Dear Stakeholder

SETTING OF SUSTAINABILITY MEASURES FOR KAHAWAI STOCKS TO BE INTRODUCED INTO THE QUOTA MANAGEMENT SYSTEM ON 1 OCTOBER 2004

1 I am writing to inform you of my final decisions for managing kahawai stocks during the 2004-05 fishing year.

2 The response to consultation made it clear that management of kahawai is an important issue for all sectors. I note that there were sixty-eight written submissions, 1 790 emails and 1 668 form petitions received in response to the MFish initial position paper (IPP). 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 introducing this species into the Quota Management System (QMS) on 1 October 2004.

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

- Setting Total Allowable Catches (TACs);
- Allowing for Maori customary, recreational and setting total allowable commercial catches (TACCs); and
- Management measures in support of decisions.

4 I will address each key area in turn.

Setting TACs

5 While a stock assessment indicated that by 1996 the biomass of kahawai had declined to around 50% of its original level it is unknown whether stocks are currently above or below the biomass that will support the maximum sustainable yield (B_{MSY}). In the absence of any information for determining a specific stock size as a target level or for gauging the required change in catch levels necessary to achieve any particular target level the matter of a target stock size is largely academic.

6 Nevertheless, uncertainty in the status of current biomass is an important factor that I have taken into account in my consideration of TAC options identified in MFish advice and in stakeholder submissions. The uncertainty in information needs to be considered as does the recreational (and some customary) submissions suggesting that the stocks have declined below acceptable levels. However, I am required to make decisions on TACs 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.

7 I have carefully considered the available information for setting TACs. There is a 1996 stock assessment for kahawai, historical commercial catch information and estimates of current use for all sector groups available.

8 I have noted that the 1996 stock assessment provides estimates of annual national yield ranging between 5 100-14 200 tonnes. However, I note there is some agreement in submissions and MFish advice for considering that the best available interpretation of annual yields from the 1996 stock assessment is either 6 900, 7 600 or 8 200 tonnes. Some commercial and recreational submissions supported basing TAC decisions on these yields but differed on the level that should be chosen. The stock assessment is dated (1996) and the inputs into the assessment are increasingly regarded as being unreliable. Although relevant as a reference point for TAC setting, I have noted that there is considerable uncertainty associated with the 1996 stock assessment.

9 The alternative basis for setting TACs is to base them directly on the current use of the kahawai fishery (or a proportion of that use). This method has the advantage of reflecting public policy and other decisions already made for the fishery and the current reliance on the fishery by each sector. These considerations are reflected in the current management arrangements for the fishery and current catch. I have noted that some industry submissions supported adopting this option.

10 Kahawai is one of the fish species most frequently caught by recreational fishers. The best information on the level of the recreational catch is the diary harvest survey. The 1996 and 1999-00 recreational diary harvest surveys differed considerably. Technical experts have recently reviewed the available estimates of recreational catch. Based on new advice, MFish considers that the most recent diary harvest surveys provide the best available information on current recreational catch levels. The 1999-00 (and 2000-01 rollover) recreational harvest survey indicated the kahawai catch level was substantially higher than the 1996 survey had indicated.

11 Kahawai supports important Mäori customary fisheries, but the size of the catch is unknown and can only be estimated by assuming a proportion of the recreational catch.

12 The commercial catch declined after peaking in 1987-88, when purse seining was largely unconstrained. Catches during the past five years were relatively stable, compared with the previous ten year period.

13 Some submissions disputed the estimates of current utilisation provided in the IPP and suggested alternative data and/or time periods of data that should be used to calculate the TAC options. I have considered the MFish advice and the submissions relating to this issue. I have accepted the MFish rationale for the revised estimates of commercial average landings, revised estimates of recreational utilisation and of the customary utilisation and their use as a basis for the TAC options proposed. I am not so concerned about the basis for the TAC calculation but rather whether the overall TAC for each stock is sustainable.

14 I have examined two options for setting TACs, one based on current utilisation, the other based on a 15% reduction of both commercial and recreational utilisation.

15 In reaching a decision on which TAC option should apply in each kahawai management area I have carefully considered the MFish FAP and the issues raised in submissions including:

- the uncertainty in information on the status of kahawai stocks;
- the agreement of sector groups for managing kahawai stocks above $B_{MSY;}$
- my desire to at least maintain and hopefully improve current biomass;
- the absence of any new stock assessment until at least 2006; and the
- socio-economic information including the potential impacts and benefits to all sectors.

16 I am concerned about the state of kahawai stocks given that the combined estimates of recreational catch, customary catch, fishing-related mortality and reported commercial landings exceeds the best available yield estimates, based on the 1996 stock assessment. I note that these 1996 yield estimates are outdated and uncertain. However, they remain as a reference point of sustainable yield for kahawai.

17 I am also aware of the widespread perception of recreational fishers that there is a marked decline in the amount and size of kahawai available. While I recognise that anecdotal information is uncertain I consider these perceptions to be important given the size of the recreational fishery.

18 I am obliged by legislation to ensure that the overall TAC for each kahawai stock is sustainable. While accepting that the information on landings is uncertain, I consider that the available data suggests that there is a risk attached to the status of some kahawai stocks, in particular KAH 1, KAH 2, KAH 3 and KAH 8.

19 Accordingly, I am not satisfied that setting TACs based on current utilisation in KAH 1, KAH 2, KAH 3 and KAH 8 appropriately mitigates the risk that abundance may have declined over time and further decline is possible at levels based on current catches. I consider that the TACs for these stocks should at least maintain and preferably provide for an increase in the kahawai biomass. I have therefore decided to set a TAC for kahawai in KAH 1, KAH 2 and KAH 8 that is 15% below revised estimates of current utilisation. TACs in other areas are to be based on conservatively derived, nominal values. TACs for all stocks are outlined in Table 1.

20 I am aware of and acknowledge the reduction in current use required to fit within TACs I have decided and note that these will have socio-economic impacts. However, given the clear importance of kahawai to all sectors I consider that ensuring sustainability of key stocks is of considerable importance. I would also expect to keep TACs under review as new information becomes available for the fishery.

Allowances and TACCs

21 There are a number of competing demands for the available yield from kahawai stocks. This was clearly apparent from submissions. I recognise that there will be socio-economic impacts from making allowances and setting TACCs. I have noted in particular the potential of catch reductions on commercial operations that rely on kahawai as an integral component of their annual catch mix. I have carefully considered these impacts in coming to a decision. I have examined options for increasing the value to society from allocation decisions. However, in the case of kahawai, given the uncertainty in the available information I believe that the information on current use provides the best basis for allocating between each interest group. Accordingly I have decided to set allowances and TACCs that reflect current use in the fishery, reduced proportionally to fit within the bounds of the TAC set to ensure sustainability. My decisions on allowances for kahawai are outlined in the Table 1 below.

Table 1: TACs, allowances and TACCs for kahawai.

Stock	TAC	Customary allowance	Recreational allowance	TACC	Fishing-related incidental mortality
KAH 1	3 685	550	1 865	1 195	75
KAH 2	1 705	205	680	785	35
KAH 3	1 035	125	435	455	20
KAH 4	16	1	5	10	0
KAH 8	1 155	125	425	580	25
KAH 10	16	1	5	10	0

Other Management Measures

22 I note that setting an allowance for recreational fishing less than the current level of use will require adopting other management measures to achieve this. A reduction in the daily bag limit per person is the most likely outcome, however MFish will provide me with further advice following consultation with recreational fishing interests on how best to achieve the required restraint on recreational catches.

23 Views expressed in submissions on the appropriate level of deemed value for kahawai were largely in agreement with the first option presented in the MFish IPP. Industry considered that kahawai clearly fits within the "all other fishstocks" category and 75% of the port price should apply to this species as a basis for setting deemed values. Recreational interests submitted that if the catch history of the purse seine target fishery is removed then the deemed value could be set at 75% of port price.

Otherwise the deemed value should be set at the alternative of 200% of the port price proposed.

24 I believe that there is a balance in setting deemed values to avoid the discarding of catch at sea while ensuring that the deemed value regime acts as a deterrent to landing kahawai in excess of ACE, which in turn can lead to TACCs being exceeded. While some kahawai commercial catch in key stocks will continue to be taken as a single species target by purse seine, a larger component of the fishery is now likely be taken as a bycatch. I consider that the best fit for kahawai is within the definition of "all other fishstocks" and accordingly have decided that the annual deemed value will be set at $0.66 in KAH 1 and $0.61 for all other fishstocks. Further, I have agreed to the application of differential deemed values for kahawai as an added incentive to ensure that commercial catches remain within the available ACE for the fishery.

Conclusion

25 Clearly the kahawai fishery is of considerable importance to stakeholders. In the absence of any reliable stock assessment until at earliest 2006, the decisions outlined above are intended to maintain and hopefully improve the biomass of this important fishery. In making these difficult 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 kahawai stocks to ensure their sustainability.

26 The decision making process associated with the entry of kahawai 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 kahawai stock status can be resolved. This could occur within existing research and assessment planning processes or, given the importance of the fishery perhaps within a dedicated stakeholder forum.

27 The recreational sector holds the majority share of the fishery. Improved information from the recreational fishery is crucial for gauging the success or otherwise of management measures. Improved techniques for estimating recreational harvest are being developed. Recreational fishers have an important opportunity to continue influencing the future health of the fishery by agreeing to an effective new recreational management measure for the fishery and by ensuring this measure is complied with to improve the abundance of kahawai.

28 Equally monitoring the ongoing performance of the commercial management regime will be critical to the future management of kahawai stocks.

29 The quality of the debate over management measures and the sheer quantity of submissions, emails and form petitions indicates that this is an important fishery for all users. I am grateful to submitters for their efforts in outlining their views on the fishery.

30 The QMS provides a broad framework to enable people to derive benefits from the fishery. However, to maximise these benefits stakeholders will now need to work together. I urge everyone to take up this opportunity in a collaborative fashion with MFish and other stakeholders.

Yours sincerely

Hon David Benson-Pope
Minister of Fisheries