

Dear Stakeholder

SETTING OF SUSTAINABILITY MEASURES FOR STOCKS TO BE INTRODUCED INTO THE QUOTA MANAGEMENT SYSTEM ON 1 OCTOBER 2003

- 1 This letter outlines my final decisions for the setting of sustainability measures for shortfin and longfin eel at the Chatham Islands, North Island kina, leatherjacket and rough and smooth skate stocks that will be introduced into the Quota Management System (QMS) on 1 October 2003. A separate letter will outline my decisions on kingfish stocks.
- 2 I have made decisions regarding the setting of Total Allowable Catches (TACs), Total Allowable Commercial Catches (TACCs), other allowances, deemed values and overfishing thresholds, and regulatory proposals for the stocks concerned. My decisions will take effect on 1 October 2003.
- 3 I take this opportunity to acknowledge all of the submissions I have received from sector groups. I appreciate the time taken to provide these submissions.
- 4 In reaching my final decisions, I have carefully considered the available fishery assessment information, MFish's Final Advice Paper (FAP), dated 18 July 2003, MFish's Supplementary Advice Paper for North Island kina stocks, dated 25 July 2003, and all of the issues and information put forward by sector groups for each of the stocks and regulatory proposals in response to the Initial Position Paper (IPP), dated 8 April 2003.
- 5 I have also given careful regard to the legislative provisions of the Fisheries Act 1996 (1996 Act), 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).

General Issues

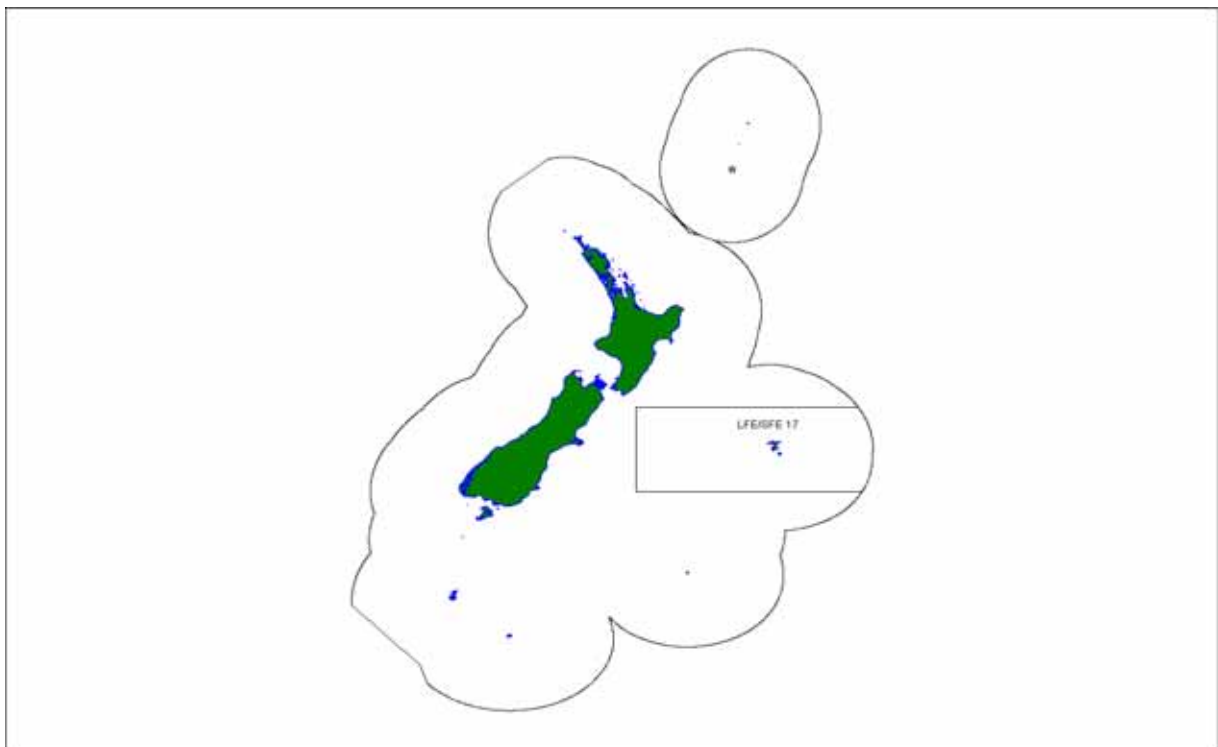
- 6 As I have noted for some time, I support the introduction of further stocks into the QMS because I regard the QMS as being the management system that best ensures the overall interests of all sectors.

- 7 As noted in my decision letter regarding stocks introduced into the QMS on 1 October 2002, I am well aware that following the last large-scale introduction in 1998, industry expressed some concerns about the introduction of further stocks into the QMS. The outcome from 1998 appears to have led industry to focus on the costs associated with management of stocks under the QMS without necessarily considering the benefits that the QMS offers and the considerable gains the industry has obtained through management of stocks under the QMS since its implementation in 1986. Equally, other stakeholders may be concerned that the introduction of stocks into the QMS signals commercial development at the expense of other interests. However, the QMS provides the most effective means of managing commercial catch and ensuring that any use is sustainable.
- 8 One way that the interests of different sectors have been taken into account is through the setting of TACs and sector group allowances. The starting point has been to consider the available information, including any stock assessment information, and current catch levels of each sector group.
- 9 In many instances the information has been limited. The absence of information, however, does not preclude providing for the appropriate use of the stock. Explicit consideration has also been given to the opportunity to set a TAC greater than current catch levels to provide an opportunity for initial development of a stock.

Chatham Islands freshwater eels (SFE 17 and LFE 17)

- 10 The Quota Management Area (QMA) for the freshwater eel fishery in the Chatham Islands follows the standard Fisheries Management Area (FMA) 4, which is outlined in Figure 1.

Figure 1 Quota Management Area for Chatham Islands longfin and shortfin eel stocks



- 11 I have decided to set TACs, TACCS and other allowances for the Chatham Islands longfin (LFE) and shortfin (SFE) eel stocks as outlined in Table 1.

Table 1 TACs, TACCs and other allowances for the Chatham Islands eel stocks (in tonnes)

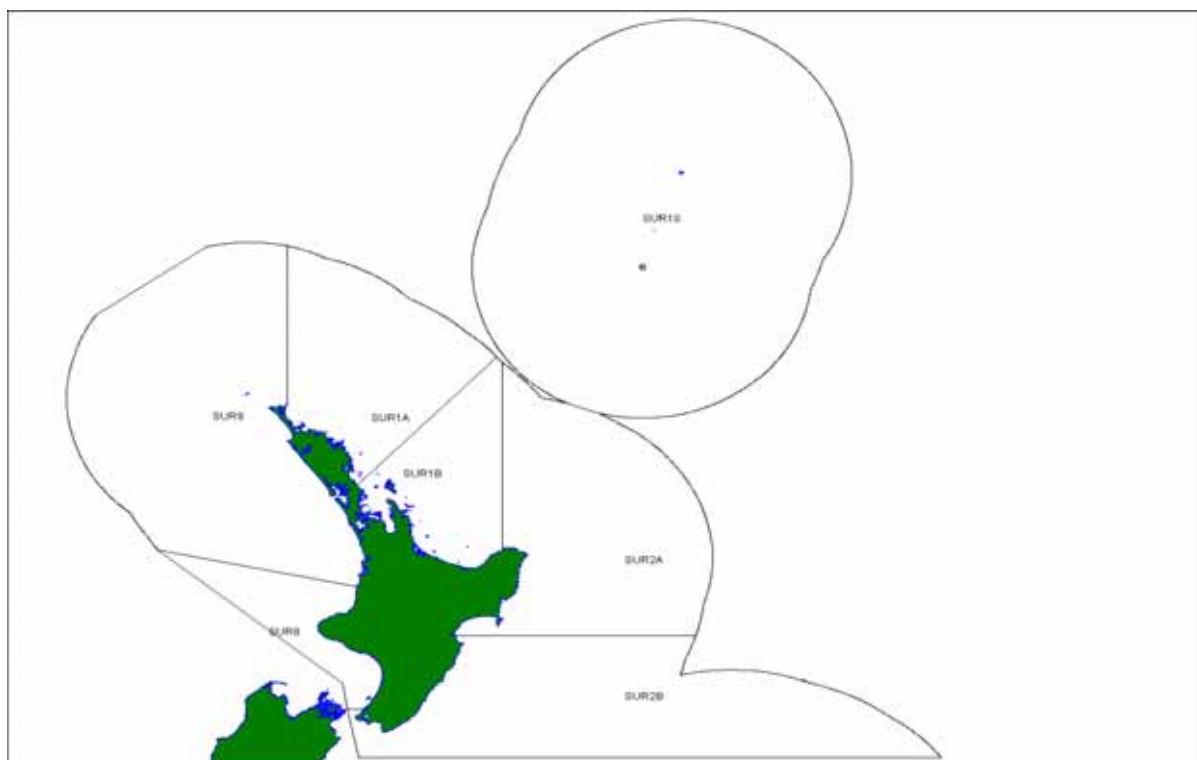
Stock	TAC	Customary allowance	Recreational Allowance	Other sources of fishing-related mortality	TACC
SFE 17	15	3	1	1	10
LFE 17	3	1	1	0	1

- 12 The IPP provided two options for managing longfin eel and a single proposal for managing shortfin eel. While submissions expressed concern about setting TACs when there is a lack of biological information, and questioned the applicability of information based on mainland New Zealand eel stocks, I note the support expressed for a shortfin eel TAC of 15 tonnes. Submissions also supported the proposed 10 tonne TACC and other allowances for shortfin eel. I have, therefore, decided to set the TAC, TACC and other allowances for the Chatham Islands shortfin eel fishery as proposed in the IPP.
- 13 Submissions generally supported some commercial utilisation of the longfin eel fishery, but they expressed differing views about the level of utilisation. I note that submissions also expressed disagreement and uncertainty about this species' status nationwide. In light of this uncertainty, I believe that my decision to adopt the second option proposed for longfin eel is sufficiently cautious to help ensure its long-term sustainability.
- 14 There were suggestions put forward in submissions that the Chatham Islands eel fishery should be added to the Eight Schedule of the 1996 Act, with a minimum Annual Catch Entitlement (ACE) holding of four tonnes, and that longfin eels over four kilograms should be returned to the waters they were taken from.
- 15 I do not agree that a minimum level of ACE holdings should be set for the Chatham Islands eel fishery, given the scale of the fishery. To do so could create a lack of flexibility for commercial utilisation. Furthermore, given the scale of the fishery and the inclusion of all eel stocks on the Sixth Schedule, I am of the view that commercial fishers already have the ability to return large-sized longfin eels to the waters from which they were taken. There is no need for a prohibition on the taking of large-sized eels at this time.

Kina (SUR) – North Island

- 16 The QMAs for kina stocks in the North Island (including the Kermadec Islands) are outlined in Figure 2.

Figure 2 Quota Management Areas for northern kina stocks



17 I have decided to set TACs, TACCS and other allowances for kina stocks in North Island waters as outlined in Table 2.

Table 2 TACs, TACCs and other allowances for northern kina stocks (in tonnes)

Stock	TAC	Customary allowance	Recreational allowance	Other sources of fishing-related mortality	TACC
SUR 1A	172	65	65	2	40
SUR 1B	324	90	90	4	140
SUR 2A	204	60	60	4	80
SUR 2B	102	35	35	2	30
SUR 8	26	12	12	1	1
SUR 9	33	11	11	1	10
SUR 10	0	0	0	0	0

18 I consider that my decisions reflect a management strategy under s 13 of the 1996 Act that is likely to maintain each stock at or above a level that can produce the maximum sustainable yield (MSY), having regard to the interdependence of stocks. However, I consider that it will be important to gather further information over time to assist in refining the management of kina to address the requirements of the 1996 Act. Kina is an important part of the aquatic ecosystem in coastal waters, and I think that it will be necessary to improve our understanding of the dynamics of kina populations subjected to fishing in order to achieve the Government's biodiversity strategy to protect, maintain and enhance biodiversity.

- 19 TACs for North Island kina stocks were calculated as a combination of known or estimated levels of catch from each sector, and all other sources of fishing-related mortality. I agree with the cautious approach adopted by MFish in its FAP about the contribution of commercial catches to the TAC, which reflect historical commercial fishing activity and the potential for some future development. The 1996 Act requires that a TAC is not set at a level that presents an unacceptable risk to either a stock's sustainability, or that of inter-related stocks.
- 20 I note that the contribution to the TAC from non-commercial sources was based on research survey estimates of the number of kina taken by recreational/subsistence fishers. These estimates were converted to tonnages based on an assessment of what an average kina weighs. As a result of more recent information collected by the National Institute of Water and Atmospheric Research (NIWA), a better estimate of the average weight of North Island kina is available, and the conversion factor used is considerably less than that used in the IPP. Accordingly, MFish recalculated the estimates of recreational take in its FAP to me. This has resulted in tonnage estimates for recreational and customary interests that are less than initially proposed. The TACs for most stocks were adjusted to take this into account.
- 21 While I understand the concept of management at the stock level, local depletion issues could arise as a result of inappropriately set TACs. It is likely to be challenging for stakeholders to address any local depletion issues that might arise through inappropriate harvesting strategies of any sector, even though harvest levels might be sustainable at a stock level. Similarly, I am conscious of the desire of local communities to have a greater say in the management and use of local fisheries resources, including kina, as well as their reliance on such resources for sustenance. It is likely that other fisheries management tools available in the 1996 Act will be used to advance these issues. Where possible, I would encourage stakeholders to adopt a collaborative approach to address these issues.
- 22 I have set allowances for customary and recreational fishing interests based on the survey estimates of recreational/subsistence catch. In the absence of specific information on the catch of kina for customary purposes (i.e., hui, tangi), I accept the rationale used by MFish that the level of catch for customary purposes is likely to be of a similar size to that taken for recreational/subsistence purposes. I would encourage non-commercial interests to take steps to collect information on the use of the kina resource within a stock for future reference. One way to gather such information would be in accordance with provisions for customary fishing (Fisheries (Kaimoana Customary Fishing) Regulations 1998). Allowances for other fishing-related sources of mortality are, largely, proportional to the size of the TAC for each stock, reflecting mortality associated with the behaviours and practices of fishers.
- 23 I agree with the rationale provided by MFish in adjusting TACC recommendations for most stocks. A reasonable part of the SUR 1B stock has been the focus of much of the commercial fishery in the North Island over at least the last decade. The reduction in catch able to be taken by commercial fishers should help to reduce the risk of any present sustainability concerns, but should also assist in ensuring that commercial fishing does not adversely affect other interests in the stock.
- 24 My decisions on the TACCs provided in SUR 1A, 2A, 2B and 9 will provide the opportunity for measured development of the resource, while recognising the

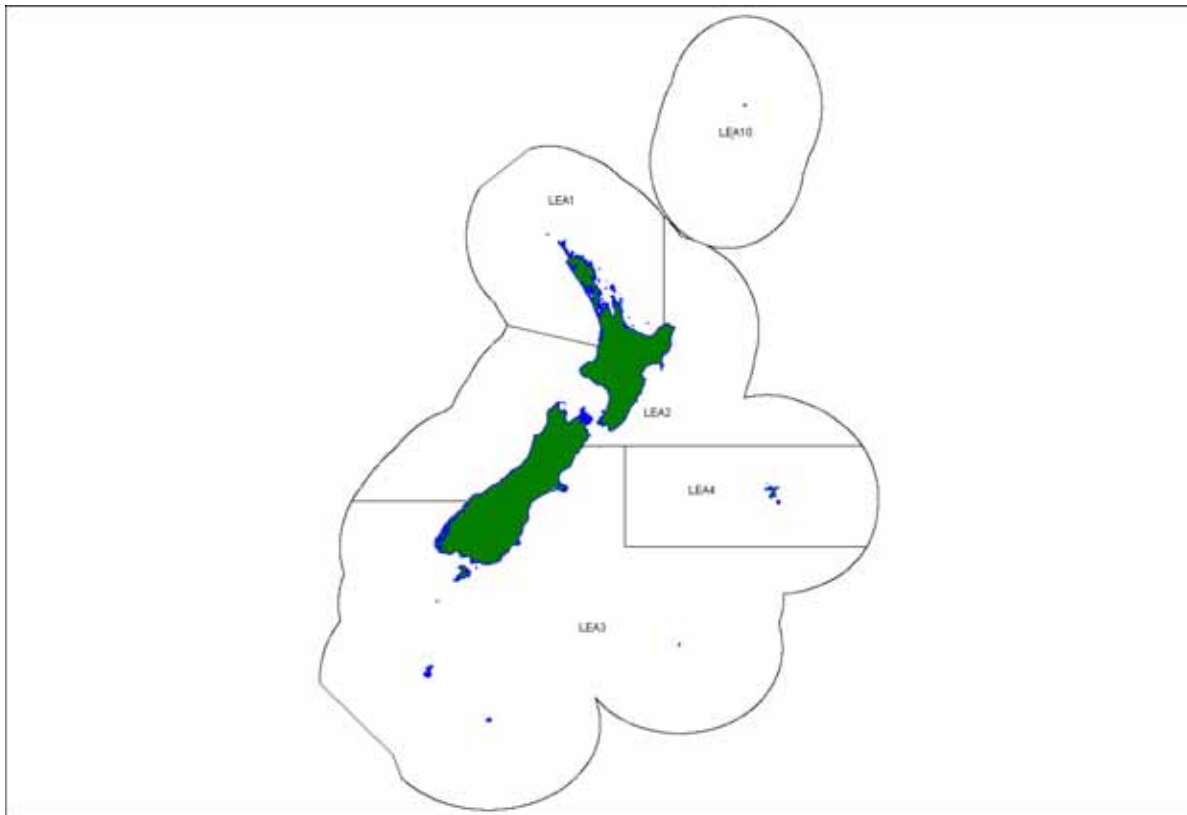
importance of kina in these areas for non-commercial interests. Given the relatively low levels of recent commercial fishing in these areas, I would expect commercial fishers to carefully consider what harvesting strategy should be implemented for each of these stocks under the TACCs I have set. It would be desirable if such strategies were developed in co-ordination with non-commercial representatives having a particular interest in this fishery. Such co-operation would assist in recognising the importance of the resource to the different sectors.

- 25 In the case of SUR 8, I have decided to set a TACC of one tonne. Settlement legislation was passed in June 2003 that recognises kina as a taonga fish species within the Ngati Ruanui rohe. While this area accounts for only a portion of the stock, the setting of the TACC at this level will satisfy the Crown's obligations to better assess the potential for any targeted commercial fishing of kina within the area covered by the settlement following consultation with the recently appointed Te Runanga O Ngaati Ruanui Trust. A similar status has been provided to kina in the Ngati Tama Deed of Settlement with the Crown, and settlement legislation is likely to be passed within the year.

Leatherjacket

- 26 The QMAs for leatherjacket stocks are outlined in Figure 3.

Figure 3 Quota Management Areas for leatherjacket stocks



- 27 I have decided to set the TACs, TACCs and other allowances for leatherjacket stocks as outlined in the Table 3.

Table 3 TACs, TACCs and other allowances for leatherjacket stocks (in tonnes)

Stock	TAC	Customary allowance	Recreational allowance	Other sources of fishing-related mortality	TACC
LEA 1	203	1	5	9	188
LEA 2	1196	1	2	57	1136
LEA 3	108	1	2	5	100
LEA 4	10	1	1	1	7
LEA 10	0	0	0	0	0

- 28 As noted in the IPP, there is no scientific stock assessment information available to show whether or not the leatherjacket stocks are at, above, or below a level that can produce the MSY. However, the best available information suggests that the respective stocks are likely to be at or above the level that can produce the MSY. Submissions did not express any concerns about the sustainability of leatherjacket stocks.
- 29 Since leatherjacket is primarily a commercial fishery, taken as bycatch in trawl fisheries that target other more valuable species, the TACs are based mainly on the commercial catch. However, it is likely that the reported commercial landings of leatherjacket underestimate the actual catches. Since there are no known sustainability concerns about leatherjacket stocks, I agree with industry submissions and have decided to base the TACs for the three main leatherjacket fisheries (LEA 1, 2 and 3) upon the largest reported commercial landings between 1990 and 2002. For LEA 4 and 10, I accept the TACs that were initially proposed.
- 30 No quantitative estimates are available on the levels of recreational catch and customary catch for leatherjacket. Since the catch from both sectors is thought to be negligible, I have made nominal allowances ranging from one to five tonnes for both sectors for each stock. Because leatherjacket is taken largely as a trawl bycatch, there is likely to have been some fishing-related mortality. Accordingly, I have made allowances ranging from one to 57 tonnes for other sources of fishing-related mortality, depending on the leatherjacket stock and the extent of the catch.

Rough skate (RSK) and smooth skate (SSK)

- 31 The QMAs for rough skate and smooth skate stocks are outlined in Figures 4 and 5, respectively.

Figure 4 Quota Management Areas for rough skate stocks

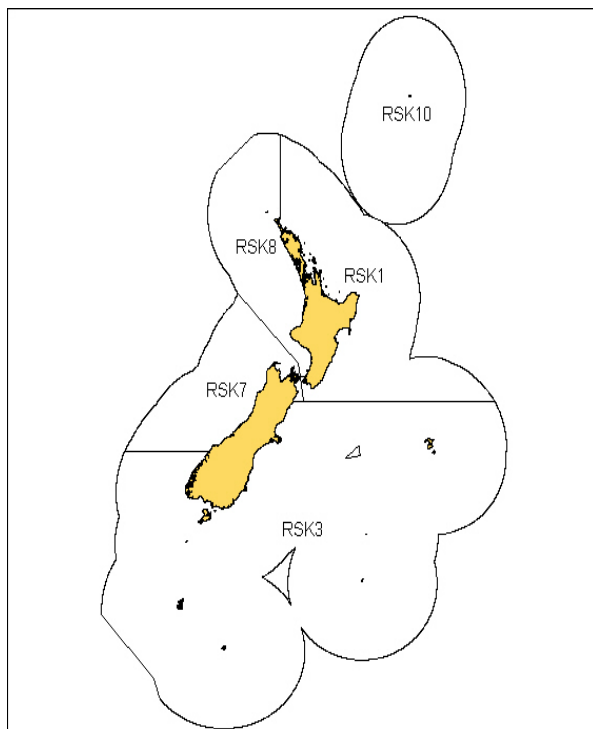
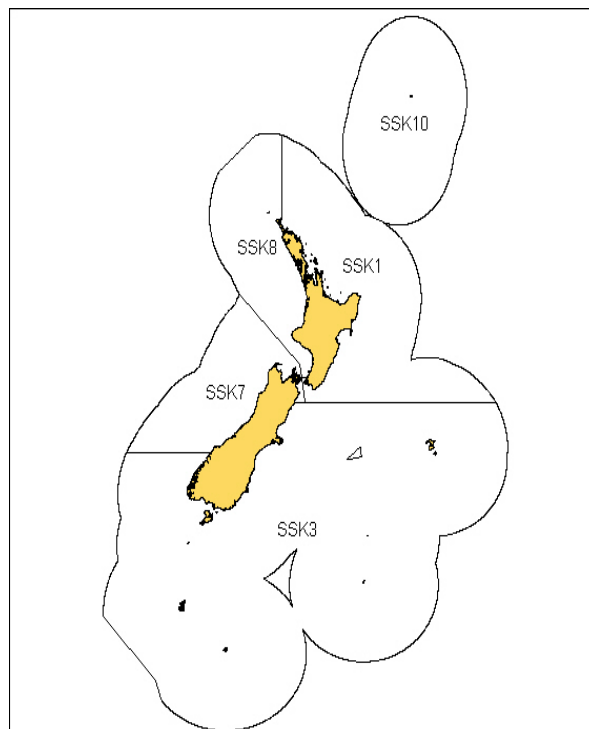


Figure 5 Quota Management Areas for smooth skate stocks



32 I have decided to set TACs, TACCs and other allowances for the rough skate and smooth skate stocks as outlined in Table 4.

Table 4 TACs, TACCs and other allowances for rough and smooth skate stocks (in tonnes)

Stock	TAC	Customary allowance	Recreational allowance	Other sources of fishing-related mortality	TACC
RSK 1	114	1	1	1	111
RSK 3	1672	1	1	17	1653
RSK 7	205	1	1	2	201
RSK 8	24	1	1	1	21
RSK 10	0	0	0	0	0
SSK 1	40	1	1	1	37
SSK 3	587	1	1	6	579
SSK 7	217	1	1	2	213
SSK 8	23	1	1	1	20
SSK 10	0	0	0	0	0

33 The proposed TACs, TACCs and other allowances for rough and smooth skate stocks were based on the small amount of scientific stock assessment information available in the Fishery Assessment Plenary 1997 and average commercial landings for the three most recent fishing years. The more recent commercial landings are the best available information, and most likely reflect actual catches in recent years.

- 34 The 2003 Plenary concludes that recent catch levels, other than in FMA 3, are probably sustainable and will probably allow these stocks to move towards a size that can produce the MSY. Setting TACs at the level of average commercial landings of the three most recent fishing years is likely to move rough and smooth skate stocks toward their MSYs, apart from SSK 3.
- 35 The 2003 Plenary also concludes that it is not known if recent catch levels of smooth skate in FMA 3 are sustainable or whether or not they will allow movement of the stock towards a level that can produce the MSY. Furthermore, NIWA has expressed concern about smooth skate in FMA 3, as recruits from this area may be stocking FMAs 4 and 6.
- 36 I am concerned about the state of the SSK 3 stock because of the decline in the relative biomass estimates in FMA 3 during the late 1990s, particularly as smooth skate is likely to be vulnerable to overfishing.
- 37 I have, therefore, decided that the TAC for SSK 3 should be based on a 25 % reduction to the average commercial landings of the three most recent fishing years. Setting the TAC at this level provides a better probability of moving the SSK 3 stock towards a size that can produce the MSY, although it might have an economic impact on commercial fishers.
- 38 However, rough skate and smooth skate have been added to the Sixth Schedule of the 1996 Act because they are likely to survive when returned to the sea. Allowing rough skate and smooth skate to be returned to the sea will help mitigate economic impacts for fishers in SSK 3, especially during years when these species are caught as bycatch at higher than average levels.
- 39 There is no quantitative information on the current level of Maori customary catch. In some areas skates are of special significance for Maori, and so they are either not taken or taken in small quantities. I have, therefore, decided to set one tonne allowances for customary use, except in SSK 10 and RSK 10 where the allowance is set at zero.
- 40 I note that Ngäi Tahu would like to see areas closed to commercial fishing where rough skate and smooth skate have kaitiaki status. I fully support Ngäi Tahu identifying these areas and entering into discussions with MFish on the best way to address them.
- 41 I do not support the allocation of 25 % of the TAC to non-commercial fishers, as was suggested in the submission by Te Rünanga o Ötākou, because of the potentially severe economic impact such an allocation would have on commercial fishers who take rough skate and smooth skate as a bycatch. Estimates of historical non-commercial catch do not justify a 25 % allocation of the TAC, which, if implemented, would deny commercial fishers access to adequate levels of quota or ACE.
- 42 Rough skate and smooth skate are not important species to recreational fishers, and so I have decided to set nominal allowances of one tonne for recreational use, except in SSK 10 and RSK 10 where the allowance is set at zero.
- 43 I have decided to set allowances between zero and 17 tonnes for each stock to account

for the small amount of other sources of fishing-related mortality caused by the trawl method.

- 44 Setting TACCS at the level of the average commercial landings of the three most recent fishing years, apart from SSK 3, provides some flexibility for fishers to manage bycatch of rough skate and smooth skate associated with target fisheries. Setting TACCs at this level should prevent catch from expanding, in the absence of information on sustainable yields, and should not have a significant economic impact on commercial fishers.
- 45 I note that setting rough skate and smooth skate TACs, TACCs and other allowances, based on the average commercial landings of the three most recent fishing years, is unlikely to result in any further impacts on the ecosystem, Hector's dolphins and other marine mammals or seabirds.
- 46 I support MFish closely monitoring catch and effort information of rough and smooth skate stocks, especially in SSK 3, over the next two to three fishing years. MFish will also investigate the need for other research that will provide information to better assess and manage rough and smooth skate stocks, including the possibility of identifying nursery areas.
- 47 Finally, I am pleased to note MFish addressing fishers' concerns about the apportionment of catch history for rough skate and smooth skate.

Deemed Values and Overfishing Thresholds

- 48 I have set interim and annual deemed value rates for the above stocks. The interim and annual deemed values apply to all catch taken in excess of ACE in the 2003-04 fishing year.
- 49 The North Island kina stocks and Chatham Islands eel stocks are categorised as "high value single species fisheries". The rough skate, smooth skate and leatherjacket stocks are categorised as "low knowledge fisheries". None of the stocks gazetted for QMS introduction on 1 October 2003 are categorised as "all other fishstocks".
- 50 Differential deemed values apply to those stocks categorised as "high value single species fisheries" and "all other fishstocks", but not "low knowledge fishstocks". Deemed values for the "high value single species fisheries" being introduced into the QMS on 1 October 2003 will be set at 200 % of port price.
- 51 The interim and annual deemed value rates for 2003-04 are contained in an appendix to the Deemed Values and Overfishing Thresholds section at the end of the FAP. They will be set by Gazette Notice, and letters will be sent to quota holders notifying them of the interim and annual deemed value rates for the 2003-04 fishing year.
- 52 In addition, I have decided to set overfishing thresholds for North Island kina stocks and the Chatham Islands eel stocks. The overfishing thresholds are set at 5 % of a fisher's available ACE with a tolerance level of 25 kg for fishers with a small (or no) ACE ownership.

Other Regulatory Changes

Redundant daily catch limits for kina in FMAs 1, 2, 8 and 9

- 53 I have decided to revoke the regulatory provisions that prohibit a commercial kina fisher from taking or being in possession of more than a daily limit of either 300 kilograms in FMAs 1 or 9, or 900 kilograms in FMAs 2 or 8. The setting of a TAC and TACC as part of the QMS introduction process negates the need for such limits. A commercial fisher's catch is limited by the harvesting rights available within the TACC. There is no need to maintain a constraint on fishing effort when a TACC is in place. I note that the method of harvest is still limited to handgathering, and I believe this method is appropriate for the future.

Redundant commercial catch limits for kina in FMAs 2 and 8

- 54 I have decided to revoke the regulatory provisions that prohibit commercial fishers from taking more than the prescribed annual commercial catch limits for kina in FMAs 2 and 8 (350 tonnes and 50 tonnes, respectively). TACCs for SUR 2A, 2B and 8 effectively replace these limits.

Redundant commercial catch limit for skates and rays in FMA 3

- 55 Similarly, I have decided to revoke the regulatory provisions that prohibit commercial fishers from taking more than the prescribed annual commercial catch limit (900 tonnes) for skates and rays in FMA 3. TACCs for RSK 3 and SSK 3 effectively replace these limits.

Inclusion of rough skate and smooth skate on the Sixth Schedule

- 56 Because rough skate and smooth skate are bycatch species that frequently survive capture by trawls, I have decided to include them on the Sixth Schedule of the 1996 Act. Sixth Schedule inclusion is conditional on skates being likely to survive, returned to the same waters from which they were taken, and returned as soon as is practicable after they are taken.

Yours sincerely

Hon Pete Hodgson
Minister of Fisheries