set at a level of around 25% below the reported catch, the TAC/TACC has not been reviewed in the 18 years since RSK8 became a QMS stock.

12. Since 2003/04, over \$203,000 has been paid in deemed values for RSK8. We view that as quota-holder income taken without due reason by the Crown. That money would have been better spent on research to establish a stock assessment methodology and appropriate harvest settings for the stock.
13. Fisheries NZ have proposed two options for RSK8,
 - retaining the status quo (Option One) or
 - a modest increase in the TAC/TACC (Option two).
14. FNZ proposes no increase to the recreational or customary allowances. We consider that reasonable in the absence of any catch data to the contrary and the recognition that recreational and customary fishers do not see skate as a desirable catch.
15. The proposed TACC increase to 37 tonnes is the average annual catch calculated from the last five fishing years, with a low of 26 t caught in 2018/19 and a high of 46.4t caught in 2020/21. While it is prudent to consider whether Covid-19 disruptions had a negative impact on landings in the 2019-20 fishing year, we consider it appropriate to use the 2019-20 year within the five-year average annual catch calculation. While landings may have been negatively affected, the landings recorded in 2019-20 were similar to preceding years (2016 and 2018) but less than the 2020-21 year.

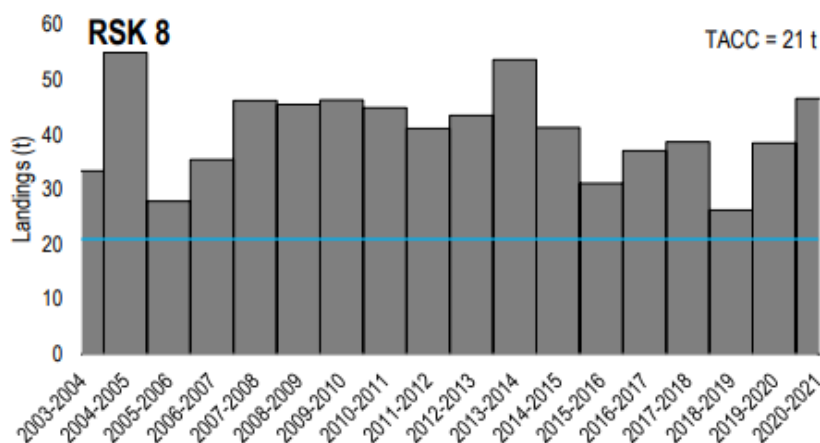


Figure 3: Reported commercial landings (tonnes) and TACC of RSK 8 since 2003 (year of introduction to the QMS).

16. We would have preferred to see FNZ provide a further option that would effectively cover the recent levels of catch and allow for some limited headroom. The deemed values for RSK8 were decreased in 2017 to allow for better incentives for fishers to more accurately report their catch. The level of reported catch in 2020/21 has shown increases. In addition to the reported catch landed, with ER fishers have also reported approximately 8.5 tonnes of RSK8 returns to the sea under Schedule 6 conditions.
17. We note that Fisheries NZ makes a number of statements about risk and implies that Option 2 with a higher TAC, presents a higher risk than Option 1. This is a theoretical statement that over-looks the reality that under the status quo (Option 1) the annual catch has been consistently overcaught, on average to the TACC proposed in Option 2. Consequently, the actual risk is no greater in Option 2 than it is in Option 1.
18. We agree with the statement made in para 77 of the FNZ paper that Option 2 is unlikely to cause any significant increase to the amount of catch. RSK8 is caught exclusively as unavoidable and unwanted bycatch when targeting more valuable species.
19. The current TAC and TACC are set very low and the average annual catch since 2003 has been 40.7 tonnes. Given the stability of landings since 2003, It is unlikely that overfishing has occurred and that the annual landings have been consistent with the objective of maintaining the stock at or above a level that can produce the MSY.

20. We consider the statement made in para 75 of the FNZ paper that there is no information to suggest that increasing the TAC in Option 2 would present a significant sustainability risk is overly cautious. The information available does not indicate that the TAC/TACC in Option 2 presents a sustainability risk, but rather it suggests that Option 2 is sustainable and consistent with the Act.
21. We support exploring methods to monitor the stock in the future, particularly if trends indicate there is issue with the stock. Notwithstanding that any catch is bycatch, this could include a CPUE trip-based analysis using commercial fishing data given the independent trawl survey data has proven to be unreliable for such an analysis.
22. We agree with FNZ's assessment that there is unlikely to be any increased economic benefits from increased utilisation due to its low market demand and value and given it is caught as a bycatch and the proposed TACC increase is in line with current catch levels. We do, however, consider there will be considerable economic benefit from cost savings associated with reduced deemed value payments as a result of an increased and appropriately set TACC.
23. We note that, as a Schedule 6 species, the desirability for skate to retain an exemption status for landing will be reviewed with the introduction of a new landings and returns policy as foreshadowed in the Fisheries Amendment Bill. Given its ammoniating properties with consequences for spoiling the rest of the catch, we would expect that the exemption should continue – but any change in the requirement to land skate will necessitate a review of the RSK8 TACC.

SSK8 – Smooth Skate

Fisheries Inshore Position: Support Option 3 Increasing the TACC To 53 T.

24. Since much of what has been submitted above for RSK8 applies equally for SSK8, we have repeated the content below for SSK8.
25. Fisheries Inshore welcomes a review of sustainability measures for both RSK8 and SSK8. A review has been long overdue given SSK8 has been overcaught in the last 14 years since sustainability measures were first set on introduction to the QMS in 2003/04.
26. SSK8 is categorised as a Low Knowledge Stock within the Draft National Inshore Finfish Fisheries Management Plan, whereby changing trends in catch trigger a review of management measures.
27. There is no stock specific approved harvest strategy, no stock assessment methodology approved and no stock specific reference settings for SSK8. There is no current accepted stock assessment for SSK8. A stock assessment for all RSK/SSK stocks was undertaken in 2022 but data from West Coast North Island Independent Trawl Surveys was not reliable to inform an assessment.
28. Prior to the introduction of skates to the QMS, rough and smooth skate were reported under a joint SKA species code. Due to rapid ammonification of the flesh and a lack of demand for the product, many skates caught were neither landed nor reported, prior to QMS introduction.
29. Notwithstanding the initial TACC being based on an arbitrary split of pre-QMS catches, the known under-reporting of the catch and the initial TACC being set at a level of around 25% below the reported catch, the TAC/TACC has not been reviewed in the 18 years since SSK8 became a QMS stock.
30. Since 2003/04, over \$160,000 has been paid in deemed values for SSK8. We view that as quota-holder income taken without due reason by the Crown. That money would have been better spent on research to establish a stock assessment methodology and appropriate harvest settings for the stock.
31. Fisheries NZ have proposed three options for SSK8,
 - retaining the status quo (Option One) a TAC/TACC of 24/20 t respectively or
 - an increase in the TAC/TACC to 49/43 t respectively (Option two or).
 - An increase in the TAC/TACC to 60/53 t respectively (Option 3)
32. The increases proposed by Fisheries NZ to the TACC are calculated in the case of Option 2 as the average catch of the past ten years and, in respect of Option 3, the last five years.

33. FNZ proposes no increase to the recreational or customary allowances. We consider that reasonable in the absence of any catch data to the contrary and the recognition that recreational and customary fishers do not see skate as a desirable catch.
34. SSK8 has been consistently over-caught since 2007/08. Fisheries NZ highlight that there is an increasing trend of larger catches over the last five years and have attributed this trend to a number of possible factors including:
- increased targeting of TAR in deeper waters of preferred SSK habitat,
 - changes to trawl gear and fishing to target GUR and avoid SNA8, and
 - the displacement of effort since the introduction of the Maui Dolphin closures.
35. Looking back further, landings of SSK8 have had an increasing trend since QMS introduction with 5-year averages of 13.7 t (2003-08), 29.3 t (2008-13), 39 t (2013-18) and 56.4 t (2018-21).

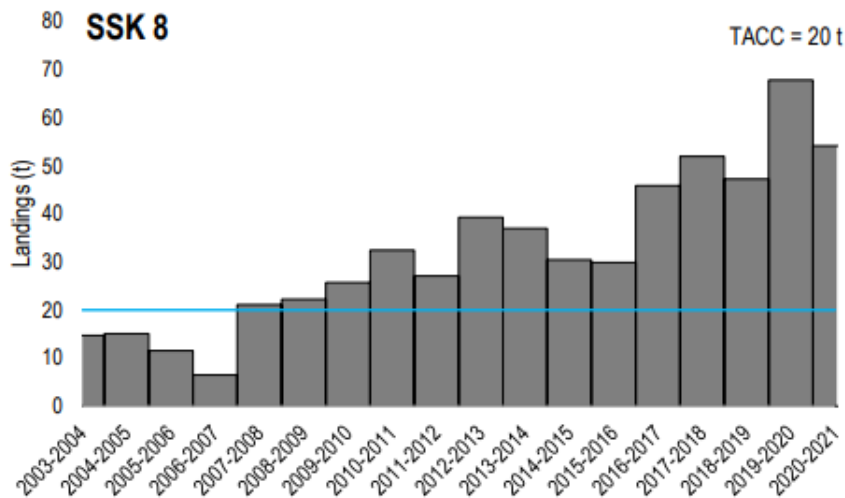


Figure 4: Reported commercial landings (tonnes) and TACC of SSK 8 since 2003 (year of introduction to the QMS).

36. We concur with comments made by FNZ as to the reasons for the recent and continuing increases in SSK8 catches. We see no reason why the level of catches should decline and we agree with the statement that Option Three is unlikely to cause any significant increase to the amount of catch. SSK8 is caught exclusively as unavoidable and unwanted bycatch when targeting more valuable species.
37. We note that Fisheries NZ makes a number of statements about risk and implies that Option Three in particular with a higher TAC, presents a higher risk than Option One. This is a theoretical statement that over-looks the reality that under the status quo of Option One the annual catch, has and continues to be, consistently overcaught - on average to the TACC proposed in Option 3. Consequently, the actual risk is no greater in Option 3 than it is in Option One.
38. We support the statement in para 92 that there is no information to suggest that this option would present a significant sustainability concern, however there is uncertainty. We agree that under Option 3 FNZ should continue to monitor SSK 8 landings and undertake a further review of the TAC and allowances if required. To that end, we support exploring methods to monitor the stock in the future, particularly if trends indicate there is issue with the stock. Notwithstanding that any catch of SSK8 is bycatch, this could include a CPUE trip based analysis using commercial fishing data given the independent trawl survey data has proven to be un-reliable for such an analysis.
39. We agree with Fisheries NZ's assessment that there is unlikely to be any increased economic benefits from increased utilisation due to its low market demand and value and given it is caught as a bycatch and the proposed TACC increase is in line with current catch levels. We do, however, consider there will be considerable economic benefit from cost savings associated with reduced deemed value payments as a result of an increased and appropriately set TACC.
40. We note that, as a Schedule 6 species, the desirability for skate to retain an exemption status for landing will be reviewed with the introduction of a new landings and returns policy as foreshadowed in the Fisheries Amendment Bill. Given its ammoniating properties with consequences for spoiling the rest of the catch, we

would expect that exemption should continue – but any change in the requirement to land skate will necessitate a review of the RSK8 TACC.

WAR2

FISHERIES INSHORE POSITION: SUPPORT OPTION 2 DECREASING THE TACC TO 260 t.

41. FNZ are proposing to introduce a TAC for WAR2 and to significantly reduce to the TACC with three options –
 - Option 1 the status quo (577 t),
 - Option 2 (260 t) a reduction of 55% and
 - Option 3 (150 t) a reduction of 74%.
42. WAR2 is categorised as a Low Knowledge Stock in the Draft National Inshore Finfish Fisheries Management Plan, whereby changing trends in catch trigger a review of management measures. There is no stock specific approved harvest strategy, no stock assessment methodology and no stock specific reference settings for WAR2.
43. Fisheries NZ's rationale for Option 2 is premised on changes to fishing effort within FMA2 for the reduction in WAR2 landings, where-as Option 3 is premised on a reduction to biomass levels of WAR2 within FMA2 raising sustainability concerns.
44. Fisheries Inshore supports Option 2 and the premise that decreased landings are due to changes in fishing effort due to a number of factors. Feedback from fishers received by Fisheries Inshore supports this position.
45. Fisheries Inshore notes that FNZ make a number of statements about risk and implies in Option 3 that the declining trends in catch are in part driven by declining abundance. Fisheries Inshore does not support this statement and considers there is no evidence to support that the declining catch is a result of declining abundance.
46. Fisheries Inshore considers that a characterisation of the fishery should have been undertaken to better understand the changes that have occurred over recent years prior to developing the management options for WAR2.
47. Fisheries Inshore see WAR2 as an example of FNZ's administrative action to lower the TACC without sufficient data or an updated characterisation to better understand the dynamics of this fishery. We again, endorse Southern Inshore's comments regarding the same issues with WAR8 and request that future proposed changes to the TACC for any stock are supported by updated and relevant characterisations of the fishery.
48. Discussions with fishers and licensed fish receivers that have been active in the fishery have highlighted a number of factors that have resulted to changes in fishing effort for WAR2. These include:
 - Loss of access to fishing grounds due to closures introduced by the Hector's and Maui Threat Management Plan (TMP).
 - A loss of many significant vessels and operators from the fishery over the past decade, and recently in response to increasing regulatory costs and commitments from the implementation of ER/GRP and cameras, and rising fuel costs.
 - Changes to fleet dynamics and gear technology. Fishers using Precision Seafood Harvesting gear (PSH) are not permitted to target warehou as a condition on the regulatory approval for using PSH. Consequently, several key operators that use PSH gear in FMA2 are no longer contributing to the current catch profile.
 - The lack of available ACE for SNA2, TAR2 and SKI2 has resulted in avoidance behaviour by fishers targeting other stocks. The decision to delay proposing any changes to the TACC for SNA2 has additional repercussions for fishers catching WAR2. Fisheries Inshore has continually been requesting an increase to the SNA2 TACC to relieve it as a choke species for other stocks in FMA2.
49. Fisheries Inshore supports Option 2 to decrease the TACC to 260 t. In doing so, the retention of some head room for WAR2 will allow fishers to increase catch of WAR2 when constraints on fishing effort change or are removed.

50. Fisheries Inshore does not support Option 3 as there is no evidence there is a sustainability risk to the stock, nor do we agree a TACC of 150 t is justified as it would inappropriately constrain catch of WAR2 when constraints on fishing effort change or are removed.

DEEMED VALUE PROPOSALS

The Deemed Value Guidelines

51. Section 75(2), of the *Fisheries Act 1996* requires the Minister when setting interim, annual and differential deemed values to provide an incentive for every commercial fisher to balance their catch with ACE.
52. However, where the deemed value, annual or differential, exceeds the price the fisher is likely to receive for their catch and no ACE is available OR the price of available ACE is higher than the deemed value then the deemed value is no longer an incentive to balance catch with ACE but is instead an incentive to misreport the catch.
53. Reporting catch where the cost of landing the catch, in terms of ACE or deemed values, is higher than the revenue received for the catch results in a negative net price or loss to the fisher for those fish. The greater the loss, the less likely the fisher is to land the fish. This is particularly so when there is insufficient ACE available in the market to cover additional catch.
54. Based on these principles, we emphasise deemed values must not be used as a substitute for TACC setting and attempts to use the deemed value regime to 'defend' an inappropriate TACC (and subsequent unavailability of ACE) risks generating undesirable incentives such as discouragement of accurate catch reporting. This has been recognised by the Deemed Values Working Group that identified:

"The primary purpose of the deemed values regime is to provide incentives for individual fishers to acquire or maintain sufficient ACE to cover catch taken in the course of the year, while:

- *Allowing flexibility in the timing of balancing;*
- *Promoting efficiency; and*
- *Encouraging accurate catch reporting"*

55. It is against that background that we comment on the FNZ deemed value proposals for 2022.

FISHERIES INSHORE MANDATED STOCKS

RSK8

FISHERIES INSHORE POSITION: SUPPORT OPTION 1 – TO RETAIN THE STATUS QUO.

56. The deemed values for RSK8 were decreased in 2017 due to the delayed implementation to increase the TACC of RSK 8 and SSK 8. They are currently lower than the deemed values for other skates.
57. We note that a lower deemed value for RSK8 is consistent with the port price for RSK8 being lower than other RSK port prices. The port prices are based on returns from Licensed Fish Receivers in each stock.

PORT PRICES RSK										
Stock	2013-14 Port Price kg	2014-15 Port Price kg	2015-16 Port Price kg	2016-17 Port Price kg	2017-18 Port Price kg	2018-19 Port Price kg	2019-20 Port Price kg	2020-21 Port Price kg	2021-22 Port Price kg	2022-23 Port Price kg
RSK1	0.60	0.60	0.25	0.26	0.19	0.21	0.20	0.47	0.39	0.34
RSK3	0.48	0.50	0.51	0.52	0.46	0.45	0.45	0.47	0.95	0.51
RSK7	0.51	0.50	0.56	0.55	0.48	0.48	0.47	0.50	0.49	0.50
RSK8	0.39	0.51	0.25	0.31	0.26	0.23	0.26	0.44	0.37	0.33

58. Notwithstanding the increase in TACC, it remains below the existing reported catch levels for recent years and whereas a more equitable approach may have been to provide a TACC option that provided limited headroom over existing catches, FNZ has chosen to set the TACC at a level where deemed values are expected.
59. In the absence of any perceived sustainability issue, we can see no valid reason for that decision. However given that decision it seems only equitable that the deemed value rate should remain at the status quo level. That will encourage fishers to continue to report catches accurately.

SSK8

FISHERIES INSHORE POSITION: SUPPORT OPTION 1 – TO RETAIN THE STATUS QUO.

60. The deemed values for SSK8 were decreased in 2017 due to the delayed implementation to increase the TACC of RSK 8 and SSK 8. They are currently lower than the deemed values for other skates.
61. We note that a lower deemed value for SSK8 is consistent with the port price for SSK8 being lower than other SSK port prices. The port prices are based on returns from Licensed Fish Receivers in each stock.

PORT PRICES SSK										
Stock	2013-14 Port Price kg	2014-15 Port Price kg	2015-16 Port Price kg	2016-17 Port Price kg	2017-18 Port Price kg	2018-19 Port Price kg	2019-20 Port Price kg	2020-21 Port Price kg	2021-22 Port Price kg	2022-23 Port Price kg
SSK1	0.48	0.50	0.32	0.23	0.19	0.20	0.21	0.44	0.22	0.22
SSK3	0.45	0.45	0.44	0.45	0.46	0.42	0.43	0.44	0.49	0.49
SSK7	0.58	0.49	0.50	0.48	0.49	0.46	0.40	0.48	0.46	0.49
SSK8	0.47	0.49	0.33	0.38	0.35	0.28	0.30	0.45	0.31	0.27

62. Notwithstanding the increase in TACC, it remains below the existing reported catch levels for recent years and whereas a more equitable approach may have been to provide a TACC option that provided limited headroom over existing catches, FNZ has chosen to set the TACC at a level where deemed values are expected.
63. In the absence of any perceived sustainability issue, we can see no valid reason for that decision. However, given that decision it seems only equitable that the deemed value rate should remain at the status quo level. That will encourage fishers to continue to report catches accurately.

KIN8 (and 7 noting that Southern Inshore holds the KIN7 mandate)

FISHERIES INSHORE POSITION: SUPPORT THE PROPOSED DEEMED VALUE DECREASE FOR KIN8.

64. The decreased deemed value rate will reduce unnecessary high costs incurred by fishers whilst maintaining a strong incentive to return live fish to the sea.
65. There is currently no sustainability concern with KIN8 (or KIN7). The stock is considered to be stable and at a high level, with KIN8 showing a strong increasing catch trend since 2014. Our preference in these circumstances would be to increase the TAC/TACC rather than decrease the deemed values.
66. It is on that basis that we also endorse Southern Inshore's comments on the proposed deemed values for KIN7.

SNA2

FISHERIES INSHORE POSITION: SUPPORT THE PROPOSED DECREASE IN THE DEEMED VALUE FOR SNA2.

67. Fisheries Inshore has continually expressed the view that a management review of the TAC/TACC for SNA2 is long overdue. We recognise the difficulties with the current SNA1 stock assessment but are frustrated at the delays that are unduly impacting fishers in FMA2.

68. While lowering the deemed value for SNA2 will provide some interim relief to fishers, based on the science discussed at the Plenary we implore FNZ to consider also providing a cautious 5% increase to the TACC for SNA2 (equivalent to an increase in SNA2 South) prior to awaiting the outcomes of the work to understand the relationship between SNA2 North and SNA1 BOP.
69. Fisheries Inshore also emphasises the importance of reviewing the TAC/TACC for the whole SNA2 stock contemporaneously with the completion of the SNA1 stock assessment and related work to understand the relationship between SNA1 BOP and SNA2 North.

TRE1

FISHERIES INSHORE POSITION: SUPPORT MAINTAINING THE CURRENT DEEMED VALUE FOR TRE1.

70. We note FNZ states:
- The TACC for TRE 1 has not been reviewed since the stock came into the QMS in 1986
 - Recent research indicates that biomass of the Bay of Plenty stock has increased since the mid-1980s and is likely to be above the management target of 40% B0.
 - The deemed value rates for TRE 1 were last reviewed in 2009
71. In the light of the above statements, the most appropriate management response would be an increase in the TAC and TACC to allow for increased utilisation.
72. Around \$350,000 has been paid in deemed values for TRE1 since the deemed values were reviewed in 2009.
73. Fisheries Inshore considers the proposed increase to the deemed value is unjustified as there is a lack of evidence indicating that the current catch is not being covered by ACE, nor is it evident that catches are exceeding the TACC and presenting a sustainability risk.
74. We also note that the deemed value rate was not decreased when port prices decreased in 2016. The recent increase in the TRE1 port price has restored the previous differentials that existed between the port price, ACE price and deemed value rate.

WAR2

FISHERIES INSHORE POSITION: DO NOT SUPPORT ANY CHANGE TO THE DEEMED VALUE FOR WAR2.

75. FNZ is not currently proposing any changes to the deemed values for WAR2 but has requested feedback based on the view that it may need to be reviewed as a result of dropping the TACC.
76. Fisheries Inshore considers there is no justification to change the deemed value rate as there is no evidence to suggest there is a sustainability risk to the stock, and that changes to fishing effort explain the reduced catch. Consequently, it is not appropriate that the TAC/TACC is reduced below Option 2 (260t). Nor are there any other issues that could justify an adjustment to the deemed value rate at this time.

OTHER INDUSTRY BODY MANDATED STOCKS

HOK 1, SCI 1

77. Fisheries Inshore endorses Deepwater Group's submission on these stocks.

SKI 3 and 7, BCO 7, FMA 7 Mixed Trawl fishery, GUR 3, SPO

78. Fisheries Inshore endorses Southern Inshore's submission on these stocks.

KIN 3 and 7

79. Fisheries Inshore endorses Southern Inshore Fisheries submission on the deemed value review for these stocks.

FURTHER ENGAGEMENT

80. Fisheries Inshore and our shareholders would be happy to engage in further discussions with FNZ on any matters pertaining to this submission before FNZ finalise their final advice on the sustainable management of these fisheries.

Kind regards,

A handwritten signature in blue ink, appearing to read 'Laws', with a long horizontal flourish underneath.

Laws Lawson
Executive Chair
Fisheries Inshore New Zealand