

# SOUTHERN BLUEFIN TUNA (STN 1)

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## Summary

- 1 The Ministry of Fisheries (MFish) proposes to alter the total allowable catch (TAC) of southern bluefin tuna (STN 1) under section 14 of the Fisheries Act 1996, in order to implement recent decisions made by the Commission for the Conservation of Southern Bluefin Tuna (CCSBT). CCSBT is the regional fisheries management organisation that manages southern bluefin tuna. These decisions included an overall reduction in the global TAC for southern bluefin tuna, but an increased portion of that global TAC for New Zealand to reflect a longstanding agreement.
- 2 For the current (2009-10 fishing year) MFish proposes to increase the TAC to 532t (an increase of 112t from the current level) and set the following allowances:
  - i) a customary allowance of 1 tonne,
  - ii) a recreational allowance of 8 tonnes,
  - iii) an allowance for other fishing mortality of 3 tonnes, and
  - iv) available Annual Catch Entitlements for commercial fishers of 520 tonnes.
- 3 Southern bluefin tuna is listed on Schedule 3 of the Fisheries 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 (s14(8)(b)(ii)) and because the stock comprises one or more highly migratory species (s14(8)(b)(iv)).
- 4 The option of retaining the current TAC and allowances is also outlined below.
- 5 It is also proposed to place southern bluefin tuna on Schedule 5A of the Fisheries Act, as a stock to which s. 67A ( the allocation of ACE in the case of underfishing) does not apply.
- 6 Key issues in relation to this proposal include:
  - New Zealand's commitments as a member of the Commission for the Conservation of Southern Bluefin Tuna, including its responsibility to implement the decisions of the Commission;
  - The overall stock status of the southern bluefin tuna stock (the spawning stock biomass is approximately 5% of its unfished level), and the international agreements that have been put in place to improve stock status (including an overall 20% reduction in catches);
  - The timing of implementing allocation decisions of the Commission for the Conservation of Southern Bluefin Tuna (whether through an in-season increase or at the beginning of the next fishing year on 1 October 2010);

- The opportunity for New Zealand fishers to gain some benefits from New Zealand's long term commitment to sustainable management of southern bluefin tuna; and
- The opportunity to mitigate a risk that currently exists in the fishery, of catches exceeding the country limit because of the carry-forward of unfished Annual Catch Entitlements.

## Reason for Reviewing the Catch Limits

- 7 At its annual meeting in October 2009, the Commission for the Conservation of Southern Bluefin Tuna (CCSBT) considered advice from its scientific committee that the southern bluefin tuna stock was at an historically low level. The biomass of the spawning stock of southern bluefin tuna is estimated to be around 5% of its unfished levels. The scientific committee recommended meaningful reductions in catch to reduce the risk of stock collapse.
- 8 The meeting also considered another issue of significance to New Zealand—implementation of a Memorandum of Understanding agreed between Australia, New Zealand and Japan at the first meeting of the CCSBT in 1994. The Memorandum of Understanding outlines that New Zealand's allocation of southern bluefin tuna shall increase to 1,000t. Agreements made in 2006 confirmed that this increase would occur in 2010.
- 9 As part of an overall package of measures for the fishery, CCSBT agreed to reduce global catches by an average of 20% in each of the next two fishing years (to 9,449t). These catch reductions are coupled with measures designed to improve management and control of the fishery. The agreement also covers 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, global catches will be further reduced, to between 5,000 and 6,000t.
- 10 Decisions were also made that allocate the available global catch between members. Nominal catches were set to reflect members' shares in the fishery, and as the basis for the required reductions in order to improve the status of the stock. New Zealand now has a nominal catch of 1,000t (formerly 420t), and an allocated catch of 754t. Additional voluntary and bilateral arrangements bring New Zealand's effective catch limit to 570t for the next two years.<sup>1</sup>
- 11 MFish proposes to implement the decisions of the CCSBT through an in-season increase to the TAC for STN 1, which will result in additional Annual Catch Entitlements (ACE) being made available to commercial fishers. The Minister of Fisheries could alternatively choose not to implement the decisions of the CCSBT with respect to New Zealand's national allocation (i.e. to retain a TAC of 420t), or implement them to a lesser amount.
- 12 In setting a new TAC and allowances, MFish proposes that consideration be given to further providing for the developing recreational fishery for southern bluefin tuna, which has some potential to exceed its existing allowance, at least in some seasons. It

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<sup>1</sup> For details refer to the Report of the Sixteenth Annual Meeting of the Commission, October 2009, [www.ccsbt.org](http://www.ccsbt.org).

is also proposed to take account of the quantity of ACE available in the fishery already, as a result of the carry-forward of some unfished ACE from the previous season. This provision brings the available ACE to 450t (from a TACC of 413t).

## Best Available Information

### *The STN 1 Fishery*

13 Table 1 shows the current TAC and associated sector allowances for STN 1.

TAC	Maori Customary Allowance	Recreational Allowance	TACC/ACE	Other Sources of Fishing-Related Mortality
420 tonnes	1 tonne	4 tonnes	413 tonnes / 450.6 tonnes	2 tonnes

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

- 14 The current TAC was set in 2004, when southern bluefin tuna was introduced into the quota management system. The TAC is set in line with agreements made by the CCSBT on global catch limits for southern bluefin tuna, as well as allocations to individual countries including New Zealand. Within the TAC of 420t, allowances were made for other sources of fishing-related mortality (estimated based on observer reports) and non-commercial fishing (nominal estimates based on a small recreational fishery known to exist at the time).
- 15 New Zealand is a coastal state for southern bluefin tuna, but holds a relatively small share of the global fishery (420t from a total TAC of 11,810t in 2009). Southern bluefin tuna are a valuable product, primarily sold for use as sashimi. Because of the high fat content of its flesh, premium prices can be obtained in the Japanese market. The total value of the southern bluefin tuna fishery is estimated to be about \$AUD1 billion, while the New Zealand component provided export earnings of around \$6.2 million in 2008.
- 16 The New Zealand fishery for southern bluefin tuna is based on surface longlining. Past catches vary annually, and have been influenced by a number of factors, including the availability of the fish in New Zealand waters, as well as operational factors (e.g. weather conditions, fuel costs). Catches reached 416t in 2008-09, but in many preceding seasons have not reached the TACC. Nonetheless, there is considered to be additional capacity within the New Zealand industry to respond to any increase in TAC.

### ***Biological Characteristics of Southern Bluefin Tuna***

- 17 Southern bluefin tuna (*Thunnus maccoyii*) are large, fast swimming pelagic fish that are found throughout the southern hemisphere. Southern bluefin tuna 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.
- 18 Although southern bluefin tuna have relatively high productivity, global populations have sustained high levels of fishing since the 1960s, and as a result are currently at a low level compared to their unfished biomass.

## STN 1 Stock Status

- 19 The advice from CCSBT’s scientific committee in September 2009 was 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). The scientific committee noted that there was no sign of the spawning stock rebuilding under the global catch level applying at the time. The median projections under the 2009 global TAC of 11,810t for the base assessment case showed a decline in the spawning stock in the short term (to 2013), and the stock was projected to remain below the current level in the longer term (to at least 2025).
- 20 The scientific committee concluded that to rebuild the spawning stock – and thereby also reduce the risk in the short term of further poor recruitments – a reduction to the 2009 TAC would be required. As noted, CCSBT responded to this advice with overall reductions of 20% (on average) for each of the next two years.
- 21 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. Additional management decisions also increase the probability of stock rebuilding. In particular, catch levels for 2012 and beyond will be set either under a management procedure that adopts a specified rebuild target and timeframe; or at a substantially lower level than at present (i.e. 5,000-6,000t).
- 22 The scientific committee’s analysis is consistent with indicators from the New Zealand fishery including years of poor recruitment in the early 2000s, which are evident as a gap in the size classes of fish caught in New Zealand waters. In more recent seasons, and 2008 in particular, a wider size range has been present in the fishery, indicating a return to higher levels of recruitment (although still lower than that experienced earlier in the history of the fishery).

## Summary of Options

	<b>Option 1 Status quo</b>	<b>Option 2 In-season increase</b>
TAC (2009-10 fishing year)	420 tonnes	532 tonnes
Allowance for other sources of fishing-related mortality	2 tonnes	3 tonnes
Allowance for customary Māori interests	1 tonne	1 tonne
Allowance for recreational fishery interests	4 tonnes	8 tonnes
TACC	413 tonnes	520 tonnes
TAC for 2010-11 fishing season	420 tonnes	Would revert to 420 tonnes, although a separate process will be used to again consider an increase in the catch limit for the second year of the 2-year agreement.

Table 2: Proposed options for STN 1

### ***Option 1 – Status Quo***

- 23 Under Option 1, the status quo TAC and allowances would be retained for the current (2009-10) fishing season, in light of the low overall stock status for southern bluefin tuna. Although CCSBT has reached agreements on a number of measures designed to improve the status of the stock, the Minister could chose to defer any increase to New Zealand's TAC at this time in recognition of the low overall stock status. The Minister could also consider the likely ability of the New Zealand fleet to catch an increased allocation, and the potential risk of over-expansion in the fishery given the risk that catches in the future will again be reduced, possibly to below the existing level.

### ***Option 2 – In-season TAC increase***

- 24 Under Option 2 the TAC and allowances would be increased within the current fishing year, to provide additional opportunities for utilisation. This option would make additional Annual Catch Entitlements (ACE) available to commercial fishers, as well as making some additional provision for non-commercial fishers.

## **Assessment of Management Options**

### ***New Zealand Harvest Strategy Standard***

- 25 A Harvest Strategy Standard was adopted for New Zealand fisheries in October 2008. The harvest strategy standard (along with accompanying operational guidelines) outlines classifications of stocks based on their status in relation to target and limit reference points.
- 26 In relation to highly migratory species (including southern bluefin tuna), the standard outlines that MFish will generally rely on international organisations in which New Zealand participates to determine the status of the species in question. The harvest strategy would then be the basis for New Zealand's negotiating position in those fora. New Zealand officials applied this approach in meetings of CCSBT, advocating for target and limit reference points in line with the harvest strategy standard.
- 27 In this instance, MFish considers that the low stock status of southern bluefin tuna is addressed through the overall management strategy agreed by CCSBT (albeit more substantial cuts in global catches would have achieved a faster and more certain rebuild). New Zealand contributed substantially to this overall strategy, including through additional voluntary reductions in catch.
- 28 MFish does not consider that further unilateral cuts to New Zealand catches are required, particularly since the New Zealand catches remain low relative to the overall fishery. In two years' time, the CCSBT will implement a management procedure or a TAC of 5,000–6,000t, to further advance the rebuild of the stock. However, retaining the status quo TAC and allowances is an option open to the Minister.

### ***Timing of an increase to the New Zealand catch limit***

- 29 MFish views option 2 — the in-season increase to the TAC and allowances — as the preferred option. This option does carry some potential risk in relation to New Zealand's ability to implement future allocation decisions of the CCSBT, as outlined below. However, MFish considers that these risks can be adequately managed, and are

outweighed by the utilisation benefits associated with increasing the TAC within the season.

- 30 Prior decisions of the CCSBT assume that allocations made at the 2009 annual meeting would be implemented in 2010 for New Zealand. This would create a precedent that decisions would be implemented immediately after the annual meeting, which generally occurs after the fishing year for STN 1 has already started. In the case of decisions that lead to a *decrease* in New Zealand's country allocation, this precedent would be difficult to follow. Although there is provision within the Fisheries Act for an increase in TAC to occur within a fishing season, there is no equivalent provision for any decrease to the TAC.
- 31 One of the outcomes of the October 2009 meeting was that catch limits were agreed for two years, along with a process for determining catch limits in subsequent years. CCSBT agreed to use a science-based management procedure to assist in determining appropriate catch limits in future years. Depending on the agreed parameters for this management procedure (such as the rebuilding target for the stock and the timeline for rebuilding), there is a relatively high likelihood that the management procedure will recommend further cuts to global catches of southern bluefin tuna. Further, if the management procedure cannot be finalised or agreed, CCSBT agreed that global catches would reduce further, to 5,000–6,000t. This would imply further reductions for New Zealand, to below the existing catch limit of 420t.
- 32 MFish considers that this situation could be adequately managed by setting the TAC to a precautionary low level for the 2011-12 fishing year. The catch limit could be increased within the season as required to implement the decisions of the CCSBT once known. However, if the Minister does not wish to run the risk of having a New Zealand catch limit which exceeds a level that may be agreed by the CCSBT in the future, it may be necessary to forgo the potential for any additional yield in the current fishing season and instead implement the increase for the next full fishing year (2010-11).

### ***Total Allowable Catch***

- 33 The TAC for southern bluefin tuna is set under section 14 of the Fisheries Act. This section provides for the setting of alternative TACs for stocks specified in the Third Schedule (including southern bluefin tuna) if the Minister is satisfied that the purpose of the Act is better met in this way. In general, TACs are set in accordance with the provisions of s. 13(2) of the Act (i.e. in a manner that would maintain, or move the stock towards, a biomass at or above the level that can support MSY). This is not possible for southern bluefin tuna since it is a highly migratory species and it would be difficult to calculate MSY for the portion of the stock found within New Zealand fisheries waters (s. 14(8)(b)(iv)). Setting a TAC under section 14 also recognises that a national allocation for New Zealand has been determined as part of an international agreement (s. 14(8)(b)(ii)).
- 34 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, the Minister 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)).

- 35 MFish has provided information above about the abundance of southern bluefin tuna in the current fishing year. Overall status of the stock is low, while availability within New Zealand waters is more difficult to estimate because of the highly migratory nature of the species. However, the low stock status is being addressed through agreements reached at the CCSBT meeting (including a reduced global TAC), and MFish considers it appropriate to implement the agreement relating to New Zealand's catch limit at this time. This is considered to be in keeping with the purpose of the Act, particularly in relation to providing for utilisation while ensuring sustainability.
- 36 In deciding to retain the status quo rather than increase the TAC, the Minister would effectively be deciding to implement additional unilateral measures on the part of New Zealand in order to improve overall stock status. In the context of the global TAC for southern bluefin tuna the benefits of this action are likely to be negligible.
- 37 MFish proposes that in making a decision on an increased level of the TAC for 2009-10, the Minister also considers the available ACE in the fishery. STN 1 is currently a stock which has provisions for the limited carry-forward of unfished ACE. For example, within the current fishing season there are 450.6t of available ACE in the fishery, despite the TACC being set at 413t. There is therefore scope for fishers to fully fish the available ACE without attracting any over-fishing penalties (such as deemed value payments). In the 2008-09 fishing year, total commercial catches were 416.5t (but no deemed values were paid). This brought total catches to very close to the New Zealand country allocation of 420t. A proposal that this be the last year that provisions allowing the carry forward of unfished ACE is outlined below.
- 38 MFish proposes that the TAC should be set at a level that provides for: non-commercial fishing and other sources of fishing related mortality as outlined below, and a level of ACE for commercial fishers that allows them to increase existing catches, but removes any risk of fishing over and above the country's allocation. That is, the excess ACE (38t) would be removed from the maximum TAC of 570t that could be set based on agreements reached at CCSBT. This results in a TAC of 532t.

## ***TACC and Allowances***

### *Recreational and customary allowances*

- 39 Southern bluefin tuna has historically been an occasional target of recreational gamefisheries, with fairly limited catches. More recently, a recreational gamefishery for Pacific bluefin tuna has developed off the west coast of the South Island. This fishery also has a bycatch of southern bluefin tuna from time to time, particularly earlier in the season.
- 40 MFish has been monitoring catches in this fishery through a voluntary reporting arrangement with the recreational charter vessels involved. Sixteen vessels report their catches and landings of both Pacific and southern bluefin tuna to MFish. Some fish are tagged and released, while others are landed. This information is summarised in table 3.

	2007		2008		2009	
	Landed*	Released#	Landed*	Released#	Landed*	Released
<b>Southern bluefin tuna</b>						
Number of fish	35	20	3	0	1	-
Weight (kgs)	4,025	2,171	400	0	130	-
<b>Pacific bluefin tuna</b>						
Number of fish	44	87	59	145	21	-
Weight (kgs)	11,361	22,464	16,845	36,162	4, 146	-

Data for 2009 is provisional

\* Data compiled from Voluntary Reporting Forms

# Provisional data compiled from Gamefish Tag Reports – yet to be compiled for 2009

- Not yet available

Table 3: Available information on recreational catches of southern (and Pacific) bluefin tuna.

- 41 Reported landings in 2008 and 2009 were well below the allowance of 4t, while landings in 2007 were slightly over. Catches are variable, and are affected by the timing of the season as well as other factors. Vessel numbers and trips for 2009 were possibly reduced from earlier levels because of the recession. There is potential for recreational landings of southern bluefin tuna to exceed the current allowance, at least in some years. When deciding on the amount of ACE to make available within the TAC, MFish proposes the Minister allow for 8 tonnes of recreational catch and 1 tonne for customary fishing.
- 42 The customary allowance is primarily to cover catches of southern bluefin tuna that are governed by customary regulations. There is no evidence to date that catches of southern bluefin tuna are made in this way; 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).

#### *Allowance for other sources of fishing related mortality*

- 43 The current allowance of 2t for other sources of fishing related mortality was set based on observer data on the (minimal) level of discards within the southern bluefin tuna fishery. For example, it is estimated based on scaled observer data that thirteen dead SBT were discarded during the 2007/08 season. The total weight of the discards was estimated at around one tonne.
- 44 MFish proposes to pro-rate the existing allowance to provide a new allowance within the overall TAC that reflects what other sources of fishing related mortality might be under a higher level of fishing. An amount of 3t (rounded) is proposed within the TAC.

#### *TACC*

- 45 The TACC cannot be altered within the fishing season, but an equivalent amount in additional ACE can be made available to fishers (s. 68(1)). MFish proposes that an additional 107t of ACE should be made available within the 2009-10 fishing season. The proposed amount is reached by subtracting the allowances for non-commercial fishing and for other sources of fishing related mortality from the TAC. As outlined above, this proposal takes account of the existing amount of ACE available in the fishery.

- 46 In general, if ACE is increased within the season this would be made available to quota holders in proportion to their quota holdings. Section 68(2A) provides an alternative for highly migratory species, whereby the Minister may determine a different allocation mechanism if deemed appropriate. In this instance, MFish proposes that the most appropriate approach would be to allocate the additional ACE proportionately to existing quota holders.
- 47 The southern bluefin tuna fishery is a relatively high value fishery for a premium tuna product, with export earnings of around \$6.2 million in 2008. The export value of an additional 107t of southern bluefin tuna is around \$3.1 million.<sup>2</sup> The average trading price for STN 1 ACE is \$7, 216 per tonne, suggesting an additional value of around \$774,876 from making an additional 107t of ACE available.<sup>3</sup>

## Other Management Controls

- 48 Southern bluefin tuna is currently a stock for which limited carry-forward of uncaught ACE is allowed under section 67A of the Fisheries Act. The provision is intended to allow some flexibility for fishers, and in biological terms has a neutral outcome for most species. However, MFish considers that the associated risk of total catches exceeding New Zealand's TAC for southern bluefin tuna agreed through the CCSBT outweighs the benefits for operational efficiency that section 67A may provide. For this reason, it is proposed to place southern bluefin tuna on Schedule 5A of the Fisheries Act, as a stock to which s. 67A does not apply.
- 49 This action was suggested when STN 1 was introduced into the quota management system on 1 October 2004, but was deferred pending outcomes of further discussions with CCSBT. Despite proposals by New Zealand, CCSBT has not been able to agree on a formal system of under and over-fishing. Members face increasing scrutiny of their ability to control their total catches, in the context of very poor stock status for southern bluefin tuna. MFish now considers that this decision cannot be deferred any longer. The status quo also carries a risk for quota holders, since quota would have to be reduced in the subsequent year if catches did exceed the country allocation in any given year.
- 50 The proposed objectives for the change are to
- Reduce the risk that total catches exceed New Zealand's national allocation, by ensuring the available ACE does not exceed the TACC in any given season.
  - Maintain consistency with decisions of the CCSBT, which has decided not to adopt under-fishing provisions.

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<sup>2</sup> This figure is based on a 2008 export price of \$33.36 per kg for frozen whole southern bluefin tuna, and assumes all tuna is exported in a gilled and gutted state (i.e. with some limited processing). Frozen whole form accounted for 74% of the total volume of southern bluefin tuna exported in 2008; the majority of the rest is exported fresh, following limited processing.

<sup>3</sup> 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).

- Avoid a situation in which the TACC has to be reduced because total catches did exceed the national allocation in the previous year. Reducing the TACC would affect quota holders, who might not have benefited from the carry-forward of unfished ACE (which accrues to ACE holders).

### *Regulatory impact analysis*

- 51 Options for addressing this problem are to either place STN 1 on Schedule 5A of the Act (i.e to remove under-fishing provisions), or to maintain the status quo. Other controls are already in place to ensure catches remain within limits. In particular, deemed values are set at a level that would make fishing without ACE uneconomic. No deemed values have been paid in recent seasons.
- 52 It would be difficult to develop a non-regulatory approach (e.g. a voluntary agreement not to fish under-fishing entitlements, or to place limits on their use). Placing additional constraints on its use (for example later in the season when it became apparent that catches were close to the TAC) could lead to a 'race for fish' as individual holders sought to maximise their own use of the carry forward ACE before voluntary controls were put in place. However, MFish would consider any proposals from industry if it is proposed that the situation could be managed through non-regulatory means.

### *Status quo*

- 53 Maintaining the status quo would provide some benefits to individual fishers (ACE holders), particularly since there is a risk in purchasing ACE for any given season that conditions will not be favourable for obtaining a return on that investment. The fishing season for southern bluefin tuna is relatively short, and a range of factors including weather and sea conditions, market conditions, and availability of fish in New Zealand waters can affect total catches. Providing fishers with the ability to carry forward some of the ACE (up to 10%) may provide encouragement to invest in the fishery, with benefits for New Zealand if this leads to maximisation of catches within the country allocation.
- 54 However, this must be balanced by the risk of catches exceeding the allocation, as they came close to in 2008-09 (when commercial catches were 416t from a TACC of 413t; total New Zealand catches in that year, including non-commercial catches, were estimated at 418t, from a country allocation of 420t). Catches for STN 1 can be variable but have been generally increasing for several years since a low of 238t in 2005-06, attributed partly to a lack of small fish entering the fishery. The availability of fish of a range of sizes has improved in recent seasons and although it is difficult to predict catches in advance, there is an appreciable risk of exceeding the catch limit (particularly as the availability of southern bluefin tuna improves as the stock rebuilds).
- 55 In the current fishing season, under-fishing ACE was allocated to 68 ACE holders, with volumes ranging from 1kg to 22.2t. The average amount of ACE carried forward was 629kg (all but seven individual holders received a carry-forward of less than 1t). Although calculations could be made to place a value on the carry-forward of this ACE, it should be noted that this is not so much the creation of value as its transfer

from one season to the next (i.e. this value would only be available in a given season if it hadn't been realised in the previous season).<sup>4</sup>

### *Remove under-fishing provisions*

56 As noted, removing the under-fishing provisions would reduce the flexibility of individual fishers to respond to conditions in a given fishing season. If conditions are poor in one year, fishers have the chance to re-coup at least some of their foregone catches in the following season. However, commercial fishers (and quota holders) would also be affected if catches exceed the catch limit because of use of the under-fishing provisions, as may currently occur. In this situation New Zealand would be expected to reduce the catch limit by the amount of overcatch. This could lead to inequitable outcomes since those who would be affected (quota holders) are not necessarily the same people who benefited from the under-fishing provisions (ACE holders).

### *Consultation*

57 This change was signalled when southern bluefin tuna was introduced into the quota management system on 1 October 2004. At that time, MFish agreed to defer the change until the conclusion of related negotiations within CCSBT. However, members of CCSBT have twice failed to agree to New Zealand proposals to formally allow for some form of under-fishing provisions. Although New Zealand will continue to seek agreement on this, in the interim the situation needs to be addressed. MFish has had initial discussions with some fishery representatives on this topic. Although some fishers have indicated that the under-fishing provisions are an important component of their operation, in general there was understanding that they do pose a risk for New Zealand.

### *Monitoring, evaluation and review*

58 This proposal does not have ongoing implications for monitoring, compliance, or administrative services. Standard monitoring of the fishery would continue, including monitoring of catch against quota. MFish also holds regular workshops with surface longline fishers (including those who fish for STN 1). This would provide an opportunity to hear feedback from fishers on the impacts on their operations, and to seek to address any concerns that arise. New Zealand will also continue to encourage CCSBT to develop rules for under-fishing provisions, including through development of a draft strategic plan that includes the goal of developing flexible management arrangements.

## **MFish's Initial View**

59 MFish's initial catch limit preference is for Option 2, increasing the TAC within the current season. New Zealand has long contributed to the sustainable management of southern bluefin tuna, and MFish considers New Zealand fishers should now receive some benefit from this, by having access to increased catches within the season.

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<sup>4</sup> Based on an export value of \$33.36 per kg for frozen whole southern bluefin tuna in 2008, this would equate to an average value of the ACE that was able to be carried forward of approximately \$20,980 (assuming it was fully caught in the following season).

- 60 MFish concludes that placing STN 1 on Schedule 5A of the Fisheries Act is necessary in order to prevent any potential overcatch of New Zealand's national allocation, and in order to reflect the decision of CCSBT not to allow for under-fishing provisions. While this is the recommended course of action, the status quo could be retained, especially if it was considered that the risk of catches exceeding the catch limit was sufficiently low, or potentially if industry provided an alternative mechanism for limiting overall catches.
- 61 It is proposed that STN 1 would be placed on Schedule 5A of the Fisheries Act before the start of the next fishing year on 1 October 2010. This would ensure no carry forward of unfished ACE into the next fishing year (2010-11). Carry-forward of unfished ACE currently occurs automatically following an assessment of an individual's end of year ACE holdings against end of year catches. Under-fishing ACE is allocated to individuals by around the 20<sup>th</sup> of November. This process has already occurred for the current season, but it is proposed that in subsequent seasons there would be no adjustments to ACE balances, whether or not under-fishing had occurred.

## Other Management Issues

### *Future management*

- 62 CCSBT has reached decisions on a 2-year catch limit. As required under the agreement, New Zealand has notified CCSBT of its intended level of catch for each of the next two years. New Zealand's catches will average 570t or less over the next two years, with the catches in the first year being no more than 570t. This means that the catch limit in the 2010-11 fishing year may depend on the total catch in this season. At the end of the 2009-10 fishing season, the TAC and allowances will revert to their current level. MFish will propose to again increase the TAC and allowances in 2010-11 if appropriate to do so.
- 63 As noted above, MFish may also consult on changes to the baseline TAC and allowances in advance of the CCSBT meeting in 2011 (i.e. for the 2011-12 fishing year). This may result in a lower baseline TAC and allowances, which could be increased within the season as appropriate.
- 64 MFish will also implement other agreements in the package of measures agreed to improve the status of the southern bluefin tuna stock. These measures include submitting an action plan detailing intended monitoring and control of the New Zealand fishery, and areas in which improvements are planned. Further, New Zealand will coordinate an inter-sessional working group tasked with assessing potential compliance risks in the global fishery, and proposing solutions to these risks.
- 65 MFish will contribute to development of the management procedure, using the New Zealand harvest strategy as a basis for input. The management procedure will be important for setting future catch limits in a way that helps rebuild the fishery over time, while managing the impacts on fishing industries.

## Appendices

### *Appendix One—Statutory Considerations*

- a) **Section 5(a)** of the Act requires the Minister to act in a manner consistent with New Zealand’s **international obligations** relating to fishing. The proposed options could both be seen as consistent with the agreements reached at the Sixteenth Annual Meeting of the Commission for the Conservation of Southern Bluefin Tuna (particularly the decisions made on the Total Allowable Catch and its allocation, and the Resolution on the Total Allowable Catch and Future Management of Southern Bluefin Tuna—Attachment 15 of the meeting report).
- b) **Section 5(b)** of the Act requires the Minister to act in a manner consistent with the provisions of the **Treaty of Waitangi (Fisheries Claims) Settlement Act 1992**. MFish considers the management options proposed in this paper are consistent with these provisions. In particular, under option 2, Maori quota-holders will receive an increase in their ACE as part of any overall increase. Under option 1, this increase would likely become available in the next season rather than within the current season.
- c) **Section 8 – Purpose:** The purpose of the Act is to provide for the utilisation of fisheries resources while ensuring sustainability. In proposing an increase to the TAC, option 2 provides for additional utilisation of the southern bluefin tuna fishery. Sustainability is provided for by managing the fishery within an international framework that includes overall reductions in global catches, as well as additional monitoring and management to ensure catches remain within the limits. Option 1 could provide additional sustainability benefits for the fishery, although it would mean New Zealand fishers would forgo potential benefits from utilising the resource to the level agreed by the CCSBT.
- d) **Section 9** of the Act requires the Minister to take into account the following **environmental principles**:
- **Section 9(a)** requires associated or dependent species to be maintained above a level that ensures their long-term viability.
  - **Section 9(b)** requires biological diversity of the aquatic environment to be maintained.
  - **Section 9(c)** requires habitat of particular significance for fisheries management to be protected.

Neither of the options in this paper would materially affect these environmental factors. Most of the main bycatch species for southern bluefin tuna are also managed under the QMS, with their catches constrained by catch limits. MFish considers it unlikely that increasing the STN 1 catch limit would lead to catches of bycatch species exceeding their limits. Southern bluefin tuna is targeted by surface longline fishing, and additional fishing effort could lead to a limited increase in seabird bycatch. It is difficult to predict whether overall surface longline effort will increase, or if there will just be a shift in target species. These fisheries already operate under requirements for the use of mitigation measures and MFish does not consider further restrictions are required at present. As a surface longline fishery,

southern bluefin tuna does not impact on habitats of significance for fisheries management.

- e) **Section 10 – Information principles:** s. 10 of the Act sets out information principles which require decisions to be based on the best available information, taking into account any uncertainty in that information, and applying caution when information is uncertain, unreliable, or inadequate. Uncertainties in some of the inputs to the stock assessment are addressed within the stock assessment process by developing and testing several scenarios considered as plausible alternatives to the base case. These models all provided similar estimates of current stock status, although the predictions of likely stock responses to future catch levels differed to some extent. In this context, the base case represents what MFish considers to be the best available information on stock status.
- f) **Section 11** of the Act sets out matters the Minister must take into account when modifying sustainability measures.
- **Section 11(1)(a)** requires the Minister to take into account any effects of fishing on any stock and the aquatic environment. MFish considers the options presented in this paper will not change the non-commercial and commercial fishing methods used to harvest southern bluefin tuna, and that the effects on the target stock are managed as part of the overall international management framework.
  - **Section 11(1)(b)** requires the Minister to take into account any existing controls under the Act that apply to the stock or area concerned. Of particular relevance is the deemed value that applies to STN 1; this is set at a level (\$46.92 per kg) that makes any over-fishing financially unviable. For this reason, MFish is confident that catches would not exceed the level proposed under option 2. As another tool to enable fishers to manage their catches, southern bluefin tuna is also on the Sixth Schedule of the Act, which means that fishers may release the fish alive.
  - **Section 11(1)(c)** requires the Minister to take into account the natural variability of the stock concerned. The natural variability of the southern bluefin tuna stock is considered to be limited, although in some recent years it has been subject to lower than average recruitment levels. While further years of low recruitment could occur, the risk is at least partially mitigated by the overall reduction in global catches.
  - **Section 11(2)(a)** requires the Minister to have regard to regional policy statements, regional plans, or proposed regional plans under the Resource Management Act 1991. Such provisions are considered unlikely to impact on the offshore areas in which fishing for southern bluefin tuna occurs.
  - **Section 11(2)(b)** requires the Minister to have regard to any management strategy or management plan under the Conservation Act 1987. No management strategies or plans under the Conservation Act 1987 are considered relevant to the management options proposed.
  - **Section 11(2)(c)** requires the Minister to have regard to sections 7 and 8 of the Hauraki Gulf Marine Park Act 2000. Fishing areas for southern bluefin tuna do not overlap with the Hauraki Gulf Marine Park area, so these sections would not alter the proposals for management of southern

bluefin tuna.

- **Sections 11(2A)(a) and (c)** require the Minister to take into account any conservation services or fisheries services, and any decisions not to require conservation services or fisheries services. MFish does not propose any alteration in services as a result of these proposals.
  - **Sections 11(2A)(b)** requires the Minister to take into account any relevant fisheries plans approved under part III of the Act. A fisheries plan that includes southern bluefin tuna is currently being developed, but none has yet been approved by the Minister.
- g) Section 14 – alternative total allowable catch for stock specified in Schedule 3:** if satisfied that doing so would better achieve the purpose of the Act, for stocks listed in Schedule 3 (including southern bluefin tuna) the Minister may set a total allowable catch other than in accordance with section 13 (i.e. other than a TAC that will maintain the stock at or bring it towards a level at or above  $B_{MSY}$ ). For southern bluefin tuna, it is not possible to calculate an MSY-based catch limit for the portion of the stock found within New Zealand fisheries waters. Instead, the purpose of the Fisheries Act is better achieved by setting a catch limit as agreed by the appropriate regional fisheries management body (CCSBT), which will allow for utilisation while ensuring sustainability.
- h) Section 14(6)** outlines that after considering information about the abundance during the current fishing year of any stock listed in Schedule 3 to the Act, the Minister may increase the total allowable catch for the stock with effect from such date in the fishing year in which the notice is published as may be stated in the notice. This paper provides information on the abundance of southern bluefin tuna during the current fishing year, along with other relevant factors.
- i) Sections 21(1)(a) and 21(1)(b); and 21(4)(i) and 21(4)(ii); and 21(5) – Matters to be taken into account in setting or varying any total allowable commercial catch:** MFish has provided information on the likely extent of non-commercial interests in the fishery, as well as estimates of other sources of fishing related mortality. This information has been used to allow for these sources of mortality under option 2 (under option 1 the existing allowances and TACC would remain unchanged). In allowing for Maori customary non-commercial interests, consideration has been given to any mātaihai reserve or other restrictions or prohibitions placed under section 186A of the Act. No such restrictions have been identified that would alter the options proposed in this paper. Likewise, no regulations made under section 311 of the Act are considered to be of material impact to these proposals.