



23 August 2013

Review of sustainability and other management controls for Snapper 1

SEAFOOD NEW ZEALAND SUBMISSION

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1. Seafood New Zealand appreciates the opportunity to comment on the Ministry for the Primary Industries' discussion paper No 2013/31 "*Review of sustainability and other management controls for Snapper 1*".
 2. Seafood New Zealand ("SNZ") is a professional organisation delivering industry good services for the wider benefit of the seafood industry as currently represented by the aquaculture, deepwater, inshore finfish, paua and rock lobster sectors. SNZ adds value to those industry sectors by advising and assisting them to:
 - a. Protect and promote the New Zealand seafood industry and its reputation;
 - b. Protect and promote the opportunity and right to produce seafood; and
 - c. Retain and advance cost-effective access to our international and domestic seafood markets.
 3. The discussion paper seeks stakeholder information and comments on a review of catch limits and other management controls for SNA1.
 4. Our role within the seafood industry is to provide generic and strategic advice to the industry. Our submission follows that role and comments only on the policy and principle issues in the consultation. Comment on the specifics of the TAC and allocation options is left to the SREs, companies and stakeholders with a direct interest in such matters. Our submission is this limited to :
 - a. Implementation of the Harvest Strategy Standard
 - b. Management of TACs; and
 - c. Management of sector allocations.

Implementation of the Harvest Strategy Standard

5. The 2008 Harvest Strategy Standard for New Zealand Fisheries (HSS) provides a policy framework for managing stocks. In particular it requires the setting of a number of reference points including a "specified target about which a fishery or stock should fluctuate".

6. The Ministry notes that, while the SNA 1 stocks are considered to have broadly achieved the management targets in place when the management settings for SNA 1 were last reviewed in 1997, the targets themselves should now be reviewed in accordance with the harvest strategy standard.
7. The HSS makes it clear (para. 18) that the setting of a target is the responsibility of fisheries managers. As a result it is odd that the Ministry's IPP states (para. 8) that "the fisheries science working group responsible for undertaking the 2013 assessment adopted an 'interim' biomass target level of 40% B_0 ". The HSS (para. 18) states the responsibility of the science working groups is to "estimate MSY-compatible reference points": it is not their responsibility to adopt targets on behalf of fisheries managers.
8. In addition to reservations over the process by which the interim target for SNA 1 has come about, we have two more technical concerns around the particular interim target:
 - a. The interim target adopted for SNA 1 is one of the analytical proxies for low productivity stocks provided in the Operational Guidelines that accompany the HSS (the other being a fishing mortality rate target of $F_{45\%}$). The HSS Operational Guidelines note that "analytical proxies for BMSY, FMSY and MSY are quantitative surrogates that can be used *in the absence of adequate information to estimate the MSY reference points themselves.*" This is not the case for SNA 1, where a fully quantitative stock assessment is available.
 - b. The HSS Operational Guidelines suggest assigning a productivity class on the basis of stock productivity guidelines from the FAO. The productivity class is assigned using a number of biological parameters: the natural mortality rate, the rate of population increase, the individual growth rate, the average age of maturity, the expected maximum age, and the average generation time. For many of these parameters, snapper would fall in the low productivity range. The clear exception is the average age at maturity which would place snapper in the medium productivity class. The HSS Guidelines state that where different life history parameters suggest different productivity classifications then "it will be necessary to exercise scientific judgement to determine the most appropriate category overall". The working group's justification for classifying snapper as a low productivity species appears to be undocumented.
 - c. In an alternative classification of inshore finfish productivity, Cryer (2010) applied the approach used in the CSIRO-AFMA Productivity-Susceptibility Analysis (PSA) with breakpoints developed by MRAG and an expert group for US fisheries. As with the FAO approach, productivity is determined from biological parameters (in this case the average age at maturity, the average maximum age, annual fecundity, average size at maturity, average maximum size, reproductive strategy and trophic level), but in the PSA approach the average score from the seven life history attributes determines the final classification. Under the PSA approach snapper is classed as a medium productivity species.
9. We note that the Ministry propose a process to determine a future management target by working with stakeholders. We support this approach for SNA 1. However, as a general principle, we consider that fisheries managers should be proactively determining management targets in advance of stock assessment processes rather than delegating this responsibility to stock assessment working groups.

10. In providing final advice to the Minister, we recommend that the Ministry provide yield estimates for SNA 1 associated with a range of biomass target levels, in addition to the estimated yield at 40% B₀ provided in the IPP (para. 114). The extent to which yield varies with target biomass is clearly relevant. The assumptions made in calculating any yield estimates should also be provided.

Management of TACs

11. TACs are the primary management tool provided by the Fisheries Act 1996 to ensure sustainable utilisation in our fisheries. The Fisheries Act then requires the TAC decision to be allocated to the customary, recreational and commercial sectors and an allowance made for other sources of mortality.
12. Where the TAC setting process is informed by robust stock assessments it will be possible to optimise sustainable utilisation of a stock. The need for precautionary settings in catch levels due to poor information about highly valued stocks has a very real economic cost to the country. Uncertainty in catch levels contributes significantly to the level of precaution needed in setting of future catch levels. Accurate reporting for all SNA 1 catch is required if New Zealand is to maximise the value obtained from the fishstock.
13. The level of precaution needed in setting catch levels is further impacted when not only is the level of current catch not properly monitored but there is a significant possibility of over-catch of approved catch levels. Such is the case with SNA 1 where there are no effective controls on the annual catch of the recreational sector.
14. SNA1 is a fishery where the TAC setting is informed by scientific stock assessments. MPI has determined the maximum TAC that the fish-stock can sustain over the next 5 years with minimal impact on the current status on the sub-stocks is 9,000 tonnes. There can be no tolerance for catches grossly exceeding the TAC in such circumstances. This requires robust and reliable monitoring and management of catch levels for all sectors
15. The current situation for monitoring of catch and management of catch levels is as follows:

SNA 1 CATCH MONITORING			
Sector	Catch Monitoring Status	Allocation (t)	Estimated Catch (t)
Commercial	Monthly catch reporting	4,500	4,602
Recreational	No regular catch reporting and irregular and infrequent annual estimates	2,600	3,954 ⁽¹⁾
Customary	Monthly catch reporting but not reliable	0	30?
Other mortality	None	450	450?
Total		7,550	9,036

(1) Includes the 2011/12 estimate of 3,754t plus the charter boat estimate of 200t. Note also the recreational estimate has a +/- 8% c.v. range.

16. The above table indicates the significance of the problem in respect of the recreational allowance and the degree of unconstrained or poorly controlled catch. While the TACC has

remained set at 4,500 tonnes since 1997, the recreational catch is estimated to have grown by over 75% over that same time period.

17. The Minister is obliged to manage the recreational sector to its allowance. It is not acceptable that he/she set an allowance and then fails to adjust the terms and conditions such as bag limits or size or seasonal slots to limit the catch to the allowance. That obligation was discussed in the Kahawai case, in particular in para 56 of the Supreme Court judgment:

[56] Although what the Minister allows for is an estimate of what recreational interests will catch, it is an estimate of a catch which the Minister is able to control. The Minister is, for example, able to impose bag and fish length limits. The allowance accordingly represents what the Minister considers recreational interests should be able to catch but also all that they will be able to catch. The Act envisages that the relevant powers will be exercised as necessary to achieve that goal. The allowance is an estimate and an allocation of part of the total allowable catch in that way.

18. SNA1 has reached the point where the Minister needs to take active control of the recreational fishery. The growth rate in the recreational take far exceeds the capacity of the fish-stock to meet the demands of the recreational sector without imposing undue adverse impacts on other sectors and in particular on the commercial sector.
19. In respect of the customary allowance, the allocation of it to customary fishers is determined by kaitiaki authorisations. In respect of the commercial sector, the TACC is allocated to individual commercial fishers by means of the acquisition of and balancing with Annual Catch Entitlement. In respect of the recreational sector, there is no specific allocation to individual recreational fishers but the sector's use of the allocation is managed by the controls imposed by the Minister such as minimum lengths and maximum bag limits. While these are set at the event level, there are no controls on the level of effort. Given that recreational fishers do not have economic or financial constraints that would incentivise responsible fishing, such as the need for profitable operations in the commercial fisheries, the level of effort can vastly exceed responsible fishing constraints.
20. The recreational sector seems unwilling and unable to agree to implement any structure or mechanism that would enable it to manage the catch. We note the focus of current recreational sector attention on the possibility of reductions in individual bag limits rather than shouldering any collective accountability for the unconstrained and excessive growth in total recreational catch.
21. The seafood industry submits MPI needs to now look to impose solutions on the recreational sector for the management of its catch rather than wait for that sector to implement a solution.

Sector Allocations

22. Section 21 of the Fisheries Act requires that, in setting any TACC, the Minister set allocations for the customary non-commercial fishing interests, recreational fishing and any other mortality caused by fishing. There is no specific guidance to the Minister as to how those other allocations need to be set or what matters the Minister should take into his consideration of the allowances.

23. What has been determined by Court judgments is as follows:
- a. the common law right to fish is not limited to recreational fishing and equally applies to commercial fishing;
 - b. enabling people to provide for their social, economic and cultural well-being applies equally to the recreational sector and the commercial sector, including its domestic and international consumers and the companies and people employed in or providing services to the commercial sector;
 - c. the Minister must, having set the TAC, must then apportion it between the different interests;
 - d. The Minister must make allowances for customary and recreational interests before fixing the TACC;
 - e. the Minister has discretion to set the allowances and the TACC where he/she considers it to be appropriate to do so; and
 - f. the Fisheries Act:
 - i. does not favour any particular interest;
 - ii. does not limit the relative weight which the Minister may give to competing interests; and
 - iii. does not indicate any priority of access to the fish-stock of one interest over the other.
24. Notwithstanding the discretion of the Minister to set allocations at levels he or she might consider appropriate, there appears to be some convergence of opinion that the customary level should be set at the level likely to be caught during the year. However, the recreational allowance and the commercial TACC have no underpinning of their respective levels in the Act.
25. The use of proportionality in allocation of any TAC variations is one of the foundation blocks that preserve the integrity of the QMS. Accordingly, the Minister would need to demonstrate strong reasons for moving away from that default position.
26. We note the recreational sector is seeking to have its share of the fishery increased to accommodate its demand for fish. We have noted claims as to the value that recreational fishers attach to the catching of snapper and that such values are greater than the value of fish to the commercial sector. While not wanting to become embroiled in discussion of value and cost of fish between the two sectors, we would note that the interests of New Zealand are better served by:
- a. the generation of export receipts rather than the high value consumption of imported components;
 - b. the need to use our limited natural resources in the most efficient and effective manner;
 - c. the need to ensure that available savings are channelled into productive investment and not wasteful consumption; and
 - d. the availability of quality seafood products to all New Zealanders, irrespective of their ability to fish for themselves.
27. We would also note that the value of any particular fish-stock needs to take into account the role it plays in the catch portfolios of commercial fishers. In mixed fisheries, the levels

of catch of particular stock have inter-dependencies with the catch of other fish-stocks. Where access to a particular fish-stock is limited by the TACC or natural abundance, there will be constraints imposed on the catch of other fish-stocks caught in conjunction with that limiting stock. SNA1 is one such stock and its availability determines the ability of the commercial sector in FMA1 to catch other lesser valued species. Any decrease in the availability of SNA1 ACE would lead to decreased commercial catches of gurnard, kahawai, mackerel, John dory, barracouta, flats, rig, spiny dogfish and trevally. The value for SNA1 in any analysis of value needs to import some value for the externality impact of catches of other stocks.

Contact

28. This submission was prepared by Tom Clark, Policy Manager, Seafood New Zealand, telephone 04 802 1514. Any queries or discussions should be directed to him in the first instance.