

**Ministry for Primary Industries**  
Manatū Ahu Matua



**Proposal to revise the  
*Resolution on Limited Carry-  
forward of Unfished Annual  
Total Allowable Catch***

**New Zealand**

Prepared for the 24th Annual Meeting of the Commission for  
the Conservation of Southern Bluefin Tuna (CCSBT24)

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## Summary

New Zealand is proposing that the rules for limited carry-forward of unfished allocation (“carry-forward”) be amended in order to better support CCSBT's objective, “to ensure, through appropriate management, the conservation and optimum utilisation of southern bluefin tuna.”

The current carry-forward rules state that uncaught allocation (“under-fishing”) may only be carried forward from one year to the next. Specifically, under-fishing that has been carried forward cannot generate further under-fishing. Under the new rules proposed below, under-fishing that has been carried forward could 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.

Following a request from New Zealand (CCSBT-ESC/1708/29), ESC22 confirmed that the changes proposed below were likely to have a limited impact on the operation of the current Management Procedure (MP).

## 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>. The latter recognised that a provision for carry-forward would, “benefit the fishery by providing catch flexibility between quota years.”<sup>4</sup>

While, initially, carry-forward was only permitted within three year quota blocks at, 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 at CCWG3 in 2014. Members agreed to the draft revision<sup>5</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>6</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 Eighteenth Annual Meeting of the Commission, Attachment 13

<sup>5</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>6</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>7</sup>, the *revised Resolution on Limited Carry-forward of Unfished Annual Total Allowable Catch of Southern Bluefin Tuna* (“the carry-forward Resolution”)<sup>8</sup> was adopted at CCSBT21 in 2014.<sup>9</sup>

Following a request by New Zealand (CCSBT-ESC/1708/29), the ESC evaluated the potential impact of proposed changes to the carry-forward provisions on the operation of the MP.

The ESC recalled the analysis conducted during ESC19 where changes that allowed carry-forward across 3-year blocks were shown to have little impact on the MP performance. Members agreed that the changes proposed by New Zealand were also likely to have a limited impact on the MP. However, the ESC could not comment on the impact of any carry-forward provisions on the next MP that is currently being developed. It is assumed however that a new MP will similarly project forward on the basis that member national allocations are fully caught each year.

## 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>10</sup>

The carry-forward Resolution currently 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>11</sup>

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

- If the global TAC 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 TAC, carry-forward procedures will not be applied by any Member; and

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<sup>7</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>8</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>9</sup> The 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>10</sup> The Resolution on Limited Carry-forward of Unfished Annual Total Allowable Catch of Southern Bluefin Tuna, Section 2.3

<sup>11</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>12</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 defined 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	

## Rationale

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 in both examples, the total actual catch across all years shown remains below that permitted by the totalled national allocation. The rule change simply allows Members greater flexibility to achieve their national allocation.

New Zealand does not believe that the current rules fully allow for the optimal utilisation of the global TAC permitted under the MP, which means that the rules work against CCSBT’s objective “to ensure, through appropriate management, the conservation and optimum utilisation of southern bluefin tuna.”<sup>13</sup>

<sup>12</sup> The Resolution on Limited Carry-forward of Unfished Annual Total Allowable Catch of Southern Bluefin Tuna, Section 4

<sup>13</sup> The Commission’s Role

(<https://www.ccsbt.org/en/content/commissions-role>)

According to CCSBT Circulars since 2012, a majority of Members have used the carry-forward provisions. In a majority of these cases, significantly less than the 20% limit<sup>14</sup> has been carried forward. Three Members have used carry-forward provisions in two consecutive years, and two Members have used carry-forward in three consecutive years.

Under the current carry-forward rules, most Members using the carry-forward provisions in consecutive years is only able to catch less than they would be, had they fully caught their national allocation each year. This is because carry-forward is calculated by subtracting actual catch from national allocation – rather than available catch limit. The difference between the available catch limit and national allocation, even when uncaught, cannot generate under-fishing, and so represents lost opportunity.

This could serve as an incentive for Members to fully catch their national allocation each year, which increases the risk of Members over-catching their national allocations. These rules also make a poor year's catch especially damaging, as under-fishing cannot be recovered across multiple years.

The proposed changes would remove these perverse incentives and penalties, while the 20% limit would maintain the current safeguard against excessive catch levels in a single year. The overall effect would be to enable flexible management without negatively affecting the operation of the MP or the agreed rebuild of the southern bluefin tuna stock.

It should also be noted that MP projections typically assume that members will catch their full allocation, and proposed rules that continue to restrict Members within those allocations is therefore unlikely to have any negative impact.

New Zealand asks that Members agree to the amendment proposed above, with the new rules for calculating carry-forward applicable to this year's carry-forward notification round and coinciding with the start of the 2018-2020 quota block. This would mean that Members who choose to utilise the carry-forward provisions would calculate their maximum carry forward for 2018 by subtracting their 2017 actual catch from their 2017 available catch limit.

## **Conclusion**

New Zealand proposes that the carry-forward rules be amended to 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.

New Zealand proposes that the amended carry-forward rules be effective immediately upon adoption, applying to carry-forward between the 2017 and 2018 fishing years.

The proposed rules would enable flexible management without negatively affecting the operation of the MP or the agreed rebuild of the southern bluefin tuna stock, and would better support CCSBT's objective, "to ensure, through appropriate management, the conservation and optimum utilisation of southern bluefin tuna."

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<sup>14</sup> Specifically, 20% of the previous year's national allocation, as defined in the carry-forward Resolution.