



Review of regulatory controls for selected rock lobster stocks

MPI Regulatory Impact Statement

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Regulatory Impact Statement

REVIEW OF REGULATORY CONTROLS FOR SELECTED ROCK LOBSTER STOCKS

Agency Disclosure Statement

This Regulatory Impact Statement has been prepared by the Ministry for Primary Industries. It provides an analysis of options to amend commercial fisheries regulations that control the taking, landing, transport, processing and sale of rock lobsters in the CRA 3 (Gisborne), CRA 7 (Otago) and CRA 8 (Southern) rock lobster fisheries.

The underlying management problem is that many of the CRA 3, CRA 7 and CRA 8 commercial regulations are creating unnecessary regulatory burden and are limiting the ability for the rock lobster industry to maximise benefits from the use of the resource.

Amendments to the CRA 3, CRA 7 and CRA 8 regulations have been proposed to reduce regulatory costs and increase the benefits obtained from the rock lobster resource. This is while ensuring sustainability and cost-effective compliance and enforcement.

During 2012 public consultation was undertaken by the National Rock Lobster Management Group and the Ministry for Primary Industries to better understand the issues. From this process, a preferred response was identified, which the Minister for Primary Industries has agreed to take to Cabinet, for consideration. This announcement constrains the extent of the RIS analysis.

Several information sources have been used in the analysis of options, including: commercial catch, effort and landing data, scientific research data, MPI compliance information, and anecdotal information from recreational and commercial fishery participants. A key uncertainty in the analysis is on the extent and timing of rock lobster recreational fishing.

The proposals do not override any fundamental common law principles, impair property rights or impose additional costs on the rock lobster industry, except for the proposal to require mandatory product identification of some domestically sold CRA 7 rock lobsters. Depending on the method of identification that industry proposes to introduce, this could result in a marginal increase in cost.

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/ /2013

Status quo

1. Commercial fisheries regulations that control the commercial minimum legal size (MLS), taking, landing, transport, processing and sale of rock lobsters in CRA 3, CRA 7 and CRA 8 are commonly referred to as Concession Area Regulations. Each set of Concession Area Regulations was introduced for different reasons, at different times and each contains inconsistent regulations.
2. The Concession Area Regulations were implemented:
 - For **CRA 3** in 1993 as a component of an agreed harvest strategy that was proposed by regional stakeholders. The CRA 3 Concession Area Regulations allow commercial fishers to take and land male rock lobsters at or above 52 mm tail width (TW) during June, July and August (referred to as the 'winter CRA 3 commercial MLS'). At other times of year the male MLS is 54 mm TW and at all times of year the female MLS is 60 mm TW.
 - For **CRA 7** in the mid-1900s in response to new information on the biology and behaviour of rock lobsters in the area. Information suggested that few rock lobsters grew beyond 54/60 mm TW and large numbers of small rock lobsters moved out of the fishery at certain times, emigrating south towards Foveaux Strait (within CRA 8). The CRA 7 Concession Area Regulations allow commercial fishers to take and land male and female rock lobsters at or above 127 mm tail length (TL) from 1 June to 19 November in any year (referred to as the 'CRA 7 commercial MLS'). CRA 7 has retained the TL measure despite a shift to TW in all other spiny rock lobster management areas.
 - For **CRA 8** in 1988 in response to new information on the morphology of rock lobsters in the area (i.e. rock lobster tails are narrower for a given length in the south). The CRA 8 Concession Area Regulations allow commercial fishers to take and land female rock lobsters at or above 57 mm TW at any time of year (referred to as the 'CRA 8 commercial MLS'). At all times of year the male MLS is 54 mm TW.
3. The main feature of the Concession Area Regulations is that they allow commercial fishers to take and land rock lobsters at a different MLS than the MLS that applies in other management areas and for recreational fishers across New Zealand (i.e. 54 mm TW for male rock lobsters and 60 mm TW for females). The different MLS regime provides commercial fishers with greater flexibility to match rock lobster grades to market demand than in other areas.
4. In May 2012, the previous Minister for Primary Industries decided to retain the existing commercial MLS regulations in CRA 3, CRA 7 and CRA 8 because their removal would have had a significant negative impact on the commercial industry (an estimated short-term impact of \$15 million). Due to this decision, the regulations pertaining to the CRA 3, CRA 7 and CRA 8 commercial MLSs are outside the scope of this review.
5. The expected outcome in the absence of any regulatory change is that the commercial industry will continue to be limited by unnecessary regulations.

Problem definition

6. Rock lobster is the most valuable inshore fishery earning over \$220 million per annum on the export market. There are opportunities to gain extra value from the rock lobster resource by increasing the flexibility of the management framework and reducing or removing unnecessary regulations.
7. The problem is that over time, the historic regulations relating to taking, landing, transporting, processing and selling smaller concession-size rock lobsters have not been removed, as newer, more effective, regulations have been implemented. The historic regulations do not protect the stock sustainability but do restrict the benefits from the fishery.

8. The regulations that apply to CRA 7 and CRA 8 rock lobsters were implemented prior to rock lobster entering the Quota Management System on 1 April 1990, and before the introduction of the Fisheries (Recordkeeping Regulations) 1990 (Recordkeeping Regulations). The CRA 3 Concession Area Regulations were introduced later, in 1993, and as a result are not as restrictive as those that apply in CRA 7 and CRA 8.

Objectives

9. MPI has analysed the options proposed in this RIS against the following:
 - Objective 1: Ensure stock sustainability;
 - Objective 2: Maximise customary, amateur and commercial utilisation benefits;
 - Objective 3: Ensure cost-effective compliance and enforcement.
10. The review also aims to create better regulation and less regulation, including a reduction in the regulatory burden for the rock lobster industry.
11. There is no statutory basis for undertaking the review or any time or budget constraints.

Summary of option analysis ¹

Summary of Options	Objective 1: ensure stock sustainability	Objective 2: maximise sector utilisation benefits			Objective 3: cost-effective compliance & enforcement	Key cost or benefit
		<i>Customary</i>	<i>Amateur</i>	<i>Commercial</i>		
<i>Closed seasons in CRA 3 and CRA 7</i>						
Option 1A - retain the CRA 3 commercial closure during May	✓	-	-	✗	-	Commercial operational difficulties continue
Option 1B (<i>preferred</i>) - remove the CRA 3 commercial closure during May	✓	-	-	✓	-	Reduction in commercial operating costs
Option 2A - retain the CRA 7 commercial closure during the period 20 November to 31 May	✓	-	-	✗	-	Commercial's ability to access key markets at critical times continue to be restricted
Option 2B (<i>preferred</i>) - remove the CRA 7 commercial closure during the period 20 November to 31 May	✓	-	-	✓	-	Extended commercial fishing season, increased market opportunities
<i>Closed area in CRA 7</i>						
Option 3A - retain the CRA 7 commercial fishing prohibition for the 'Otago Concession Buffer Zone'	✓	-	-	✗	-	Commercial continues to have prohibited access to an area of the fishery
Option 3B (<i>preferred</i>) - remove the CRA 7 commercial fishing prohibition for the 'Otago Concession Buffer Zone'	✓	-	-	✓	-	Commercial would have access to previously unavailable fishing grounds
<i>Vessel requirements for CRA 7</i>						
Option 4A - retain the CRA 7 vessel requirements for rock lobsters between the CRA 7 commercial minimum legal size (MLS) and 54/60 mm tail width(TW)	✓	-	-	✗	-	Ability for commercial vessels from outside CRA 7 to enter the fishery continues to be restricted
Option 4B (<i>preferred</i>) - remove the CRA 7 vessel requirements for rock lobsters between the CRA 7 commercial MLS and 54/60 mm TW	✓	-	-	✓	-	Reduction in commercial operational barriers
<i>Landing requirements for CRA 3, CRA 7 and CRA 8</i>						

¹ KEY: ✓ = option supports objective; ✗ = option does not support objective; - = neutral to minimal impact.

Summary of Options	Objective 1: ensure stock sustainability	Objective 2: maximise sector utilisation benefits			Objective 3: cost-effective compliance & enforcement	Key cost or benefit
		<i>Customary</i>	<i>Amateur</i>	<i>Commercial</i>		
Option 5A - retain the requirement that CRA 3 male rock lobsters between the winter CRA 3 commercial MLS and 54 mm TW must be landed within CRA 3 (or elsewhere subject to prior approval and conditions) and be delivered and sold to a licensed fish receiver (LFR) anywhere	✓	-	-	✓	-	The current requirements already provide the industry with the desired flexibility
Option 6A - retain the requirement that CRA 7 male and female rock lobsters between the CRA 7 commercial MLS and 54/60 mm TW must be landed within CRA 7, and delivered to a LFR situated in Otago	✓	-	-	✗	-	Commercial landings continue to be restricted to the CRA 7/Otago area
Option 6B (<i>preferred</i>) - amend the requirement for CRA 7 male and female rock lobsters between the CRA 7 commercial MLS and 54/60 mm TW to be landed within CRA 7, and delivered and sold to a LFR within the Otago Region (or elsewhere subject to prior approval and conditions)	✓	-	-	✓	-	Reduction in commercial operational barriers
Option 6C - amend the requirement for CRA 7 male and female rock lobsters between the CRA 7 commercial MLS and 54/60 mm TW to be landed within CRA 7 (or elsewhere subject to prior approval and conditions), and delivered and sold to a LFR anywhere	✓	-	-	✓	✗	Reduction in commercial operational barriers, but poses an unacceptable MPI compliance risk
Option 7A (<i>preferred</i>) - retain the requirement that CRA 8 female rock lobsters between the CRA 8 commercial MLS and 60 mm TW must be landed within CRA 8, and delivered and sold to a LFR in the 'Southland Region' (or elsewhere subject to prior approval and conditions)	✓	-	-	✓	-	The current requirements already provide the industry with the desired flexibility
Option 7B - amend the requirement for CRA 8 female rock lobsters between the CRA 8 commercial MLS and 60 mm TW to be landed within CRA 8 (or elsewhere subject to prior approval and conditions), and be delivered and sold to a LFR anywhere	✓	-	-	✓	✗	Reduction in commercial operational barriers, but poses an unacceptable MPI compliance risk
<i>Domestic sales for CRA 3, CRA 7 and CRA 8</i>						
Option 8A - retain the prohibition on domestic sales of CRA 3 male rock lobsters between the winter CRA 3 commercial MLS and 54 mm TW	✓	-	-	✗	-	Commercial domestic market restrictions continue
Option 8B (<i>preferred</i>) - allow domestic sales of CRA 3 male rock lobsters between the winter CRA 3 commercial MLS and 54 mm TW without any mandatory product identification	✓	-	-	✓	-	Increased domestic market opportunities for commercial and medium compliance risk of domestic sales at least in the short-term

Summary of Options	Objective 1: ensure stock sustainability	Objective 2: maximise sector utilisation benefits			Objective 3: cost-effective compliance & enforcement	Key cost or benefit
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Option 8C - allow domestic sales of CRA 3 male rock lobsters between the winter CRA 3 commercial MLS and 54 mm TW subject to mandatory product identification	✓	-	-	✗	✓	Increased domestic market opportunities for commercial, but with a marginal additional cost of product identification (this mitigates against the compliance risk of domestic sales)
Option 9A - retain the requirement for CRA 7 rock lobsters between the CRA 7 commercial MLS and 54/60 mm TW, that are intended for sale in New Zealand, to be packed into a 'consumer pack'	✓	-	-	✗	-	Restrictive commercial packaging requirements continue
Option 9B - allow domestic sales of CRA 7 rock lobsters between the CRA 7 commercial MLS and 54/60 mm TW without any mandatory product identification	✓	-	-	✓	✗	Reduction in commercial compliance costs, but high compliance risk of domestic sales
Option 9C (<i>preferred</i>) - allow domestic sales of CRA 7 rock lobsters between the CRA 7 commercial MLS and 54/60 mm TW subject to new product identification requirements	✓	-	-	✗	✓	Reduction in commercial compliance costs, but with a marginal additional cost of product identification (this mitigates against the compliance risk of domestic sales)
Option 10A - retain the prohibition on domestic sales of CRA 8 female rock lobsters between the CRA 8 commercial MLS and 60 mm TW	✓	-	-	✗	-	Commercial domestic market restrictions continue
Option 10B (<i>preferred</i>) - allow domestic sales of CRA 8 female rock lobsters between the CRA 8 commercial MLS and 60 mm TW without any mandatory product identification	✓	-	-	✓	-	Increased domestic market opportunities for commercial and low compliance risk of domestic sales at least in the short-term
Option 10C - allow domestic sales of CRA 8 female rock lobsters between the CRA 8 commercial MLS and 60 mm TW subject to mandatory product identification	✓	-	-	✗	✓	Increased domestic market opportunities for commercial, but with a marginal additional cost of product identification
<i>Export container/packaging for CRA 3, CRA 7 and CRA 8</i>						
Option 11A - retain the requirement that CRA 3 male rock lobsters, between the winter CRA 3 commercial MLS and 54 mm TW, must be held in containers marked 'Gisborne rock lobsters' when intended for export	✓	-	-	-	-	Minimal commercial cost continues

Summary of Options	Objective 1: ensure stock sustainability	Objective 2: maximise sector utilisation benefits			Objective 3: cost-effective compliance & enforcement	Key cost or benefit
		<i>Customary</i>	<i>Amateur</i>	<i>Commercial</i>		
Option 11B (<i>preferred</i>) - remove the CRA 3 export container requirements for male rock lobsters between the winter CRA 3 commercial MLS and 54 mm TW when intended for export, but require these rock lobsters to be held in containers marked 'CRA 3 rock lobsters' when intended for domestic sale (this is subject to CRA 3 domestic sales being allowed)	✓	-	-	-	-	Minimal commercial cost continues and domestic container labelling will assist compliance auditing and monitoring
Option 12A - retain the requirement for CRA 7 rock lobsters, between the CRA 7 commercial MLS and 54/60 mm TW, to be packed in a container that is sealed under the direction of a Fishery Officer when intended for export	✓	-	-	✗	-	Commercial processing costs continue
Option 12B (<i>preferred</i>) - remove the CRA 7 export packaging requirements for CRA 7 rock lobsters between the CRA 7 commercial MLS and 54/60 mm TW (this is subject to mandatory product identification being implemented for CRA 7)	✓	-	-	✓	-	Likely decrease in commercial processing costs
Option 13A - retain the requirement that CRA 8 female rock lobsters, between the CRA 8 commercial MLS and 60 mm TW, must be packed in a sealed and marked 'Southland concession pack' (Option 15A)	✓	-	-	✗	-	Commercial processing costs continue
Option 13B (<i>preferred</i>) - remove the 'Southland concession pack ' requirements for CRA 8 rock lobsters between the CRA 8 commercial MLS and 60 mm TW, but require these rock lobsters to be held in containers marked 'CRA 8 rock lobsters' when intended for domestic sale (this is subject to CRA 8 domestic sales being allowed)	✓	-	-	✓	-	Likely decrease in commercial processing costs and domestic container labelling will assist compliance auditing and monitoring
<i>Export requirements for CRA 3, CRA 7 and CRA 8</i>						
Option 14A - retain the requirement that CRA 3 male rock lobsters between the winter CRA 3 commercial MLS and 54 mm TW, must be exported from a licensed fish receiver only	✓	-	-	✗	-	Commercial operational constraints continue
Option 14B (<i>preferred</i>) - amend the CRA 3 export requirements for male rock lobsters, between the winter CRA 3 commercial MLS and 54 mm TW, to allow delivery to an export transhipment point subject to prior approval and conditions	✓	-	-	✓	-	Increased commercial flexibility

Summary of Options	Objective 1: ensure stock sustainability	Objective 2: maximise sector utilisation benefits			Objective 3: cost-effective compliance & enforcement	Key cost or benefit
		<i>Customary</i>	<i>Amateur</i>	<i>Commercial</i>		
Option 15A - retain the requirement that CRA 7 rock lobsters, between the CRA 7 commercial MLS and 54/60 mm TW, must be exported from a CRA 7 licensed fish receiver only	✓	-	-	✗	-	Commercial operational constraints continue
Option 15B (<i>preferred</i>) - amend the CRA 7 export requirements for rock lobsters, between the CRA 7 commercial MLS and 54/60 mm TW, to allow delivery to an export transshipment point subject to prior approval and conditions	✓	-	-	✓	-	Increased commercial flexibility
Option 16A (<i>preferred</i>) - retain the requirement that CRA 8 female rock lobsters, between the CRA 8 commercial MLS and 60 mm TW, can be delivered to an export transshipment point subject to prior approval and conditions	✓	-	-	✓	-	The current requirements already provide the industry with the desired flexibility
Export notification/record requirements for CRA 3, CRA 7 and CRA 8						
Option 17A - retain the requirement that no export notification or records are needed for CRA 3 male rock lobsters between the winter CRA 3 commercial MLS and 54 mm TW	✓	-	-	✓	-	The status quo will be maintained
Option 18A - retain the requirement for a LFR to notify export particulars to MPI when exporting CRA 7 rock lobsters between the CRA 7 commercial MLS and 54/60 mm TW	✓	-	-	-	-	Commercial compliance costs continue
Option 18B (<i>preferred</i>) - remove the CRA 7 export notification requirements for rock lobsters between the CRA 7 commercial MLS and 54/60 mm TW	✓	-	-	✓	-	Potential decrease in commercial compliance costs
Option 19A - retain the requirement for a LFR to notify export particulars to MPI and maintain specific records when exporting female CRA 8 rock lobsters between the CRA 8 commercial MLS and 60 mm TW	✓	-	-	-	-	Commercial compliance costs continue
Option 19B (<i>preferred</i>) - remove the CRA 8 export notification/record requirements for female CRA 8 rock lobsters between the CRA 8 commercial MLS and 60 mm TW	✓	-	-	✓	-	Potential decrease in commercial compliance costs

Regulatory impact analysis

12. The range of options that have been considered for CRA 3, CRA 7 and CRA 8 rock lobster fisheries, along with an assessment of their impacts against the objectives are set out in the appended table and summarised below.

Maintaining the status quo

13. Options 1A to 19A would maintain the existing commercial and recreational regulations for CRA 3, CRA 7 and CRA 8, and would continue to limit the ability for the industry to maximise utilisation benefits. There will be no change to stock sustainability, non-commercial utilisation benefits, or MPI compliance risks and resources through maintaining the status quo.

Regulatory change options

14. Options 1B -19B, 6C, 8C, 9C and 10C would result in changes to the existing commercial and/or recreational regulations in CRA 3, CRA 7 and CRA 8.
15. The proposed amendments to the commercial and recreational regulations are unlikely to negatively impact stock sustainability. The Total Allowable Catch (TAC) is the principal sustainability control that governs the amount of rock lobsters that can be taken from a management area. It is not proposed that any TACs will change through this review process.
16. Overall, non-commercial utilisation benefits are unlikely to be negatively impacted by the regulatory change options. However, information on the extent and timing of recreational fishing is limited and this affects MPI's ability to accurately assess any negative impact of removal of the CRA 3 and CRA 7 seasonal closures and CRA 7 area closure. The other change proposals will not impact non-commercial fishing benefits because they relate to changes in commercial regulatory controls after rock lobsters have been taken from the water.
17. The rock lobster industry is likely to benefit the most from the regulatory change proposals. This includes: a reduction in regulatory burden, industry compliance costs, operational costs and barriers; and increased flexibility and domestic market opportunities.
18. Information is not available to express industry benefits in dollar terms, but the benefits are expected to be significant. However, MPI estimates that the potential increase in value for all areas could be over \$1 million per annum.
19. It is expected that commercial fishers and licensed fish receivers (LFRs) will benefit the most from the regulatory change proposals. The number of individuals/companies that may benefit include: 25 Commercial rock lobster vessels in CRA3, 9 in CRA 7 and 62 in CRA 8; and 10 LFRs in CRA 3, 8 in CRA 7 and 9 in CRA 8 (based on 2011/12 MPI information).
20. Many of the commercial change proposals have the potential to reduce MPI compliance costs and are likely to result in low compliance risk of illegal activities.

Non-regulatory options

21. Non-regulatory options, including education and voluntary measures have been considered, but would not resolve the operational constraints that are currently imposed on industry by the current regulations.

Consultation

22. During 2011 and 2102, MPI and the National Rock Lobster Management Group (NRLMG)² extensively discussed the review of Concession Area Regulations applying to CRA 3, CRA 7 and CRA 8 rock lobster fisheries.
23. MPI publically consulted on proposals to review the Concession Area Regulations between 8 November and 13 December 2012.
24. 15 written submissions were received from the following individuals, groups and organisations: Mr Rolston (amateur fisher), CRA 8 Management Committee, Mr and Mrs Anderson (commercial fishers), FMA2&8 Regional Recreational Forum, FMA3&5 Regional Recreational Forum, Gisborne Tatapouri Sports Fishing Club, New Zealand Recreational Fishing Council, New Zealand Rock Lobster Industry Council, New Zealand Sport Fishing Council, Ngati Oneone Hapu Kaumatua, Ngati Porou Seafoods Limited, Ngai Tahu Seafoods and Toitu Te Whenua, Otago Rock Lobster Industry Association, Spearfishing New Zealand, and Tairawhiti Rock Lobster Industry Association.
25. In summary:
 - Ngati Oneone hapu and the recreational submitters support no change to the Concession Area Regulations for any area until equal access to the commercial MLS is granted to amateur fishers. Many of these submitters consider it unfair and inequitable for commercial fishers to take and possess smaller rock lobsters than they can legally harvest in CRA 3, CRA 7 and CRA 8. It is not clear whether these submitters support a reduction to the amateur MLS or increase to the commercial MLS in order to restore equity.
 - Commercial submitters (and Toitu Te Whenua) support amendments to the Concession Area Regulations. The overall views of these submitters are captured by the quote from the Rock Lobster Industry Council "...the Concession Area Regulations represent a mind-set of a different time but now the regulatory requirements impede the efficiency and cost-effectiveness of catch receipt, processing, transportation and export routines".
26. Based on feedback from the NRLMG and an analysis of submissions a new CRA 7 landing requirement proposal was added (Option 9B), the domestic sale options were clarified to specify whether mandatory product identification was required (Options 11B,C to 13B,C), and the export container labelling/packaging change proposals were amended (Options 14B to 16B).
27. With respect to the issue of equal access to the MLS in CRA 3, CRA 7 and CRA 8, it is not proposed that the commercial MLS will change at this time because the Minister for Primary Industries decided to retain this in May 2012.
28. Through the public consultation process, views were requested from submitters on a proposal to allow CRA 3, CRA 7 and CRA 8 amateur fishers to take rock lobsters at the same commercial MLS. The views expressed by amateur fishers and organisations were conflicting, with some supporting the proposal and others not.
29. The NRLMG reached consensus decisions for several of the regulatory change proposals, except for those outlined further below.

² The NRLMG is a multi-stakeholder group who acts as the primary advisor to the Minister for Primary Industries on catch limit, regulatory and other management actions that apply specifically to rock lobster.

30. Recreational NRLMG members do not support the proposals to remove the CRA 3 and CRA 7 commercial closures, remove the CRA 7 commercial closed areas or change the CRA 3, CRA 7 and CRA 8 domestic sale provisions until amateur fishers are granted equal access to the commercial MLS.
31. Customary, recreational and commercial NRLMG members recommended allowing amateur fisher's access to the CRA 3, CRA 7 and CRA 8 commercial MLS because it provides an opportunity to restore equity and fairness. However, MPI members of the NRLMG did not support the amateur MLS proposal for any area because of significant and ongoing compliance costs of education, monitoring and enforcement. These additional compliance costs do not fit with the current compliance operational environment that is focused on activities that result in increased economic activity from the commercial industry.
32. The Minister for Primary Industries has decided against allowing amateur fishers to take rock lobsters at the same commercial MLS in CRA 3, CRA 7 and CRA 8 due to unjustifiable compliance costs for MPI. Because of this decision, the amateur MLS proposals have not been assessed further in this RIS.
33. MPI note that the success of amateur fishing for rock lobster is primarily related to the available abundance in an area. For example, despite the different MLS regime in the CRA 8 fishery amateur fishers are currently experiencing high quality utilisation benefits. This is related to CRA 8 abundance being maintained well above the statutory target level.

Conclusions and recommendations

34. Analysis of options suggests that making changes to the Concession Area regulations in CRA 3, CRA 7 and CRA 8 will reduce unnecessary regulatory constraints and provide the industry with increased opportunities to maximise their utilisation benefits. The preferred regulatory change options are 1B-6B, 7A, 8B, 9C, 11B-14B, 16A, 18B and 19B. The analysis suggests that these options will maintain sustainability, and non-commercial benefits from the rock lobster fishery without imposing unnecessary compliance costs.

Implementation

35. If the proposals are approved, amendments to the following regulations would be required: Fisheries (Central Area Commercial Fishing) Regulations 1986; Fisheries (South-East Area Commercial Fishing) Regulations 1986; and Fisheries (Southland and Sub-Antarctic Areas Commercial Fishing) Regulations 1986. Within these area regulations, a number of the existing regulations will be removed or reduced.
36. It is proposed that the amendments would come into force on various dates from 1 October 2013. If Cabinet agrees, the Governor-General would then be recommended to make the necessary changes by Order in Council.
37. A communications plan will be developed for the notification of the measures. It is intended that the new measures would be publicised through local newspapers, as well as directly to interested stakeholders and through Fishery Officer's interactions with fishers in each area. Further, targeted and detailed information will be provided to affected stakeholders closer to implementation.
38. MPI propose to work with the industry to make sure commercial fishers, LFRs, processors and exporters of rock lobster are fully informed of the new rules. This will help to ensure voluntary compliance and minimise any additional compliance costs that could result from the changes. Implementation of the new rules will fall within current MPI monitoring and enforcement resources that are allocated for the rock lobster.

Monitoring, evaluation and review

39. MPI and the NRLMG will be responsible for overseeing an ongoing programme of monitoring and evaluation if any of the proposed regulatory changes come into effect.
40. It is proposed that the monitoring programme will cover the following aspects. The fishing activities of the rock lobster industry will be monitored through commercial catch, effort and landing information; industry compliance with the new rules will be monitored using MPI compliance information on observed activities, prosecutions, and intelligence and intangible anecdotal knowledge; the status of the CRA 3, CRA 7 and CRA 8 rock lobster fisheries will be monitored using research that estimates the relative abundance of each fishery; and the effectiveness of the new rules will be monitored in relation to information provided to MPI and the NRLMG by the rock lobster industry.
41. A review of any of the regulations will be considered in future if information suggests the CRA 3, CRA 7 and/or CRA 8 regulatory changes are not achieving the desired fisheries management outcomes. MPI and the NRLMG annually monitor the economic and sustainability performance of rock lobster fisheries through performance indicators such as quota value, management cost, and stock status.

Appendix Assessment of Impacts of Options	Objective 1: ensure stock sustainability	Objective 2: maximise sector utilisation benefits	Objective 3: cost-effective compliance and enforcement
Closed seasons in CRA 3 and CRA 7			
Option 1A - retain the CRA 3 commercial closure during May	No impact, the TAC is the principal sustainability control that governs how many rock lobsters can be taken from the water	<i>Commercial</i> – operational difficulties would continue (e.g. to deploy and retrieve fishing gear in a short time period and to close live rock lobster processing facilities for one month while fishing is prohibited) <i>Non-commercial</i> – no change in benefits	No change in existing MPI compliance risks and monitoring/enforcement effort.
Option 1B - (<i>preferred</i>) remove the CRA 3 commercial closure during May		<i>Commercial</i> - reduction in operational costs and increased ability to match fishing opportunities to market opportunities. <i>Non-commercial</i> – information on the extent and timing of amateur fishing in CRA 3 is limited. However, it is unlikely that ease of access and fishing success will be affected through opening the fishery up by an additional 31 days.	Compliance effort may increase with the initial removal of the May closure, but should revert to routine monitoring after 1 year. Compliance effort would no longer be required to ensure all pots are out of the water during the month of May.
Option 2A - retain the CRA 7 commercial closure during the period 20 November to 31 May	No impact, the TAC is the principal sustainability control that governs how many rock lobsters can be taken from the water	<i>Commercial</i> – continue to have restricted ability to access key markets at critical times. <i>Non-commercial</i> – no change in benefits	No change in existing MPI compliance risks and monitoring/enforcement effort.
Option 2B - (<i>preferred</i>) remove the CRA 7 commercial closure during the period 20 November to 31 May		<i>Commercial</i> – increased opportunities, including the ability to take advantage of key markets at the right time through being able to fish year round. <i>Non-commercial</i> – Information on the extent and timing of amateur fishing in CRA 7 is limited. However, it is expected that spatial overlap between amateur and commercial fishers will be limited due to different depths of water fished. The option will not result in commercial fishers taking more rock lobsters from the water.	Minimal increase in compliance effort to check rock lobster vessels if the closure is removed. Commercial effort is currently directed at inshore finfish vessels and auditing of LFRs during the time of the existing CRA 7 closure.
Closed area in CRA 7			
Option 3A - retain the CRA 7 commercial fishing prohibition for the 'Otago Concession Buffer Zone'	No impact, the TAC is the principal sustainability control that governs how many rock lobsters can be taken from the water	<i>Commercial</i> – continue to have prohibited access to an area of the CRA 7 fishery. <i>Non-commercial</i> – no change in benefits.	No change in existing MPI compliance risks and monitoring/enforcement effort.

Appendix Assessment of Impacts of Options	Objective 1: ensure stock sustainability	Objective 2: maximise sector utilisation benefits	Objective 3: cost-effective compliance and enforcement
Option 3B - (<i>preferred</i>) remove the CRA 7 commercial fishing prohibition for the 'Otago Concession Buffer Zone'	No impact, the TAC is the principal sustainability control that governs how many rock lobsters can be taken from the water	<i>Commercial</i> – removal of the Buffer Zone would give commercial fishers access to fishing grounds unavailable since 1994. It is estimated that the area comprises about 12% of the suitable rock lobster habitat in CRA 7. <i>Non-commercial</i> – information on the extent and timing of amateur fishing in CRA 7 is limited. It is understood that few amateur fishers harvest rock lobster from the area due to the remoteness and low population base in the area. Therefore, it is expected that there will be minimal negative impact on amateur fishers.	There is minimal compliance risk associated with removing the Buffer Zone. This is conditional on requirements being implemented to restrict movements of rock lobster from a management area to another prior to landing to an LFR (refer Option 9B)
Vessel requirements in CRA 7			
Option 4A - retain the CRA 7 vessel requirements for rock lobsters between the CRA 7 commercial MLS and 54/60 mm TW	No impact.	<i>Commercial</i> – continued inability for commercial vessels from outside CRA 7 to harvest CRA 7 rock lobsters. <i>Non-commercial</i> – no change in benefits.	No change in existing MPI compliance risks and monitoring/enforcement effort.
Option 4B - (<i>preferred</i>) remove the CRA 7 vessel requirements for rock lobsters between the CRA 7 commercial MLS and 54/60 mm TW	No impact	<i>Commercial</i> – removal would provide increased flexibility for operators outside of Otago to harvest CRA 7 rock lobsters subject to minimum 3 tonne Annual Catch Entitlement (ACE) requirements <i>Non-commercial</i> – no impact. The option will not result in commercial fishers taking more rock lobsters.	The CRA 7 vessel requirements are now redundant (they were introduced in 1964). The 3 tonne minimum ACE requirement and the proposal that CRA 7 fish must be landed to a LFR in the Otago Region (Option 6B) mitigates against the compliance risk of removing the vessel requirement.
Landing requirements for CRA 3, CRA 7 and CRA 8			
Option 5A - retain the requirement that CRA 3 male rock lobsters between the winter CRA 3 commercial MLS and 54 mm TW must be landed within CRA 3 (or elsewhere subject to prior approval and conditions) and be delivered and sold to a licensed fish receiver (LFR) anywhere	No impact	<i>Commercial</i> – the current requirements already provide the industry with the desired flexibility to deliver and sell rock lobster outside of CRA 3. (Note, no change is proposed to the current requirements). <i>Non-commercial</i> – no impact.	No change in existing MPI compliance risks and monitoring/enforcement effort.

Appendix Assessment of Impacts of Options	Objective 1: ensure stock sustainability	Objective 2: maximise sector utilisation benefits	Objective 3: cost-effective compliance and enforcement
Option 6A - retain the requirement that CRA 7 male and female rock lobsters between the CRA 7 commercial MLS and 54/60 mm TW must be landed within CRA 7, and delivered to a LFR situated in Otago	No impact	<i>Commercial</i> – continued restriction on landings to the CRA 7/Otago area creates unnecessary costs in time and resources. <i>Non-commercial</i> – no impact.	No change in existing MPI compliance risks and monitoring/enforcement effort.
Option 6B - (<i>preferred</i>) amend the requirement for CRA 7 male and female rock lobsters between the CRA 7 commercial MLS and 54/60 mm TW to be landed within CRA 7, and delivered and sold to a LFR within the Otago Region (or elsewhere subject to prior approval and conditions)	No impact	<i>Commercial</i> – greater flexibility to deliver and sell rock lobsters to LFRs outside of the Otago Region. This will benefit companies with processing facilities outside of CRA 7 (e.g. in Christchurch) <i>Non-commercial</i> – no impact, the option applies to the movement of rock lobsters after they are taken.	Unlikely change in compliance risk and monitoring effort. The industry recordkeeping/reporting requirements provide adequate means to track movements of all lobsters from vessel landing to LFR. The prior approval requirement of rock lobster movements outside of the Otago Region will help to mitigate against any increase in compliance risk that could result from the change.
Option 6C - amend the requirement for CRA 7 male and female rock lobsters between the CRA 7 commercial MLS and 54/60 mm TW to be landed within CRA 7 (or elsewhere subject to prior approval and conditions), and delivered and sold to a LFR anywhere	No impact	<i>Commercial</i> – greater flexibility to land, deliver and sell rock lobsters to LFRs outside Otago. <i>Non-commercial</i> – no impact, the option applies to the movement of rock lobsters after they are taken.	Allowing CRA 7 rock lobsters to be landed to a location other than a CRA 7 LFR poses an unacceptable compliance risk that is unlike any other management area. CRA 7 rock lobsters are substantially smaller than 54/60 mm TW and this can create incentives to disguise illegally harvested rock lobsters from other management areas as legitimate CRA 7 fish.
Option 7A - (<i>preferred</i>) retain the requirement that CRA 8 female rock lobsters between the CRA 8 commercial MLS and 60 mm TW must be landed within CRA 8, and delivered and sold to a LFR in the 'Southland Region' (or elsewhere subject to prior approval and conditions)	No impact	<i>Commercial</i> – the current CRA 8 landing requirements provide the industry with the desired flexibility to deliver and sell rock lobsters outside of the 'Southland Region' (Note, no change is proposed to the current requirements). <i>Non-commercial</i> – no impact.	No change in existing MPI compliance risks and monitoring/enforcement effort.
Option 7B - amend the requirement for CRA 8 female rock lobsters between the CRA 8 commercial MLS and 60 mm TW to be landed within CRA 8 (or elsewhere subject to prior approval and conditions), and be delivered and sold to a LFR anywhere	No impact	<i>Commercial</i> – greater flexibility to land, deliver and sell rock lobsters to LFRs outside CRA 8. <i>Non-commercial</i> – no impact, the option applies to the movement of rock lobsters after they are taken.	Allowing CRA 8 rock lobsters to be landed to a location other than a CRA 8 LFR may increase compliance risks of area misreporting (or 'trucking') (i.e. reporting illegally harvested rock lobsters from other management areas as legitimate CRA 8 fish).

Appendix Assessment of Impacts of Options	Objective 1: ensure stock sustainability	Objective 2: maximise sector utilisation benefits	Objective 3: cost-effective compliance and enforcement
<i>Domestic sales for CRA 3, CRA 7 and CRA 8</i>			
Option 8A - retain the prohibition on domestic sales of CRA 3 male rock lobsters between the winter CRA 3 commercial MLS and 54 mm TW & Option 10A - retain the prohibition on domestic sales of CRA 8 female rock lobsters between the CRA 8 commercial MLS and 60 mm TW	No impact	<i>Commercial</i> – continued restriction on domestic market opportunities. <i>Non-commercial</i> – no impact.	No change in existing MPI compliance risks and monitoring/enforcement effort.
Option 8B - (<i>preferred</i>) allow domestic sales of CRA 3 male rock lobsters between the winter CRA 3 commercial MLS and 54 mm TW, during the period 1 June to 30 September, without any mandatory product identification & Option 10B - (<i>preferred</i>) allow domestic sales of CRA 8 female rock lobsters between the CRA 8 commercial MLS and 60 mm TW without any mandatory product identification	No impact	<i>Commercial</i> – increased domestic market opportunities. This includes the ability for sellers of rock lobster to target the best price between the domestic and export market, and processors to sell unsuitable export product on the domestic market. <i>Non-commercial</i> – no impact, the option applies after rock lobsters are taken.	The industry recordkeeping/reporting requirements provide adequate means to track movements of domestically sold rock lobsters up to the final point of sale. Once rock lobsters reach this point retailers can run a top up system and disguise illegally harvested undersized rock lobster from other areas as legitimate CRA 3 or CRA 8 product. MPI considers that the risk of allowing CRA 3 and CRA 8 domestic sales without mandatory product identification to be low at this time. If information suggests illegal activities have increases in relation to these sales MP and industry propose to introduce a voluntary identification scheme.
Option 8C - allow domestic sales of CRA 3 male rock lobsters between the winter CRA 3 commercial MLS and 54 mm TW, during the period 1 June to 30 September, subject to mandatory product identification & Option 10C - allow domestic sales of CRA 8 female rock lobsters between the CRA 8 commercial MLS and 60 mm TW subject to mandatory product identification	No impact	<i>Commercial</i> – increased domestic market opportunities (as per Options 8B&10B above). However, a marginal cost of product identification will be imposed on industry. <i>Non-commercial</i> – no impact, the regulation applies to the rock lobsters after they are taken.	Mandatory product identification of CRA 3 and CRA 8 domestic sales will assist compliance monitoring and auditing. However, the cost to industry outweighs the benefit to compliance at this time and it is not considered a necessary measure.

<i>Appendix</i> Assessment of Impacts of Options	Objective 1: ensure stock sustainability	Objective 2: maximise sector utilisation benefits	Objective 3: cost-effective compliance and enforcement
Option 9A - retain the requirement for CRA 7 rock lobsters between the CRA 7 commercial MLS and 54/60 mm TW, that are intended for sale in NZ, to be packed into a 'consumer pack'	No impact	<i>Commercial</i> – continued limitations associated with 'consumer pack' requirements that no longer reflect the practices of industry to trade in live rock lobsters. <i>Non-commercial</i> – no impact.	No change in existing MPI compliance risks and monitoring/enforcement effort.
Option 9B - allow domestic sales of CRA 7 rock lobsters between the CRA 7 commercial MLS and 54/60 mm TW without any mandatory product identification	No impact	<i>Commercial</i> – removal of packaging requirements may reduce industry compliance costs and remove current marketing constraints and compliance challenges. <i>Non-commercial</i> – no impact, the regulation applies to the rock lobsters after they are taken.	MPI considers the domestic sale of CRA 7 rock lobsters without product identification will significantly increase compliance risks of poaching and black market activities and result in increased monitoring and enforcement effort.
Option 9C - (<i>preferred</i>) allow domestic sales of CRA 7 rock lobsters between the CRA 7 commercial MLS and 54/60 mm TW subject to new product identification requirements	No impact	<i>Commercial</i> – removal of industry costs (as per Option 12B above). However, a marginal cost of product identification will be imposed on industry. <i>Non-commercial</i> – no impact, the regulation applies to the rock lobsters after they are taken.	Mandatory product identification of CRA 7 domestic sales is expected to mitigate the compliance risk and help to identify poaching and black market activities.
Export container/packaging for CRA 3, CRA 7 and CRA 8			
Option 11A - retain the requirement that CRA 3 male rock lobsters, between the winter CRA 3 commercial MLS and 54 mm TW, must be held in containers marked 'Gisborne rock lobsters' when intended for export	No impact	<i>Commercial</i> – continued minimal cost. <i>Non-commercial</i> – no impact.	No change in existing MPI compliance risks and monitoring/enforcement effort.
Option 11B - (<i>preferred</i>) remove the CRA 3 export container requirements for male rock lobsters between the winter CRA 3 commercial MLS and 54 mm TW when intended for export, but require these rock lobsters to be held in containers marked 'CRA 3 rock lobsters' when intended for domestic sale (this is subject to CRA 3 domestic sales being allowed)	No impact	<i>Commercial</i> – continued minimal cost. <i>Non-commercial</i> – no impact.	Unlikely change in existing MPI compliance risks and monitoring/enforcement effort. If domestic sales of CRA 3 rock lobsters without mandatory product identification is approved (Option 8B), it is proposed that containers are labelled for compliance auditing and monitoring purposes. The recordkeeping requirements for export rock lobsters are considered sufficient for compliance purposes.

<i>Appendix</i> Assessment of Impacts of Options	Objective 1: ensure stock sustainability	Objective 2: maximise sector utilisation benefits	Objective 3: cost-effective compliance and enforcement
Option 12A - retain the requirement for CRA 7 rock lobsters, between the CRA 7 commercial MLS and 54/60 mm TW, to be packed in a container that is sealed under the direction of a Fishery Officer when intended for export	No impact	<i>Commercial</i> – continued industry processing costs associated with packaging rock lobsters. <i>Non-commercial</i> – no impact.	No change in existing MPI compliance risks and monitoring/enforcement effort.
Option 12B - (<i>preferred</i>) remove the CRA 7 export packaging requirements for CRA 7 rock lobsters between the CRA 7 commercial MLS and 54/60 mm TW (this is subject to mandatory product identification being implemented for CRA 7)	No impact	<i>Commercial</i> – likely decrease in industry processing costs (time and staff resources). <i>Non-commercial</i> – no impact.	Unlikely change in existing MPI compliance risks and monitoring/enforcement effort. The recordkeeping requirements for export rock lobsters are considered sufficient for compliance purposes. If mandatory product identification is approved for CRA 7 domestic sales, this will help to mitigate against the compliance risk of removing the packaging requirements.
Option 13A - retain the requirement that CRA 8 female rock lobsters, between the CRA 8 commercial MLS and 60 mm TW, must be packed in a sealed and marked 'Southland concession pack' (Option 15A)	No impact	<i>Commercial</i> – continued industry processing costs associated with packaging rock lobsters. <i>Non-commercial</i> – no impact.	No change in existing MPI compliance risks and monitoring/enforcement effort.
Option 13B - (<i>preferred</i>) remove the 'Southland concession pack' requirements for CRA 8 rock lobsters between the CRA 8 commercial MLS and 60 mm TW, but require these rock lobsters to be held in containers marked 'CRA 8 rock lobsters' when intended for domestic sale (this is subject to CRA 8 domestic sales being allowed)	No impact	<i>Commercial</i> – likely decrease in industry processing costs (time and staff resources). Minimal cost to label containers for domestic sale. <i>Non-commercial</i> – no impact.	As per Option 12B.
Export requirements for CRA 3, CRA 7 and CRA 8			
Option 14A - retain the requirement that CRA 3 male rock lobsters between the winter CRA 3 commercial MLS and 54 mm TW, must be exported from a LFR only & Option 15A - retain the requirement that CRA 7 rock lobsters, between the CRA 7 commercial	No impact	<i>Commercial</i> – continued industry operational constraints, particularly for CRA 7 where rock lobsters can only be exported from a LFR in CRA 7. <i>Non-commercial</i> – no impact.	No change in existing MPI compliance risks and monitoring/enforcement effort.

Appendix Assessment of Impacts of Options	Objective 1: ensure stock sustainability	Objective 2: maximise sector utilisation benefits	Objective 3: cost-effective compliance and enforcement
MLS and 54/60 mm TW, must be exported from a CRA 7 LFR only			
Option 14B - <i>(preferred)</i> amend the CRA 3 export requirements for male rock lobsters, between the winter CRA 3 commercial MLS and 54 mm TW, to allow delivery to an export transhipment point subject to prior approval and conditions & Option 15B - <i>(preferred)</i> amend the CRA 7 export requirements for rock lobsters, between the CRA 7 commercial MLS and 54/60 mm TW, to allow delivery to an export transhipment point subject to prior approval and conditions	No impact	<i>Commercial</i> – increased flexibility to export through different transhipment points (subject to MPI approval) <i>Non-commercial</i> – no impact.	Minimal compliance risk associated with amending the requirements. Industry recordkeeping/reporting mitigates against the compliance risk of allowing rock lobsters to be delivered to an export transhipment point.
Option 16A - <i>(preferred)</i> retain the requirement that CRA 8 female rock lobsters, between the CRA 8 commercial MLS and 60 mm TW, can be delivered to an export transhipment point subject to prior approval and conditions	No impact	<i>Commercial</i> – the current CRA 8 export requirements provide the industry with the desired flexibility to deliver and sell rock lobsters outside of the ‘Southland Region’ (Note, no change is proposed to the current requirements). <i>Non-commercial</i> – no impact.	No change in existing MPI compliance risks and monitoring/enforcement effort.
Export notification/record requirements for CRA 3, CRA 7 and CRA 8			
Option 17A - retain the requirement that no export notification or records are needed for CRA 3 male rock lobsters between the winter CRA 3 commercial MLS and 54 mm TW	No impact	<i>Commercial</i> – no change.	No change in existing MPI compliance risks and monitoring/enforcement effort.
Option 18A - retain the requirement for a LFR to notify export particulars to MPI when exporting CRA 7 rock lobsters between the CRA 7 commercial MLS and 54/60 mm TW & Option 19A - retain the requirement for a LFR to notify export particulars to MPI and maintain specific records when exporting female CRA 8	No impact	<i>Commercial</i> – continued industry compliance costs. <i>Non-commercial</i> – no impact.	No change in existing MPI compliance risks and monitoring/enforcement effort.

<i>Appendix</i> Assessment of Impacts of Options	Objective 1: ensure stock sustainability	Objective 2: maximise sector utilisation benefits	Objective 3: cost-effective compliance and enforcement
rock lobsters between the CRA 8 commercial MLS and 60 mm TW			
Option 18B - <i>(preferred)</i> remove the CRA 7 export notification requirements for rock lobsters between the CRA 7 commercial MLS and 54/60 mm TW & Option 19B - <i>(preferred)</i> remove the CRA 8 export notification/record requirements for female CRA 8 rock lobsters between the CRA 8 commercial MLS and 60 mm TW	No impact	<i>Commercial</i> – removal of the requirements would minimise the documentation LFRs are provided to comply with the rules for export rock lobsters. <i>Non-commercial</i> – no impact.	Minimal compliance risk associated with removing the requirements. Industry recordkeeping/reporting mitigates against the compliance risk by tracking rock lobster movements through the supply chain.