



**SEAFOOD INDUSTRY  
COUNCIL**

The New Zealand Seafood Industry Council Ltd

2010 review of sustainability measures and other  
management controls for selected 1 October  
fishstocks

HPB3 STA7 TRE 2

July 2010

1. Thank you for the opportunity to make comment on the consultation document “2010 review of sustainability measures and other management controls for selected 1 October fishstocks” (IPP). This submission is made by the New Zealand Seafood Industry Council (SeaFIC) on behalf of the seafood industry.
2. This submission firstly examines generic issues arising from the assessment of the IPP and then makes specific comment on each of the three stocks.

## **General comments**

### *Stock review process*

3. The IPP provides no information as to why these specific fish stocks have been selected for review. The absence of transparency on the internal decision framework or criteria that have elevated these stocks above all other inshore fish stocks for review is not helpful. We understand that these fishstocks have been reviewed at the request of commercial stakeholder organisations. We recommend that future consultation on sustainability reviews should include the rationale for selection of the specific stocks.
4. The Ministry recently consulted on the decision criteria it would apply in the application of its resources. Those criteria highlighted the focus of Government being to grow value and grow the economy. This review of three inshore stocks recommends TACC increases of 0%, 4.3%, 0% or 6% respectively. When industry prioritised these stocks for review it was with an expectation of greater utilisation benefit than is proposed. The recommendations involve a gross revenue value of around \$80,000 per annum and a net value to industry after expenses of about \$3,000 per annum. Based on the average revenue per event, that represents probably less than 70 additional fishing events (tows or sets) compared with an annual inshore finfish total of around 99,000 events.
5. Looking at the benefits of the proposals, since the TACC recommendations propose no increase over recent catch levels, all that is achieved is the re-direction of deemed values that previously went to the Crown now being used to purchase ACE from quota owners and any remaining amount being directed to fishers’ revenues. Against those benefits are resource costs of the Ministry, with an estimated 1,000 hours being needed to review the stocks.
6. With over 625 stocks in the QMS there is a need for a more cost effective and efficient process to review TAC/TACCs and a better balance between the relative costs and benefits of such reviews which take more notice of the need to balance utilisation benefit with sustainability risk. Undisputedly low knowledge and low value stocks need to be reviewed. Under the current legislative framework and with the current deemed value regimes in place, timely and appropriate reviews are needed to ensure value in this fisheries sector. The current process bottleneck in the number of stocks annually needs to be addressed, and consistent approaches for adjusting TAC/TACCs in such circumstances put in place..
7. There is a lack of consistency and a standard generic approach to sustainability reviews of low knowledge stocks. As they are characterised by low information clearly defined approaches should be developed and applied as appropriate (similar to the approaches used in 2006). This would create greater efficiencies for the review of these stocks.

*Cautious approach is not balanced with an appropriate consideration of utilisation benefits*

8. SeaFIC is concerned that the Ministry is adopting an unjustifiably cautious approach to potential sustainability concerns, at least partly in recognition of its own inability to act sufficiently dynamically. These concerns should not result in the Ministry turning a blind eye to utilisation benefits.
9. The IPP gives the impression that the Ministry views the setting of TAC as a perpetual state which drives a super cautious approach. It is our view that TACs should be dynamic to better balance utilisation benefits in periods of higher abundance. We have commented previously on these concerns. The current approach of the Ministry, to undertake such a small number of reviews each year, is undermining the purpose and function of the QMS.
10. The Ministry persists with the practice of analysing options describing only relative sustainability risk (where a higher TAC represents a higher risk). In the absence of information on absolute risk this analysis is trivial and uninformative. To constrain TAC setting to the lowest levels to pose the lowest sustainability risks does not provide an appropriate balance for utilisation.
11. In the absence of agreed and evaluated management procedures with clear monitoring requirements, SeaFIC considers that for all stocks, and particularly low knowledge stocks, greater effort should be taken by the Ministry to gather anecdotal information from commercial fishers on observed medium to short term changes in stock abundance and biology. Commercial fishers' information should be included as relevant available information and presented to the Minister. SeaFIC is prepared to work with the Ministry in developing a framework and process for the collection of such data.

#### *Non commercial allowances*

12. We consider the approach taken to the allowances for recreational interests for TRE 2 and HPB3 is unbalanced. The IPP states that the available recreational surveys are not robust and implausibly high for many important fisheries. How the allowances are set for the first time has significant implications for future allocation decisions. We consider that the uncertainty in the recreational estimates requires that options for allowances for recreational interests should be included in the IPP (specifically lower than those proposed). Furthermore, the IPP fails to acknowledge or take account of the fact that the very small TACC increases proposed are almost insignificant compared to the uncertainty in the recreational harvest.
13. The Ministry is seeking views on customary fishing including the extent to which traditional harvesting of groper by tangata whenua is occurring under the amateur regulations in order to ensure an allowance that appropriately reflects Maori customary fishing under the customary regulations is met. SeaFIC takes the view that records provided by Tangata kaitiaki on existing use should be the basis for the allowance not a projected view of potential future use. If the customary allowance is inflated to reflect a potential future shift away from traditional harvest needs being met under the amateur regulations, then it is logical that the recreational allowance should be reduced by a corresponding amount.
14. We will provide a more comprehensive consideration of non-commercial allowances in our submission on the Kahawai sustainability proposals.

#### *Use of trawl survey information*

15. We have some concern with the lack of weight being given to abundance surveys relative to catch history. In the case of STA 7, relative abundance is measured biennially in trawl

surveys. The latest survey indicates that STA 7 abundance is at its highest recorded level in the 19 years of surveys and is some 75% greater than the survey to inform the 2002 TACC increase. This latest abundance estimate was the basis for the request for a sustainability review.

16. The TACC increase options in the IPP are the ten year average catch history and an arbitrary 10%. There is no further discussion on the recent abundance survey information other than to dismiss it as the most uncertain in the series (even though the estimate is within the levels of precision considered appropriate by the WG). Industry is left wondering why trawl survey information, collected at significant cost to industry is not appropriately considered in the TAC reviews. We consider this as a serious issue.

*Broader analysis of utilisation benefit required*

17. The utilisation benefits to commercial fishers are presented as a uni-dimensional concept of increase in TACC multiplied by the port price. This is a somewhat naive approach. Inshore fisheries economics are driven by access to mixed species fisheries and the dynamics of those species within the Fisheries Management Area.

**Hapuka Bass (HPB3)**

18. The IPP does not state the reason for the review of HPB3. Potential reasons that can be inferred are the consistent overcatch of the TACC in recent years and the high deemed values incurred by commercial fishers.
19. The Ministry have indicated that their preference is to support Option one on the basis that the status of proper stocks is uncertain and that the biology of the species means that if it is over fished recovery would be slow.
20. SeaFIC has contacted a number of experienced commercial fishers with the larger ACE holdings in HPB3 for their views on the current status of the HPB3 stock. We provide the following summary information for consideration as the best available information on the status of the fishery by the Minister. It is a concern to SeaFIC that the Ministry [para 25] do not consider the collection of anecdotal evidence from commercial fishers as information to be used in the consideration of sustainability measures.

*Trawl fishers*

Catch is dominated by hapuka. The abundance of hapuka has increased significantly over the last four years and has been increasing over the last ten years. In the last five years abundance has been problematical. They are super thick. Fishers are now avoiding known marks because of the problems of abundance and the issues of ACE and deemed values. The catch is comprised of good sized fish. What is noticeable is the significant increase in smaller fish in the inshore area in the summer months.

The range is now more widespread than ever previously seen. Hapuka used to be targeted at 100-130 m they are now abundant at 70 to 80 m and at times even 50m. The increase in abundance started about ten years ago. This is the biggest biomass in the fishery in over 30 years of fishing experience (each). Not difficult to get shots of 6-8 tonnes.

The current TACC is not allowing access to this increased biomass. At 8-10 tonnes hapuka per shot the fishery could take a doubling of the TACC.

*Line fishers*

Noticeable increase in abundance. Good catch rates are being achieved and possibly larger fish. Confident that the population is bigger.

*Set net fishers*

Catch is dominated by hapuka. Bass are very rare. Fishers have seen a steady increase in abundance in the last four to five years. Set net fishermen fish in traditional places and have observed bigger schools and increased abundance. This year has seen some of the biggest days in over twenty years. They require less effort to catch the same volume of fish. Due to the increased abundance they are changing fishing practices to fish deeper and avoid over-catch. They are fishing deeper to target ling where they are encountering hapuka in numbers not seen before. The fishing period is seasonal starting at about Queen's Birthday. The season length has not increased just fish abundance. There appear to be larger fish in the schools.

The fishery is in excellent health and at the highest levels for decades, certainly since before the early eighties. This fishery would support an increase in the TACC.

21. This anecdotal evidence from the commercial fishers is generally consistent with the trends in the catch history and the biomass estimates from the East Coast South Island trawl survey. Whilst the status of the HPB3 stock is uncertain, there is some evidence that the biomass for hapuka is increasing. The interpretation of the ECSI survey index presented in the IPP is consistent with fisher reports of good recruitment leading to large numbers of small fish in summer months. Additional information from unstandardised catch rates of HPB that show an increasing trend in the Kaikoura mixed set net and tarakihi set net fisheries over the last decade (Langley, 2010) further supports the anecdotal information from the fishers.
22. We do not agree with the Ministry's views [para 28] that all information available to inform TAC setting has a "very high level of uncertainty". Commercial catch is well known, at least since 1986, and the survey CVs are not unusually large.
23. Given the possibility that the proper biological stocks may be wide ranging, or possibly single NZ- wide stocks, and that yield estimates have only been calculated on aggregate, it is unclear why the catch and TACC of HPB3 is not set in the wider New Zealand context of HPB catches. At the New Zealand scale, catches have been sustained at 1000-2000t since the 1930s. Although HPB3 has been consistently over-caught since 1998/99, under-catch in other HPB stocks means that current catches are comparable to the available yield estimates.
24. Yield estimates based on catch averages are uncertain as the level of exploitation in the period over which catches are averaged is generally unknown. For HPB however, the long commercial catch history provides some confidence that the stock was not over-exploited in the period 1936-1986 which was the basis for the yield estimate presented for NZ (excluding HPB 4 and HPB 5). However, it is unknown whether the recreational harvest was also consistent over this period: the existence of significant unreported catches will clearly lead to

underestimates of yields when based on average reported catch only. Any trends in recreational catches would be a concern given the average catch approach to estimating yields.

25. SeaFIC considers the IPP adopts an overly cautious approach to the setting of a TAC for HPB3 based on perceived vulnerability to over fishing. In order to justify this approach the Ministry has placed strong emphasis on the biology and life history of the species. In particular, the slow growth rates and presumption that hapuka show a high degree of site fidelity. However the IPP contradictorily discusses migration patterns and seasonal movement of the stock.
26. The Ministry imply [para 47] that any adverse impacts on the previous ten years catch levels would not be evident in the fishery due to the time it reaches maturity (presumably recruitment lag). In this context it should be noted that the biomass estimate from the ECSI trawl survey, which may be an index of juvenile abundance, is stable and possibly increasing in the period 1991 to 2009. This together with the anecdotal information from commercial fishers is evidence that recent catches are not compromising recruitment.
27. The proposed TACC changes are very small given the long term commercial catch history for HPB3 at current levels and evidence of increasing biomass and catch rates. The TACC increases of around 15-35 tonnes presented as Options 2 and 3 are almost insignificant compared to the uncertainty in the recreational harvest (range 97 to 239 tonnes).
28. Anecdotal evidence from commercial fishers is that the abundance has been most marked in the last five years and based on the increase in small fish is likely to continue.
29. The Ministry proposes a recreational allowance of 195 tonnes [para 50]. While reporting that Plenary recommends that the 1999/2000 harvest estimate “should be evaluated with reference to the coefficient of variation” it is strange that the IPP then simply accepts the point estimate from this survey. The plenary advised that these estimates were implausibly high for many important fisheries. In some fisheries such as rock lobster fisheries this data has been dismissed totally from fisheries management decision making. As such a range of plausible options for recreational harvest should have been provided and qualified.
30. Some allowance for other sources of mortality is reasonable for the reasons given. This is largely arbitrary but the 2% figure should nevertheless be justified. A generic framework for these allowances that takes account of the type of fish and types of fisheries would assist.
31. The 2010 port price for the stock is \$3.47, significantly lower than the species average of \$4.39. Applying the Ministry’s principle of pricing deemed values off ACE and port price then the range would be between \$1.35 and \$2.78. The upper end of the range sits below some other HPB stocks. Whilst it cannot be proven that the current deemed value relative to the port price is resulting in the over-catch, it is likely that the current deemed value is not impacting on profitability to constrain catch.
32. SeaFIC can support \$2.80 per kg as proposed if the TACC is increased as this should act to deter over-catch. However, if the TACC is not increased as proposed, the current regime should prevail on the basis that there is no evidence to not support a TACC increase and the increased deemed value serves only to increase the revenue to Government.

## **Stargazer STA7**

33. The IPP makes indirect reference to a proposal from SeaFIC for a TAC review of STA7. For clarification, the request for a review was made by the Challenger Finfish Management Company on behalf of its shareholders. It would be helpful if the IPP clearly set out the rationale for the review and made appropriate reference to this proposal.
34. The IPP states that the Ministry's initial view is that Option 2 provides the most appropriate catch limit at this time. The basis is that available information is uncertain but suggests that the stock size is stable or increasing under current catch levels.
35. SeaFIC considers that the WCSI index provide clear evidence of an increase in abundance from 2002/03 to 2008/09 and that there is no real ambiguity. STA 7 is one of the principal stocks that the WCSI survey is designed to monitor. While individual data points have an accepted level of imprecision/uncertainty, the recent trend is clear and indicates that relative abundance in 2008/09 is double that in 2002/03. It is not helpful that the survey index is presented inconsistently in the IPP. Para. 44 states that "abundance may be increasing", para. 48 that "stock size may be stable... rather than increasing", and para 52 that "the series trend suggests that the stock size is increasing". The characterisation of the trend in the survey index should not depend on the TAC option being analysed.
36. There is some confusion regarding the HSS at para 16. 40% B0 is the default HSS target and while this may taken as a proxy for Bmsy, it should not be assumed that the Bmsy is actually 40% B0. The view of the Ministry (para.22) that Bmsy is "unable to be reliably estimated using the best available information" is not shared by SeaFIC. Updating the stock assessment to incorporate the recent trawl survey abundance estimates could presumably be done without undue effort, and would allow Bmsy to be estimated.
37. The analysis of options in the IPP is drafted to cast option 3 as being risky and having the greatest potential threats to the environment. This is misleading. The risk is not absolute but is relative to the other options. On the evidence presented it is likely that the absolute level of risk is low under all three options. This should be made clear in the analysis and final advice.
38. SeaFIC considers that given the relative abundance in 08/09 is double that in 02/03 the maximum increase proposed in Option 3 is still very cautious. In order to provide the Minister with an appropriately full range of options, SeaFIC recommends that the Ministry should consider a higher level of increase in line with the measured trend in relative abundance.
39. The 2010 port price for STA7 is \$1.13 per kg, the current ACE price is \$0.62, and the current deemed value is \$1.45. The Ministry principles for the setting of an annual deemed value rate is it is higher than the ACE price but lower than the port price. Once the deemed value exceeds the port price, the deemed value will incentivise discarding and unreported catch and the appropriate action is to reduce the deemed value below the port price.
40. We note that the current STA7 deemed value is the highest for the species while the port price is the lowest for the species. It therefore appears incongruous and contrary to Ministry rationale to propose increasing the deemed value to \$1.65 per kg or 48% in excess of the port price. On the Ministry's rationale, as per the deemed value IPP, such an action can only

lead to greater incentives to discarding. We note the Ministry's careful avoidance to include a summary of its principles for the setting of deemed values in the STA7 review.

41. The essential problem is that the STA7 deemed value is currently out of synch with prices and while a deemed value increase might be appropriate in circumstances where a TACC is increased to sustainable margins, there is a greater need in this instance to reduce the level of discarding and improve reporting standards by decreasing the deemed value. We cannot support the Ministry proposal and would propose that the deemed value be reduced to \$0.90 consistent with the Ministry's principles for sound fisheries management.
42. SeaFIC wish to correct the Ministry regarding the purpose of the West Coast Marine Forum. Its role is to identify areas and management tools for the protection of representative habitat types for the West Coast Biogeographic region. As part of their process no important biodiversity areas have been identified on the West Coast.

### **Trevally TRE2**

43. It is not clear from the IPP why this stock is being reviewed. We presume that it is being reviewed in response to a request from commercial fishers with an interest in this stock. It would be helpful if the Ministry could provide the basis for the review of each stock.
44. The IPP states that the Ministry's initial view is that either Option 1 or Option 2 is appropriate given the level of uncertainty in the available information. SeaFIC takes the view that the Ministry uses the uncertainty of information to take an unduly cautious approach without appropriately balancing utilisation benefits. Uncertain information should be considered both ways.
45. The 23 year history of overcatch has not produced any evidence of adverse changes in the performance of the fishery. There is simply no known or objectively acknowledged sustainability risk to the stock from catches at these levels. The IPP confirms that all options would meet the requirements of section 13 (2A) of the Act.
46. The analysis of options in the IPP is drafted to cast option 3 as being risky and having the greatest potential threats to sustainability. This is misleading. The risk is relative to the other options. It is likely that the absolute level of risk is low under all three options but the utilisation benefits are varied. This should be made clear in the analysis and final advice. It should also be noted that the proposed TACC increases are insignificant when compared with the uncertainty in the recreational catch data.
47. SeaFIC is concerned that New Zealand's low knowledge inshore fisheries appear to be managed on the basis of the possibility of some unqualified risk existing rather than an assessment from fisheries managers, commercial fishers and scientists on as to what levels of catch are sustainable. The absence of intuition and risk assessment and the absence of an adaptive approach are being used to unnecessarily restrict utilisation opportunities.
48. Given the limited information (catch history and MCY estimate), SeaFIC would have expected the Ministry to take a consistent approach to reviewing the TACCs for low knowledge stocks. In 2006, when the Ministry reviewed a number of low knowledge stocks, it considered that a seven year catch average was appropriate as many of the stocks were of medium to low productivity, like TRE2, and the seven year average better balanced sustainability and utilization objectives compared to shorter or longer time periods. It is also interesting to note that, in addition to the use of a 7 year average, in 2006 the Ministry

recommended increasing the level by a further 10% to allow for additional growth in catch levels.

49. Using this logic SeaFIC would have expected to see the preferred TACC option for TRE2 as being 340 t which is higher than the more conservative Option 3. As the IPP states [para 30] there is no evidence to suggest that this TACC could not be successfully implemented along with appropriate monitoring and management responses to ensure sustainable utilisation of the stock. We note that new information on relative abundance of TRE 2 may become available in 2011 which would allow for improved utilisation benefits now.
50. SeaFIC opposes the proposal to set the recreation allowance at 100 t. The Ministry has dismissed estimates of the TRE2 recreational catch of 160t and 339t as implausibly high. 100 tonnes is the equivalent of the estimated recreational catch of TRE1. QMA1 encompasses Auckland and the area from East Coast to North Cape and has the highest population and number of recreational fishers of all QMAs.
51. To assert that the recreational allowance for TRE2 should be as high as the catch for QMA1 is equally implausible. Based on the TRE1 and TRE2 relativities, we submit a level of 25 tonnes is more appropriate. As for HPB3 we recommend that the Ministry include a range of options for recreational harvest estimates.
52. We accept the rationale that the current deemed value at \$1.10 per kg is too low and needs to be increased, if the TACC is increased. If the TACC is not increased, then the deemed value should not be increased.
53. In terms of an increase, \$1.25 appears to be in the appropriate range but we cannot agree with the level of ramping proposed for differential deemed values.
54. There has been significant past over-catching (not over-fishing as contended in para 65(a)-over-fishing relates to over-exploitation of a stock, not over-catching a TACC). That level should be offset by the increased TACC dependent on the size of the increase. Setting differential deemed values at such high levels relative to port prices is recognized by the Ministry as creating incentives to discard. In the absence of sustainability needs, setting differential deemed values at such high rates is likely to create the wrong incentives for the management of TRE2.
55. We recommend that a standard differential deemed value structure be applied if the TACC is increased.