

**Ministry for Primary Industries**  
Manatū Ahu Matua



# Request to ESC22 to evaluate the effect(s) of a proposed revision to carry-forward rules on the operation of the CCSBT Management Procedure

**New Zealand**

Prepared for the 22<sup>nd</sup> Meeting of the Extended Scientific  
Committee (ESC22)

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## Summary

New Zealand is proposing that the rules for limited carry-forward of unfished allocation (“carry-forward”) be amended to allow uncaught allocation (“under-fishing”) that has been carried forward between years to generate further under-fishing, provided that the total under-fishing carried forward to any year is no more than 20% of the Member’s national allocation in the previous year.

New Zealand does not believe that the current rules fully allow for the optimal utilisation of the global allocation permitted under the Management Procedure (MP).

The initial New Zealand position is that the changes proposed would not have a negative impact on the operation of the MP or adversely affect the agreed rebuild of the southern bluefin tuna stock and we now seek confirmation of these views from the wider ESC.

## Background

Defining the rules for carry-forward was the focus of in-depth discussion during the establishment of the MP. Both the Resolution on the Adoption of a Management Procedure<sup>1</sup> and the Resolution on Limited Carry-forward of Unfished Annual Total Allowable Catch of Southern Bluefin Tuna within Three Year Quota Blocks<sup>2</sup> were adopted at CCSBT18 in 2011<sup>3</sup>.

While, initially, carry-forward was only permitted within three year quota blocks, at CCSWG3 in April 2014, Australia presented a paper (CCSBT-CCWG/1404/06) providing a draft revision of the carry-forward rules to allow for carry-forward of under-fishing between three year quota blocks. CCWG3 agreed to the draft revision<sup>4</sup>, subject to confirmation from ESC19 that the revision would not have a negative impact on the operation of the MP.

At the Secretariat’s request (CCSBT-ESC/1409/05), ESC19 ran projections comparing the results of the MP with and without the proposed revision. ESC19 determined that there was “negligible difference between the projections, with carry-forward of the unfished allocations between quota blocks having no adverse impact on the outcomes.”<sup>5</sup>

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<sup>1</sup> The Resolution on the Adoption of a Management Procedure

([https://www.ccsbt.org/userfiles/file/docs\\_english/operational\\_resolutions/Resolution\\_Management\\_Procedure.pdf](https://www.ccsbt.org/userfiles/file/docs_english/operational_resolutions/Resolution_Management_Procedure.pdf))

<sup>2</sup> Report of the Eighteenth Annual Meeting of the Commission, Attachment 13

([https://www.ccsbt.org/userfiles/file/docs\\_english/meetings/meeting\\_reports/ccsbt\\_18/report\\_of\\_CCSBT18.pdf](https://www.ccsbt.org/userfiles/file/docs_english/meetings/meeting_reports/ccsbt_18/report_of_CCSBT18.pdf))

<sup>3</sup> Report of the Eighteenth Annual Meeting of the Commission

<sup>4</sup> Report of The Third Meeting of the Compliance Committee Working Group

([https://www.ccsbt.org/userfiles/file/docs\\_english/meetings/meeting\\_reports/ccsbt\\_21/report\\_of\\_CCWG3.pdf](https://www.ccsbt.org/userfiles/file/docs_english/meetings/meeting_reports/ccsbt_21/report_of_CCWG3.pdf))

<sup>5</sup> Report of the Nineteenth Meeting of the Scientific Committee

([https://www.ccsbt.org/userfiles/file/docs\\_english/meetings/meeting\\_reports/ccsbt\\_21/report\\_of\\_SC19.pdf](https://www.ccsbt.org/userfiles/file/docs_english/meetings/meeting_reports/ccsbt_21/report_of_SC19.pdf))

With this advice from ESC19, and the recommendation of CC9<sup>6</sup>, the revised Resolution on Limited Carry-forward of Unfished Annual Total Allowable Catch of Southern Bluefin Tuna (“the carry-forward Resolution”)<sup>7</sup> was adopted at CCSBT21 in 2014.<sup>8</sup>

A review of the MP is currently underway, with the aim of completion in time to recommend the 2021-2023 quota block with a new MP in 2019.<sup>9</sup> As part of its advice on the carry-forward Resolution, ESC19 recommended that carry-forward provisions should be considered during any review of the MP.<sup>10</sup>

## Current carry-forward rules

The current rules for carry-forward are defined in the carry-forward Resolution.

Within the MP, the global total allowable catch (global TAC) is set and maintained for three year blocks, unless exceptional circumstances dictate otherwise. An annual allocation of the global TAC is then set for each Member (“national allocation”).

If a Member’s national allocation is under-caught, resulting in under-fishing, that under-fishing can be carried forward to the next year as long as it does not exceed 20% of the Member’s national allocation. In other words, a Member’s “available catch limit” (their national allocation, plus last year’s under-fishing) is limited to the current year’s national allocation plus 20% of the previous year’s.<sup>11</sup>

The carry-forward Resolution states that under-fishing may only be carried forward from one year to the next. Specifically, “Quota that is carried forward from one quota year may not in turn generate further under-fishing to be carried forward to the following year.”<sup>12</sup>

The carry-forward Resolution also specifies the circumstances when carry-forward is not applicable:

- If the global total allowable catch is reduced within a three year quota block, carry-forward procedures will not be applied by any Member;
- If a Member’s national allocation is reduced within a three year quota block; carry-forward procedures will not be applied by that Member;
- If the Extended Commission decides to lower the global total allowable catch, carry-forward procedures will not be applied by any Member; and

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<sup>6</sup> The Report of the Ninth Meeting of the Compliance Committee (CC9) recommended to the Extended Commission that: “a revision to the Resolution on Limited Carry-forward of Unfished Annual Total Allowable Catch of Southern Bluefin Tuna” to allow carry-forward between three year blocks be approved.

([https://www.ccsbt.org/userfiles/file/docs\\_english/meetings/meeting\\_reports/ccsbt\\_21/report\\_of\\_CC9.pdf](https://www.ccsbt.org/userfiles/file/docs_english/meetings/meeting_reports/ccsbt_21/report_of_CC9.pdf))

<sup>7</sup> The Resolution on Limited Carry-forward of Unfished Annual Total Allowable Catch of Southern Bluefin Tuna ([https://www.ccsbt.org/userfiles/file/docs\\_english/operational\\_resolutions/Resolution\\_Limited\\_Carry\\_forward.pdf](https://www.ccsbt.org/userfiles/file/docs_english/operational_resolutions/Resolution_Limited_Carry_forward.pdf))

<sup>8</sup> Report of the Twenty First Annual Meeting of the Commission

([https://www.ccsbt.org/userfiles/file/docs\\_english/meetings/meeting\\_reports/ccsbt\\_21/report\\_of\\_CCSBT21.pdf](https://www.ccsbt.org/userfiles/file/docs_english/meetings/meeting_reports/ccsbt_21/report_of_CCSBT21.pdf))

<sup>9</sup> Report of the Seventh Operating Model and Management Procedure Technical Meeting

([https://www.ccsbt.org/sites/ccsbt.org/files/userfiles/file/docs\\_english/meetings/meeting\\_reports/ccsbt\\_23/report\\_of\\_O MMP7.pdf](https://www.ccsbt.org/sites/ccsbt.org/files/userfiles/file/docs_english/meetings/meeting_reports/ccsbt_23/report_of_O MMP7.pdf))

<sup>10</sup> Report of the Nineteenth Meeting of the Scientific Committee

<sup>11</sup> The Resolution on Limited Carry-forward of Unfished Annual Total Allowable Catch of Southern Bluefin Tuna, Section 2.3

<sup>12</sup> The Resolution on Limited Carry-forward of Unfished Annual Total Allowable Catch of Southern Bluefin Tuna, Section 2.4

- If a Member exceeds its national allocation without paying back its excess catch for those seasons, carry-forward procedures will not be applied by that Member until those catches have been paid back, unless otherwise agreed by the Extended Commission.<sup>13</sup>

**Table 1: Example carry-forward under current rules**

	Year 1	Year 2	Year 3	Year 4	Total
<b>National allocation</b>	1,000	1,000	1,000	1,000	<b>4,000</b>
<b>Available catch limit</b>	1,000	1,100	1,100	1,100	
<b>Actual Catch</b>	900	900	900	1,100	<b>3,800</b>
<b>Under-fishing</b>	100	100	100	0	

## Proposed carry-forward rules

New Zealand is proposing that the carry-forward Resolution be amended, removing the constraints in section 2.4. This would allow under-fishing that has been carried forward to generate further under-fishing, provided that the total under-fishing carried forward to any year is no more than 20% of the Member's national allocation in the previous year.

All current circumstances when carry-forward is not applicable will remain in place. Specifically, if the MP recommends (or the Extended Commission decides) to lower the global TAC, carry-forward procedures will not be applied by any Member.

**Table 2: Example carry-forward under proposed rules**

	Year 1	Year 2	Year 3	Year 4	Total
<b>National allocation</b>	1,000	1,000	1,000	1,000	<b>4,000</b>
<b>Available catch limit</b>	1,000	1,100	1,200	1,200	
<b>Actual Catch</b>	900	900	900	1,200	<b>3,900</b>
<b>Under-fishing</b>	100	200	200 (reduced from 300 based on 20% limit)	0	

The two examples provided above illustrate the nominal difference under the proposed rule change. In the scenario put forward, only the fourth year's catch differs and under both rules the total actual catch remains below that permitted by the national allocation. The rule change simply allows member greater flexibility to achieve their national allocation. It should also be noted that projections typically assume that members will catch their full allocation and a rule change that continues to restrict members within those allocations is therefore unlikely to have any negative impact.

## Conclusion

During the previous review of carry forward rules in 2014, ESC19 found that allowing carry-forward between quota blocks would not have a negative impact on the operation of the MP and that future changes to the carry-forward rules should also be discussed at the ESC.

New Zealand is proposing changes to the carry-forward resolution and asks that ESC22 confirm that those changes will not negatively impact on the operation of the MP or adversely affect the agreed rebuild of the southern bluefin tuna stock.

<sup>13</sup> The Resolution on Limited Carry-forward of Unfished Annual Total Allowable Catch of Southern Bluefin Tuna, Section 4