Dear Stakeholder

## REVIEW OF SUSTAINABILITY MEASURES AND OTHER MANAGEMENT CONTROLS FOR THE 2004-05 FISHING YEAR – ADAPTIVE MANAGEMENT PROGRAMME

1 This letter outlines my final decisions for the review of sustainability measures and other management controls for the 2004-05 fishing year. I have made decisions regarding adaptive management programme reviews for bluenose, elephant fish, John dory, pale ghost shark, red gurnard, school shark and tarakihi, and conversion factor reviews for shark fins, which are to take effect on 1 October 2004.

2 I take this opportunity to acknowledge all of the submissions I have received from sector groups as part of this year's review. I appreciate the time taken to prepare and provide submissions.

3 In reaching my final management decisions for 2004-05, I have carefully considered the available fishery assessment information, advice from the Ministry of Fisheries and all of the issues and information put forward by sector groups for each of the fishstocks identified for review.

4 I have also given careful regard to the legislative provisions of the Fisheries Act 1996, especially those relating to the purpose of the Act (s 8), the environmental and information principles (ss 9 and 10, respectively), and the setting and amending of sustainability measures (ss 11 and 13).

### Adaptive Management Programme

#### *General Comments*

5 The adaptive management programme (AMP) fulfils an important role in developing fisheries and as a means of improving information about the fisheries managed under the AMP. It is important that industry and the Ministry continue to work to ensure the success of the AMP as a robust and viable management tool. To that end, I support the need for the AMP to address issues relating to the management of the stock as a whole and not just place an emphasis on obtaining information to support retention of a TACC. I also emphasise the need for fishers to maintain logbooks where that is a requirement of the AMP, and adhere to the codes of practice, catch spreading arrangements and other such arrangements that form part of the AMP.

6 A new timetable for considering new stocks within the AMP encourages improved dialogue between participants and MFish throughout the year, rather than simply relying on consultation within the sustainability measures process. Requiring proponents to work with MFish prior to formal consultation in the sustainability round process will better allow outstanding issues to be resolved and therefore provide for better fisheries management outcomes.

### *Reviews of AMP stocks*

7 The annual and full review of AMP stocks identified 12 stocks for further management action. These stocks were bluenose (BNS 2), elephant fish (ELE 5), John dory (JDO 7), pale ghost shark (GSP 1 and 5), red gurnard (GUR 7), school shark (SCH 3, 5, 7 and 8) and tarakihi (TAR 2 and 3). Other stocks within the AMP are considered to be meeting the requirements of the AMP. I acknowledge the efforts made by those concerned to achieve this outcome and encourage quota holders to continue to work together to ensure the success of the AMP programme.

8 My views on the above AMPs are detailed below.

#### *Bluenose (BNS 2)*

9 I have agreed to increase the total allowable catch (TAC) for the BNS 2 fishery to 1 107 tonnes under an AMP. The increase in the TAC and total allowable commercial catch (TACC) does not pose a high sustainability risk. The increase in the TACC for BNS 2 is to the level of existing commercial catches that have been relatively stable for the past 13 years. However, the increases in TAC and TACC do pose some risk given the relatively low productivity of bluenose and the lack of information on the stock. I therefore support an AMP for BNS 2, as it will provide a better indication of changes in stock structure, and a greater ability to detect sustainability concerns.

10 I have agreed to the proposed allowances for customary and recreational fishing, and other sources of fishing related mortality, and note there was no opposition to these allowances. I look forward to the Area 2 Finfish Management Company meeting its obligations under the BNS 2 AMP, and especially ensuring the logbook programme covers at least 50% of the TACC landed in each of the long line and trawl BNS 2 fisheries.

#### *Elephant Fish (ELE 5)*

11 The quantity of elephant fish caught as bycatch in ELE 5 is exceeding available Annual Catch Entitlement (ACE). To address this situation, South East Finfish Management Ltd has proposed including ELE 5 within a five year AMP, with a 20% increase in the TACC from 100 to 120 tonnes. I note the stock assessment plenary supports increasing the TACC to accommodate current catch if it is accompanied by an appropriate monitoring programme.

12 I have decided to include ELE 5 within an AMP and to increase the TACC to 120 tonnes. However, I am also mindful of the vulnerability of elephant fish to overfishing. This fishery has been overfished before. Therefore, I am including ELE 5 in the AMP on the condition that all necessary stock monitoring requirements recommended in the FAP are established prior to the 1 October 2004 commencement date. The increased TACC is unlikely to increase risk to marine mammals and seabirds as it only covers overcatch. However, I note the

potential of a change in fishers' behaviour that might increase risk to marine mammals and seabirds, and I encourage fishers to continue to implement appropriate measures to mitigate any risk.

13 I have also taken this opportunity to set a TAC of 136 tonnes for the ELE 5 stock and within the TAC set an allowance for customary Mäori fishing of 5 tonnes, an allowance for recreational fishing of 5 tonnes, and an allowance for other sources of fishing-related mortality of 6 tonnes.

*John Dory (JDO 7)*

14 The Challenger Finfisheries Management Company Limited has proposed to increase the TACC from 91 tonnes to 127 tonnes for the John dory (JDO 7) fishery under an AMP.

15 After considering industry's support for an alternative proposal by the Ministry of Fisheries, I have agreed to increase the TACC to 114 tonnes under the low knowledge bycatch framework. I consider this action is appropriate as there is sufficient stock assessment information to justify increasing the TACC to existing commercial catch levels without the need to impose additional costs on industry to undertake the proposed AMP. The new TACC will better enable fishers to balance John dory catches with ACE, and this will have a positive economic effect on both the JDO 7 fishery and the associated target fisheries.

16 I believe the risk of overfishing under the new TACC is low as environmental factors drive stock levels rather than the effect of fishing. The west coast South Island trawl survey programme, which appears to adequately assess the status of the JDO 7 stock, will continue to monitor the fishery under the new TACC. In addition, this TACC is unlikely to lead to any substantial development of a target John dory fishery, or cause fishers to redistribute effort into new areas.

17 I have also agreed to set a TAC of 120 tonnes, which includes allowances of 1 tonne for customary Mäori interests, 2 tonnes for recreational interests, and 3 tonnes for other sources of fishing-related mortality.

*Pale Ghost Shark (GSP 1 and 5)*

18 Pale ghost shark was introduced into the QMS in 1999. The catch information used to set the original GSP 1 and GSP 5 TACs and TACCs was poor and unlikely to have reflected actual catch due to confusion in reporting of dark and pale ghost shark, and non-reporting. TACCs of GSP 1 and GSP 5 have been consistently overcaught since introduction to the QMS. In response, South East Finfish Management Ltd has proposed to increase the TACC of GSP 1 by 100% from 509 to 1 018 tonnes and the GSP 5 TACC by 240% from 118 to 401 tonnes within five year AMPs.

19 In the IPP, three options were proposed to manage GSP 1 and GSP 5 under AMP or Low Knowledge Bycatch (LBK) frameworks. The preference in the IPP was management under a LKB framework with a 126% increase to the TACC of GSP 1 (509 to 1150 tonnes) and a 285% increase to the TACC of GSP 5 (118 to 454 tonnes).

20 I have decided not to include pale ghost shark in either the AMP or the LKB frameworks. The level of knowledge about both the GSP 1 and GSP 5 fisheries justifies an increase in the

TACs and TACCs. Stock information from trawl surveys indicates recent catch levels have had no impact on the biomass of pale ghost sharks and there is good recruitment of small ghost sharks. Further, adequate monitoring of the stocks is already provided by the Chatham Rise and Sub-Antarctic trawl surveys.

21 I note that some members of industry do not support the TACC of GSP 1 being set at 1 150 tonnes and GSP 5 at 454 tonnes because of possible sustainability concerns and because any HOK 1 TACC reduction may reduce the need for a higher TACC. However, I consider that TACCs based on recent catches will not add further risk to the sustainability of the GSP 1 and GSP 5 fisheries and will benefit industry by providing more flexibility to manage ACE portfolios.

22 Accordingly, I have decided to increase the GSP 1 TACC by 126% to 1 150 tonnes and the GSP 5 TACC by 285% to 454 tonnes to reflect recent average catch levels.

*Red Gurnard (GUR 7)*

23 I have declined a proposal from the Challenger Finfisheries Management Company Limited to increase the TACC from 680.86 tonnes to 848 tonnes for the red gurnard (GUR 7) fishery under an AMP. Instead, I have decided to retain the TACC because of uncertainty on whether the proposed TACC increase will pose a sustainability risk.

24 While commercial catch levels have increased in recent years, I note there is conflicting information from the 2003 west coast South Island trawl survey programme that suggests a substantial decline in relative abundance, particularly in Golden and Tasman Bays. In addition, this information demonstrates a significant decline in juvenile gurnard from the survey area. Because the status of the stock in relation to $B_{MSY}$ is unknown, I believe there are insufficient grounds to increase the TACC at this time, as the ability of the stock to remain sustainable under a higher commercial catch level is uncertain.

25 I accept that some fishers may continue to experience problems in balancing catches if the trend of increasing catch persists. However, I note that a further west coast South Island trawl survey is scheduled in early 2005, and if appropriate, the Ministry of Fisheries can consider additional management measures at that time.

26 In reviewing the GUR 7 fishery, I have decreased the TAC from 758 tonnes to 724.86 tonnes to reflect a more realistic allowance for customary Mäori interests and to include a new allowance for other sources of fishing-related mortality. The TAC now includes allowances of 10 tonnes for customary Mäori interests, 20 tonnes for recreational interests, and 14 tonnes for other sources of fishing-related mortality.

*School Shark (SCH 3, 5, 7 and 8)*

27 In response to increased abundance of school shark in inshore waters, South East Finfish Management Ltd and the Challenger FinFisheries Management Company Ltd have proposed increasing the TACCs of school shark stocks SCH 3, 7 and 8 by 20% and SCH 5 by 5% within five year AMPs. The main objective of the proposed TACC increases is to ascertain whether, based on increased abundance, the stocks are capable of sustaining higher catches consistent with the current assumption that the stocks are at or above $B_{MSY}$.

28 In order to determine whether school shark stocks will sustain higher catch levels I have decided to include school shark stocks within AMPs and increase the TACCs to the levels proposed by industry. This will result in new TACs based on the sum of the new TACCs, known or estimated levels of recreational and customary Mäori catch, together with an estimate (5% of the TACC) of all other sources of fishing-related mortality (refer Table below).

| Stock | TAC | Customary Allowance | Recreational Allowance | Fishing-related Mortality Allowance | TACC |
|---|---|---|---|---|---|
| **SCH 3** | 502 | 48 | 48 | 19 | 387 |
| **SCH 5** | 794 | 7 | 7 | 37 | 743 |
| **SCH 7** | 789 | 58 | 58 | 32 | 641 |
| **SCH 8** | 597 | 21 | 21 | 26 | 529 |

29 My decision takes into account the stock assessment plenary's view that school shark stocks could be included in AMPs because school shark is one biological stock within New Zealand and there is a reasonable probability that the stocks have increased to a level at, near, or above $B_{MSY}$. However, I am mindful that school sharks are known to be susceptible to overfishing.

30 I note that the Ministry of Fisheries considers there is a low risk of adverse impacts of fishing school shark stocks to threatened Hector's dolphin and the critically endangered Maui's dolphin populations. This is based on industry's mitigation measures and that these dolphins appear to be spatially separated from target school shark fisheries. Accordingly, I will require the stock and fishing-related mortality monitoring, outlined in the FAP. This will mitigate risks to the sustainability of school shark stocks and address concerns about the lack of information on marine mammal and seabird interactions with school shark fisheries.

*Tarakihi (TAR 2)*

31 I have approved a proposal from the Area 2 Inshore Finfish Management Company Ltd to increase the TACC from 1 633 tonnes to 1 796 tonnes under an AMP. The new TACC will reflect recent commercial catch levels and will enable fishers to better balance catches with ACE.

32 I do not consider the new TACC will pose a significant sustainability risk, as it should result in only small, if any, changes to effort and catch. I also expect the TACC will not affect the size and availability of tarakihi for non-commercial fishers, as the spatial distribution of commercial catches has been stable over time, and any changes are expected to be minor.

33 The new TACC will be supported by a research and monitoring programme to be conducted by industry to provide updated stock assessment information. This will include collection of specific commercial logbook and catch sampling information to aid future management of the fishery, including an assessment on the effects of the TACC on the stock and on the aquatic environment. I wish to highlight that I expect participation with this programme to be high, and as such, industry must annually report to the Ministry of Fisheries on compliance with the programme to maintain the integrity of the AMP.

34 I have also agreed to set a TAC of 2 082 tonnes, which includes allowances of 100 tonnes for customary Mäori interests and 150 tonnes for recreational interests. These allowances recognise that the TAR 2 fishery is an important shared fisheries resource. The TAC also includes an allowance of 36 tonnes for other sources of fishing-related mortality.

### *Tarakihi 3 (TAR 3)*

35 Increasing catch-per-unit-effort (CPUE) in the target trawl fishery since 1992-93 is indicative of increased abundance of the TAR 3 fishstock, and, it is considered there is a reasonable probability that the current biomass of TAR 3 is greater than $B_{MSY}$. The TACC has been over-caught in the three most recent fishing years, however, current information is not sufficient to evaluate accurately TAR 3 biomass. To address this situation, South East Finfish Management Ltd has proposed including TAR 3 within an AMP and increasing TACC by 20% from 1 169 to 1 403 tonnes.

36 I have decided to approve this proposal and have also taken this opportunity to set a TAC of 1 503 tonnes and within the TAC set an allowance for customary fishing of 15 tonnes, an allowance for recreational fishing of 15 tonnes, and an allowance for other sources of fishing-related mortality of 70 tonnes.

37 The success of the AMP is contingent upon adherence to the monitoring programmes that are required for the AMP. I note that commercial CPUE may be problematic as a monitoring tool of the abundance of tarakihi in TAR 3. I therefore accept the importance of the logbook programme to provide high spatial resolution for catch and effort in TAR 3, and the importance of the collection of biological information. I note that the increased TACC may increase the risk of mortalities of marine mammals and seabirds, but the level of this increased risk is low because Hector's dolphin are spatially separated from the TAR 3 fishery. However, I am concerned about the lack of information about fishing and marine mammal interactions, and support the introduction of a monitoring programme for marine mammals and seabirds.

## ***Shark fin conversion factors***

38 I have decided to amend the current conversion factor for shark fin weight to shark greenweight for blue shark (*Prionace glauca*) from 30.00 to 48.00 (for wet fins) and to 115 (for dry fins), for mako shark (*Isurus oxyrinchus*) from 30.00 to 59.00 (for wet fins) and to142 (for dry fins) and for porbeagle shark (*Lamna* nasus) from 30.00 to 45.00 (for wet fins) and to 108 (for dry fins). I will also be recommending amendments to the Fisheries (Reporting) Regulations 2001 to define new landed states and codes for wet and dried blue, mako and porbeagle shark fins.

39 I have concluded that there is a risk to the integrity of TACs and TACCs for blue, mako and porbeagle shark if no change is made to conversion factors at this time particularly a change to take into account the dried state for shark fins. MFish acknowledges that the information on which to base revised conversion factors is limited but considers that it is better than the data previously used to set a standard for all sharks of 30:1 and is the best available for blue, mako and porbeagle sharks at this time. I have accepted this view and note that further efforts will be made to collect information over time for a review of conversion factors in the future if required.

40 I have already taken into account the concern of industry regarding the impact of a change in conversion factors on TACs and TACCs when I decided on catch limits for these species. Historical catches were adjusted to take account of new conversion factors. In relation to the industry submissions that provisional catch history should also be adjusted to take into account the proposed new conversion factors, I have accepted the MFish view that the use of the conversion factor applicable during the catch history qualifying period is consistent with the 1996 Act. No adjustment will be made to provisional catch history for the changes in conversion factors that have occurred since this time.

41 Finally I can advise that the practice of shark finning will be kept under review and if necessary additional controls will be considered if the incentives of the QMS are not sufficient to reduce wastage in shark fisheries. The vehicle for considering any additional controls will be the National Plan of Action (NPOA) for sharks. MFish is to prepare a NPOA-sharks over the next year and I consider that this is also the appropriate vehicle to develop long term objectives for shark fisheries in consultation with stakeholders.

Yours sincerely

Hon David Benson-Pope
Minister of Fisheries