Office of Hon Nathan Guy

MP for Otaki
Minister for Primary Industries
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B13-189

To whom it may concern

REVIEW OF SUSTAINABILITY MEASURES AND OTHER MANAGEMENT AND OTHER MANAGEMENT CONTROLS FOR SNAPPER 1 (SNA 1)

Introduction

The snapper fishery in SNA 1 is New Zealand's key inshore fishery. It is on the doorstep of New Zealand's biggest population centre and is highly valued by recreational fishers. It is also a significant export earner for commercial fishers and an important source of fish for New Zealanders via the domestic market. Customary fishers regard the species as a tāonga.

In this context, it is no surprise that 47,709 submissions were received on the review of management of the SNA 1 fishery. I want to thank those that took the time to put their views on the future of this important fishery in writing.

I carefully considered the best available scientific information, key points raised in submissions and the views of the Ministry for Primary Industries (MPI) in reaching my decisions.

I have decided to make the following changes:

			Allowances			Recreational Controls*	
	Total Allowable Catch (t)	Total Allowable Commercial Catch (t)	Customary Māori (t)	Recreational (t)	Other sources of fishing-related mortality (t)	Daily Bag Limit (fish per person)	Minimum Legal Size
Decision	8050	4500	50	3050	450	7	30 cm
Current Setting	7550	4500	2600**		450	9	27 cm

* Decisions on recreational controls relate to the recommendation of the making of regulations, **scheduled for 1 April 2014.**
** The allowances for customary Māori and recreational fishing were previously combined

The reasons for my decisions are outlined in the proceeding pages.

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Total Allowable Catch (TAC)

I am obliged to move a stock towards a size at or above the level that can produce the maximum sustainable yield. I have discretion in determining the way and the rate at which this occurs. I consider that setting a TAC of 8050 tonnes will best meet the sustainability and utilisation objectives for this fishery. This provides a 500 tonne increase to the current TAC. I believe this approach meets my desire to improve benefits from this fishery now in recognition of the improved status of the stocks while still meeting my objective to rebuild the stock over time to a level, and at a rate, I consider reasonable.

Current catch

There is some uncertainty around the level of current catch from SNA 1. In particular, there is uncertainty around the level of mortality of fish less than the minimum size limit from both commercial and recreational fishers and illegal removals. Regardless, the information we do have on catch and other removals for the last full fishing year (2011/12) indicates that the total is well in excess of the current TAC.

Target

My decision on the TAC for this year is based on the interim target used to guide the stock assessment, i.e. 40% of the unfished biomass. At the moment, the stock is at about 20% of the unfished biomass, which has increased by as much as 70% in some parts of SNA 1. This is also below the most recent "deterministic" calculation of the stock size that would produce the maximum sustainable yield (B_{MSY}), which is 29% of the unfished biomass. Using either target the stock must be rebuilt.

I am interested in the number of fish that might be available as the overall number of snapper increases. Information suggests that there are good benefits to be gained from increasing the number of snapper in the water. Although the science is uncertain, I am advised that the amount of snapper that could be sustainably harvested if the fishery was at more optimal levels (at the interim target, for example) could be as much as 12000 tonnes. This is considerably more than the current TAC of 7550 tonnes.

I am aware that the interim target is essentially a proxy for B_{MSY} . I expect that MPI fisheries managers will work with stakeholders between now and when the stock is next reviewed to produce a realistic estimate of B_{MSY} for SNA 1 that reflects a wider management strategy. I will talk more about how I consider this strategy should be developed, and its contents, later.

Biological substocks

The TAC applies across the entire SNA 1 stock. I am aware that there are three sub-populations within the stock; however, I am obliged to set a TAC that covers the entire management area. I am further advised that although the sub-populations vary in their current status, in particular the Bay Of Plenty sub-population seems relatively low compared to the other areas, there is insufficient information to know whether implementing separate management measures for these populations would result in better outcomes. In particular, for the Bay Of Plenty population there is considerable mixing between this area and the Hauraki Gulf. Given this uncertainty, our best science advice is that it is better to manage

the population as a whole and seek to improve the entire population while we refine our understanding of the separate populations.

Response to support for a higher TAC

MPI outlined a range of possible TACs for my consideration. The range was wide but the discussion document and advice focused on a narrower range. This was either the status quo (7550 tonnes) or an increase or decrease by 500 tonnes.

I have carefully considered the science and the views of submitters that suggested this stock is not in trouble and has in fact increased in abundance overall since it was last reviewed in 1997. However, I am conscious of the uncertainty around total removals from the fishery and also the uncertainty around the number of juvenile fish that will enter the fishery in future.

Recent numbers of new fish entering the fishery have been greater than average, probably based on some good recent summers leading to warm water temperatures. However, this may not always be the case. In addition, the overall number of fish is below where it needs to be, so the stock needs to increase in size over time, which adds to my belief that I should be relatively cautious when setting the TAC.

Overall, I agree with MPI that a TAC above 8050 tonnes is not warranted at this time.

I am also aware that the impact on the stock from the narrow range of options focused on in the discussion document is not particularly significant (about a 1% difference in rebuild after five years).

Given the uncertainty around total removals from the fishery and current recruitment, I believe some caution is required. I acknowledge that if conditions change and the number of juvenile fish entering the fishery drops significantly further changes to catch limits may be required.

I intend that the catch limit be reviewed within 5 to 7 years depending on the availability of new information, and reflecting my desire for more active management of this fishery.

Total Allowable Commercial Catch (TACC) and allowances

Allocation between sectors is a critical issue in this fishery given that it is fully utilised. I am required to set an allowance for Māori customary fishing, recreational fishing, other sources of fishing-related mortality, and a TACC.

Submitters hold differing views on my legislative obligations. These obligations provide the key driver for my decision and I believe clarification of those obligations will help in future sector discussions around this, and other inshore shared fisheries. The final advice (page 37-41) sets these obligations out in detail and I would urge sector representatives to look at this section should they require more information.

Section 21 of the Act states that in setting or varying the TACC, I must have regard to the TAC and allow for: Maori customary interests, recreational interests and other sources of fishing related mortality. Very importantly, the Courts, in examining these provisions, have been clear that I do not need to meet any sector's needs in full, particularly in a fishery like snapper where the demand for fish clearly exceeds the amount that is available while ensuring sustainability. The law does not provide a priority for recreational fishers. I have

considerable discretion in determining the appropriate allowances. There is no definition of the factors I need to take into account. The Courts have said that the allowance for recreational fishers must simply be one I consider reasonable.

It is also important for stakeholders to understand that once the recreational allowance is set, I have an obligation to manage the recreational catch around the level of the allowance using the tools at my disposal. However, the way recreational catch is managed is different from the management of the TACC. The allowance is not actively managed on an annual basis. I acknowledge that recreational catch can and will fluctuate around the allowance set depending on a range of factors such as availability of fish and frequency of adverse weather. Recreational catch is therefore managed by looking at the catch on average.

It is logical that the greater the proportion that recreational catch makes up of total catch and the more valuable (social, cultural and economic) the fishery, the more important it is to closely monitor and manage this catch component to ensure sustainability.

I am very conscious that this has not been the case in this fishery recently. However, I believe it is important that the TAC and allowances have meaning if the Fisheries Act is to operate as intended in inshore fisheries and to ensure the fishery reaches its target within a timeframe I consider reasonable. Ongoing monitoring and management of all catch components will be an important part of the plan for SNA 1 that I will outline in more detail later.

Future management

When decision makers have considerable discretion there are costs and benefits. One of the costs is that there is inherent uncertainty for stakeholders around how the decision maker will behave. Uncertainty creates poor incentives for future management. I accept that this is not ideal. There are two ways for this uncertainty to be reduced. The first of these is that stakeholders can develop a plan for future allocation. While this approach does not bind my decisions, clearly if stakeholders agree to an approach it provides a valuable contribution to decision making and leads to considerably less angst over decisions. In this environment, stakeholders can invest in planning for the long term future of the fishery as opposed to lobbying around particular decisions.

I appreciate this is a difficult task, but agreeing on a decision-rule type approach for sustainability measures has proved possible in rock lobster fisheries. There are considerable advantages to stakeholders from working together to create a picture of how they want benefits from the fishery to be shared. I appreciate this is not a straight forward exercise when it comes to utilisation matters, but I consider the optimal outcomes are most likely to be ones that all stakeholders and the Minister agree on.

The second approach is for me to provide a clear objective for my decision and a plan for how I intend my objective to be achieved. Again this is not binding on future Ministers and may carry less weight with future decision makers than combined stakeholders agreeing on an approach.

Recreational and Commercial Allocations

Overall my thoughts are that the current ratio between commercial TACC and non-commercial allowances (36% non-commercial versus 64% commercial) does not reflect what

I consider the relative values (social, cultural and economic) of the fishery to be between sectors.

I am particularly focused on the overall value (social, cultural and economic) of the fishery to recreational fishers, which although highly uncertain when quantified, is reflected by overall catch from the sector, the number of submissions, and full engagement of the sector during the submission process. Also, undoubted increased demand on the resource will come from population in the areas surrounding SNA 1, which is projected to increase to about three million people by 2031.

I believe it is reasonable for this increased demand and relative value to be met by a change in proportions of the TAC between commercial and recreational fishers. My initial thinking based on best available information is that over time a 50/50 share of the resource may be reasonable. Over time allowance increases will allow recreational catch to expand in response to increases in population growth. However, I am conscious that this is a shared fishery and that stakeholders should share in the benefits associated with a rebuilding stock. At this time I intend to provide the increase in the TAC to recreational fishers. I consider the allowance currently set for recreational fishers does not reasonably reflect the relative importance and value (social, cultural and economic) placed on the fishery by this sector. I believe the new allowance goes some way to responding to this issue.

In the future, subject to information available at the time of the decision, I would expect increases in the TAC to reflect the need to increase the recreational proportion of the TAC towards 50% while recognising the shared nature of the fishery (shared pain, shared gain). My plan is to do so as biomass increases rather than through reallocation. However, the recreational sector cannot expect catch to grow unrestrained overtime. Catch of all sectors will need to be managed to ensure the stock continues to grow and the overall benefits from harvesting to New Zealand are maintained.

Māori Customary Fishing

A specific allowance for customary fishing has not been set before in this fishery. Previously, the allowance for customary fishing was included as part of the recreational allowance. After considering available information and submissions I have decided to set an allowance of 50 tonnes for customary fishing. As with other sectors, getting good information on the level of customary harvest is important to ensure customary catch can be adequately provided for and to support good management decisions. I encourage iwi to continue to work with MPI to further the uptake of the kaimoana regulations and other tools that can aid in gathering information on customary harvest.

Other sources of fishing-related mortality

I acknowledge the uncertainty in information surrounding this allowance. I have outlined my approach to getting better information to set this allowance in a subsequent section on discarding. In the interim, I consider that 450 tonnes represents the best available information on the level of other sources of fishing-related mortality for SNA 1.

Other management controls

Other management controls are designed to protect the TAC by maintaining catch within the TACC and allowances set. I consider this is incredibly important for this fishery. Clearly the

tools available are often blunt and not particularly effective unless based on good science and monitoring. I have carefully looked at the controls applying to each sector. If changes are to be made, I want them to be based on information that indicates they will achieve the necessary outcomes I am seeking.

Commercial

Deemed values are the key controls to manage commercial catch within the TACC. The deemed value rates for SNA 1 were adjusted for the 2012/13 fishing year in response to concerns that the high rates at that time were promoting dumping. In response, the deemed value rates were reduced from $13/kg to $8/kg and more graduated ramping of the rate was introduced to ensure incentives existed to use these payments to balance small rare and infrequent overcatch as opposed to large scale overfishing. Overcatch rates in general have been less than 2% of the TACC. I do not consider there is any information to suggest changes to deemed value rates are necessary for SNA 1 at this time.

Recreational

Recreational catch in 2011/12 was above the level of the new allowance. I accept there is uncertainty around these figures; however, I also consider that the figures represent best available estimates. The methodology and the results for estimates (excluding charter boat catch) have been extensively peer reviewed by international experts, and two different approaches generated remarkably similar results. While available information indicates that catch has been increasing, I accept that catch in 2011/12 may have been higher than average. Regardless, even estimates of average recreational catch over the last 5 years suggests that there is a risk that recreational catch will substantially exceed the allowance I have set.

I am required to ensure that recreational catch does not render the TAC or allowance set futile. While the majority of submitters did not want any changes to the key recreational controls of the daily bag limit and the minimum legal size, overall I consider that changes to existing measures are required to ensure that recreational catch does not exceed the recreational allowance on average.

The recommendations presented by MPI acknowledge the uncertainty in managing future catch, but provide an indicative range of combinations of bag limits and minimum legal sizes for each recreational allowance based on available information. I have carefully examined this information and considered the views of submitters who provided detailed information on which bag limit is preferred. Although there was a common theme amongst individual submissions (rather than form submissions) suggesting a bag limit of 6 was acceptable, I believe that a bag limit of 7 better provides for use at this time.

The indicative range of minimum legal sizes necessary to constrain catch to the recreational allowance on average with a bag limit of 7 is between 29 and 33 cm. I believe that a minimum legal size of 30 cm would provide the best certainty of managing recreational catch on average while not increasing handling mortality unacceptably and allowing recreational fishers an opportunity to take a reasonable number of snapper. Where submitters suggest a change to the minimum legal size, many supported a size limit of 30cm.

Based on best available information I believe that these management controls are sufficient to ensure catch is managed within the TAC and allowances set. If information suggests that catch is not being adequately controlled I will seek to make appropriate changes.

Other issues

Strategy

My decisions at this time are only the start of a process. There remains much work to be done to get the fishery to a place where it is performing optimally and all stakeholders can get the most benefit from it. I believe stakeholders are well placed to determine exactly what that optimal place should be and how best to get there. A consensus of stakeholders would clearly carry considerable weight in future decision making. In submissions a large majority of you agreed that a strategy should be developed.

For this reason I have directed MPI to set up a SNA 1 action group. The group will be tasked with the following:

- Determining what getting the best from SNA 1 means across all sectors;
- How the fishery should be managed to get the best from it;
- What cost-effective research should be carried out in the fishery and how often;
- Considering how benefits should be allocated in the fishery within the bounds of the direction I have provided above.

A number of people raised issues in submissions around improving productivity of the snapper fishery. In particular, submissions supported greater protection of spawning populations and protecting habitats that are important to snapper. I think considering the need for such measures to improve productivity and the assessment of the costs and benefits associated with implementation is ideal work for the group to consider.

I would also like the group to carefully consider whether SNA 1 should be split into different management areas to improve our ability to manage snapper in this northern area.

I would like this group to be active by the end of the year and to receive a plan from the group for management of SNA 1 by 1 October 2015.

Discards

I am aware of the significant concern expressed during the consultation process around legal and illegal unreported return of dead fish to the sea by commercial fishers. In particular, there have been some speculative numbers around the scale of this issue recently mentioned in the media and in submissions.

This is an issue being faced internationally across many different fisheries management regimes. We are lucky in New Zealand that we have a strong management regime in place that provides a good foundation to manage catch coming from the water effectively and efficiently.

In New Zealand fishers are required to return fish to the sea that are below minimum legal size (so that markets for small fish do not develop). Apart from that, other than in a few exceptional circumstances, all other returns to the sea of fish managed within the QMS are illegal. It is important that if people see fish being returned to the sea illegally or have

information that would support compliance action they should contact MPI on 0800 4 POACHER.

I acknowledge that there is uncertainty around total mortality from fishing. This uncertainty extends across both commercial and recreational fisheries. However, despite this uncertainty I would like to point out that our fisheries across the country are in good shape. 83.2% of the stocks we manage are doing well (there are no sustainability concerns). For the other 16.8%, rebuilding plans are in place. The QMS as a whole is operating well. But we can do better and I intend to do that.

Industry and MPI have been working on this issue for the last several years to develop a programme to improve information and value from inshore fisheries. The critical first issue is getting good information on the total catch (landed and discarded) to inform good management decisions.

Consequently, working closely with industry, I am going to implement a programme of information gathering nationwide beginning on 1 October 2013. As part of this programme I am doubling the number of inshore observer days for 2013/14, and also fast-tracking trials of electronic monitoring on fishing vessels. I have also directed MPI to support industry with their initiatives to increase monitoring in SNA 1 directly. Accordingly, by 1 December 2013 observer or electronic monitoring coverage will extend across 25% of the SNA 1 trawl fleet, increasing to 50% by 2014 and 100% by the end of 2015. The programme will also progressively increase monitoring across other key inshore fisheries.

The information from these programmes will be directly incorporated into TAC setting over the next few years. I believe this will provide strong incentives for fishers to implement technology necessary to better avoid juvenile fish and bycatch more generally. I much prefer this approach than implementing regulations to require use of a particular type of gear. It is clear to me that there is no single gear solution across the very different fisheries and circumstances faced by fishers in inshore fisheries. However, if information suggests this approach is not managing levels of bycatch within limits set, then I will not hesitate to take further action.

For SNA 1, one of the key drivers for information gathering is juvenile mortality. The information on catch of juveniles from this increased monitoring will allow industry to operate a voluntary "move on rule". The move on rule would require fishers move fishing spots where a significant portion of catch is small juvenile fish. Use of vessel monitoring systems and observer/electronic monitoring will ensure effective compliance with this rule.

I will look carefully at how this programme manages catch of juveniles. If data indicates that the catch remains too high, I will look to implement additional measures including gear restrictions and/or area closures.

Protected species impacts

I am aware of particular concern over impacts of bottom longline fishing for snapper on black petrel. I am advised that MPI is in the process of putting in place a series of measures to mitigate risk of seabird captures in the fishery. These measures include ensuring compliance with existing regulatory controls (such as requiring vessels to use tori lines),

investigation of new methods of mitigating risk, and increased monitoring to ensure the measures are effective.

Summary

I recognise the value of this fishery to all users. That is clear from the number of submissions received and data on the fishery. There are two key issues:

i) increasing the number of snapper over time so the benefits for users are greater;
ii) how those benefits will be allocated.

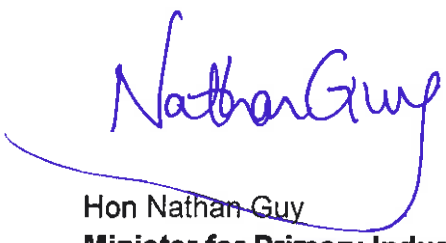
I believe it is reasonable to provide increased benefits from the stock now without sacrificing the need to rebuild the stock over time to levels that will produce more fish for everyone. I also believe it is reasonable that recreational fishers receive an increase in their allowance in recognition of the amount of demand and value (social, cultural and economic) they place on this fishery. This increased share has two dimensions. Firstly, I am increasing the recreational allowance from 1 October 2013. Secondly, I have signalled that I believe it is reasonable for the proportions of the TAC between recreational and commercial to move towards a 50/50 share of the resource. I expect this change to occur over time as part of stakeholders sharing in benefits associated with the rebuild of this fishery.

It will also be important to better manage all removals from the fishery to ensure the stock improves over time. All sectors will need to share in this process. Recreational fishers will face changes to controls necessary to ensure catch is managed to around the allowance set. The commercial sector already has strong controls in place to manage catch. However, reporting of catch and therefore ensuring all catch is managed within the limits set has been highlighted as an issue. I agree, accordingly, that the commercial sector will face measures designed to ensure all catch (above and below minimum legal size) is recorded and to manage that catch within the TAC. Based on the information gained, I will not hesitate to take further action to manage catch of any sector if it appears it poses significant risks to the TAC.

I believe stakeholders are in the best position to provide more detailed guidance on these matters and the future direction of the fishery. It will be no easy task; stakeholders will need to move beyond vested interests and finger-pointing and work constructively together. I intend to review the fishery again in 5-7 years.

I will look forward to seeing a stakeholder plan for managing the fishery before then.

Yours sincerely



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