



# Landing Obligations under the New Zealand Fisheries Quota Management System

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*Growing and Protecting New Zealand*



# New Zealand's fisheries management system

## The QMS – ITQs, catch limits

### ITQ

- Individual Transferable Quotas (ITQ) have been assigned in perpetuity as shares of each stock.
- ITQ is owned and each new fishing year generates ACE

### TAC

- Each 'stock' is defined by a Quota Management Area (QMA)
- Total allowable catch (TAC) is set by species and stock and allocated as total allowable commercial catch (TACC) and allowances

### TACC

- TACC in tonnes for each stock is set
- 100 million shares for each stock

### ACE

- Annual Catch Entitlement (ACE) generated at start of fishing year
- $ACE = \text{proportion of ITQ shares} \div \text{TACC} = \text{ACE allocated}$
- ITQ owners can fish the ACE themselves, or lease it to others to fish in any fishing year

# Annual catch balancing

- All QMS species must be landed (some exemptions)
  - Sub MLS (where set)
  - Schedule 6 (only some species on schedule)
  - Vessel in danger
- Non-QMS species may be discarded, but must be reported
- QMS relies on accurate and truthful reporting by fishers
- Fishers must balance QMS catch with ACE, which is traded on open market
- Failure to balance requires deemed value to be paid

# Annual catch balancing –contd:

- Fishers use owned or leased ACE to cover catch for the fishing year
- If fisher catches species or quantities exceeding their ACE package, fisher goes onto open market to buy more ACE
- If fisher can't obtain ACE to cover landings at year's end, then must pay deemed value (DV)

# Deemed value system

- Deemed values are set at levels to encourage landing, but discourage over catch
- Aim is to remove profit, but cover fishing costs, from deemed fish that ACE doesn't exist for
- Deemed value rates are 'ramped' to create stronger incentives to balance (100-110%, 110-120% up to +200%)

# Drivers of non-compliance

- Financial incentives to discard catch arise from desires to maximise returns considering –
  - fishing effort, operating costs, vessel hold space
  - 'high grading' and minimum economic size drivers
  - Squeezing of ACE catching sector
  - ACE packages don't always match catch mix
  - ACE for high-value species is expensive/not available
  - Companies with ACE have no compulsion to make ACE available to rivals that overfish

# Impacts of non-compliance with landing obligation on sustainability and species abundance

- Failure to land and report;
  - Creates gaps in stock knowledge
  - Weaker understanding of abundance, catch rates, catch mix and trends in biomass
  - Potential sustainability risks
  - Potential loss of utilisation
  - Lost opportunity through waste

# New Zealand's solution to the problem

- New technology now provides cost-effective solutions
- Integrated Electronic Monitoring and Reporting System (IEMRS) under development -
  - Video cameras on all vessels
  - Vessel tracking of all vessels
  - Near real-time catch and effort reporting
- Full outline of IEMRS provided in Session B4