

Figure 1: Quota Management Areas (QMAs) for Kingfish (KIN)

Summary

1 The Ministry of Fisheries recommends that you increase the Total Allowable Catch (TAC) for KIN 8 from 83 to 92 tonnes (t) from 1 October 2011.

2 The Ministry considers there is an opportunity to reduce costs and increase benefits in the KIN 8 fishery without impacting on sustainability. The associated proposed increase to the Total Allowable Commercial Catch (TACC) from 36 t to 45 t will increase the amount of Annual Catch Entitlement available for commercial fishers, and potentially reduce the quantum of deemed values being paid.

3 KIN 8 has been managed since 2003 as a commercial bycatch-only fishery to reflect the value placed on harvesting kingfish by non-commercial fishers. The KIN 8 TACC is intended to reflect the level of unavoidable commercial bycatch. This level has been difficult to determine.

4 Available information suggests that, although commercial landings have exceeded the TACC since KIN 8 was introduced into the Quota Management System (QMS), the current levels of catch probably reflect a bycatch only commercial fishery and are sustainable. There has been no apparent adverse change to the performance of the fishery as a result of current catches. 5 Successive controls have been introduced since 2003 to manage the commercial catch of KIN 8 to bycatch-only levels, including increasing the deemed values and listing kingfish on the Sixth Schedule of the Act. Despite these controls, landings have remained above the TACC, which suggests that the current catch levels may better reflect the level of unavoidable bycatch.

6 The Ministry considers that varying the TAC and TACC allowance will best reflect the objective for the fishery and will not impact upon sustainability of the stock, nor significantly impact the current benefits of the non-commercial sector.

7 The Ministry received seven submissions on the IPP, including two from the commercial sector, two from the customary sector, one from an environmental group, and two from recreational groups. Stakeholder submissions show mixed support for the options. Five submissions support an increase to the TACC (Option 2), and two support the status quo (Option 1).

Key Considerations

Need to Act

8 The Ministry considers there is an opportunity to increase the benefits derived from the KIN 8 fishery. The TACC is intended to reflect the level of unavoidable commercial catch. That level of catch has been difficult to determine. Continuing levels of catch above the TACC over the last 8 years, despite high deemed value rates and ability to use the Sixth Schedule provision, suggests the current level of catch may be unavoidable. Increasing the TAC and TACC can reduce costs to the commercial sector, without impacting on sustainability or significantly impacting on the benefits obtained by the non-commercial sector.

Relevant Fishery Information

9 Kingfish was introduced into the QMS on 1 October 2003. The initial TAC for KIN 8 was calculated from historical catch estimates for commercial and non-commercial fishing and then reducing these combined estimates by 20%. This arbitrary decrease, applied proportionally on all fishing sectors, was designed to increase stock size although no specific management target was set and no sustainability concern identified.

Commercial

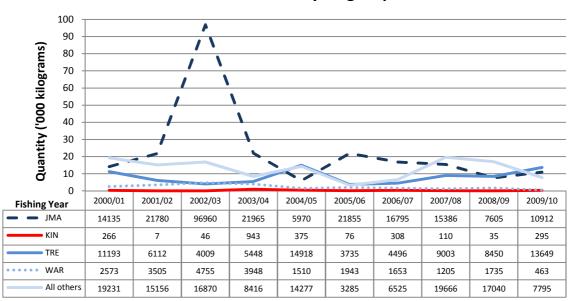
10 Table 1 shows commercial landings of KIN 8 from 1993 to 2010.

Fishing Year	TACC (t)	Commercial Landings (t)	Fishing Year	TACC (t)	Commercial Landings (t)
1993-1994	-	29	2002-2003	-	143
1994-1995	-	25	2003-2004	36	57
1995-1996	-	45	2004-2005	36	53
1996-1997	-	48	2005-2006	36	40
1997-1998	-	42	2006-2007	36	39
1998-1999	-	49	2007-2008	36	45

 Table 1: Commercial catch limits (TACC) and landings 1993/94-2009/10

Fishing Year	TACC (t)	Commercial Landings (t)	Fishing Year	TACC (t)	Commercial Landings (t)
1999-2000	-	51	2008-2009	36	38
2000-2001	-	69	2009-2010	36	43
2001-2002	-	52			

11 Since the introduction of kingfish into the QMS, over 99% of KIN 8 taken commercially has been reported as bycatch. The available information suggests that kingfish in KIN 8 are taken as bycatch predominantly in target fisheries for jack mackerel, trevally, and a mix of other species. Figure 2 shows the estimated KIN 8 catch by target species.



KIN 8 Estimated catch by target species

Figure 2: KIN 8 estimated catch by target species

12 A spatial analysis of the target jack mackerel and trevally fisheries shows few changes in fishing patterns over the last five years. The jack mackerel target fishery has remained largely unchanged, with no significant trends in catch quantities or fishing location. The trevally target fishery shows a slight increase in fishing activity in the northern areas of Fisheries Management Area 9 over the last five years. The northward trend for the trevally fishery corresponds with an increase in kingfish bycatch in the trevally fishery.

13 Payments of deemed values have occurred every year since the introduction of KIN 8 to the QMS - Table 2.

 Table 2: Commercial catch limits (TACC), catches and deemed value payments 2003/04-2009/10.

Fishing Year	TACC (t)	Commercial Landings (t)	Deemed Value Payments
2003-2004	36	57	\$ 307 345
2004-2005	36	53	\$ 199 079

Fishing Year	TACC (t)	Commercial Landings (t)	Deemed Value Payments
2005-2006	36	40	\$ 53 642
2006-2007	36	39	\$ 30 809
2007-2008	36	45	\$ 79 547
2008-2009	36	38	\$ 35 639
2009-2010	36	43	\$ 66 351

14 The release of kingfish back to the sea provides another tool to assist commercial fishers in limiting catch. Kingfish was placed on the Sixth Schedule of the Act in October 2005, becoming effective from January 2006. The Sixth Schedule allows commercial fishers to return kingfish to the sea, provided that they are likely to survive and were not caught by set nets.

15 During the most recent fishing year, 22% of all reported KIN 8 was released under the Sixth Schedule. An analysis of the last three fishing years shows that most of the kingfish released under the Sixth Schedule are caught in the jack mackerel target fishery. Despite the provisions of the Sixth Schedule, over-catch has continued. In light of the high deemed values paid, this information suggests that fishers are using the Sixth Schedule provision responsibly.

Recreational Interests

16 Recreational fishing forums have identified kingfish as being an iconic species, and one of their most valued fish. Recreational fishers are thought to account for the majority of the current kingfish landings. The current recreational allowance for KIN 8 is based on a proportion of recreational harvest estimates from telephone diary surveys.

17 Numerous surveys have been conducted that estimate recreational kingfish catch. Telephone diary and personal interview surveys have estimated the recreational harvest of KIN 8 on four occasions since 1992. However, recreational estimates have been deemed unreliable by the Recreational Technical Working Group.

Customary Maori Interests

18 Tangata whenua in the Quota Management Area identify all fish species in the region as taonga and as of high importance to iwi. The importance of kingfish has been noted in Waitangi Tribunal reports by some iwi. The current customary allowance for KIN 8 is based on a proportion of the total catch at the time KIN 8 was introduced into the QMS.

19 Some information on customary Maori harvest of fish is available from reporting of customary fishing permits. The information is incomplete and highly uncertain as most iwi in the QMA operate under regulations 27 and 27A of the Fisheries (Amateur Fishing) Regulations 1986, for which reporting is not mandatory. No customary permits for kingfish in KIN 8 have been reported in the last two years. This may indicate that tangata whenua use of customary Maori harvesting rights (as opposed to commercial or recreational) is low at this time, however this conclusion cannot be verified due to low reporting levels.

KIN 8 Stock Status

20 KIN 8 is a low knowledge stock. There is limited information available to monitor the fishery and assess fishery performance. Information on the stock status of the KIN 8 fishery is unavailable. There are currently no estimates of current and reference biomass levels or relative abundance indicators for KIN 8.

21 The fishery has reported average commercial landings of 49 tonnes with little apparent trend over the past 27 years. The average landings of 45 tonnes post QMS introduction is lower than prior to QMS introduction due to the application of the commercial catch limit and supporting measures.

Proposals Consulted On

22 The Ministry released an Initial Position Paper (IPP) on 1 July 2011, with submissions closing on 29 July 2011. The IPP was published on the consultation section of the Ministry's website and posted and emailed to persons and organisations with an interest in KIN 8.

Option	TAC (t)	TACC (t)	Customary Māori Allowance (t)	Recreational Allowance (t)	Allowance for Other Sources of Mortality (t)
1 status quo	83	36	9	31	7
2	92	45	9	31	7

23 The options released for consultation purposes are shown in the table below.

24 Option 1 is the status quo. This option reflects a cautious approach to change and the uncertainty in information on the status of the stock.

25 Under Option 2, the KIN 8 TAC and TACC would both be increased by 9 tonnes. Option 2 better reflects the existing level of commercial catch.

Submissions

26 Seven submissions were received from stakeholders that relate to proposed measures released in the KIN 8 IPP:

- Sanford Limited (Sanford)
- Te Ohu Kaimoana Trustee Ltd (TOKM)
- Whanganui River Maori Trust Board (WRMTB)
- Environs Holdings Ltd (Environs)
- Environment and Conservation Organisations of New Zealand (ECO)
- NZ Recreational Fishing Council (NZRFC)
- NZ Sport Fishing Council (NZSFC)

Five submissions support Option 2: to increase to the TAC and TACC allowance. Two submitters, the NZRFC and NZSFC support Option 1, the status quo.

Final Proposals

Option	TAC (t)	TACC (t)	Customary Māori Allowance (t)	Recreational Allowance (t)	Allowance for Other Sources of Mortality (t)
1 status quo	83	36	9	31	7
2 Ministry's preferred option	92	45	9	31	7

28 The Ministry proposes the following options for KIN 8 for your consideration:

29 Before a TAC can be set under section 13(2) of the Act an assessment of $B_{CURRENT}^{1}$ and B_{MSY}^{2} is required. The available information on KIN 8 is insufficient to enable estimates of $B_{CURRENT}$ or B_{MSY} .

30 Where estimates of B_{CURRENT} or B_{MSY} cannot be reliably estimated, section 13(2A) of the Act enables you to use the best available information to set a TAC that is not inconsistent with maintaining the stock at or above B_{MSY}, or moving the stock towards or above, B_{MSY}.

31 Although there is uncertainty (stock status is unknown) available information suggests that neither management option proposed is likely to affect the long term sustainability of the stock. Option 1 can be interpreted as being more cautious but will limit utilisation. In contrast, increasing the TAC under Option 2 (the Ministry recommended option), will allow for more value to be achieved from existing utilisation.

Stakeholder views

32 The NZRFC and NZSFC support maintaining the current TAC (option 1). Both groups submit that the Ministry has not taken enough action to ensure that the commercial catch is only bycatch. These submissions note that the Ministry should instead take further action to ensure the commercial catch is constrained by the current limits.

33 Both recreational representative bodies state that members of their organisations are observing declines in kingfish abundance. They consider that there is not enough information known about the KIN 8 fishery to justify an increase in the TAC. They submit that the lack of knowledge makes any increase in catch limits a threat to sustainability.

34 Sanford supports Option 2, and submit that an increase to the TACC 'simply reflects what is already being caught' by commercial fishers.

35 TOKM and WRMTB point out that increasing the TACC will increase the benefits to commercial fishers from the KIN 8 fishery. Both consider that the proposed increase in the TACC will allow the commercial sector to 'continue their operations without unnecessary constraint'.

¹ B_{CURRENT} is the current biomass (usually a mid-year biomass)

 $^{^{2}}$ B_{MSY} is the average stock biomass that results from taking an average catch of the maximum sustainable yield (MSY) under various types of harvest strategies.

36 Several submissions disputed the allocation of the TAC. TOKM and WRMTB submit that the commercial sector was allocated an insufficient quantity in 2003. They submit that the introduction of kingfish into the QMS should 'never have been used to apply a recreational priority at the expense of the Maori customary and commercial interests'.

37 The NZSFC opposes Option 2, submitting that 'the Ministry's practice of steadily reducing public allowances and transferring these to ITQ shareholders is a continuation of taking fish resources from the public and giving them free of charge to private interests in perpetuity'. The NZRFC suggest that the fishery be managed as a recreational only fishery.

Ministry response

38 The Ministry has a preference for Option 2. The Ministry prefers this option because it considers the TAC and TACC can be increased without threatening sustainability of the fishery or significantly impacting on the benefits obtained by the non-commercial sector. The proposed increase to the TAC reflects current commercial catch levels. There is no independent information to indicate that these catch levels are impacting on the sustainability of the fishery and anecdotal information is contradictory.

39 The Ministry acknowledges that there is uncertainty in information on current status of the fishery. There is no information available to determine the relationship of the stock to target levels. Overall we note that biomass is expected to have increased based on catch reductions (of 20%) made when the fishery was introduced into the QMS in 2003. The NZRFC and NZSFC suggest that the availability of kingfish has declined over time in the KIN 8 fishery. However neither group has supplied any data to support their views and the Ministry has no information to assess the claims.

40 The management objective for the fishery is to increase the biomass of the stock. The Ministry has attempted to achieve this objective by constraining commercial catch to the level of unavoidable bycatch. However, this level is difficult to determine. Successive controls have been introduced to reduce the level of catch. Despite these controls the level of catch has remained constant at about 45 tonnes per year.

You could take a cautious approach and maintain the current TAC and TACC (Option 1) and take further steps to try and constrain commercial catches within the TACC. Regardless of the decision made on catch limits, the Ministry is proposing that you introduce a unique schedule for the KIN 8 deemed value rates to provide further incentive for fishers to manage catch within the TAC. However if this catch is unavoidable, and the kingfish cannot be returned to sea alive, then a decision not to increase the TAC will simply increase industry costs.

42 The Ministry proposes that under Option 2 any increase of the TAC is allocated to the TACC. You have considerable discretion under section 21 of the Act to allocate the catch as you consider reasonable to achieve the purpose of the Act. The intention of the proposed increase is to reflect current commercial catch levels. Without allocating this increase to the commercial sector there is a likelihood, if the current level of catch is unavoidable, that commercial fishers will continue to catch in excess of the TACC and pay deemed values.

43 The recreational allowances make up 37% of the current TAC. There is no information to suggest that that recreational catch is exceeding the allowance or any other information to suggest that the recreational allowance should be adjusted.

The Ministry does not agree that Option 2 is to the detriment of the public interest in the KIN 8 fishery. There is no proposed reduction to the non-commercial allowance or adjustment to bag limits. The proposed increase to the TAC and allocation of that increase to the TACC reflects current catch. We do not consider it will impact significantly on the benefits the non-commercial sector derives from the KIN 8 fishery. The proposed change is intended to reflect more accurately the level of unavoidable commercial bycatch of kingfish.

45 Information on Mäori customary catch levels is limited and uncertain. The Ministry has no research or anecdotal information to indicate the catches of these sector groups have increased above current allowances.

Additional Management Controls

46 The Ministry recommends changes to the schedule of differential deemed value rates for KIN 8. The changes to the schedule are included in the Deemed Value Final Advice Paper (FAP).

Assessment against Statutory Obligations

General Obligations

47 The Ministry considers that all options presented in this paper satisfy your obligations under section 8 of the Act in that they provide for utilisation in the KIN 8 fishery while ensuring sustainability. Available information suggests neither management option proposed is likely to affect the long term sustainability of the stock. Option 1 is more cautious but is likely to limit utilisation opportunities. In contrast, increasing the TACC to 45 tonnes under Option 2 (the Ministry recommended option), will allow for increased value to be obtained from existing utilisation levels.

48 In setting or varying sustainability measures, you must also act in a manner consistent with New Zealand's international obligations to fishing and the provisions of the Treaty of Waitangi (Fisheries Claims) Settlement Act 1992.

49 A wide range of international obligations relate to fishing, including use and sustainability of fishstocks; and maintaining biodiversity (s 5(a)). The Ministry considers that the management options for KIN 8 are consistent with these international obligations.

50 The Ministry also considers the proposed management options to be consistent with the provisions of the Treaty of Waitangi (Fisheries Claims) Settlement Act 1992 (s 5 (b)). Ongoing work is being done within the area covered by KIN 8 to promote policies that help to recognise customary use and management practices including, but not limited to, supporting tangata whenua to gazette their rohe moana, to establish iwi forums and to develop lwi Fisheries Plans.

51 The Ministry has an obligation to provide for input and participation of tangata whenua and have particular regard to kaitiakitanga (under s 12). The Ministry sought input from and provided an opportunity for participation from iwi listed under schedule 3 of the Maori Fisheries Act 2004, the Ministry's Iwi Forums (via the forum chairs) and tangata whenua groups with a Fisheries Protocol. This opportunity was provided in writing prior to the development of the IPP. The Ministry did not receive any input on kaitiakitanga and customary interest in KIN 8 during this time although the Ministry acknowledges timeframes for input were short due to the development process. The Ministry is looking at ways to provide more time for input and participation of tangata whenua in the future.

52 In addition to an opportunity to input and participate in the development of the IPP the Ministry also consulted (as defined in section 12 of the Act) with the above tangata whenua groups and with tangata whenua who have registered an interest in KIN 8, on the

options developed through the IPP. In particular, due to the uncertainty of the information the Ministry currently holds on customary permit fulfilment, the Ministry sought information from tangata whenua on levels of customary harvest. Input was received from the Whanganui River Maori Trust Board, and Environs Holdings Limited (a subsidiary of the Te Uri o Hau Settlement Trust). Their views have been incorporated into this FAP where relevant. The Ministry will continue to work with tangata whenua to improve reporting and information on customary non-commercial catches.

ТАС

53 Section 13(2A) requires you to must set a TAC that is "not inconsistent" with the objective of maintaining the stock at or above, or moving the stock to a level at or above B_{MSY} , in a way and rate considered appropriate for the stock. In doing so, you must have regard to the interdependence of stocks, the biological characteristics of the stock, and any environmental conditions affecting the stock, and set a TAC using the best available information. You must not use the absence of, or uncertainty in, the best available information as a reason for postponing or failing to take action necessary to achieve the purpose of the Act.

54 In considering the way in which and rate at which a stock is moved towards or above B_{MSY} , you must have regard to such social, cultural, and economic factors that you consider relevant. There is no statutory guidance on what an appropriate 'way and rate' might be in any given case – it is a matter for you to determine having regard to social, cultural and economic factors. Relevant social, economic and cultural information is set out in the paper.

55 The TAC options presented in this FAP take into account the requirements listed in section 13 of the Act, and offer differing approaches to managing the fishery that reflect the uncertainty in available information.

Environmental Considerations

56 The Act requires that when any effect of fishing is adverse this effect should be avoided, remedied or mitigated. More specifically, section 9 requires you to take into account that associated or dependent species be maintained at or above a level that ensures their long-term viability, that the biological diversity of the aquatic environment should be maintained, and habitat of particular significance for fisheries management should be protected.

57 As KIN 8 is almost exclusively a bycatch fishery, the Ministry does not have any information on key environmental issues associated specifically with the KIN 8 fishery. The proposed changes to the KIN 8 TAC reflect existing catch levels. There is no information to indicate there will be impacts upon the matters noted in section 9 of the Act.

58 The Ministry considers that all options presented in this paper satisfy your obligations under section 9 of the Act.

Section 11 Considerations

59 In making your decision on sustainability measures for KIN 8 you must also satisfy the requirements of section 11 of the Act as follows:

60 Section 11(1) (a) requires taking into account the effects of fishing on the stock and aquatic environment. These effects have been taken into account for current management measures (Option 1). The effects are unlikely to change under Option 2 on account of KIN 8 being almost exclusively a bycatch fishery, and fishing operations not being expected to change because of the increase in the TACC. The proposed catch limits reflect the existing catch levels for the KIN 8 fishery.

61 Section 11(1) (b) requires that you take into account any existing controls that apply to the stock of area. For KIN 8, the current TAC of 83 tonnes is the key control under consideration for change. The Ministry considers that other existing controls are being applied appropriately.

62 The Ministry has previously reviewed the deemed value rates for KIN 8, and has increased them in order to better achieve the objective for the KIN 8 fishery, and the purpose of the Act.

- a) The minimum legal size (MLS) for commercial catch of kingfish was reviewed in 2000, with a decision made to extend the MLS of 65 centimetres to all commercial fishing methods. The MLS is set to ensure that more juvenile kingfish reach maturity and breed prior to being able to be taken.
- b) There is also a regulatory requirement that specifies a minimum net mesh size of 100 millimetres when taking kingfish.
- c) Kingfish were added to the Sixth Schedule of the Act in 2006 to further assist with the management of the fishery. Last year, 22% of all kingfish reported by commercial fishers were returned to the sea using this provision.

63 In addition to these controls, the Ministry also proposes a unique differential deemed value schedule for KIN 8. This approach creates an economic incentive for fishers to act appropriately and balance any catch against ACE, if ACE is available.

64 Section 11(1) (c) requires you to take into account the natural variability of the stock before setting or varying any sustainability measure. Both of the options presented in this paper take into account the biological characteristics of the stock.

65 Section 11(2)(a and b) require you to have regard to any regional policy statement, regional plan, or proposed regional plan under the Resource Management Act 1991, and any management strategy or management plan under the Conservation Act 1987 that applies to the coastal marine area and which you consider relevant, before setting or varying any sustainability measure. There are no provisions applicable to the Resource Management Act 1991, or any management strategy or plan under the Conservation Act 1987, which are relevant to the setting or varying of any sustainability measure for the KIN 8 stock.

66 Section 11(2)(c) requires you to have regard to sections 7 and 8 of the Hauraki Gulf Marine Park Act 2000 that apply to the coastal marine area and you consider relevant, before setting or varying any sustainability measure. The boundaries of the quota management area for this stock do not intersect with the Park boundaries. 67 Section 11(2) (d) requires you to have regard to any planning document lodged with you by a customary marine title group under section 91 of the Marine and Coastal Area (Takutai Moana) Act 2011. No planning documents applicable to KIN 8 have been lodged.

68 Section 11(2A)(b) requires you to take into account any relevant fisheries plan approved under section 11A before setting or varying any sustainability measure. No fisheries plan applicable to KIN 8 has been approved.

69 Section 11(2A)(a and c) require you to take into account any relevant conservation services or fisheries services or decisions not to require such services. The proposed changes have no impact on conservation or fisheries services.

Setting Allowances

70 When setting any TAC, section 21 of the Act requires you to allow for Maori customary non-commercial interests, recreational fishing interests, and for any other sources of fishing related mortality, when setting or varying the TACC. The Act does not provide an explicit statutory mechanism to apportion available catch between sector groups either in terms of a quantitative measure or prioritisation of allocation. Accordingly, you have the discretion to make allowances for various sectors based on the best available information.

71 Option 2 proposes an increase to the TACC from 36 to 45 tonnes, which more closely reflects the current commercial catch levels. By increasing the TACC, fishers are more likely to be able to cover any catch with ACE and, therefore, will less likely incur deemed value payments. The Ministry considers it reasonable to increase the TACC only for the KIN 8 fishery because information since 2003 supports the excess catch as most likely being unavoidable bycatch.

72 The Ministry has no new information on customary or recreational fishing interests that would change the current allowances for these sectors. Submissions were received from Maori customary and recreational fishing organisations. No submissions identified any new information that would support a change to the current non-commercial allowances.

73 The Ministry considers the Maori customary and recreational allowances are appropriate, and do not recommend any changes to the current provisions.

There is no information to suggest a change is needed to the current allowance for Other Sources of Fishing Related Mortality.

Conclusion

75 The Ministry's preferred option is that the TAC and TACC are increased and other sector allowances retained, to reflect current catch levels (Option 2).

76 The Ministry considers that Option 1 will likely lead to commercial fishers facing unnecessary costs. The available information indicates the excess catch is the result of unavoidable bycatch in associated target fisheries.

The increased TAC as proposed in Option 2 is unlikely to result in sustainability issues and will enable more commercial value to be derived from the KIN 8 fishery.

Summary of Recommendations

1 The Ministry recommends that for the KIN 8 fishery you either:

Option 1

YES/NO

YES/NO

- A. Agree to retain the TAC for KIN 8 at 83 t and within the TAC:
 - i. **Retain** an allowance for customary fishing of 9t
 - ii. Retain an allowance for recreational fishing of 31t
 - iii. Retain an allowance for other sources of fishing related mortality of 7t
 - iv. Retain the TACC at 36t

OR

Option 2 (*Ministry's preferred option*)

B. **Agree** to increase the TAC from 83t to 92t and within this:

- i. Retain an allowance for customary fishing of 9t
- ii. **Retain** an allowance for recreational fishing of 31t
- iii. Retain an allowance for other sources of fishing related mortality of 7t
- iv. Increase the TACC from 36t to 45t

Leigh Mitchell for Director General

AGREED / AGREED AS AMENDED / NOT AGREED

Hon Phil Heatley Minister of Fisheries and Aquaculture

/ / 2011