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Tracey Steel  
Ministry of Fisheries  
PO Box 1020  
WELLINGTON 6140

tracey.steel@fish.govt.nz

Tena koe

## **IN SEASON INCREASE IN TOTAL ALLOWABLE CATCH (TAC) FOR SOUTHERN BLUEFIN TUNA (STN1)**

This submission is from Te Ohu Kai Moana (Te Ohu) and Aotearoa Fisheries Limited (AFL) in response to the Ministry of Fisheries (MFish) Initial Position Paper (IPP) dated 11 January 2010.

We have provided all Iwi (as set out in the Maori Fisheries Act 2004) with a draft copy of this submission, and all responses received to that draft were supportive. We have also consulted with SeaFIC. Our submission supports the submissions made by those parties and is designed to supplement and support their submissions rather than to detract from them.

### **Executive Summary**

This submission addresses the substantive decisions and our response to them in the same order set out in the MFish consultation document. They include:

1. The decision to increase the current TAC (of 420 tonnes) by 112 tonnes within season bringing the new TAC to 532 tonnes, which we support.
2. The decision to re-allocate the increased TAC of 532 tonnes between the sectors on a disproportional basis, which we do not support.
3. The decision to remove the current provisions that provide for the carry forward of under fishing of southern bluefin from one year to the next, which we support.

## Discussion of the substantive decisions to be taken

### 1. *The decision to increase the current TAC (of 420 tonnes) by 112 tonnes within season bringing the new TAC to 532 tonnes.*

#### Context

Paragraphs 7 to 38 of the IPP discuss the issues related to this decision. The key issues to be considered here are:

- New Zealand is a party to an international convention<sup>1</sup> which seeks to implement measures to reduce the overall global TAC for southern bluefin to sustainable levels. It is critically important that all those nations who fish for STN1 (and are therefore able to influence management of the fishstock) are parties to the convention for it to maintain integrity and therefore contribute to its sustainable utilisation.
- In 1994 at the first convention meeting, New Zealand entered into an agreement with Japan and Australia that provided for New Zealand's share to increase to 1000 tonnes in recognition of sacrifices made historically by New Zealand which then reduced our share to the current levels of 420 tonnes - to help ensure sustainability. In 2006 the date when New Zealand would have this increase was agreed as 2010. However, this has been treated as a nominal figure representing New Zealand's share if the fishery were at a sustainable level. Consequently recent decisions taken by the convention have reduced on a pro-rata basis New Zealand's "nominal" share of 1000 tonnes to an effective catch limit of 709 tonnes until the fishery has reached the target spawning biomass (i.e. sustainable levels).
- During recent negotiations the New Zealand delegation agreed to a bilateral arrangement with Japan that will see 139 tonnes of New Zealand quota transferred to Japan in each of the next two fishing years<sup>2</sup>, bringing the available catch for New Zealand to 570t for the next two years.<sup>3</sup>
- In addition while the IPP at paragraph 10 describes the effective catch limit for New Zealand as 570 tonnes for the next two years the Ministry is proposing to reduce this by an additional 38 tonnes to ensure that the current carry forward provisions do not result in a total catch that exceeds the 570 tonne amount agreed at the international level.

<sup>1</sup> The Commission for the Conservation of Southern Bluefin Tuna (CCSBT)

<sup>2</sup> This was to ensure Japan continues to participate in the convention and occurred partly because New Zealand was the only nation to actually receive an increase. (pers comm. Stephanie Hill, MFish, Auckland (20/01/2010))

<sup>3</sup> This arrangement was a key component of the overall package negotiated in Korea, and was critical to achieving Japanese agreement (2,400t was seen as a bottom line for Japan). With Japanese support, New Zealand was able to play a strong role in brokering agreement on the required overall TAC reductions, which was necessary considering the poor stock status. Japan had already made concessions in reducing its catches below 3,000t despite a 2006 agreement that they would remain at 3,000t until 2012. Industry members in the New Zealand delegation supported the decision to enter into this bilateral arrangement. Japan's support was also crucial to achieving agreement to the package, including New Zealand's allocation increase. Importantly for New Zealand, our nominal share of the overall TAC should be used as the starting point for future negotiations on allocations, which puts us in a better position than in previous years (ibid).

- While we have already commenced the season<sup>4</sup> for southern bluefin fishing under the current TAC of 420 tonnes, provision exists to increase the TAC within the season. Given the recent decisions of the CCSBT to agree to an increase in New Zealand's share of the global TAC - a within season increase would be appropriate.

### Concerns

We have the following concerns about the agreement process:

- There has been no consultation with Iwi/Maori on the agreements made at the international level that will have a direct impact on the value of quota provided under the fisheries settlement.
- The IPP inadequately explains:
  - a. How important it is to have all the fishing nations who fish for STN1 (in particular Japan and Australia) retain their commitment to internationally agreed management measures and
  - b. Why it is that the New Zealand allocation of 709 tonnes agreed at the international level has translated into a proposal for only a 570 tonnes TACC at the domestic level.
- The TAC proposals have been presented as a *fait-a-compli* with little ability to argue one way or another.
- What assurances do we have that Iwi/Maori interests will be protected at the international level by the New Zealand delegation at future meetings of the convention?
- Will giving away portions of New Zealand's shares to other countries to retain their commitment:
  - a. improve our credibility at the convention level or
  - b. simply diminish it given that our minor allocation is directly related to our ability to exercise influence?
- What is the track record of the convention in relation to honouring agreements made between the parties and is there a likelihood that New Zealand's share will continue to be eroded by politics rather than sustainability concerns?

### **2. The decision to re-allocate the increased TAC of 532 tonnes between the sectors on a disproportionate basis.**

#### Context

Paragraphs 39 to 47 of the IPP discuss this issue. In summary the effect of the proposals is to:

- Increase the current TACC of 413t by 107t to 520t but decreasing the current industry share of 98% to 97% through the reallocation process.
- Increase the recreational allowance of 4t by 4t to 8t and increasing the recreational share of 0.01% to 0.02% through the reallocation process.
- Maintaining the customary allowance at its current level despite increased percentages to the commercial and recreational sectors.

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<sup>4</sup> The season runs from 1 October to 30 September each year.

- Increasing the allowance for other purposes from 2t by 1t to 3t and increasing the share from 0.004% to 0.005%.

	TAC	TACC	Recreational	Customary	Other
Current	420	413 (450.6)	4	1	2
Increase by	112	107	4	0	1
Proposed	532	520	8	1	3
Existing allocation as a % of TAC		98%	0.01%	0.002	0.004
Proposed Reallocated % of the TAC		97%	0.02%	0.002	0.005

### Concerns

We have the following concerns with this approach:

- Do the reallocation proposals signal a shift in policy that has traditionally been based in proportional allocation?
- If so - on what basis (i.e. what information or standard of information is needed to affect such change)?
- What implications are there for future re-allocations amongst the sectors?
- We also have concerns with the consideration by MFish to further provide for the developing recreational fishery for STN1. The potential to exceed its existing allowance has detrimental consequences on the management of the stock, as well as other ramifications if New Zealand defaults on its international commitment to abide by the decisions made by the CCSBT. The recreational charter fleet, which land the majority share of the recreational allocation, are quasi commercial fishing operators that generate an income from targeting STN1 without mandatory reporting requirements<sup>5</sup> or the ability to acquire ACE on the open market. We argue that the preferential allocation of quota to this sector will not manage the concern to exceed current catch but exacerbate the situation by providing further capacity for new entrants.

### 3. *The decision to remove the current provisions that provide for the carry forward of under fishing of southern bluefin from one year to the next.*

#### Context

Paragraphs 48 to 58 of the IPP discuss this issue. In summary:

- The intent of these provisions when originally applied was to allow flexibility for fishers to carry forward a portion of their uncaught Annual Catch Entitlement (ACE) from the previous year. This was beneficial because it allowed them to receive some benefit from that ACE while reducing the likelihood of over catching their ACE and having to pay deemed values. The difficulty with a deemed values system is that if fishers were to over-catch their ACE and pay the deemed values they would also very likely exceed the New Zealand allocation. For this reason the deemed values have been set

<sup>5</sup> We understand that Mfish are in the process of trialing a reporting system with some charter boat fishers and support that move which we consider a step in the right direction for responsible fishers.

very high and we do not have a track record of exceeding our country allocation.

- The consequential effect on quota owners if the carry forward provisions were to be maintained and the ACE holders did exceed New Zealand's country allocation is the possible reduction of all New Zealand quota owners shares in the fishery to ensure improvements are achieved in the spawning biomass globally. This means that the benefits received by the fishers if the carry forward provisions continue may well be at the expense of the quota owners if the country allocation is exceeded.

### Concerns

We have the following concerns:

- The decision to remove the current provisions that provide for the carry forward of under fishing are supported at present. However the ramifications for the fishers need to be understood and the ability to provide flexibility in the catch balancing regime in the future requires further thought.
- The concern expressed by small STN1 operators is the inability to precisely land to their catch plan since the configuration of the gear prevents fishers from managing catch at the precise levels that are required.
- We recommend that flexibility within the catch balancing regime needs to be considered by the CCSBT in due course and provision for some flexibility reintroduced to provide for the variable nature of the fishery and the difficulty of catching at precise levels.

Thank you for the opportunity to comment on the IPP. We would be happy to discuss any questions that you may have in relation to this submission at the earliest possible opportunity. Should you have any questions regarding this submission you can contact Tania McPherson on 021 667798 in the first instance.

Naku noa, na.



Kirsty Woods  
Manager, Fisheries Leadership