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Minister of Fisheries and Aquaculture**For Action**

MANAGEMENT OPTIONS FOR THE SOUTHERN BLUEFIN TUNA (STN 1) FISHERY

Submission Type:	Final Advice Paper
Purpose:	To provide advice on management options for the southern bluefin tuna (STN 1) fishery for the current (2010-11) fishing year, including clarification of the relationship between New Zealand's nominal catch allocation agreed by the Commission for the Conservation of Southern Bluefin Tuna and the proposed catch limit for this fishing year. You will be separately provided with advice on options for the 2011-12 fishing year.

Comments

Media Attention	Medium
Financial Implications	Nil
Legal Implication	Options outlined are consistent with the current legislative framework.

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FINAL ADVICE PAPER – SOUTHERN BLUEFIN TUNA (STN1)



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Final advice on management options for the southern bluefin tuna (STN 1) fishery

Introduction

1 This paper provides recommendations on management options for the current (2010-11) fishing year in order to implement the decisions of the regional fisheries management organisation that manages southern bluefin tuna – the Commission for the Conservation of Southern Bluefin Tuna (CCSBT).

Executive Summary

Short-term options

2 An initial position paper outlined three options for southern bluefin tuna (STN 1) for the **current fishing year** (2010-11): to retain the total allowable catch (TAC) and allowances at the level that applied in 2008-09 (420t) (**option 1**), or to implement the decisions of the CCSBT by either setting the TAC at 539t (**option 2**) or 597t (**option 3**). CCSBT's decisions included an overall reduction in the global TAC for southern bluefin tuna, but within that, an increase to New Zealand's share of the global TAC. The higher catch available under option 3 is based on a CCSBT decision that allocations not fully caught in year one of the two-year period (2010 and 2011) can be carried forward to year two.

3 The Ministry of Fisheries (the Ministry) recommends that you increase the TAC, allowances, and Annual Catch Entitlements (ACE) for STN 1 for the 2010-11 fishing year under section 14 of the Fisheries Act 1996 (the Act) as proposed under **option 2**. The Ministry considers option 2 would allow for some additional utilisation while ensuring sustainability, and without over-expansion of the fishery (as could occur under option 3).

4 STN 1 is listed on Schedule 3 of the Act (allowing a within-season increase to the TAC to occur) in recognition that a national allocation for New Zealand may be determined as part of an international agreement and because the stock is a highly migratory species. Where an in-season increase occurs, the TAC and allowances revert to their baseline levels at the end of the fishing year in which the increase took place.

The Issues

5 Southern bluefin tuna (*Thunnus maccoyii*) are highly migratory fish that are seasonally present in New Zealand fisheries waters, where they form the basis of a fishery off the west coast of the South Island and the east coast of the North Island. Table 1 shows the current baseline TAC and associated sector allowances for STN 1. The TAC reverted to this level at the end of the 2009-10 fishing year following an in-season increase in that year.

Table 1: TAC and associated sector allowances for STN 1.

TAC	Maori Customary Allowance	Recreational Allowance	TACC/ACE	Other Sources of Fishing-Related Mortality
420t	1t	4t	413t / 444.213t ¹	2t

¹ The available annual catch entitlements (ACE) exceed the TACC because of provisions within the

6 The TAC for STN 1 is set based on historical agreements made by the CCSBT on allocation of a global catch limit to individual countries including New Zealand. New Zealand is a coastal state for southern bluefin tuna,² but has historically held a relatively small share of the global fishery (420t from a total TAC of 11,810t in 2009; increasing to 570t from a TAC of 9,449t in 2010). Because of on-going changes to the global catch limit, New Zealand's baseline TAC has not yet been adjusted to account for CCSBT decisions that lead to an increased level of catch being available to New Zealand (see Appendix One). An in-season increase was used in 2009-10 and another is proposed for 2010-11 as a more flexible means of taking advantage of the increased allocation.

Southern bluefin tuna stock status

7 The global population of southern bluefin tuna has sustained high levels of fishing since the 1960s, and as a result is currently at a low level compared to its unfished biomass. CCSBT's scientific committee advised in September 2009 that spawning stock biomass for southern bluefin tuna is at a very low level: about 5% or less of unfished spawning stock biomass. This is only around 15% of the level required to achieve maximum sustainable yields (MSY).

8 The scientific committee's advice on the estimated status of the stock remains unchanged in 2010 from the advice provided in 2009. The current spawning stock status was noted to be very low, although the scientific committee did note some factors that suggest a somewhat more favourable outlook. In particular, catch per unit effort has increased in a number of longline fisheries, and aerial surveys indicate improved recruitment in recent years.

Decisions adopted by CCSBT to address stock status of southern bluefin tuna

9 As part of an overall package of measures, CCSBT agreed in 2009 to reduce global catches by an average of 20% (to 9,449t) in each of the next two fishing years. For New Zealand, this decision applies to the 2010 (i.e. 2009-10) and 2011 (i.e. 2010-11) fishing years. The scientific committee did not provide specific advice on the catch level – 9,449t – chosen by the CCSBT as the global TAC. However, the projections indicate that under catches at this level, spawning stock biomass will on average slowly increase.³

10 The catch reductions are coupled with measures designed to improve management and control of the fishery, and adoption of a science-based management procedure that will be used to set future catches. In the event that the management procedure cannot be used, CCSBT has agreed that global catches will be further reduced, to between 5,000 and 6,000t.

11 Decisions were also made on how to allocate the available global catch between the nations that fish for southern bluefin tuna. Nominal catches were set to reflect members' shares in the fishery and as the basis for the required reductions. Because of implementation of a Memorandum of Understanding agreed between Australia, New Zealand and Japan at the first meeting of the CCSBT in 1994, the net effect of the changes agreed in 2009 was that New Zealand's nominal catch was set at 1,000t (formerly 420t), and its allocated catch at 754t. As outlined in Appendix One, additional voluntary and bilateral arrangements bring New Zealand's effective catch limit to 570t for 2010 and 2011. Other

Fisheries Act for up to 10% of unfished ACE to be carried forward from one fishing year to the next. These provisions have since been removed, but still applied in the 2009-10 fishing year.

² A coastal state in this context is a state in whose waters a highly migratory species can be found.

³ Some further decline in the short-term is likely under most catch scenarios because of a period of poor recruitment in the early 2000s that will affect the size of the spawning stock biomass as these fish mature.

members' allocations were reduced further in order to achieve the 20% reduction in global catches whilst accommodating the changes to New Zealand's allocation.

Summary of Options

12 The initial position paper outlined proposals to either retain the TAC and allowances at the 2008-09 level (420t) (**option 1**), or to implement the decisions of the CCSBT by setting the TAC for STN 1 at 539t (**option 2**) or 597t (**option 3**). Both of options for an in-season increase (options 2 and 3) make provision for some unfished ACE that has been carried forward from the 2010 fishing year, as shown in the total catches available under each option in table 2. The higher catch available under option 3 is based on a CCSBT decision that allocations not fully caught in year one of the two-year period (2010-2011) can be carried forward to year two.

Table 2: Options for STN 1 for the 2011 fishing year

	Option 1 Current TAC and allowances (2008-09 level)	Option 2 TAC set based on continuation of 2010 level	Option 3 In-season increase based on carry-forward from 2010
TAC (2011 fishing year)	420t	539t	597t
Allowance for other sources of fishing-related mortality	2t	3t	3t
Allowance for customary Māori interests	1t	1t	1t
Allowance for recreational fishery interests	4t	8t	8t
TACC/in-season ACE	413t	527t	585t
<i>Total catches available (including carry-forward of 31t of ACE)</i>	<i>444.2t</i>	<i>570t</i>	<i>628t</i>
<i>Max. average catches 2010 and 2011 fishing years</i>	<i>477.9t</i>	<i>541t</i>	<i>570t</i>
<i>Max. average country allocation for 2010 and 2011 agreed by CCSBT</i>	<i>570t</i>	<i>570t</i>	<i>570t</i>

Ministry's preferred option

13 The Ministry recommends that you set the TAC and allowances for STN 1 and make additional ACE available to commercial fishers as outlined under option 2:

Option 2: set the TAC at 539t and set the following allowances:

- i. a customary allowance of 1t,
- ii. a recreational allowance of 8t,
- iii. an allowance for other fishing mortality of 3t, and
- iv. available Annual Catch Entitlements for commercial fishers of 558t (including 114t of in-season Annual Catch Entitlements).

Consultation

14 The Ministry released an initial position paper for consultation on the 10th of November 2010. Submissions were received from 19 individuals and organisations, as summarised below. Copies have also been provided as an attachment to this advice paper.

Overview of submissions—Total Allowable Catch

15 Ben Lowe, Dan Marrow, Dawn Walter, Greenpeace Aotearoa New Zealand (Greenpeace), Lynne Dempsey, Micki Jay, Nathan Rushton, the New Zealand Sport Fishing Council, Ngāi Tahu Seafood, Ngāi Tahu Fisheries Settlement Ltd and Toitū Te Whenua (Ngāi Tahu), Rebecca Richardson, Ria Kemp, Susan Potter and Verena Maeder oppose any increase in the TAC for southern bluefin tuna at this time. Some submitters advocated the New Zealand catch limit be reduced (Lowe, Richardson), or the fishery be closed (Marrow, Walter, Jay, Maeder, Greenpeace, Potter), noting the low biomass of southern bluefin tuna and the need to rebuild the fishery. Rushton and Potter submit that they support the Greenpeace submission. Marrow also notes the large number of submissions the Ministry received in opposition to the previous in-season increase proposal.

16 Submissions from industry generally support increasing the TAC in-season, as proposed under either option 2 (Ben Turner, Solander Ltd) or option 3 (Leigh Commercial Fishermen's Association Incorporated, Te Ohu Kaimoana and the Seafood Industry Council – SeaFIC). These submitters supported making additional ACE available to commercial fishers, noting that this would be consistent with New Zealand's international obligations. The New Zealand Recreational Fishing Council also has provisional support for an increase to the TAC and allowances under option 3 (with a proposed alternative distribution of non-commercial allowances and ACE, as outlined in the following section), on the proviso that if New Zealand does not take up the allocation available to it, another nation within the CCSBT would do so.

17 Those submitters who did not favour any increase to the catch limit for the 2011 fishing year highlighted the low biomass of southern bluefin tuna. Greenpeace and others noted that southern bluefin tuna has been defined as a critically endangered species by the International Union for the Conservation of Nature (IUCN).⁴ Some submitters also suggested economic as well as ecological benefits to protecting the southern bluefin stock, noting that fishers' livelihoods ultimately rely on the continued availability of the species in New Zealand waters. As an intergenerational investor, Ngāi Tahu feels it is crucial to maintain and enhance the long-term sustainability of STN 1, and therefore supports option 1. Ngāi Tahu expects that New Zealand will take a firm leadership role within the CCSBT and work alongside other members for improved participation and adherence to CCSBT management measures (including taking an active role in compliance and enforcement activities to limit IUU fishing).

18 Greenpeace and the Sport Fishing Council comment that New Zealand is on the margins of distribution for southern bluefin tuna, and any further contraction in stock size could result in the loss of the species from New Zealand waters. In this regard, the Sport Fishing Council emphasises the fishery's importance to recreational fishers, who greatly value it as part of a winter gamefishery that has developed off the west coast of the South Island. The Sport Fishing Council undertakes to encourage tag and release fishing amongst its members.

19 The Sport Fishing Council considers that without an effective rebuild plan, southern bluefin tuna could be listed with CITES (the Convention on Trade in Endangered Species) as a species for which international trade is prohibited. The Sport Fishing Council advocates New Zealand doing everything it can to avoid this outcome, which would have a major

⁴ IUCN is a global environmental network, whose membership includes government and non-government member organisations (<http://www.iucn.org/about/>). IUCN uses a range of criteria to determine a listing for species, including trends in population status, geographic range size, and population fragmentation, as well as overall population numbers. The criteria that contributed to individual species' classifications could be quite different even though the species receive the same classification, and likewise the necessary steps to improve population status will vary widely between species (depending for example on species productivity and total population numbers).

impact on the New Zealand longline fishery. Other submitters (Greenpeace, Potter) suggest New Zealand should itself develop a proposal to list this species under CITES. Greenpeace and Potter also advocate for domestic management of southern bluefin tuna to transfer to the Department of Conservation.

20 The Sport Fishing Council and Greenpeace submit that the proposals to increase the catch limit (options 2 and 3) are inconsistent with the precautionary approach. The Sport Fishing Council notes that CCSBT has recently agreed to require its scientific committee to incorporate advice consistent with the precautionary approach in its advice to CCSBT.

21 Greenpeace and the Sport Fishing Council also consider the increase options to be inconsistent with the Ministry's harvest strategy standard. Greenpeace submits that the proposed management options represent a failure to take seriously the threat to southern bluefin tuna and to the fishing industry, recreational fishers, and others that utilise it. Greenpeace also considers the proposed options reflect a fundamental failure to consider New Zealand's responsibilities under the Law of the Sea and the United Nations Fish Stocks Agreement to conserve marine biodiversity in areas beyond national jurisdiction and protect species that migrate between or straddle exclusive economic zones. The Sport Fishing Council suggests New Zealand could choose to set a TAC at a level below its national allocation as set by CCSBT.

22 Greenpeace outlines its concerns for the ecosystem impacts of the southern bluefin tuna fishery, including the high catch of non-target shark species. Greenpeace is particularly concerned that despite legislation preventing the live finning of sharks, this may not be the case in practice, and further does not address the wastefulness of shark finning when many shark species are themselves threatened.

23 Submitters provided a range of views on the appropriateness of actions adopted by CCSBT, and the likelihood that these actions would rebuild the fishery. Industry submitters generally note that the proposed increase was in line with CCSBT agreements, and that CCSBT has adopted measures to rebuild the fishery. However, Greenpeace and the Sport Fishing Council questioned the effectiveness of the measures CCSBT has adopted. The Sport Fishing Council noted that although CCSBT has agreed a global reduction in catch, there is still uncertainty about how the catch reductions will be implemented (noting previous instances of over-catch despite CCSBT agreements on national allocations). CCSBT was established in 1994 to rebuild the fishery, but to date has been unsuccessful in doing so.

24 Greenpeace considers the 20% cut in global catches adopted by the CCSBT is inadequate to rebuild the stock, noting that advice from the scientific committee in 2009 was that only a global catch of zero would be likely to allow the fishery to recover to 20% of its unfished spawning stock biomass by 2025. With the 20% reduction in catch adopted by CCSBT, Greenpeace states that the stock is likely to reduce further in the short term, and would be unlikely to increase above the level the Ministry's harvest strategy standard defines as "collapsed" (10%) in the next decade.

25 Ben Turner and Solander support an in-season increase as outlined under option 2. SeaFIC, the Leigh Commercial Fishermen's Association, and Te Ohu Kaimoana support option 3. The latter support taking the full amount available to New Zealand under international agreements, while the former suggest option 2 represents an appropriate balance between taking advantage of the opportunity to increase New Zealand catches, and ensuring the industry does not over-expand. Solander notes the level of ACE that would be available under option 2 is similar to the level set for the 2009-10 fishing year. This ACE level is seen as providing sufficient buffer for the existing fleet to fish at or almost to full commercial potential, whereas option 3 might encourage additional capital investment, which Solander views as undesirable at this time.

26 SeaFIC submits that option 3 creates a potential 'win-win' situation for New Zealand. If the TACC is fully caught, it allows New Zealand to maximise the benefits from the fishery in a manner that is fully compliant with CCSBT decisions. If a proportion of the TACC remains uncaught, SeaFIC submits New Zealand can report that its industry has voluntarily foregone the additional catch available to it in order to support the long-term sustainability of the stock.

27 Te Ohu Kaimoana observes that although some environmental groups and others have recommended complete closure of the global fishery, unless all participating countries agree to such a measure, it considers New Zealand would simply lose its share of the global fishery to other countries seeking to increase their shares, and remove itself from influencing the management regime. Te Ohu Kaimoana also submits it is highly unlikely a zero catch would be agreed by all participants and is therefore not a proposal that would hold credibility with the CCSBT. Te Ohu Kaimoana considers because New Zealand is at the eastern limit of the stock range and already has a relatively small catch and influence over the way the stock is managed, it is critically important that New Zealand acts in unison with the CCSBT management process in its best endeavours to provide good quality information and advice along with other countries that participate in the CCSBT.

28 The Recreational Fishing Council is concerned that shelving some of New Zealand's initial country allocation of southern bluefin tuna to put New Zealand on the 'moral high ground,' while commendable, may pose the risk that the fish is allocated to another nation who will fish it.

Ministry discussion—Total Allowable Catch

Southern bluefin tuna stock status and CCSBT response

29 The stock status of southern bluefin tuna is summarised at paragraphs 7 and 8, and in the initial position paper. There is no dispute that the stock is at a low biomass level and a concerted effort is needed to rebuild the fishery. Where submitters disagree is on the effectiveness of the actions CCSBT (and New Zealand) have adopted to do so.

30 The actions adopted by CCSBT are outlined at paragraphs 9 and 10. The 20% reduction in global catches is an initial step, along with measures to improve compliance and monitoring. Additional cuts are likely required in order to successfully rebuild the fishery, as acknowledged by most submitters (including industry). CCSBT has chosen to implement further reductions in the context of a science-based management procedure, which will provide detailed advice on the appropriate cuts that would be required to achieve specified management targets. The interim target CCSBT has adopted is to achieve 20% of its unfished spawning stock biomass within a 25 to 30 year timeframe, and with a 70% probability. New Zealand favours and has advocated for the quicker rebuild option.⁵ A special meeting of the CCSBT will be held in August 2011 to adopt the management procedure, which will then be used to generate appropriate global catch limits for future years. If a management procedure cannot be agreed, CCSBT has already agreed global catches will be set to between 5,000t and 6,000t (a further reduction of between 37% and 47%).

31 Although some submitters suggested that CCSBT's scientific committee has advised CCSBT to close the fishery, in fact the scientific committee has provided advice on the likely impact of a range of catch scenarios, from an increase in catch down to the level of zero catches. Rebuild projections based on zero catch were provided at the request of CCSBT to inform a decision on an appropriate rebuild timeframe for southern bluefin tuna (for example

⁵ The Te Ohu Kaimoana submission refers to this as CCSBT's target biomass level, whereas 20% of the unfished biomass is an interim target, while the ultimate target remains the biomass level that would support maximum sustainable yields.

New Zealand's harvest strategy suggests rebuilding stocks within a timeframe of twice the time it would take to rebuild the fishery at zero catch). The advice of the scientific committee in 2010 was that the management procedure should be used to generate future catch limits. The scientific committee also noted that if the management procedure was not used to set the catch limit for 2012, then the status quo catch limit of 9,449t should be retained. The options outlined in the initial position paper (including the options for an increase to the New Zealand catch limit, which fits within New Zealand's allocated share of the global catch limit) are consistent with the advice from the scientific committee.

New Zealand actions

32 Some submitters considered that New Zealand should close its own fishery, irrespective of agreements reached within the CCSBT. Likewise, others considered that New Zealand should retain its current catch limit, rather than taking the full amount allocated to it by the CCSBT. Although New Zealand does retain the right to adopt management measures that are more stringent than those applied by a regional fisheries management organisation, the Ministry does not recommend this approach in this instance

33 Other CCSBT members have accepted further cuts to their own industries, in part to accommodate New Zealand's increased national allocation. There is a potential risk that in failing to fully implement CCSBT's decision, in future years the foregone catch would instead be allocated to other fishing nations. While there is no direct agreement to this effect amongst CCSBT members, there is a possibility that other members would argue more strongly for increases to their own catches in order to take up any additional catch effectively 'left in the water' by New Zealand. In this situation, New Zealand's actions would be detrimental to providing for utilisation, without any necessary benefit to the sustainability of the stock.

34 The overall effect of any additional catch by New Zealand would also need to be considered in relation to the global fishery. The additional catch proposed to be included in the New Zealand TAC would amount to around 1.6% to 2.2% of the new global catch limit (under option 2 or 3 respectively).⁶ For biological purposes, there would be little, if any, measureable benefits to the stock from not taking this additional catch, especially in the context of the reductions in catch already agreed.

35 Although some submitters have suggested that New Zealand should close its target fishery, this is not possible within the current fishing season. If you consider there is merit in further considering a cut to the existing TAC, any reduction could only be implemented for the start of the following fishing year, following appropriate consultation.

36 Several submitters argued that if the New Zealand harvest strategy were applied to southern bluefin tuna, the most likely outcome would be closure of the fishery. In relation to highly migratory species (including southern bluefin tuna), the standard outlines that the Ministry will generally rely on international organisations in which New Zealand participates to determine the status of the species in question. The harvest strategy is the basis for New Zealand's negotiating position in those fora. Given the nature of international negotiations, it would not be possible for the harvest strategy standard to be more prescriptive than this for highly migratory species. New Zealand officials applied this approach in meetings of CCSBT, advocating for target and limit reference points in line with the harvest strategy standard. Further discussions on target and limit points will occur over the next year as a management procedure is finalised and adopted.

37 The Ministry considers that the low stock status of southern bluefin tuna is addressed through the overall management strategy agreed by CCSBT (noting that more substantial

⁶ Based on an increase from 420t to total available catches of 570t (option 2) or to 628t (option 3) (in both cases allowing for the carry-forward of some unfished ACE from 2009-10).

cuts in global catches would have achieved a faster and more certain rebuild and that additional cuts are likely in future years). New Zealand contributed substantially to this overall strategy, including through additional voluntary reductions in catch relative to the country allocation initially made available (see Appendix One for details).

Overview of submissions— TACC and allowances

38 SeaFIC reiterates that ensuring that the recreational allowance is not exceeded is a crucial element of New Zealand's overall compliance with its obligations under CCSBT. SeaFIC considers the recreational sector must be subject to an equivalent level of monitoring and reporting as the commercial sector. SeaFIC contends there is otherwise potential for New Zealand to breach its international obligations, with serious implications for New Zealand's credibility.

39 Te Ohu Kaimoana submits that CCSBT has established a system that allocates nominal shares of the global fishery to participating countries and then allocates a tonnage to each country on a pro-rata basis to achieve the desired rebuild.⁷ Te Ohu Kaimoana would support a similar system of pro-rated allocations between the sectors in New Zealand's domestic management.

40 The Recreational Fishing Council submits that the proposed allocation for recreational fishers does not reflect the large increase in the recreational charter fleet along the west coast of the South Island. Although the charter fishery in this area developed to target Pacific bluefin tuna, the Recreational Fishing Council notes it is now hearing reports of charter boats fishing earlier in the season to target southern bluefin tuna. Until better information on the quantum of the recreational catch is available (e.g. from charter boat reporting), the Recreational Fishing Council recommends a recreational allowance of 40t.

41 The Recreational Fishing Council submits that if the TAC is increased, allowances should be made of 1t for customary fishing, 40t for recreational, 3t for other sources of mortality, and 584t of ACE (including 172t of in-season ACE).

Ministry discussion— TACC and allowances

42 There are conflicting views on the volume of catch taken by the recreational fishery. Although the Recreational Fishing Council submits that 40t should be allowed for this fishery, the Ministry does not consider the best available information supports this view. The initial position paper included a table summarising southern bluefin tuna catches as reported by charter boat operators. Although the reporting was on a voluntary basis, the Ministry considers most recreational catches would be covered. The highest recorded catches were in 2007, when just over 4 tonnes of southern bluefin tuna were landed and a further 2.2t were released. Since then, reported catches have remained under 1t.

43 The current recreational allowance is 4t. The Ministry proposed in the initial position paper that you allow for 8t of recreational catch and 1t for customary fishing. The proposal was to reflect the potential for recreational landings of southern bluefin tuna to exceed the current allowance, at least in some years. No change was proposed for the customary allowance, because there is no evidence to date that catches of southern bluefin tuna are made under the customary regulations. Most if not all non-commercial catches are probably taken in line with general provisions for non-commercial fishing (rather than under the customary fishing regulations). The Ministry has considered the issues raised by submitters, and reiterates its advice as outlined in the initial position paper in relation to allowances for non-commercial fishing.

⁷ CCSBT has not yet formally adopted allocation rules, so allocations of the global TAC are still the subject of negotiations although in most instances a country's allocation will be based on its existing (or an agreed alternative) share of the fishery.

44 The Ministry agrees it is important to monitor all components of the New Zealand fishery, and ensure both that the allowances made are appropriate, and that catches remain within those allowances. New Zealand is the only CCSBT member that currently makes allowance for its non-commercial catches from its overall country allocation.

45 The Ministry will continue to closely monitor recreational catches in the future, including through the newly implemented compulsory charter boat reporting. The recreational fishery for southern bluefin tuna is largely a charter fishery operating off the west coast of the South Island over the winter. Since November 2010, compulsory charter boat reporting including of southern bluefin tuna catches has been in place in this area (the reporting requirements will be expanded to cover other areas of potential catches of southern bluefin tuna over the next two years).

46 Te Ohu Kaimoana's preference for proportional shares of the TAC is noted. You have the discretion to determine, on a case-by-case basis, how to allocate the TAC. There is little statutory guidance on the apportionment of the TAC among sector groups, either with respect to quantitative measures or prioritisation of allocation. The decision you make in relation to southern bluefin tuna within the current fishing season should not be considered as setting a precedent for any other allocation decisions you are required to make. The current decision will apply only within the existing season; if you choose option 2 or 3, allowances will revert to their existing levels (of 4t for recreational and 1t for customary) at the end of this fishing year.

Rationale for Management Options

Option 1—Status quo

47 A TAC of 420t, as proposed under option 1, would still allow for utilisation from the southern bluefin tuna fishery, at the same level as applied in 2008-09. This option would not allow for additional utilisation, as provided by CCSBT decisions in 2009 and 2010 on the level of New Zealand's national allocation. Past practice has been to set the TAC at the level of the national allocation as decided by CCSBT, although New Zealand could choose to set a TAC at a level lower. In choosing this option, you would be favouring an additional contribution to the overall sustainability of the global stock, despite the fact that provision has been made for the increase to the New Zealand catch limit as part of the overall 20% reduction in catches established in 2009.

48 Southern bluefin tuna is at a low biomass level (around 5% of its unfished spawning stock biomass), and as well as the 20% cuts already agreed, further cuts are likely in the future to achieve the interim rebuilding target CCSBT has adopted. Industry submissions about their capacity to catch additional quota notwithstanding, you may wish to adopt this option to prevent any short term expansion in the New Zealand industry, given the longer term possibility of cuts, including cuts that would reduce New Zealand below its existing TAC.

Option 2—TAC of 539t

49 Under option 2, provision is made for some additional utilisation (up to a maximum of 570t, including carry-forward of some unfished ACE from the 2010 fishing year). This option is consistent with CCSBT decisions, and would allow for an additional 114t of ACE, as well as an increased allowance for non-commercial fishers, and for other sources of fishing related mortality.

50 Section 14(6) of the Act outlines that, after considering information about the abundance during the current fishing year of any stock listed in Schedule 3 to the Act, you may increase the TAC for the stock. If a TAC has been increased during the fishing year in this way, the TAC shall revert to its previous level at the end of that fishing year (s. 14(7)).

For STN 1, the TAC reverted to 420t on 1 October 2010 after the in-season increase that occurred in the 2010 fishing year, when the TAC was increased to 532t.

51 The Ministry has provided information above about the abundance of southern bluefin tuna in the current fishing year (see paragraphs 7 and 8). The overall abundance of the stock is low. Availability within New Zealand waters is more difficult to estimate because of the highly migratory nature of the species, but was considered to be good in 2010. Ministry observers and fishers noted more small fish in the fishery in 2010, and catch rates were up to twice the level experienced in 2009. While these are positive signs of an end to a series of poor recruitments in the early 2000s, it will take some time for these cohorts to impact on the size of the spawning stock biomass, which is at a very low level.

52 In reviewing the TAC under section 14(6) of the Act, you have an obligation to provide for utilisation while ensuring sustainability. The Ministry considers your obligation to ensure sustainability is met by managing southern bluefin tuna within the agreed international framework, in the context of a rebuilding plan and global reductions in catch. This obligation would also be met (with a somewhat higher degree of certainty) by option 1, or by option 3 (which is also consistent with CCSBT decisions). Some stakeholders do not consider any of these three options meet the obligation to ensure sustainability.

53 Your obligation to provide for utilisation is also met under all three options. As outlined above, option 1 provides for utilisation by allowing fishers to take the same TAC as applied in 2008-09. Options 2 and 3 provide for some additional utilisation, the potential benefits of which are outlined below.

54 Southern bluefin tuna is an important component of the surface longline fishery, with an approximate export value of \$10.25 to \$12.5 million in 2009. The export value of an additional 114t of southern bluefin tuna is between \$3.9 and \$4.6 million (depending on assumptions made about the value per kilo)⁸. The indicative trading price for STN 1 ACE is \$7,216 per tonne, based on indicative transaction information available to the Ministry.⁹ However, Ben Turner suggests a more accurate ACE value would be around \$3,000 to \$3,500 per tonne. This suggests an additional value of between \$340,000 and \$820,000 from making an additional 114t of ACE available.

55 Options 2 and 3 also provide for an increased allowance for recreational fishers, which may more closely reflect potential catches in this fishery, as outlined at paragraphs 42 and 43.

56 If you choose to increase the TAC, the Ministry recommends the existing allowance for other sources of fishing related mortality be pro-rated to provide a new allowance within the overall TAC that reflects the likely quantum of other sources of fishing related mortality under a higher level of fishing. An amount of 3t (rounded) is proposed within the TAC under options 2 and 3.

57 The TAC proposed under option 2 is based on New Zealand fishing to a national allocation of 570t for 2010-11 (a level equivalent to the catch limit that applied in 2009-10). The recommended TAC also accounts for the amount of ACE carried forward from the 2009-

⁸ The higher figure is based on the 2009 greenweight export price of \$41.06/kg compiled by Statistics New Zealand and allowing for limited processing. The lower figure (\$34.15 per kg) is probably a truer reflection of the value of the fishery, based on information received from industry on prices received in 2009 for the full amount of catch taken in that year (419t), and taking into account the relative values of the fresh and frozen components of the fishery.

⁹ This figure is based on the average ACE price of \$7,216 per tonne for STN 1 from the 2006/07 fishing year. Insufficient ACE trading has occurred in more recent years to determine a more accurate figure (although trading has occurred, the associated values have not always been reported, or may represent transfers within companies).

10 fishing year (31t), which has been deducted. Some participants at a meeting with pelagic longline fishers considered this outcome to be unfair, because it would affect the amount of in-season increase available to individual quota holders, whether or not they had received the benefits of a carry-forward of unfished ACE. An alternative option would be to set the TAC to 570t, noting that if available ACE including carry-forward ACE were fully caught, then total catches would be closer to 600t. This option is closer to the level of catch available under option 3. Further discussion is provided below on the costs and benefits of providing for maximum utilisation. Overall, although it would provide for additional utilisation the Ministry does not recommend this approach because of the possibility of over-expansion in the fishery, and in recognition of overall stock status of southern bluefin tuna.

Option 3— TAC of 597t

58 Option 3 provides the greatest allowance for additional utilisation within the bounds of agreements made at CCSBT. The decision made by CCSBT in 2009 included provision for a two-year catch allocation, under which New Zealand has agreed its catches will average 570t over the two year period (with not more than 570t to be taken in 2010). Given that catches in 2010 were less than 570t, option 3 would allow for average catch in 2010 and 2011 to equal 570t (with a slightly higher TAC – 597t – in 2011 to account for catches below 570t in 2010).

59 Option 3 provides for maximum utilisation in the 2011 fishing year, and was supported by some industry submitters. The export value of an additional 172t of southern bluefin tuna is around \$5.9 to \$6.9 million, an additional \$2 to \$2.3 million compared to option 2. Based on the range of trading prices for STN 1 ACE outlined above, an additional 172t of ACE could represent around \$516,000 to \$1,240,000 in trades.

60 However, other submitters indicated that at this level of ACE, incentives could be provided for additional capital investment such as new vessels entering the fishery. In the context of the longer term management of the fishery, this may not be desirable.

Other matters

Under-fishing provisions

61 Several submitters including Ben Turner, Sanford, the Sport Fishing Council, and the Recreational Fishing Council also comment on provisions for the carry-forward of unfished ACE. You agreed to remove these provisions for southern bluefin tuna by placing it on Schedule 5A of the Fisheries Act, with effect from the 2010-11 fishing year (i.e. no ACE will be carried forward from this year into the 2011-12 fishing year or in subsequent years).

62 The Sport Fishing Council supported the removal of carry-forward of unfished ACE, and, noting that CCSBT has agreed that no carry-forward of allocations will apply between 2011 and 2012, would oppose the carry-over of ACE into the 2011 fishing year. The Recreational Fishing Council also opposes any carry-over of ACE from one year to the next.

63 Ben Turner and Sanford both submit that the carry-forward of ACE is necessary for the smooth operation of the southern bluefin tuna fishery. Mr. Turner is concerned that removing the carry-forward provisions may lead to dumping of fish (or undercatch of a valuable resource). At present, Mr. Turner submits that commercial fishers tend to target southern bluefin tuna until they have caught up to within 10% of their available ACE. The fishers then begin to target bigeye tuna, but have some available ACE to cover any bycatch of southern bluefin tuna if required. Mr. Turner submits that if there is no carry-over then fishers would seek to maximise the return from their ACE by fully catching their allowance in the target fishery. Any southern bluefin tuna caught as bycatch in the bigeye fishery would be released (noting that live releases of southern bluefin are allowed, but Mr Turner estimates that about 20% of these fish would be dead).

64 Solander notes it has previously raised its concerns about the removal of the carry-forward provisions and continues to do so. Solander considers it illogical to change a working domestic arrangement to suit an international convention that is, on this issue, fundamentally flawed. Solander considers highly migratory species cannot be managed to a precise catch limit, so a 'buffer' of carry-forward is a practical solution. CCSBT effectively operated such a carry-forward provision in the two-year catch limit for 2010 and 2011, and may do so for future three-year TACs proposed under the management procedure.

65 You considered these factors in deciding to remove the under-fishing provisions. Although the arrangement is of benefit to fishers, this was outweighed in the short term by the risk that total catches might exceed the New Zealand allocation. New Zealand will however continue to try and encourage CCSBT to adopt complementary measures that could allow for some form of carry-forward. As Solander highlights, such rules may be developed in the context of managing the three-year catch limits that the management procedure will generate.

Summary of Recommendations

66 The Ministry recommends that you:

- | | | |
|------|---|----------|
| i. | Agree to retain the <i>status quo</i> (option 1): | Yes / No |
| ii. | Retain the existing TAC at 420 tonnes | |
| iii. | Retain the customary allowance at 1t, | |
| iv. | Retain the recreational allowance at 4t, | |
| v. | Retain the allowance for other fishing-related mortality of 2t, and | |
| vi. | Retain the existing TACC at 413t. | |

OR

- | | | |
|-------|--|----------|
| vii. | Agree to set the TAC for STN 1 to 539t for the 2010-2011 fishing year under section 14 of the Fisheries Act (option 2—Ministry preferred option) and set the following allowances: | Yes / No |
| viii. | a customary allowance of 1t, | |
| ix. | a recreational allowance of 8t, | |
| x. | an allowance for other fishing mortality of 3t, and | |
| xi. | available Annual Catch Entitlements for commercial fishers of 558t (including 114t of in-season Annual Catch Entitlements) | |

OR

- | | | |
|-------|--|----------|
| xii. | Agree to set the TAC for STN 1 to 597t for the 2010-2011 fishing year under section 14 of the Fisheries Act (option 3) and set the following allowances: | Yes / No |
| xiii. | a customary allowance of 1t, | |
| xiv. | a recreational allowance of 8t, | |
| xv. | an allowance for other fishing mortality of 3t, and | |
| xvi. | available Annual Catch Entitlements for commercial fishers of 616t (including 172t of in-season Annual Catch Entitlements) | |



Arthur Hore
**Fisheries Manager Highly Migratory Species/Pelagic
 for Chief Executive**

AGREED / AGREED AS AMENDED / NOT AGREED

Hon Phil Heatley
Minister of Fisheries and Aquaculture

/ / 2011

UNCLASSIFIED

Appendix One—Summary of CCSBT catch limit decisions for 2010 and 2011, as agreed by CCSBT in 2009 and confirmed in 2010¹⁰

Members				
	Nominal catch (tonnes)	Allocated catch (tonnes)	Effective catch limit (voluntary reductions)	Additional New Zealand reduction (bilateral transfer)
Japan	5,665	2,261	2,261	2,400
Australia	5,665	4,270	4,015	4,015
New Zealand	1,000	754	709	570
Korea	1,140	859	859	859
Taiwan	1,140	859	859	859
Indonesia	750	651	651	651
Cooperating Non-members				Allocated catch
			Philippines	45
			South Africa	40
			European Community	10
TOTAL			9,449 tonnes	

¹⁰ For details refer to the Reports of the Sixteenth Annual Meeting of the Commission, October 2009; and the Seventeenth Annual Meeting, October 2010; www.ccsbt.org.