3 September 2003

Dear Stakeholder

SETTING OF SUSTAINABILITY MEASURES FOR THE INTRODUCTION OF KINGFISH INTO THE QUOTA MANAGEMENT SYSTEM ON 1 OCTOBER 2003

1 I am writing to inform you of my final decisions on management of kingfish stocks for the 2003-04 fishing year. It is clear that management of kingfish is an important issue for all sectors. I would like to thank those that have taken the time to think about and respond to the important policy issues and management options raised by introduction of this species into the Quota Management System (QMS) on 1 October 2003.

2 There are three key areas I have had to decide on in relation to each kingfish stock:

- Setting the Total Allowable Catch (TAC);
- Allocation of allowances; and
- Management measures in support of decisions.

Setting the TAC

3 There is limited information on the current status of kingfish stocks and no quantitative assessment to determine whether stocks are above or below the biomass that will support the maximum sustainable yield (B_{MSY}). Given the limited information available I have decided that it is not necessary to set a target level (such as above B_{MSY}) for kingfish stocks at this time.

4 Uncertainty in the status of current biomass is a factor that I have taken into account in my consideration of TAC options identified in MFish advice and in stakeholder submissions. I am required to make a decision on TACs and allowances despite the uncertainty in current stock status. Having regard to the importance of the stock to all sectors, and therefore the socio-economic benefits associated with harvesting, I wish to take management steps that will at least maintain, if not improve, current biomass.

5 I have noted that the Report from the Fishery Assessment Plenary concludes that it is not known whether the current combined commercial and recreational catch is sustainable for any kingfish stock. Anecdotal information from recreational fishers suggests that there has been a decline in abundance. Commercial landings have declined in KIN 1 and KIN 2 but the reason for this decline is not clear. While accepting that the information on landings is uncertain, I consider that the available data suggests that there is a risk attached to current levels of catch for some kingfish stocks, in particular KIN 1, KIN 2 and KIN 8.

6 In the absence of reliable yield information, the starting point for calculating the TAC for each stock is the best estimate of average landings for each sector group. I have noted that a number of submissions disputed the estimates of average landings provided in the MFish Initial Position Paper (IPP) and suggested alternative data and/or time periods of data that should be used to calculate the TAC options.

7 In final advice to me, MFish has confirmed its view that the average of the two most recent harvest estimates, while uncertain, is the best available information on recreational kingfish landings at this time. MFish did not accept the industry proposition to extend the period used to derive commercial average landings on sustainability grounds. After consideration of submissions, MFish also proposed adjustments to the estimates of commercial average landings provided in its initial proposals to take into account:

- the fact that the Minimum Legal Size, did not apply to all commercial fishing methods until December 2000; and
- the declining trend in commercial landings in KIN 1 since 1993 by reducing the period of time used to derive an average of these landings.

8 I have considered the MFish advice and the submissions related to this issue. I am not so concerned about the basis for the TAC calculation, which I recognise in the absence of yield information is to a degree subjective, but rather whether the overall TAC for each stock is sustainable. After analysis of submissions and consideration of available information MFish have assessed that the TACs outlined in the IPP may be unsustainable given uncertainty over current stock status. Accordingly I have determined that the TAC options presented in the MFish final advice present less risk to the stock than those outlined in the IPP.

9 The MFish Final Advice Paper (FAP) outlined two TAC options for KIN 1, KIN 2, and KIN 8, one based on average landings, the other based on a 20% reduction to average landings. In reaching a decision on which TAC option should apply in each kingfish stock I have carefully considered the socio-economic impacts and advice outlined in the MFish FAP and the issues raised in submissions including:

- the uncertainty in information on the status of kingfish stocks;
- information that may indicate a decline in biomass over time;
- my desire to at least maintain and hopefully improve current biomass; and
- socio-economic information including the potential impacts and benefits to all sectors.

10 I am not satisfied that a TAC based on average landings in KIN 1, KIN 2 and KIN 8 appropriately mitigates the risk that abundance may have declined over time and further decline is possible at levels based on average landings. Given uncertainty in information on stock status, I am obliged to implement measures that will prevent the biomass declining. However, my preference is to set a TAC that provides a reasonable opportunity for the biomass to increase. I have therefore decided to set a TAC for kingfish in KIN 1, KIN 2 and KIN 8 that is 20% below revised estimates of average landings. TACs in other areas are to be based on the best estimate of average landings. TACs for all stocks are outlined in Table 1.

Allocation

11 The MFish FAP outlined two allocation options for a TAC based on a 20% reduction to average landings. The first option proposed a proportional reduction to recreational and commercial fishers. The second option (utility) proposed that commercial fishers

face a disproportionately larger share of the reduction on the basis that recreational fishers valued kingfish more highly and therefore should have a greater share of the resource.

12 I have noted the concerns from commercial fishers, Te Ohu Kai Moana and also from a number of recreational groups over the use of utility information to inform the decision making process on allocating the TACs for kingfish both in concept and in detail.

13 I recognise that decisions by Government to reallocate catch between sectors will be imperfect in the absence of a market to make such tradeoffs. I also acknowledge that there are policy reasons against undermining the security attached to Individual Transferable Quota by reallocation from one sector to another. Given the concerns raised in submissions, I consider that the concept of utility would benefit from further debate among stakeholders and note that the current recreational rights reform process may provide an appropriate opportunity for this debate to occur. In this instance, I have determined not to make an allocation decision based on relative estimates of likely value between sectors in the kingfish fishery.

14 I note that there are a number of competing demands for available yield from kingfish stocks. I am not required to satisfy these demands in full. In deciding on these allocations I have had regard to:

- the views of stakeholders;
- information on historical landings; and
- socio-economic information.

15 I recognise that there will be socio-economic impacts from the allocation decision. I have carefully considered these impacts in determining allocations. I have examined providing increased opportunities to the commercial or recreational sector via my allocation decision. However, as noted above, given uncertainty in the comparative estimates of value for kingfish I believe that information on current use is the best available information on which to base my allocation decisions. On balance, I believe that the allowances outlined in table one best represent current use in the fishery, reduced proportionally to fit within the bounds of the TAC to ensure sustainability.

Table 1 TACs, allowances and TACCs for kingfish stocks (in tonnes)

Stock	TAC	Customary	Recreational	Other sources of fishing-related mortality	TACC
KIN 1	673	76	459	47	91
KIN 2	170	18	65	24	63
KIN 3	3	1	1	0	1
KIN 4	3	1	1	0	1

KIN 7	21	2	10	2	7
KIN 8	83	9	31	7	36
KIN 10	2	0	1	0	1

Other Management Measures

Minimum Legal Size

16 I have decided to increase the Minimum Legal Size (MLS) for recreational fishers from 65 cm to 75 cm. The increase in the size limit has two benefits, firstly, it will serve to ensure that recreational landings will be restrained within the allowance I have set and secondly, it is likely to improve the yield from the fishery. I note the practice in some areas, particularly when fishing from charter vessels, of releasing fish well above 75 cm in size. This is clearly an area where recreational fishers can voluntarily contribute to further improvement in the fishery. I applaud and encourage this practice.

17 I have decided to keep the commercial MLS at 65 cm. Work undertaken by MFish suggests that a shift to a 75 cm size limit would result in a substantial increase in other sources of mortality that would potentially nullify the benefits of any increase in the size limit for this sector. This is not an ideal situation. I note that there is a level of fishing-related mortality associated with the current MLS, which also reduces the potential biological benefits of this measure. I have considered the commentary in submissions and in MFish advice that there is the potential to reduce this mortality by improved handling practises in the commercial fishery. I would remind all fishers of their legal obligations with regard to the return of undersized fish to the sea and note that any steps taken to reduce the overall mortality of kingfish will be of benefit to the status of stocks as a whole.

18 I do not discount the potential for future reviews of the MLS regime for kingfish. Further work may be required to develop an optimal strategy for the fishery. Firstly the MLS proposed for the recreational sector is below the average size of maturity for kingfish. There are management advantages in having the MLS set at a level that allows (on average) fish to achieve sexual maturity before they may be harvested. I will look to increasing the size limit further over time as required. However, an increase in the MLS beyond that proposed would reduce recreational landings from the fishery considerably. My preference is therefore for this and any further increase in MLS to be implemented as stepwise adjustments towards the size of average sexual maturity for kingfish.

19 With regard to the management of commercial catches, the use of the Sixth Schedule of the Fisheries Act 1996 to allow the return of live kingfish to the water remains open for further consultation. This option (coupled with the removal of the MLS) could reduce substantially the allowance for other sources of mortality attributed to commercial fishing which is currently wasted fish. It is also a potential tool to manage the bycatch of kingfish either with or without a MLS to assist the commercial fishery to remain within the TACCs that I have set. However, I recognise that there are compliance concerns that would need to be resolved before this could occur. I

urge commercial fishers to work with MFish to develop options to address these compliance concerns and to improve the management of commercial landings.

Deemed value

20 Views expressed in submissions on the appropriate level of deemed value for kingfish were mixed. Some in industry supported a high deemed value, others were opposed and suggested MFish options were excessive. I have decided on the greater of the options proposed by MFish and have agreed to set an annual deemed value of $8.90. Further, I have agreed to the application of differential deemed values for kingfish. I am particularly concerned to ensure that the deemed value regime acts as a deterrent to land kingfish in excess of Annual Catch Entitlement, which in turn can lead to TACCs being exceeded.

Conclusion

21 Clearly the kingfish fishery is of considerable importance to all stakeholders. My decisions outlined above are intended to maintain and hopefully rebuild this important fishery. In making these decisions I have carefully considered the potential impacts on all sectors and the uncertainty in information on stock status and trends in abundance. I have concluded that catch reductions are required in key stocks to ensure their sustainability.

22 The decision making process associated with the entry of kingfish to the QMS is characterised by uncertainty in the information available on stock status and potential sustainable yields. I would therefore encourage stakeholders to continue with voluntary measures to conserve stocks and to collectively consider ways in which the issue of uncertainty surrounding kingfish stock status can be resolved. This could occur within existing research and assessment planning processes or, given the importance of the fishery, within a stakeholder forum.

23 Work will need to continue to monitor and review management arrangements in this fishery. The recreational sector holds the majority share of the fishery by some margin. Recreational fishers have perhaps a unique opportunity when compared to other New Zealand fisheries to have a significant influence on the future health of the fishery by continuing to implement voluntary management measures to further improve the abundance of kingfish.

24 Improved information from the recreational fishery is critical in order to gauge the success or otherwise of management measures. This is another area where recreational fishers will need to consider how to contribute. Improved techniques for estimating recreational harvest are being developed but I would also encourage stakeholders to consider other options. In this fishery for example, there is a clear distinction between catch and landings because of the voluntary catch and release measures that have been in place in the fishery for some time. The implementation of some form of reporting framework or logbook system for charter vessels to monitor the catch rates and size of kingfish in key recreational fishing areas would be of considerable value for the future. Equally, monitoring the ongoing performance of the commercial management regime will be critical to the future management of kingfish stocks.

25 The QMS provides a broad framework to enable people to derive benefits from the fishery. However, to maximise these benefits stakeholders will need to work together. The opportunity is there for the recreational sector to become more involved in management now that the relative shares of the resource have been defined. I urge them to take up this opportunity in a collaborative fashion with MFish and other stakeholders.

Yours sincerely
Hon Pete Hodgson
Minister of Fisheries

Encl