Minister's Preliminary Views

- 1 Your initial view was that:
 - a) A new 5 year programme for GUR 3 should be implemented under the AMP with:
 - i) The TAC set at 706 tonnes;
 - ii) Allowances of 3 tonnes each for customary Maori and recreational catch made within the TAC; and
 - iii) The TACC decreased from 900 to 700 tonnes;
 - b) The GUR 3 AMP will be reviewed in 2005.

Biological and Fishery Information

Submissions

- 2 **Te Ohu Kai Moana** (TOKM) comment that it is noticeable with many of the South Island East Coast stocks that effort has moved southwards in recent years. The reason is unclear – it may be from water temperature changes or in an attempt to minimise Hector's dolphin interactions – but a similar movement is apparent for the GUR 3 fishery. That southward movement may have been the cause of the recent lower catch levels of gurnard. If so, the situation could reverse within the proposed 5 year term of the AMP. In fact, catches to date for the 2001-02 year suggest to TOKM that the decline may have already started to reverse.
- 3 **The New Zealand Seafood Industry Council (SeaFIC)** submits that the observation that catches are well below the TACC does not hold for the current fishing year. Data from FishServe shows catch in GUR 3 of 625 tonnes to the end of June 2002 (compared to 477 tonnes at the same point in 2001). On this trend, and with the main winter fishery returns yet to come, it is likely that catch will approach the TACC by the end of the current fishing year.
- 4 SeaFIC understands that catch increases in the current year are due to changes in fishing practice, linked to the drop in hoki quota for the 2001-02 fishing year. The increased catch therefore reinforces the observation above that changes are related to fleet deployment.

MFish Discussion

5 Industry argue that gurnard is now mainly a winter fishery. However, historically the main Pegasus Bay and Canterbury Bight fisheries usually run from November through to May, with a small winter fishery in the Chatham Rise. Landing figures for the last few fishing years would tend to confirm this:

Table 1: Reported landings in tonnes October-May and June-September for 1998-2001¹

Fishing Year	October-May	%	June-September	%	Total
2000-01	440	77	129	23	569
1999-00	322	78	89	22	411
1998-99	327	83	68	17	395

- 6 It is possible that, as industry contend, a change is occurring in the fishery in terms of vessel deployment and fishing grounds, although this will only become apparent over a number of years.
- As at the end of June 2002 (the latest month for which complete figures are available), Monthly Harvesting Returns (MHRs) indicate a catch of 632 tonnes in GUR 3 during the 2001-02 fishing year. In the 2000-01 fishing year, 16% of the total catch was landed during the last three months of the fishing year. If this pattern is repeated in 2001-02, it is likely that the proposed TACC of 700 tonnes will be exceeded by approximately 35 tonnes, although catches are highly unlikely to approach the current TACC of 900 tonnes.
- 8 SeaFIC and TOKM speculate on the reasons for reduced catches in recent years, with such factors as water temperature changes, Hector's dolphin catches and fleet deployment being posed as factors causing the fishery effort to move southward in recent years. MFish acknowledged in the IPP that the fleet has fished in more southern areas in recent years, therefore the mix of species landed could be expected to change, and lower gurnard landings are a possible consequence. However, the effect of this should not be overstated, as the main fisheries have always been in Pegasus Bay and the Canterbury Bight. There has been increased effort in the Chatham Rise fishery in recent years (up to 40 tonnes in 2000-01 from a previous level of nil).

TAC, TACC, and Allowances

Submissions

- 9 **South East Finfish Management Ltd** (SEFML) previously proposed that GUR 3 be included in the AMP from the 2002-03 fishing year for a new five-year programme with a TACC of 900 tonnes.
- 10 **TOKM** can see little justification for the IPP proposal to decrease the GUR 3 TACC from 900 to 700 tonnes. No sustainability concerns are noted for the fishstock and 'fiddling' with a TACC purely on the basis of what could be a short term dip in catches is hardly a valid approach to fisheries management. TOKM supports continuation of GUR 3 in the AMP with the TAC, allowances and TACC at current levels.
- 11 **Sanford Ltd** support the recommendation for a new five year programme for GUR 3 under the AMP, but does not support a reduction from the current TACC level of 900 tonnes. Sanford believes there are no sustainability concerns presented to support this reduction.

¹ Quota Monitoring Return figures.

- 12 **The New Zealand Seafood Industry Council (SeaFIC)** supports the recommendation for a new five-year programme for red gurnard under the AMP. However SeaFIC does not accept that the TACC should be reduced from the current level of 900 tonnes. The basis for SeaFIC's position is:
 - a) There are no sustainability concerns. The Minister was satisfied when the current AMP was approved that a TACC of 900 tonnes was sustainable, and no information has been presented to call this into question.
 - b) All conditions of the AMP have been complied with.
 - c) The only rationale presented in favour of reducing the TACC is that catches have not approached 900 tonnes in recent years. The IPP recognises that changes in fishing patterns are a potential cause for catch being markedly less than the TACC.
 - d) Even if catch continues to be below the TACC, SeaFIC strongly rejects the logic that this should result in a TACC cut. The holding of quota (whether in an AMP or not) does not carry an obligation to catch up to the level of the TACC. This view is confirmed by MFish in the IPP on stocks to be introduced to the QMS on 1 October 2002², which states that 'stakeholders may elect to exercise their fishing rights in a manner which results in their allocation in a fishery being under-caught'.
 - e) The proposed reduction is inconsistent with the approach set out in the Low Knowledge Framework presented in the IPP, where it is implied that TACs won't be reduced if catch is below the TAC for 'fishery independent reasons' (paragraph 27 of framework section).
- 13 SeaFIC therefore strongly recommends that the current TACC of 900 tonnes be retained for GUR 3 under the AMP proposal.
- 14 **Te Runanga o Ngai Tahu** (TRoNT) comment that the South East Finfish Management Company do not consider that a reduction in the TACC for GUR 3 is necessary and that the fishstock does not face any sustainability concerns. TRoNT supports SEFML's position.

MFish Discussion

- 15 All submissions received supported the retention of GUR 3 in the AMP for a further five-year term, although all oppose the proposed reduction in the TACC from 900 to 700 tonnes.
- 16 In regard to TOKM and SeaFIC's comments that there are no sustainability concerns, MFish notes that the TACC was increased from 600 to 900 tonnes in 1996-97 based on industry's catch per unit effort (CPUE) analysis to the Inshore Fisheries Assessment Working Group. This analysis erroneously indicated increasing catch rates. Subsequent CPUE analysis could not repeat this result and, in fact, showed a decline in subsequent years. MFish has not held sustainability concerns about the fishstock because catches have not been

² Setting of Sustainability and Other Management Controls for Stocks to be Introduced into the Quota Management System on 1 October 2002 Initial Position Paper 27 May 2002; Ministry of Fisheries

anywhere near the level of the 900 tonne TACC. However, the proposal put forward to retain GUR 3 in the AMP is a new proposal and as such must be assessed on a fresh basis. The previous GUR 3 AMP cannot be used as justification for continuing with the same TACC.

- 17 After careful consideration of industry submissions, MFish believes that it would be reasonable to increase the initial proposal of a 700 tonnes TACC by 50 tonnes to 750 tonnes to:
 - a) allow for any increased catch in 2001-02 (although this cannot be confirmed until analysis of the east coast South Island trawl survey series and logbook data);
 - b) minimise any deemed values liability that industry may face as the result of a TACC over-catch.
- 18 A 750 tonne TACC would still be higher than any catch from 1990-91 to 2000-01 inclusive.
- 19 In normal circumstances, MFish is not concerned about non-utilisation of a fishstock's TACC. However, the purpose of the AMP is to *provide for* additional utilisation without undue risk to stocks. Catches over a number of years in GUR 3 have been well below the TACC and that the TACC increase under the GUR 3 AMP is not being fully utilised. The revised AMP framework (December 2000) allows for the flexibility to amend the requirements of the AMP for a particular stock (ie, type of information that is collected, nature of decision rules, level of TAC/TACC). The TACC may be increased or decreased as part of the review process within the five-year term of the AMP. A review allows fisheries managers to respond to new information or changes in circumstances that impact on the level at which the TAC/TACC is set.
- A decrease in the TACC this year will not preclude an increase later in the five-year term of the AMP if trends justify such an increase. The GUR 3 AMP will be reviewed in 2.3 years time (2005 at the earliest), rather than the annual reviews that have taken place in the past. If there is an over-catch of the GUR 3 TACC during this period, MFish would want to analyse the reasons behind that over-catch (ie, changes in fishing practice, location and vessels) prior to a reconsideration of the level of the TACC.
- As with other AMP fishstocks, there is an absence of quantitative information on the likely stock status for GUR 3. This means that the TACC should be increased only to the extent that it is necessary to provide for an appropriate level of utilisation. Under the AMP, a TACC should not be set at a higher level than is being utilised. If the increase in the TACC allowed for under the AMP is not needed, then it is not appropriate to manage the stock under the AMP. Indeed, the MFish IPP in 2001 identified the non-utilisation of the GUR 3 TACC as a major issue, and invited industry to consider managing GUR 3 outside the AMP on a long-term basis.
- 22 SeaFIC cites a number of references in recent papers (in particular the low knowledge framework in the IPP) that imply or state that a TACC may be

under-fished with no effect. Under the low knowledge framework, it is proposed that there will be a 3-year period to assess the continued need for a TACC increase. The TACC would not be reduced where it was under-caught if there were no sustainability concerns. However, under the AMP framework, the focus is on utilisation of the TACC in the absence of quantitative information, with an emphasis on monitoring programmes to detect changes in stock abundance. MFish does not believe the comparison made by SeaFIC is valid, and given that GUR 3 has been consistently under-caught would not fit the low knowledge criteria in any event.

Social, Cultural and Economic Factors

Submissions

- 23 SeaFIC argued that reducing the TACC for GUR 3 because of low catch, in situations where there are no sustainability concerns, would set a very worrying precedent for the following reasons:
 - a) it would reduce quota values and be a fundamental change to the character of the quota right;
 - b) it would reduce confidence in the management system;
 - c) it would offer no incentive for industry to develop its own stock management strategies (such as quota shelving) and fisheries plans.

MFish Discussion

24 MFish notes SeaFIC's comments on the potential effect on quota values of a reduction in the GUR 3 TACC, but it must be emphasised that this is a new AMP proposal. Under the AMP, a TACC increase can be made in the absence of quantitative information on likely stock status, provided there are efforts to obtain information on stock status and yield, but the increase is not for an indefinite period and there is no indefinite quota right associated with the increase.

Conclusion

- 25 SEFMC has proposed to include GUR 3 under the AMP for a new five year programme, setting the TACC at 900 tonnes.
- 26 In the IPP, MFish recommended that GUR 3 be included in the AMP for a further five-year term commencing from the 2002-03 fishing year, with a TACC of 700 tonnes.
- 27 Stakeholder submissions agreed that GUR 3 should be retained in the AMP, but opposed MFish's proposal for a 700 tonne TACC on a number of grounds, including increased catches in 2001-02 to date and the lack of sustainability concerns.
- 28 It is possible that, as industry contend, a change is occurring in the fishery in terms of vessel deployment and fishing grounds, although this will only become apparent over a number of years. While it is likely that the proposed TACC of 700 tonnes will be exceeded by approximately 35 tonnes this fishing

year, it is highly unlikely that catches will approach the current TACC of 900 tonnes.

- 29 MFish has not held sustainability concerns about the fishstock because catches have not been anywhere near the level of the previous 900 tonne TACC. However, the proposal put forward to retain GUR 3 in the AMP is a new proposal and as such must be assessed on a fresh basis.
- 30 MFish does not believe that any of the arguments put forward by stakeholders support retaining the 900 tonne TACC, although we acknowledge that, based on current trends, the proposed TACC of 700 tonnes would be slightly exceeded. In order to allow for any increase in recruitment, MFish proposes a "buffer" of 50 tonnes, thus increasing the proposed TACC to 750 tonnes.
- 31 Current catches are well below the TACC in GUR 3. Under the flexibility allowed for under the revised AMP framework, MFish recommends that the TACC should be decreased from 900 (under the previous AMP) to 750 tonnes.
- 32 An allowance for recreational interests of 3 tonnes is recommended based on diary surveys. In the absence of quantitative information on non-commercial Maori catch, an allowance of 3 tonnes within the TAC is also recommended to allow for customary utilisation.
- 33 The proposed TAC and allowances (TACC, and the allowances for recreational and customary catch, and other sources of mortality to the stock caused by fishing) are set in accordance with the requirements of ss 13 and 20 of the Act respectively. MFish is of the view that while the GUR 3 stock size is uncertain, there is a reasonable probability that current biomass is greater than the size that will support the MSY. On balance, after considering the nature of the statutory obligations contained in the Act, as outlined in the Statutory Consideration section in the paper, the AMP framework and the support of the working group for the AMP proposal, and the available information about the stock discussed in this paper, MFish concludes that the proposals are consistent with the provisions of the Act.

Final Recommendations

- 34 MFish recommends that you:
 - a) agree to a new five year programme for GUR 3 under the AMP and that you set the TAC for GUR 3 at 756 tonnes, and within this TAC:
 - i) set an allowance of 3 tonnes for customary Maori catch;
 - ii) set an allowance of 3 tonnes for recreational catch; and
 - iii) decrease the TACC from 900 to 750 tonnes.