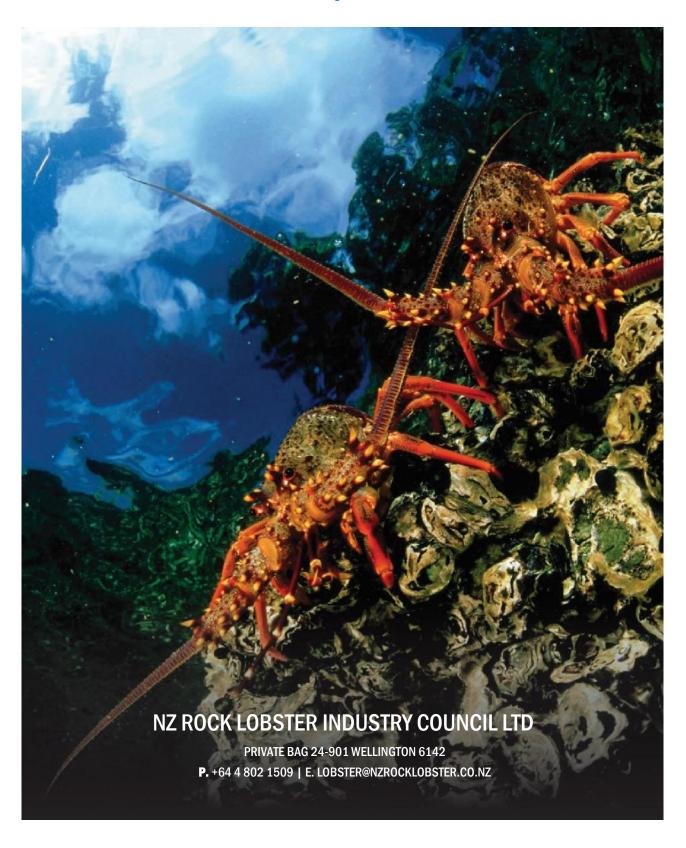
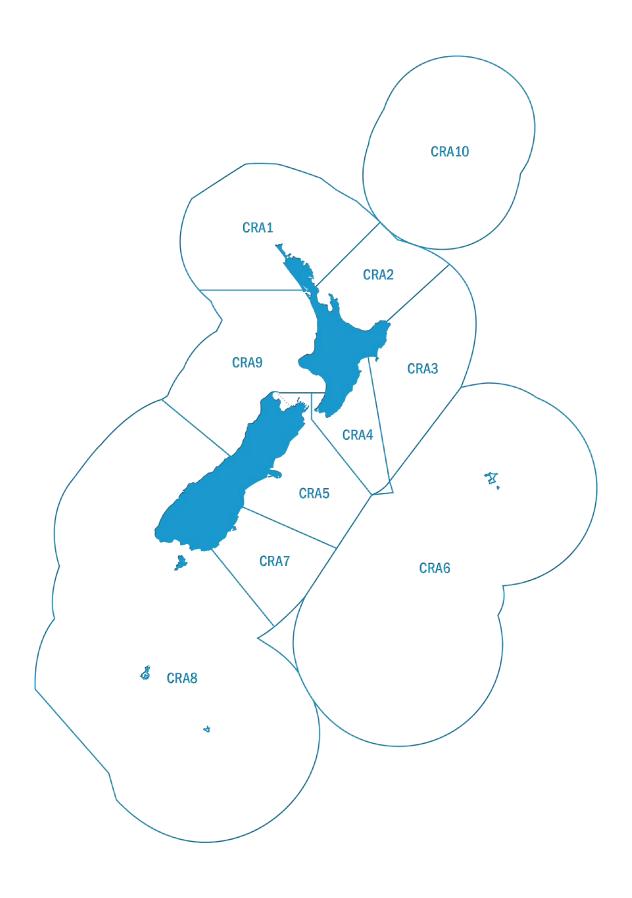
ROCK LOBSTER COMMODITY LEVY CONSULTATION 2017

NOTICE TO ALL CRA QUOTA SHARE OWNERS



NZ ROCK LOBSTER MANAGEMENT AREAS



ROCK LOBSTER COMMODITY LEVY CONSULTATION 2017

The Commodity Levies (Rock Lobster) Order 2013 came into force on 1 April 2013. The levy order enables the NZ Rock Lobster Industry Council Ltd (NZ RLIC) to collect a compulsory levy from rock lobster quota owners to fund the activities of the CRAMACs and NZ RLIC. Levy rates are set annually following a consultation process set out in the NZ RLIC constitution.

The levy order also enables CRAMACs to fund projects that relate to their stock by levying rock lobster quota share owners. The NZ RLIC formally engages CRAMACs to provide the services outlined in each project plan.

The CRAMAC summary work plans and budgets relevant to your CRA quota share ownership as at July 2016 are included with this notice.

NZ RLIC has notified a 2017/18 business plan (in so far as it relates to the 'core' levy) to all CRA quota share owners, and will provide additional copies of that and detailed copies of CRAMAC Work Plans and Budgets on request. Email lobster@nzrocklobster.co.nz. The full NZ RLIC Business Plan can also be found on the NZ RLIC web site — www.nzrocklobster.co.nz.

Several items to note when reading the workplan and budget relevant to your CRA quota share investment.

The Commodity Levy Act restricts the range of activities for which levy money can be deployed. For this reason, the format of each CRAMAC workplan is similar in terms of the main headings and the general descriptions of activities.

The 'core' levy is a nominal increase on the current year as explained in the NZ RLIC Business Plan. April 2017 TACC reductions in CRA 3 and CRA 4 have reduced the overall levy base.

The Stock Specific Levy component which funds the CRAMAC workplans is a function of cost and the TACC for the region. For the small fisheries (CRA 7 and CRA 9) the low TACC means that a smaller levy base exists and price per tonne is relatively high in comparison to CRA 8 for example.

The random appearance of toxic algal blooms since 2011/12 has created a need for industry to retain sufficient capacity to respond in the event of any food safety risks. Each CRAMAC is operating a response plan commensurate with risk as currently understood.

The NZ RLIC and CRAMACs now extend an invitation to all levy payers to provide written submissions to the NZ RLIC Business Plan if they wish to do so. Levy payers are also requested to endorse the CRAMAC work plans that are relevant to them using the personalized ballot form attached to this notice.

The closing date for submissions and ballot papers is Friday 12th August 2017. Submissions and ballot results will be considered and reviewed and new levies confirmed at the August 16th NZ RLIC Board meeting.

The NZ RLIC will soon after notify the rock lobster levy that will apply for each CRA stock (incorporating the 'core' and the 'stock specific' components) from 01 October 2017.

CRAMAC WORK PLAN HIGHLIGHTS

CRAMAC 1 WORK PLAN 2017/18

CRAMAC 1 monitors proposals for marine reserves and other marine protected areas with potential to exclude rock lobster fishing and compiles fishery and economic data that will be used in response to formal applications.

Provision is made in every CRA 1 work plan to have regular representation at all forums where CRA 1 fishery business is up for discussion and debate. The 2017/18 workplan and budget is also set to maintain regular administrative support for the CRAMAC 1 Committee and regular meetings of the association.

For 2017/18 the Committee will facilitate the stock monitoring coverage across both CRA 1 and the PHC fishery within the CRA 1 boundaries and will also commission supplementary tag and release; and puerulus collection projects for both the CRA 1 and PHC stocks.

CRAMAC 1 will also maintain and service electronic catch and effort data collection through a supervised Vessel Logbook programme which is producing useful data for future stock assessments.

CRAMAC 2 WORK PLAN 2017/18

Spatial access and utilisation issues continue to draw on CRA 2 Rock Lobster Management Company Ltd (CRAMAC 2) resources of time, money and manpower. The roll out of Marine Protected Areas legislation in 2017 and the specific provision of a recreational fishing reserve within the CRA 2 boundaries has drawn the CRAMAC into more work.

In September 2017 MPI proposes a formal CRA 2 stakeholder engagement and a new CRA 2 stock assessment as a response to media criticism and recreational sector complaints about stock status and fishing success. CRAMAC 2 will make a strong and well supported contribution to that engagement.

CRAMAC 2 maintains a very extensive and sophisticated Electronic Vessel Logbook programme and contracts a supervisor working from Opotiki to ensure consistent and reliable service delivery to industry participants and to the stock assessment process.

The electronic reporting format has been demonstrated to be easy to use, very reliable and provides more detailed catch and effort reporting in addition to size frequency and other data useful to stock assessments. A deep-water puerulus collection project was successfully commenced in 2016 and will be expanded through 2017/18. The time series of settlement data will supplement recruitment information for use in future assessments.

CRAMAC 2 is invested in coordinating an agreed commercial harvest initiative for Statistical Area 906 and has designated budget and resources to enable an effective industry response to persistent toxic algal blooms in the Bay of Plenty.

CRAMAC 3 WORK PLAN 2017/18

The Tairawhiti Rock Lobster Industry Association continues to fund a voluntary vessel logbook programme including an end of season rewards initiative for participants. The Association is focused on accurate record

keeping and reporting and oversight of spatial access opportunities and the coordination and management of two voluntary commercial initiatives linked to the continued operation of the AW MLS regime.

An ongoing investment is being made to research the probable causes of tail fan and shell necrosis. The Association is concerned that the impacts of necrosis are perhaps not more widely understood and appreciated and for the foreseeable future expects to be the only industry investor in more detailed analysis and evaluation of cause and effect of the extreme levels of necrosis observed principally in the Statistical Area 910.

Formal contracts have been negotiated with key service providers and supplementary research funding applied for.

The Association is progressing an upgrade to industry support and communication across the CRA 3 industry. Resource sharing with CRAMAC 4 could be expanded mid-way through 2018.

CRAMAC 4 WORK PLAN 2017/18

CRA 4 has three quite distinct areas of commercial rock lobster fishing activity – Hawkes Bay, Wairarapa and Wellington. The CRA 4 Rock Lobster Industry Association (CRAMAC 4) has executive Committee membership from across the three 'zones' and has a useful balance of quota owner, catching, processing and export sector personnel.

The CRAMAC 4 workplan is again focused on oversight and monitoring of the CRA 4 fishery and maintaining the reputation of the CRA 4 industry particularly with the wider community inside CRA 4 boundaries.

A supervised CRA 4 Voluntary Logbook programme and incentives for tag recapture reporting will continue. Tag and release coverage will be maintained by way of another industry-funded sequence in 2017/18.

The Association is also making provision for any response required in the event of toxic algal blooms. There have previously been two major blooms in CRA. A response is essential in the context of the national Biotoxin Response Plan and will be made at the direct cost to CRAMAC 4.

The Association is sharing some resources with CRAMAC 3 and may expand the scope of the arrangement mid-way through 2018.

Importantly for the 2017/18 Work Plan, CRAMAC 4 will complete development and promote implementation of a CRA 4 Commercial Harvest Strategy which was previewed at the 2017 AGM of the Association.

CRAMAC 5 WORK PLAN 2017/18

The CRA 5 Industry Association (CRAMAC 5) has successfully implemented the Friends of the Sea certification scheme for the CRA 5 fishery. The 2017/18 workplan includes provision for routine audit of the certification.

CRAMAC 5 is invested in a purpose built electronic logbook and has expanded electronic logbook coverage across the CRA 5 fleet. An ongoing investment in new 'smart-tag' technology will enable users to record fine scale spatial and environmental information associated to fishing trips.

CRAMAC 5 maintains a high level of Logbook participation and the 2017/18 workplan supports a regional liaison officer and part-time field technician and Logbook Supervisor. An elective research programme related to puerulus settlement informs CRA 5 industry as to the future trends in abundance.

CRAMAC 5 retains important and productive relationships with non-commercial stakeholder groups and is actively involved in the Te Korowai (Kaikoura Guardians) and Marlborough Marine Futures. Ongoing issues will be the post-earthquake CRA 5 fishery monitoring and unresolved issues with recreational charter fishing

industry growth in the region. A contracted field officer, Larnce Wichman, coordinates a range of communication and media initiatives as well as maintaining a regular and productive dialogue with non-commercial sectors in the region.

CRAMAC 5 is finding itself increasingly drawn into regional and local government issues including a Marlborough District Council environment plan which seeks to impose restrictions on commercial fishing within regional boundaries. The CRAMAC is already making a significant investment of time and contracted service provision in collaboration with other commercial stakeholder interests to ensure future commercial access and utilisation opportunities.

CRAMAC 6 WORK PLAN 2017/18

The CRA 6 Industry Association (CRAMAC 6) coordinates a Vessel Logbook programme, has oversight of a range of maritime safety and local infrastructure discussions and maintains a watching brief on local government issues that have potential to impact on Chatham Islands fishing businesses.

Maintaining the Fishermen's Office at Waitangi is a primary objective of every CRAMAC 6 workplan. Under the supervision of the CRAMAC 6 Executive Committee, the NZ RLIC and FishServe, the Fishermen's Office provides a range of registry services to all Chatham Island fishing industry personnel to enable compliance with Record Keeping and Reporting Regulations.

CRAMAC 6 also has oversight of the wharf development at Waitangi and ongoing issues related to vessel survey and MOSS compliance are also coordinated through CRAMAC 6.

Transport infrastructure to move rock lobsters and other seafood products to mainland and export markets and the regulatory environment in regard to the rock lobster fishing season and multiple harvest methods are also under regular review by CRAMAC 6.

CRAMAC 7 WORK PLAN 2017/18

The Otago Rock Lobster Industry Association (ORLIA) executive committee members actively contribute to the operation of a CRA 7 Management Procedure that guides TAC/TACC setting for the fishery.

Previously the ORLIA had been managing a small research project under contract to the NZ RLIC and income from that contract had offset some operating costs locally. The principal research contract activity was revised early in 2016 and the NZ RLIC is now directly managing an expanded CRA 7 stock monitoring coverage and supplying its own field technician for observer catch sampling and tag and release work.

The Association field officer, Simon Gilmour, coordinates access to lobster vessels for the NZ RLIC technician and also represents the Association interests at NZ RLIC Board level.

The Association maintains an industry-funded puerulus collection programme and contracts Bob Street to run that at selected sites. Data from collectors at those sites is supplied to NIWA to supplement their existing coverage.

The Association is expanding provision for industry support and ORLIA representation at various regional and national forums relevant to ongoing commercial access and utilisation of the CRA 7 fishery. Significant resources of time and expertise have already been expended on the Otago Marine Protection Forum and the current indications are for that work to continue well into 2018.

CRAMAC 8 WORK PLAN 2017/18

The CRA 8 Rock Lobster Industry Association (CRAMAC 8) contracts a full-time Chief Executive, Malcolm Lawson, who has oversight and responsibility for the various regional initiatives and who represents the CRA 8 industry on the NZ RLIC and other forums.

The CRA 8 industry continues to provide financial support and significant time and resources to various environmental initiatives around the Southland coast. CRAMAC 8 will continue the CRA 8 Scholarship programme. An improved communication and information programme will be consolidated through online and direct mail.

The water sampling and testing regimes established in 2015 will be continued as a cornerstone of a CRA 8 Biotoxin Response Plan. Sample results are an early warning of possible toxic algal blooms.

The investment in CRA 8 stock monitoring activities extends to electronic logbook coverage and tag recapture reporting. The Committee has previously made very significant investments in post-harvest research and is committed to having the recommendations progressively implemented through the chain of custody from fishermen to market.

CRAMAC 9 WORK PLAN 2017/18

The CRA 9 Industry Association provides effective coordination and support for an industry split between two islands and maintains an effective representation and advocacy function.

The decision in 2015 to set aside the CRA 9 Management Procedure because of concerns about sufficient data being available each season has caused the Association to consider what other reliable fishery performance indicators are available to guide harvest strategy decisions.

The 2017/18 work plan provides for CRA 9 industry to maintain 100% fleet Logbook coverage and runs a supplementary tag and release project in the Taranaki region. The Association will undertake consultation with the CRA 9 industry to confirm a CRA 9 Commercial Harvest Strategy for implementation from April 2018.

Wider industry support and the frequency of communication to and from the CRA 9 industry is a challenge for CRAMAC 9 because of the North Island/South Island split and will be further improved through 2017/18.

DETAILED CRAMAC WORK PLANS 2017/18

As previously noted, the more detailed versions of the CRAMAC 2017/18 Work Plans are available on request from the NZ RLIC office – email lobster@nzrocklobster.co.nz or can be downloaded from the NZ RLIC website. The work plans were previewed at CRAMAC meetings during 2017 and are consistent with the scope and intent of previous work plans and budgets endorsed by quota share owners.

COMPLETING THE LEVY CONSULTATION PROCESS

You are invited to again read the NZ RLIC Business Plan and the CRAMAC work plan relevant to your quota share ownership. If you wish to comment on the NZ RLIC Business Plan you should include your comments with your ballot paper or you can email them directly to lobster@nzrocklobster.co.nz with 2017Plan in the subject line please.

You are now requested to endorse your CRAMAC work plan and the recommended stock specific levy. Please complete the personalised ballot paper attached to this notice and return it in the stamp-addressed envelope also included with this notice; or if you prefer, scan the completed ballot and email to:

<u>lobster@nzrocklobster.co.nz</u> with <u>2017Ballot</u> in the subject line.

NZ Rock Lobster Industry Council
July 2017

COMPARISON OF CRA LEVIES

GAZETTED ROCK LOBSTER COMMODITY LEVY RATES 2015/16

	CORE	SSL	TOTAL
CRA 1	203.67	198.38	402.05
CRA 2	203.67	521.00	724.67
CRA 3	203.67	112.47	316.14
CRA 4	203.67	105.78	309.45
CRA 5	203.67	239.06	445.43
CRA 6	203.67	155.56	359.23
CRA 7	203.67	153.50	357.23
CRA 8	203.67	190.12	393.79
CRA 9	203.67	362.01	565.68

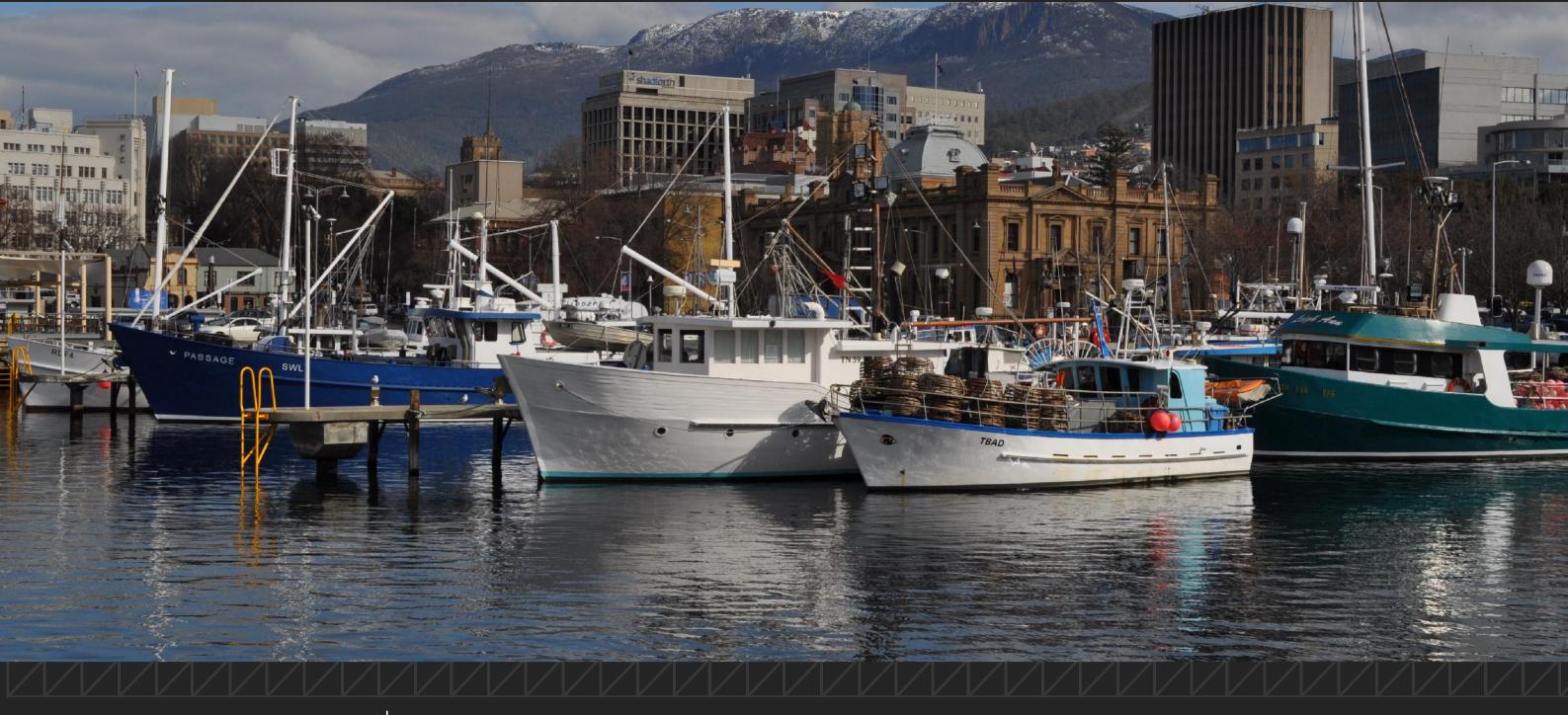
GAZETTED ROCK LOBSTER COMMODITY LEVY RATES 2016/17

CRA 1	226.99	198.38	425.37
CRA 2	226.99	363.00	589.99
CRA 3	226.99	112.47	339.46
CRA 4	226.99	124.43	351.42
CRA 5	226.99	258.79	485.77
CRA 6	226.99	133.33	360.32
CRA 7	226.99	501.43	728.42
CRA 8	226.99	189.03	416.02
CRA 9	226.99	362.01	588.99

PROPOSED ROCK LOBSTER COMMODITY LEVY RATES 2017/18

	CORE	SSL	TOTAL
CRA 1	285.86	198.38	484.24
CRA 2	285.86	388.00	673.86
CRA 3	285.86	165.43	451.29
CRA 4	285.86	170.93	456.79
CRA 5	285.86	204.31	490.17
CRA 6	285.86	133.33	419.19
CRA 7	285.86	391.04	676.90
CRA 8	285.86	153.71	439.57
CRA 9	285.86	506.08	791.94

^{*} Levies are expressed in **\$/tonne per annum** and are invoiced in twelve instalments commencing 01 October in each year.



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