

A review of The Future Catch report

29 August 2017

Introduction

A draft report, *'The Future Catch – Preserving recreational fisheries for the next generation'* was released on August 1st, 2017. The report is authored by Randall Bess, supported by The New Zealand Initiative, and funded by the US-based Aotearoa Foundation (Julian Robertson) and the late Sir Douglas Myers. This report follows a visit to Western Australia by a team led by The New Zealand Initiative and the US-based Environmental Defense Fund, to learn how their fisheries operate.



The Future Catch is the third in a series of reports that seek to influence government policy on the future of fisheries management in New Zealand. The report and recommendations will be finalised after a series of public meetings and presented to the new government by the end of 2017.

The New Zealand Sport Fishing Council, the New Zealand Angling & Casting Association, LegaSea and its supporters have reviewed *The Future Catch* and are concerned the report is being used as a vehicle to garner public support for privatisation of our fisheries, a natural resource that belongs to all New Zealanders.

The nature and extent of fishing

The report creates a picture of population growth leading to unrelenting pressure on fisheries due to increased recreational fishing. There is no explosion in recreational fishing. Research by the Ministry for Primary Industries (MPI) and the National Institute of Water and Atmospheric Research (NIWA) shows that overall participation in recreational fishing is stable despite recent population growth. Recreational fishing represents –

- a. Less than 3% of the total harvest from New Zealand's marine waters.
- b. Less than 20% of total harvest from the inshore fisheries in which the public has an interest.
- c. Less than 10% of total harvest from the inshore fisheries in which the public has an interest and when snapper and kahawai are excluded.

One of our main concerns is that the report recommends measures that will enhance commercial fishing interests, while not fully explaining the concurrent downgrading of non-commercial, customary and recreational, fishing interests.

Our fisheries are a national taonga (treasure) so all New Zealanders have an interest in who can catch the available fish. Every year the Minister decides how much fish is available to be caught. This is known as the Total Allowable Catch (TAC). The Minister then sets aside allowances for non-commercial customary and recreational fishing, before allocating the remainder as the Total Allowable Commercial Catch (TACC). This TACC is shared proportionately amongst commercial quota owners based on the size of their investment, their shareholding. The Minister has the ability to set the TACC at zero if he/she

needs to better allow for non-commercial fishing interests and the social, economic and cultural wellbeing of all New Zealanders.

Privatisation of New Zealand's fisheries

The quota owner's shareholding means they have an interest in harvesting a portion of the available fish, the TACC. If the report's recommendations are given effect that shareholding will be upgraded to a share of all the fish, the Total Allowable Catch (TAC). This is a fundamental change that would put commercial interests on an equal footing to non-commercial customary and recreational interests. This represents privatisation of a national resource, a move that current representative recreational fishing organisations oppose.

The Future Catch also recommends the public accept a proportional share in fisheries. This means in most fisheries we care about the people of New Zealand would become minor shareholders while the bulk of fish is exported. Public fishing would then be subject to market forces, with no guarantee in a willing buyer/seller market that fish will be available for our children or grandchildren.

Recreational fishers have consistently indicated they are willing to conserve fish for future generations, but they are not willing to sacrifice catch or interests to enable greater exports and corporate profits. Strong support for the report's proposals from corporate fishing interests is fair indication that the rent seeking quota holders have their eye on new wealth at the expense of our recreational fishing future.

The reality is we have a Quota Management System that was established due to a desperate need to manage excessive commercial fishing that collapsed the inshore fishery through the 1970s and 1980s. Thirty years on we have a captured Ministry, a paralysed management system that is dominated by a handful of corporate quota-owning rent takers, and fishing undertaken using archaic, destructive, bottom trawling methods that are incredibly damaging to the marine environment. There is little incentive for change.

It is unfortunate for all of us that effective measures to rebuild fisheries have been thwarted by the attitude of corporate fishing interests who staunchly defend their quota holdings and refuse to kill less fish. It is disingenuous to now try and shift the responsibility for depleted fisheries onto recreational fishers. Clearly it is time we acknowledged the failings of the QMS and the need to protect our fisheries for current and future generations. Now is the time to seek real solutions.

Royal Commission of Inquiry needed

The six recommendations in *The Future Catch* report are presented as solutions to deliver abundant fisheries, reduced conflict, and effective management input through a peak body funded by licenses or taxes. The New Zealand Sport Fishing Council, the New Zealand Angling & Casting Association, LegaSea and its supporters are unconvinced by the promises made. It our collective view that we need a [Royal Commission of Inquiry](#) to fully investigate the way our fisheries are being managed.

An independent Commission would enable the full story of New Zealand's fisheries management to be impartially told. It would be able to gather evidence from people inside the Quota Management System who currently cannot, or will not, give their stories without the promise of immunity from prosecution or persecution. Our concern is that *The Future Catch* report serves as a means to integrate public fishing into the Quota Management System without first identifying and addressing its failings.

The Future Catch Recommendation 1

- *The Government and all fishing sectors demonstrate a commitment to constructive and effective management of shared fisheries, where there is a shared interest in taking of the fishstock. This commitment includes:*
 - *reaching agreed abundance (biomass) targets for shared fisheries; and*
 - *designing indicators of core management or stock management performance that can be tracked over time.*

Discussion

- 1.1 Recreational fishers have consistently indicated they are willing to conserve fish for future generations, but they are not willing to sacrifice catch to enable greater exports and corporate profits.
- 1.2 New Zealanders have an interest in all fisheries, inshore, offshore, forage and highly migratory species. We value abundant fisheries for fishing, social, cultural, environmental and intrinsic reasons. References to 'shared fisheries' creates an illusion that some fish stocks are shared while others belong to commercial quota owners with little or no public good interests.
- 1.3 Our fisheries belong to future generations and the Crown has a statutory duty to maintain sufficient abundance to provide for those generations' foreseeable needs.
- 1.4 The Minister for Primary Industries sets stock management targets and catch limits to protect the fisheries from overfishing. The Minister then directs his Ministry to implement measures to achieve those targets and ensure that overall catch remains within the prescribed limits.
- 1.5 Various forums around the country have set management targets but failed to reach agreement or effective implementation of strategies to rebuild depleted inshore fisheries. Since 2013 recreational fishers have invested thousands of dollars in supporting expert participation in the Snapper 1 Strategic Planning Group and Hauraki Gulf Sea Change Marine Spatial Plan process. These processes continued for several years with no meaningful outcome because no agreement could be reached on effective catch reductions or management controls.
- 1.6 It is not the absence of agreed management targets that is the issue, the main hold-up is the attitude of corporate fishing interests who staunchly defend their quota holdings.
- 1.7 Continuing attempts to manage fish stocks without first acknowledging the need to rebuild depleted inshore fisheries through reducing overall catch will inevitably fail.

The Future Catch Recommendation 2

- *Integrate recreational fisheries into management policies and processes. This is accomplished by:*
 - *developing a recreational fisheries policy in the context of shared fisheries, so it addresses the causes of intersectoral conflicts that can adversely affect the management of fisheries;*
 - *improving representation of recreational fishing interests with the establishment of a Western Australia-type institution recognised by the Government as the peak body or central point of contact and referral for recreational sector issues.*

Discussion

- 2.1 New Zealand's fisheries are owned by the public of New Zealand and managed by the Crown on our behalf. Attempts to privatise this public asset are unacceptable to New Zealanders and we will staunchly protect the public's access to its own fisheries.
- 2.2 Integration means forcing public fishing into the Quota Management System, changing the nature and rights of both commercial and recreational fishing interests. (See response to Recommendation 3 for more detail).
- 2.3 Between 1986 and 1989 the Government developed a national recreational fisheries policy to clarify the primacy of public fishing issues as the Quota Management System was being implemented. In June 1989 the then Minister of Fisheries, Colin Moyle, made the following commitment which is now commonly referred to as Moyle's Promise –
- “Government's position is clear, where a species of fish is not sufficiently abundant to support both commercial and non-commercial fishing, preference will be given to non-commercial fishing.”
- 2.4 Given this earlier commitment the present Government needs to amend Part 2 of the Fisheries Act 1996 to clarify the decision-making process. We suggest the following Allocation Principle –
- Section 10A – For the purposes of providing for utilisation, the Minister will afford non-commercial users a clear preference in any allocations.
- 2.5 “Intersectoral conflicts” generally arise due to depletion or area conflicts denying public access to a reasonable amount of fish. Integration will not improve access. It is depletion that needs to be squarely addressed.
- 2.6 As noted above, even when there is a willingness to discuss management amongst stakeholders, success is not guaranteed, in fact most unlikely if there are no effective strategies to reduce fishing pressure on the stock and rebuild abundance.

- 2.7 Peak bodies that are reliant on government support and funding cannot be independent, they would be expected to comply with government policies, use funding for specific purposes thereby diluting available funds for advocacy.
- 2.8 The New Zealand Sport Fishing Council is the largest representative organisation of recreational fishers in the country with over 32,000 members. The NZSFC has committed more than a million dollars in the past six decades to representing recreational fishing interests. Through LegaSea the New Zealand Sport Fishing Council has worked with the New Zealand Angling & Casting Association, the New Zealand Underwater Association, Yachting New Zealand and a range of other non-commercial organisations to make substantial submissions on major issues and fish stock reviews, all while retaining independence from government influence.
- 2.9 Increasing numbers of fishers and concerned New Zealanders are voluntarily supporting independent and effective advocacy, education, public awareness and research through local clubs, both Councils and LegaSea.
- 2.10 From a recreational fishing perspective, there is no need to have one central point of contact nor one view. We need to acknowledge the needs of recreational fishers vary depending on area, availability of target species, traditions and cultural values. However, we acknowledge that it would suit both Ministry and corporate fishing interests if there was limited feedback expressed and one organisation to deal with. That is not our reality, New Zealand is a free speech society.
- 2.11 As per section 12 of the Fisheries Act the Minister has a statutory duty, before doing anything, to consult with the public and provide for the input and participation of tangata whenua who have a non-commercial interest in fisheries and the effects of fishing on the marine environment.

The Future Catch Recommendation 3

- *Switch to a proportional basis for total allowable catch (TAC) allocations, only if the process to reallocate TACs is fair and equitable over time, and in ways that benefit recreational fishers and compensate quota holders where they have a case for unjustified losses.*

Discussion

- 3.1 Proportional share means integration and privatisation – integrating public fishing into the Quota Management System and privatising fisheries so that commercial quota shareholders have stronger rights to our fisheries.
- 3.2 There are no means to ensure the reallocation process would be “fair and equitable over time”. That is an illusion because establishing proportional shares in New Zealand’s fisheries will not benefit recreational fishers and would be detrimental to the wider public’s current and future interests.

- 3.3 New Zealanders have a right to go fishing. We do not need a licence nor do we need a collective quota, recreational fishing is managed using fish size and daily bag limits. Many of the problems associated with depleted fisheries can be attributed to industrial fishing methods being used in sensitive inshore waters and poor land management combining to reduce productivity. Given that recreational fishers account for less than 3% of total harvest from New Zealand waters there are no benefits in being allocated a proportional share of the Total Allowable Catch (TAC) and any such move will be strongly resisted.
- 3.4 Our fisheries belong to all New Zealanders so any proportional share arrangement wrongly assumes that only fishers have an interest in each fish stock or the environment in which they live, clearly this is untrue. The community has a stake in abundant fisheries and a healthy marine environment so there must be the ability to conserve fish for non-extractive uses.
- 3.5 As the Courts have confirmed, the Quota Management System does not restrict recreational fishing. That is achieved by the Minister through input controls such as size and bag limits.
- 3.6 The Minister considers all the available information and decides on the Total Allowable Catch (TAC) for each fish stock. The Minister then sets aside allowances for the mortality associated with fishing and to provide for non-commercial fishing interests. These interests must be allowed for **before** the Total Allowable Commercial Catch (TACC) is set.
- 3.7 The TACC is allocated among those commercial fishers who hold quota for a particular fish stock. This quota is an entitlement to fish for a share of the TACC. Annual Catch Entitlement is issued to quota holders each year, giving them a right to take their proportion of the TACC. Increases or reductions in the TACC alters the amount of Annual Catch Entitlement available in any one year.
- 3.8 If the public were to accept a proportional share of the Total Allowable Catch then the allowance would change to an allocation, similar to the TACC. This could be varied by the Minister and would be set in conjunction with the TACC.
- 3.9 Proportional allocation means greater restrictions on recreational fishing. Ballots, reduced recreational daily bag limits, closed fisheries, penalties and licensing are common controls in a proportional system.
- 3.10 Proportional shares take no account of the effects of fishing on the productivity of the marine environment, the availability of fish within a fish stock, and the mortality caused various fishing methods. Bulk harvesting bottom contact methods such as trawling, danish seining and dredging have detrimental effects on the benthic (seabed) environment and decrease the availability of fish for non-commercial use.
- 3.11 There are many questions that would need to be clarified, including but not limited to:
- 3.11.1.1 Will the proportional share or allocation apply to all public non-commercial fishing, recreational and customary, or just recreational?

- 3.11.1.2 Would the proportional share be divided up between individual fishers or counted collectively? If so, what provisions will be made for varying levels of abundance and availability between vast regions in the same fish stock i.e. Snapper 1, Blue Cod 7?
- 3.11.1.3 Would the proportional share apply each year to a particular fish stock? If so, how would the harvest be measured?
- 3.11.1.4 What happens when the public's proportional share has been caught in less than 12 months? Conversely, if the allocation is not fully caught, will it be allocated to commercial interests, for a year or in perpetuity?
- 3.11.1.5 Will recreational fishers have to buy back quota if the allocation is exceeded, and what happens if there is no quota available in the willing buyer/willing seller market?

Compensation

- 3.12 There is no compelling case for compensating quota holders "*for unjustified losses*". These references assume some prior ownership which under current legislation does not exist.
- 3.13 Existing quota owners are allocated a proportion of the Total Allowable Commercial Catch that is set every year. The TACC can vary yearly depending on firstly the Minister's Total Allowable Catch decision and the tonnages of fish set aside as allowances to account for mortality, recreational and customary fishing.
- 3.14 Compensation, if there is to be any such gifting, will be a construct of government not, in our opinion, a legal requirement.
- 3.15 Commercial fishers have either been gifted or bought quota and a licence to go fishing. Neither the quota nor the licence represents a statutory right to own New Zealand's fish. If the commercial sector is unable to catch their Annual Catch Entitlement they cannot expect compensation from the public.
- 3.16 Compensation could be considered appropriate if there were agreed, fundamental changes to the way fisheries are managed in New Zealand to better provide for future generations' interests.

The Future Catch Recommendation 4

- *Alternatively, develop formulaic proportional TAC allocations for significant shared fisheries, like that used in the Gulf of Alaska halibut fishery. It would start with current TAC allocations set as the minimum levels to be increased as biomass targets are reached.*

Discussion

- 4.1 Applying current Total Allowable Catch (TAC) allocations as the minimum levels of deciding the proportions in each fishery is unrealistic and unfair. It also assumes that commercial interests have a right of ownership to the fish stocks, when the fisheries actually belong to all New Zealanders.

- 4.2 Currently commercial interests only have a shareholding in a fixed proportion of the Total Allowable Commercial Catch (TACC) that is determined by the Minister each year. Penalties accrue if commercial harvest exceeds these proportions. The allowances set aside for public fishing are determined by the Minister and can vary as use and values change over time.
- 4.3 Unlike the TACCs, which must be adhered to, the allowances are estimates of recreational harvest which take into account the random nature of fishing, the changing availability of fish, and variable weather. Average recreational catch is managed within the allowance by the application of bag and size limits.
- 4.4 This recommendation from the report ignores those fish stocks without current allowances. Out of 49 inshore stocks of importance to the public 28 currently have no allowances set aside for recreational or customary interests.
- 4.5 The report's recommendation to use existing allocations as the basis for catch shares in the Quota Management System takes no account of poor recreational catches in depleted fisheries.

The Future Catch Recommendation 5 & 6

- *Fund the costs of the proposed new recreational fishing representative institution, and its work in developing better measures of recreational fish stocks, for an initial five-year period through the petrol excise duties paid by recreational boat users.*
- *Afterwards, the Government could review the institution's role and funding options. Those options include:*
 - *continued funding through the petrol excise duties;*
 - *contributions from recreational fishers and non-fishers willing to support the work of the new representative institution; or*
 - *registration fees for recreational boats or trailers.*

Discussion

- 5.1 There is no compelling case that demonstrates any benefits that would arise from having a peak body representing recreational fishing interests. Quite the opposite. The Supreme Court has confirmed the Minister has wide discretion when it comes to managing fish stocks. Putting another barrier between the public and the Minister, who is responsible for providing for recreational fishing interests, is a backward step and not one that existing representative recreational organisations will support.

- 5.2 The report assumes that recreational fishers are free-loaders yet recreational fishing contributes a billion dollars to the New Zealand economy every year and generates almost \$2 billion in economic activity. The GST, PAYE and road user charges on petrol collected by the government is an additional tax on recreational fishing and fishers. The returns to government from recreational fishing are greater than \$10 per kilogram of fish landed by the public.
- 5.3 As Peter Dunne said so succinctly in 2014, “No tax without representation”. Peak bodies that rely on government support and funding to build a bureaucracy cannot retain their independence.
- 5.4 It is unclear what the term “*better measures of recreational fish stocks*” means. If this is referring to science, then that is a Crown function that we already pay for through taxes. If it is referring to estimating recreational harvest then that is also a government function that ought to occur on a regular basis. The methodology that NIWA and other researchers used in 2011-12 to estimate recreational harvest nationwide has been peer reviewed and is now internationally recognised as robust and capable of producing realistic estimates.
- 5.5 A robust survey incorporating two or three inputs to corroborate each output costs around \$5-6 million for a 12-month study every 5 years. This is adequate for current management requirements, but would be unaffordable if needed every year. The last national survey of recreational harvest was conducted in 2011-12, the next is due to start in late 2017.
- 5.6 *The Future Catch* does not comment on the next stage for privatised fisheries - devolution of responsibilities. Commercial fishers have set up their own company to register boats and keep catch records. Another entity was established to conduct fisheries research and was awarded the contract to put cameras on boats and monitor discards. Money collected to fund a peak body for recreational fishing will attract calls for user-pays research, consultation, monitoring and possibly even fisheries officers. As demand increases the fees imposed on recreational fishers will inevitably increase.

Licensing

- 5.7 New Zealanders have a right to go fishing. Licensing represents an additional tax on fishers. Recreational fishing generates at least \$188 million in taxes every year, contributing to the common good of all New Zealanders.
- 5.8 Ministry for Primary Industries’ officials and some politicians have already ruled out licensing, acknowledging the cost of implementation will outweigh the benefits –
- 5.8.1 Over 100,000 people rejected licencing when it was last proposed in 2000-01.
 - 5.8.2 If a peak body is not seen as adding value recreational fishers will not contribute to its existence by paying for a licence or fee to fish.
 - 5.8.3 About 25% of recreational fishers are Māori and it is unclear how licensing would impact on traditional fishing rights. Any attempts to licence some fishers and not others on the basis of race will create a frenzy.