

Dear Stakeholder

Review of sustainability measures and other management controls for the 2005-06 fishing year

This letter outlines final decisions in the review of sustainability measures and other management controls for the 2005-06 fishing year. These decisions were made by the previous Minister of Fisheries, the Hon David Benson-Pope. I see no reason to reconsider those decisions and note that Total Allowable Catches cannot be changed after the start of fishing year on 1 October. However, the views outlined in the attached letter represent his views.

The Minister made decisions regarding the management of a number of fishstocks, regulatory proposals, and deemed values. All changes to Total Allowable Catches (TACs) and Total Allowable Commercial Catches (TACCs) took effect on 1 October 2005. It is intended that the other regulatory amendments will come into effect before 31 December 2005.

On behalf of my predecessor, I would like to take this opportunity to acknowledge all submissions he received from sector groups on this year's review. He appreciated the time taken by both groups and individuals to prepare and provide submissions on the various proposals. The information within these submissions was very valuable in his consideration of each proposal.

In reaching his final management decisions for 2005-06, he carefully considered the available fishery assessment information, advice from the Ministry of Fisheries (MFish), and all of the issues and information put forward in submissions on each proposal within the review.

The Minister also had careful regard to the relevant legislative and regulatory provisions for each of the proposals considered.

A copy of MFish's Final Advice Paper (FAP) is available on MFish's website at www.fish.govt.nz.

Proposals for Regulatory Amendment

Beach cast seaweed commercial closures

The rules for commercial harvesting of beach cast seaweed are confusing and do not align well with current use, or with the sustainability and other risks associated with seaweed harvesting. The difficulties experienced by MFish and stakeholders would be alleviated by bringing the rules more into line with current use.

With this in mind, the Minister decided to amend the Fisheries (Beach Cast Seaweed Area Prohibition) Notice 2002 to open four new areas to commercial beach cast seaweed harvesting. These areas are based on sensible boundaries around areas of known current use, and exclude areas of particular sensitivity in terms of wildlife or environmental impact. He believes the decision strikes a good balance between providing for reasonable use of the beach cast seaweed resource and exercising caution in the face of uncertainty over the potential environmental impacts of beach cast seaweed harvesting.

Registration of vessels authorised to fish for southern bluefin tuna

The Commission for the Conservation of Southern Bluefin Tuna (CCSBT) has resolved to establish a register of vessels authorised to fish for southern bluefin tuna as one of its conservation and management measures. New Zealand now has an obligation to supply the CCSBT secretariat with a list of all vessels authorised to fish for southern bluefin tuna within our waters.

To support this resolution, the Initial Position Paper (IPP) considered several options to address the need to identify New Zealand-flagged vessels that are authorised to take southern bluefin tuna. These include: providing information on all vessels; amending the current application forms, processes and systems for fishing vessel registration to provide a subset of vessels; and implementing a new regulatory regime to establish a southern bluefin tuna vessel register and to require vessels taking southern bluefin tuna to be registered.

The Minister noted there was little support in submissions for the option of implementing a regulatory regime to establish a southern bluefin tuna vessel register. Rather, there was a strong preference to use existing systems. He agreed that MFish continue to provide the details of all New Zealand-flagged vessels on the existing Fishing Vessel Register to the CCSBT Secretariat and establish routine update systems to advise CCSBT of any changes in the New Zealand-approved vessel list.

He also agreed in principle that MFish amend vessel register application forms (the approved forms) so that vessels must identify that they intend to take, or are likely to take, southern bluefin tuna. The Minister also agreed that MFish gather any additional information required for the CCSBT register, if administration of the *status quo* proves inconsistent with further CCSBT resolutions or becomes an administrative burden.

Revoking commercial eel fishing rights in Lake Horowhenua and Hokio Stream

Regulation 15 of the Fisheries (Central Area Commercial Fishing) Regulations 1986 provided for the preservation of Maori fishing rights for Lake Horowhenua and Hokio Stream granted under the Horowhenua Block Act 1896. However, the passing of the Treaty of Waitangi (Fisheries Claims) Settlement Act 1992, meant that all Maori commercial fishing rights were recognised and provided for, and claims were finally settled. Therefore, Regulation 15 is now redundant and the Minister decided that it should be revoked. Further, introduction of the eel fishery into the Quota Management System, which governs how fishing will occur in the area, makes the Regulation redundant.

The inclusion of kingfish on the Sixth Schedule of the Fisheries Act 1996

The previous Minister decided to recommend an Order in Council to include kingfish (all stocks) on the Sixth Schedule of the Fisheries Act 1996 to allow commercial fishers to return kingfish back to the sea providing fish are:

- Not taken by the method of set netting;
- Likely to survive;
- Returned to the same waters from which they are taken;
- Returned as soon as practical; and
- Returned catch is recorded and reported on catch and effort forms using an appropriate code.

He noted that the majority of submissions supported this management measure. The Minister was heartened by industry's support to develop a code of practice to guide fishers on appropriate handling practices when releasing kingfish back to the sea. Correct handling procedures will be a key to the success of this measure and could potentially further improve the management of this important fishery.

Fishstocks for Review

Elephant Fish (ELE 3 & 5)

The previous Minister was concerned at the level of discarding and non-reporting which information suggests is occurring in the ELE 3 and ELE 5 fisheries. The primary management problem seems to result from some ACE owners holding onto their ACE until later in the season, when the differential deemed values that fishers pay have driven its value up.

He examined the options presented in the FAP to address the reporting issue. He believed that an increase in the TACCs for these stocks would increase the sustainability risk to unacceptable levels given the characteristics of the species. The sustainability risk could also be increased if more targeting of ELE 3 or ELE 5 occurs as a result of a TACC increase. In addition, he was not convinced that an increase in the TACC would result in an improvement to the fluidity of the ACE market. Instead, he believed that an adjustment to the ACE balancing regime may provide appropriate incentives to improve reporting and use of ACE in this fishery.

Accordingly, he decided to remove the differential deemed value to reduce the incentive for ELE 3 and ELE 5 ACE owners to hold onto their ACE while other fishers pay deemed values. He hopes this will free up some ACE onto the market and cap the ACE price at the annual deemed value rate. He also decided on a moderate reduction to the annual deemed value, which is warranted for a mixed trawl fishery where the catch of ELE 3 and ELE 5 is partly unavoidable.

The previous Minister and I expect fishers to comply fully with the reporting regulations by accurately reporting ELE 3 and ELE 5 catch and effort. I ask that fishers and their representative organisations contribute wherever possible to improve the information we need to better manage this fishery. If this information does not improve, further management options will be considered to address the potential risks stemming from uncertain catch information.

Flatfish (FLA 1), Grey Mullet (GMU 1), and Rig (SPO 1)

The previous Minister was aware of the ongoing concerns of local fishers regarding the status of the rig (SPO 1), grey mullet (GMU 1), and flatfish (FLA 1) fisheries. These stocks were included in the 2005-06 sustainability review to allow all the available information on stock sustainability to be presented, options prepared, and views of stakeholders sought as one possible route to considering measures to address these concerns. To this end, the review was useful in providing him with an opportunity to examine the information on the stocks in a concise way and to consider the range of views put forward by stakeholders.

After careful consideration of the available information and submissions, the Minister decided not to change the TACs for SPO1, GMU 1 and FLA 1 fisheries. In his view, scientific information does not support a sustainability concern throughout these stocks. In some cases, there is some information to indicate a decline in abundance in some west coast harbours, but this trend is not evident on the east coast. On balance, he did not believe there was sufficient information to warrant a reduction to the TACs for these entire stocks.

Stakeholders have suggested a number of alternative tools to address management issues in these fisheries. The Minister believed there was value in considering some of these tools in more detail, and in particular, the possible subdivision of the quota management area to take into account the different fishery characteristics between the east and west coasts. However, he does not see such a change as likely to address all the concerns raised. Rather, he believes a package of measures may be necessary, and this will need to involve considerable discussion with local users of these resources to work around contentious issues. He has asked MFish to begin developing a process to discuss possible measures as a matter of priority.

Hake (HAK 7)

The previous Minister decided to increase the TAC and TACC for the hake (HAK 7) fishery as proposed in Option 1 of the IPP, and set allowances accordingly, as shown below:

HAK 7	TAC (tonnes)	Customary allowance (tonnes)	Recreational allowance (tonnes)	Other sources of fishing- related mortality (tonnes)	TACC (tonnes)
7 777.0	0	0	0	77	7 700.0

The best available stock assessment information suggests that, after 12 years of average catches at approximately 7 700 tonnes, the HAK 7 stock is currently at, or above, the B_{MSY} level (between 30% and 70% of B_0). The assessment concludes that current catches are likely to be sustainable in the short-term.

While there is considerable uncertainty associated with the assessment, the information from the fishery supports the assessment conclusions. Although catches have exceeded the TACC for the past 12 years, there is no strong signal of a change in the underlying biomass, and no sustainability concerns are evident. Monitoring of the fishery will continue, and research needs are being considered to improve knowledge of the fishery and stock status. If concerns on stock sustainability emerge in the future, then appropriate management action will be taken. The new TACC will provide utilisation benefits with the likelihood of positive social and economic outcomes. Fishers will be able to balance catches at average recent and current levels against

Annual Catch Entitlement (ACE), and should not incur the ‘penalty’ costs of deemed values - a potential saving that will be important to industry in the current economic climate.

He was aware that some stakeholders consider the HAK 7 deemed values should be increased to ‘protect’ the TACC. He agreed with MFish that this is not required at this time and that adjustments to the deemed values can be made in the future should the HAK 7 TACC continue to be over caught.

Hoki (HOK)

MFish did not recommend adjusting the TAC for the hoki (HOK 1) fishery for the 2005–06 season. The TAC will remain at 101 040 tonnes and the TACC at 100 000 tonnes, based on the best available stock assessment information. For both the eastern and western populations, the 2005 stock assessment suggests that continued fishing under the current TACC (with continuation of existing catch splits) is likely to be sustainable in the short-term, unless future recruitment is poor.

The previous Minister was pleased the industry has confirmed it will continue to adhere to the catch split arrangement for the 2005–06 fishing year. This arrangement will limit catch from the western population to a maximum of 40 000 tonnes (WCSI, Puysegur and Sub-Antarctic) and catch from the eastern population to a maximum of 60 000 tonnes (Chatham Rise, Cook Strait, ECNI and ECSI).

The proposed TAC/TACC and catch split arrangement address concerns identified in the hoki fishery assessment plenary report regarding the depleted nature of the western population.

Kahawai (KAH)

The previous Minister agreed earlier this year to review the TACs for kahawai for the 2005–06 fishing year. The IPP proposed to either retain the TACs at existing levels, or to reduce TACs by 10%. The large response to these proposals made it clear that management of our kahawai fisheries remains an important issue for all sectors.

The Minister considered the issue of the management target for kahawai. Kahawai is a key fishery for the non-commercial sector and is significant for parts of the commercial sector. The Act provides considerable discretion over the target levels for fisheries. The Minister signalled the Labour Party policy on managing important shared fisheries above B_{MSY} . I intend to seek advice from MFish on implementation of this policy during the coming year.

Regardless of any determination to manage kahawai above B_{MSY} , the Minister believed there was sufficient concern to warrant reconsideration of existing TACs to provide an acceptable level of certainty that kahawai stocks will remain at current levels or increased in size. Information on recent trends in kahawai stock abundance is conflicting. Submissions were also in conflict over the current status of the stock. Non-commercial fishers considered the stock had declined significantly, remained below desired levels of abundance, and would likely not increase with any certainty or as rapidly as they would like under the TACs that were set in 2004. The commercial sector considered there was no evidence of stock decline and no basis for a reduction to removals.

The last stock assessment for kahawai was undertaken in 1997. Given the age of the stock assessment the Minister believes there is considerable uncertainty over stock status and estimates of sustainable yield. Given this uncertainty and the importance of the fishery he took a risk averse approach to management of this species.

He was not satisfied that the current TAC provides sufficient certainty of maintaining or improving current biomass. Therefore, after carefully considering the merits of each option and the issues raised in submissions, he decided to reduce TACs for all kahawai stocks by 10%. This decision provides more certainty that kahawai stocks will remain at current levels or increase in size.

He also decided to proportionally reduce all allowances and TACCs to fit within each TAC. The Minister's decisions on TACs, TACCs and allowances for all kahawai stocks are set out below.

Stock	TAC (tonnes)	Customary allowance (tonnes)	Recreational allowance (tonnes)	Other sources of fishing- related mortality (tonnes)	TACC (tonnes)
KAH 1	3 315	495	1 680	65	1 075
KAH 2	1 530	185	610	30	705
KAH 3	935	115	390	20	410
KAH 4	14	1	4	0	9
KAH 8	1 040	115	385	20	520
KAH 10	14	1	4	9	9

In making the decision the Minister was aware the required reduction in commercial and non-commercial catches to fit within the new TACs will have socio-economic impacts. He carefully considered the balance between measures designed to provide more certainty of maintaining or increasing the biomass, and the socio-economic impact. On balance he considered the 10% reduction to the TAC and proportional change to the TACC and allowances best meets his concerns regarding risk to the stock while mitigating socio-economic impact.

There has been no change to recreational bag limits for kahawai since the Minister's 2004 decisions on catch limits and allowances. Monitoring the recreational catch of kahawai to determine whether it remains within the revised allowances set for the fishery will be a matter of priority. If monitoring indicates that the allowance is being exceeded then management measures will be implemented to ensure the positive effect of the TAC reductions is not compromised.

New stock assessment information on kahawai will be available in 2007. It is intended that the TACs for this species be reviewed again at that time to ensure the management framework is operating as intended.

Rig (SPO 3)

The five-year term of the rig (SPO 3) fishery under the Adaptive Management Programme (AMP) was due to expire at the completion of the 2004–05 fishing year, and industry have proposed a new AMP proposal for evaluation in time for the 2006–07 fishing year. This required that the Minister consider an interim management measure for one year. Therefore, he decided to roll-over the current AMP for the SPO 3 fishery for one further year to enable continuity of information gathering.

He also took this opportunity to increase the TAC by adding an allowance for other sources of fishing-related mortality. The TACC remains unchanged. The increased TAC is as follows:

Stock	TAC	Customary allowance	Recreational allowance	Other sources of fishing-related mortality	Proposed TACC
SPO 3	710	20	60	30	600

Snapper (SNA 8)

The Minister decided to reduce the TAC for the snapper 8 (SNA 8) fishery from 2 060 tonnes to 1 785 tonnes as proposed in Option 3 of the FAP.

To achieve the 275 tonne decrease in the TAC, he decided to reduce all allowances proportionally as shown below.

TAC (tonnes)	Customary Allowance (tonnes)	Recreational Allowance (tonnes)	Other fishing mortality (tonnes)	TACC (tonnes)
1 785	43	312	130	1 300

The 2005 SNA 8 stock assessment shows the biomass of the stock is significantly below the level that can produce the maximum sustainable yield (B_{MSY}). The Fisheries Act 1996 requires the Minister to rebuild stocks that are below B_{MSY} to, or above, B_{MSY} . The Act provides the Minister considerable discretion around the way and the rate a stock below B_{MSY} is rebuilt. When considering rebuild rates the Minister is required to consider the following factors:

- Interdependence of stocks;
- Biological characteristics of the stock and any environmental conditions affecting the stock; and
- Any social, cultural and economic factors the Minister considers relevant.

Scientific information suggests that biomass of the stock has been below optimal levels since at least the 1980s. While biomass is projected to increase slowly under the current TAC, both the short-term and long-term projections include considerable uncertainty about moving the stock towards B_{MSY} .

The Minister considered the SNA 8 fishery to be one of the most important fisheries on the West Coast of the North Island and submissions have confirmed this view.

A number of options for rebuilding the fishery were outlined in the IPP and FAP. These options ranged from the *status quo* through to a substantial decrease in the TAC. Each option contained a different mix of socio-economic costs relative to benefits for rebuilding the stock.

Having considered the best available information on the current state of the fishery, options outlined in advice to the Minister and the views of submissions, the Minister did not consider the probability or rate of stock rebuild under the current TAC to be appropriate after having regard to:

- The importance of the stock as a key commercial and non-commercial fishery on the west coast of the North Island;
- The status of the stock relative to B_{MSY} ; and
- The length of time the stock has been below B_{MSY} .

Of the available options, he considered a reduction to the TAC of 275 tonnes best met his desire to provide for greater certainty and speed of rebuild of the stock. The Minister recognised that any TAC decrease will have impacts on users of the resource. However, he considered the new TAC best met his obligation to rebuild the stock in a way and at a rate he considered reasonable given the characteristics of the fishery while minimising the social, cultural and economic impacts of this management action.

The previous Minister carefully considered how to allocate the new TAC to users of the fishery. The Minister has considerable discretion under the Act when determining allowances for each sector. The Act provides that in setting the TAC, the Minister shall have regard to the TAC and shall allow for non-commercial interests in the stock, namely Maori non-commercial interests and recreational non-commercial interests. A range of proportional and non-proportional reduction options were outlined in the IPP and FAP. The Minister considered the social, cultural and economic implications of the allocation options on existing users, including those issues raised in submissions on the impact on the rights-based management framework resulting from some options.

Given the importance of the SNA 8 fishery to commercial and other sectors, he considered it fair that all users share in the pain of rebuilding the stock in the same way all users will benefit from a rebuilt stock. Accordingly, he decided to reduce each sector's allowance proportionally, including customary, to fit to the new TAC.

It appears that recreational fishers are catching the current allowance of 360 tonnes, although he recognised there is considerable uncertainty in this information. To ensure that catch does not exceed the new recreational allowance, he decided to decrease the amateur daily bag limit from 15 to 10 fish per person in the northern part of the stock. This change will have an added benefit of applying a single daily bag limit across the whole SNA 8 stock. While he recognised that recreational fishers did not support lowering the bag limit, he considered this measure important given the reduced recreational allowance and the status of the stock.

To better manage commercial catch within the new TACC, he has decided to increase the annual deemed value for SNA 8 to \$4.25 per kg, which is slightly higher than the current port price and ACE transactions. This change will encourage fishers to balance their catch, but will not be so punitive to encourage dumping or have significant adverse economic effects. The Minister noted that differential deemed values still apply to this stock.

He was aware of the uncertainties in long-term projections for the stock. It was his expectation that a new assessment of the SNA 8 fishery will be undertaken in 2009 to re-evaluate the status of the stock and determine if the management measures he implemented are working as intended. I support that view.

MFish will also monitor catches taken by all sector groups to ensure these new measures are not undermined by catch exceeding the allowances set by the previous Minister.

Deemed Values

MFish initially proposed technical adjustments to deemed values for a number of fishstocks for the 2005–06 fishing year. MFish supported reducing deemed values in cases where the TACCs have consistently been under-caught, in most cases substantially, and where there are no sustainability concerns for those stocks.

The previous Minister decided to change the following annual deemed values for the 2005–06 fishing year in terms of s 75(1) of the Fisheries Act 1996, to take effect for all catch taken in excess of ACE:

- The annual deemed value for alfonsino 1 (BYX 1) is decreased from \$2.98/kg (GST inclusive) to \$1.51/kg (GST exclusive)
- The annual deemed value for jack mackerel 3 (JMA 3) is decreased from \$0.15/kg (GST inclusive) to \$0.09/kg (GST exclusive)
- The annual deemed value for rough skate 1 (RSK 1) is decreased from \$0.44/kg (GST inclusive) to \$0.23/kg (GST exclusive)
- The annual deemed value for stargazer 8 (STA 8) is decreased from \$2.42/kg (GST inclusive) to \$1.22/kg (GST exclusive)
- The annual deemed value for tarakihi 4 (TAR 4) is decreased from \$1.05/kg (GST inclusive) to \$0.84/kg (GST exclusive) (and the annual deemed value for TAR 4 landed and received by a licensed fish receiver (LFR) in the Chatham Islands is correspondingly reduced from \$1.05/kg (GST inclusive) to \$0.83/kg (GST exclusive))
- The annual deemed value for sea perch 4 (SPE 4) landed and received by a LFR in the Chatham Islands is decreased from \$0.18/kg (GST inclusive) to \$0.08/kg (GST exclusive).

The previous Minister also agreed to reduce the annual deemed values for the following additional fishstocks in response to stakeholder submissions:

- The annual deemed value for rough skate 3 (RSK 3) is decreased from \$0.44/kg (GST inclusive) to \$0.30/kg (GST exclusive)
- The annual deemed value for hapuku and bass (HPB 3) is decreased from \$1.80/kg (GST inclusive) to \$1.50/kg (GST exclusive).

In addition, the deemed values listed in the Fisheries (Interim and Annual Deemed Values) Notice 2003 for those stocks to which the 1 October fishing year applies are now exclusive of GST. GST is now payable on those figures listed in the notice for 1 October fishstocks and will be added to invoices issued to fishers.

He also agreed to include pale ghost shark (all stocks) onto the list of stocks in clause 6(a) of the Fisheries (Interim and Annual Deemed Values) Notice 2003 to remove differential deemed values payable for catches in excess of ACE.

All changes to deemed values have taken effect from 1 October 2005.

Conversion Factors

The IPP considered several proposals to review conversion factors. The Chief Executive of MFish will consider these proposals shortly, and notify stakeholders of his decisions in due course.

Yours sincerely

**Hon Jim Anderton
Minister of Fisheries**