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natural capital know how

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Mr Ian McKelvie, Chair
Primary Production Select Committee
Parliament Buildings
Wellington
New Zealand
By email: Primary.Production@parliament.govt.nz, ian.mckelvie@parliament.govt.nz

13th September 2016

Re: Tourism Growth Impacts to Sustainable Fisheries Management

Dear Mr McKelvie,

At the recent Seafood Industry Conference (Wednesday the 31st August 2016) the Prime Minister, in his opening address, outlined the growth in visitor numbers coming to New Zealand. The Ministry of Business Innovation & Employment (MBIE) in its report "New Zealand Tourism Forecasts 2016-2022" predicts that visitor numbers are to grow from 3.1m per annum 2015 to 4.5m per annum by 2022. The report also highlights "*Total international spend is expected to reach \$16b in 2022, up 65.5per cent from 2015*". Numbers that will be almost equal to New Zealand's total population at that time.

This would be a fantastic outcome from an economic perspective however, we took the opportunity to highlight to one of your members Damien O'Connor MP for West Coast /Tasman the potential impact on inshore fishing stocks and associated coastal ecosystems if those visitors also recreationally fish. He recommended we share our thinking and information with your Committee. While it is accepted that the numbers of tourists who go fishing is variable, New Zealand is becoming increasingly known for its wonderful kai moana and the free and open access to it.

Our inshore stocks are highly regarded by New Zealanders in three sectors: customary, recreational and commercial and are carefully managed to ensure sustainability is maintained. Further, while we are constantly reminded by the recreational sector of the right (in Terra Moana Limited we prefer to refer to it as a privilege) of every New Zealander "to catch a fish", given the predicted increased numbers

outlined above we are increasingly starting to question exactly **where** this right/privilege begins and ends.

It surely must be high time that that the government, under its national and international fisheries management obligations, and key stakeholders held a free and frank debate over the potential impacts of such increased visitor numbers on our precious inshore fishing stocks and developed a better strategy on protecting the rights/privilege expectations of New Zealand customary, commercial and recreational fishers of utilisation of a sustainably managed resource. We note this debate has started from a terrestrial perspective with freedom camping and that there is a great awareness of not killing the goose (our beautiful environment) that lays our golden eggs, our national economy.

1. Example: A look at what the Law allows for Paua.

The facts

- Each person (New Zealander or visitor) is allowed take 10 paua per day and have in their possession at any one time 20 paua or 2.5kg of meat.
- They must be the “primary taker” of the paua i.e. they are supposed to be in the water diving but as you will see below this is not always the case.
- However, every individual, provided it is not for pecuniary gain can give away their daily paua catch (10) or their accumulated catch (20). This means technically, provided the weather is fine, an individual could take their limit of 10 paua per day and give these away or every two-days give away their accumulation of 20 paua.

Some interesting Examples (received in person)

Recently well-known ex-commercial fisherman John Inkster, having legitimately purchased 300 paua to take to his daughter’s wedding overseas was flabbergasted that at no stage through the check in process or subsequent customs processes was he questioned about the contents of his luggage (chilli bins).

Tim McLeod who is a commercial paua diver in Kaikoura observed people in the water off Kaikoura in January 2016 taking every living sea creature crabs, limpets etc. off each rock that they could pick up. When questioned the people did their best to hide what they had and it could be assumed that their take may have potentially included undersized paua. Whilst being sensitive to accusations by race, it is important to highlight that these people were of Chinese origin. It is not known if they were resident or visitors. We are also aware some Chinese tourists exiting New Zealand are carry bags containing 20 paua each as they leave the airport (under the guise of recreational take). It is of course difficult to prove at that point whether they were taken by the individual as the primary gatherer or not.

With current commercial charter vessel operations, especially mixed species fishing, catches are rarely kept by each individual fisher. Rather the catch is divided up equally amongst those on board. Further it is common practice that some charter vessel operators have permanent pots set for crayfish (limit 6) and have them regularly baited to haul on trips to hand out to fishers on board. This is all seen as part of the “service” delivered as a “recreational taxi” and within the daily charter price.

Such ambiguity in regulations highlights the potential opportunity for new commercial operators to establish businesses solely for the purposes of providing a mechanism for visitors to claim they have taken their bag limits legitimately as a recreational fisher.

Clearly something needs to be done to tighten up the regulations in this area. While some may argue for the rights of New Zealanders to “take a feed”, the ability to find and catch fish has increased exponentially over the last 20 years with technological advances and unleashing such massive additional numbers of fishers on a delicately balanced ecosystem and prized resource would seem to severely place at risk such a strongly held belief. Below we provide some calculations of the potential scale of the impact.

Table A International visitor profile ex Statistics NZ

Overseas visitor arrivals⁽¹⁾										
By country of last permanent residence										
Country of last permanent residence	May month			Year ended May			Change from 2015			
	2014	2015	2016	2014	2015	2016	Month		Year	
							Number	Percent	Number	Percent
Oceania	83,584	86,576	88,048	1,375,648	1,419,680	1,511,792	1,472	1.7	92,112	6.5
Asia	42,368	52,112	64,688	583,328	702,992	846,704	12,576	24.1	143,712	20.4
Europe	15,024	14,640	15,232	435,248	448,080	489,168	592	4.0	41,088	9.2
Americas	15,904	18,032	19,808	289,376	313,168	351,312	1,776	9.8	38,144	12.2
Africa and the Middle East	1,840	2,144	2,672	38,912	41,344	44,080	528	24.6	2,736	6.6
Not stated	2,432	3,168	3,376	57,216	48,336	46,832	208	6.6	-1,504	-3.1
Total⁽²⁾	161,355	176,697	193,643	2,784,189	2,977,015	3,291,128	16,946	9.6	314,113	10.6
1.	Overseas residents arriving in New Zealand for a stay of less than 12 months.									
2.	These totals are actual counts and may differ from the sum of individual figures for different countries that are derived from samples.									
Note: SAR Special Administrative Region										
Source: Statistics New Zealand										

2. Comparing value possibilities with resource impacts

It is commonly known that lobster and abalone are high priced and highly prized restaurant menu items in many parts of the world. Asia in particular China has seen substantive demand and therefore price increases for their domestic restaurant trade for such high-end consumer products. This is a significant market for New Zealand rock lobster and paua exports.

It is worth comparing the value opportunity versus resource impact of adopting two different strategies 1) Inability for non NZ passport holders to take recreational bag limits out of New Zealand and 2) the ability for all/any visitor to take a recreational bag limit home with them. The following two tables highlight key differences.

Table B Resource impact to Paua from visitor recreational take

Year	Visitor Numbers	% Rec Fishing	Numbers Rec Fishing	Weight per fish	Bag limit	Weight taken PP	Total KG's removed
2015	3,500,000	1.0%	35,000	0.355	10	3.55	124,250
2015	3,500,000	2.5%	87,500	0.355	10	3.55	310,625
2015	3,500,000	5.0%	175,000	0.355	10	3.55	621,250
2015	3,500,000	7.5%	262,500	0.355	10	3.55	931,875
2015	3,500,000	10.0%	350,000	0.355	10	3.55	1,242,500
Year	Visitor Numbers	% Eating Abalone	Number eating Abalone	Weight per meal	Price per meal	Total Weight	Total Retail Price
2022	4,100,000	1.0%	41,000	0.355	10	3.55	145,550
2022	4,100,000	2.5%	102,500	0.355	10	3.55	363,875
2022	4,100,000	5.0%	205,000	0.355	10	3.55	727,750
2022	4,100,000	7.5%	307,500	0.355	10	3.55	1,091,625
2022	4,100,000	10.0%	410,000	0.355	10	3.55	1,455,500

Table B highlights the potential impact on the paua resource based on particular percentages of visitors undertaking **one dive** event and taking **10 Paua** using 2015 Statistic NZ numbers and MBIE projected 2022 visitor numbers.

If just 5% of the visitors had a diving experience then a potential 621,250kg (621 mt) of paua would be taken and which this could increase to 727mt by 2022.

This is against the current combined mainland Total Allowable Commercial Catch (TACC) excluding the areas of Fiordland PAUA5A and Stewart Island 5B i.e. the remaining easy access areas of 493mt – and which is without the latest significant TACC cut to Paua7 without a parallel cut for the recreational bag limit.

This surely cannot be a picture any responsible government could consider as appropriate.

Table C Possible retail spend on Paua for 1 meal per visitor (no ability to hold recreational limit)

Year	Visitor Numbers	% Eating Abalone	Number eating Abalone	Weight per meal	Price per meal	Total Weight	Total Retail Spend
2015	3,500,000	1.0%	35,000	0.255	\$100	8,925	\$3,500,000.00
2015	3,500,000	2.5%	87,500	0.255	\$100	22,313	\$8,750,000.00
2015	3,500,000	5.0%	175,000	0.255	\$100	44,625	\$17,500,000.00
2015	3,500,000	7.5%	262,500	0.255	\$100	66,938	\$26,250,000.00
2015	3,500,000	10.0%	350,000	0.255	\$100	89,250	\$35,000,000.00
Year	Visitor Numbers	% Eating Abalone	Number eating Abalone	Weight per meal	Price per meal	Total Weight	Total Retail Spend
2022	4,100,000	1.0%	41,000	0.255	\$125	10,455	\$5,125,000.00
2022	4,100,000	2.5%	102,500	0.255	\$125	26,138	\$12,812,500.00
2022	4,100,000	5.0%	205,000	0.255	\$125	52,275	\$25,625,000.00
2022	4,100,000	7.5%	307,500	0.255	\$125	78,413	\$38,437,500.00
2022	4,100,000	10.0%	410,000	0.255	\$125	104,550	\$51,250,000.00

Table C above considers the implications if “recreational take” was only available for New Zealand Citizens and if visitors purchased their taste of New Zealand kai moana only over the counter. This could generate potential increased spending (largely in the regions) of circa NZ\$17m based on 2015 figures and \$25.6m by 2022.

Potentially consumption volume and therefore sustainability impacts would be a low under such a model also. In other words, 1-2 meal portions = 255 - 510gms versus one bag limit 3.55kg at each respective event.

Any visitor who still chose to go recreational fishing would be required to acquire a special visitor licence and still be required to consume their take while in New Zealand. Possibly managed through a central recreational body who could monitor and regulate visitor licences numbers against impacts to New Zealand recreational fisher needs (See 3.2 below).

The compliance benefits would hopefully be enhanced as well, clear boarder control, documented sales channels in New Zealand, reduced black market opportunities.

3. Two things need to change

1. The Law should be changed to ensure seafood **cannot** be taken out of the country unless it is accompanied by a legitimate commercial purchase invoice, a Maori Customary Permit or the person holds a New Zealand passport.
 - a. This would ensure that the seafood is recorded against a recreational, customary or commercial total allowable catch in some way.
 - b. Iwi members and New Zealand citizens could still take kai moana to family overseas.

- c. Ensure that visitors would have to consume their seafood legally in New Zealand at our restaurants producing additional revenue/employment for the country and ensuring there is a robust paper trail for targeted compliance.
2. Confirmation that the rights/privilege of the New Zealand recreational fishing sector do not extend to overseas visitors and they would need to hold a special fishing licence to be able to take any recreational bag limits in New Zealand.
- a. While licensing is controversial it is not unreasonable, **in the interests of protecting the right/privilege of “New Zealand” recreational fishers**, to implement such a regime because of the potential increased pressure these visitors bring.
 - b. The key is that such revenue is channelled directly to a body that is managed by the New Zealand recreational sector for the recreational sector and where such monies could be used for;
 - i. representation,
 - ii. improved education and compliance,
 - 1. a larger network of honorary fisheries officers
 - 2. better multilingual educational information at sites and visitor information points,
 - iii. improved reporting on visitor impacts, and,
 - iv. better shared fishery management outcomes.
 - c. Technology now means such opportunities are possible to consider. Smart phones (using multi lingual versions) can provide the means to purchase daily, weekly, monthly or annual licences by visitors and revenue can be tracked/channelled. Secure payment by credit card, information linked to passport number, automatic licence approval and licence form available on phone to show fisheries officers and recording of catch are all now possible.
 - d. Visitors must be required to report so that the data can be used to assess real-time pressure on the resources so that limits on visitor numbers and take can be managed.
 - e. This is already working for freshwater fishing where tourists readily pay \$20 for a non-resident licence for a day or \$163 for a season plus often also the costs of a guide (full day \$399).

At \$20 per day 5% of current visitor’s numbers could generate \$3.5m in salt water licence revenue for the responsible management of the sector.

4. Impact example

Table D below provides some insight on the potential latent impact of current visitor numbers to New Zealand using 2.5%, 5.0% and 10.0% of total numbers undertaking a harvesting experience and taking into account current/daily/accumulated bag limits for 4 key species Snapper, Paua, Blue Cod & Rock Lobster.

Whilst purists may argue many of these scenarios are unlikely to eventuate, in our view in the absence of empirical information to suggest otherwise the potential latent threat is very real to our valuable inshore stocks and for many a “we should only act if it happens” approach is not what they are looking for nor expect. Note, these species are also ecologically related and important to coastal ecosystems. What happens to one species can affect what happens to others.

In such important fisheries it would seem, at least in our view, to do nothing is abrogating ones’ responsibility under the Law, and it would seem against international best practice fisheries management principles, to ensure sustainability is maintained year on year, rather than any reactive based approach.

There may also be a view from some recreational sector interests that the problem is not as big as that which is being portrayed here. We would suggest that such a view is very narrow and likely driven by the those who would be most affected by the introduction of foreign visitor licencing and reporting requirements.

Table D Example of latent tourist sustainability impacts for 4 key species (see over)

		Paua							
Total number of visitors	3,500,000	Bag Limit	Accumulated Limit	Total number of paua taken	Weight per paua Kgs	Number of paua Taken	Kg's Taken	Total Metric Tonnes	Total NZ Commercial catch
2.5%	87500	10	20	1,750,000	0.250	7,000,000	437500	438	1058
5.0%	175000	10	20	3,500,000	0.250	14,000,000	875000	875	1058
10.0%	350000	10	20	7,000,000	0.250	28,000,000	1750000	1750	1058
Rock Lobster Ex Fiordland & Kaikoura									
Total number of visitors	3,500,000	Bag Limit	Accumulated Limit	Total number of RL taken (2 bag limits)	Weight per paua Kgs	Number of paua Taken	Kg's Taken	Total Metric Tonnes	Total NZ Commercial catch
2.5%	87500	6	None	1,050,000	0.470	2,234,043	493500	494	2855
5.0%	175000	6	None	2,100,000	0.470	4,468,085	987000	987	2855
10.0%	350000	6	None	4,200,000	0.470	8,936,170	1974000	1974	2855
Blue Cod									
Total number of visitors	3,500,000	Bag Limit	Accumulated Limit	Total number of Blue cod (2 Bag limits) taken	Weight per paua Kgs	Number of paua Taken	Kg's Taken	Total Metric Tonnes	Total NZ Commercial catch
2.5%	87500	33	None	5,775,000	0.190	30,394,737	1097250	1097	2331
5.0%	175000	33	None	11,550,000	0.190	60,789,474	2194500	2195	2331
10.0%	350000	33	None	23,100,000	0.190	121,578,947	4389000	4389	2331
Snapper (QMA1)									
Total number of visitors	3,500,000	Bag Limit	Accumulated Limit	Total number of Blue cod (2 Bag limits) taken	Weight per paua Kgs	Number of paua Taken	Kg's Taken	Total Metric Tonnes	Allowance made by Minister for recreational sector
2.5%	87500	7	None	1,225,000	0.300	4,083,333	367500	368	3900
5.0%	175000	7	None	2,450,000	0.300	8,166,667	735000	735	3900
10.0%	350000	7	None	4,900,000	0.300	16,333,333	1470000	1470	3900

We submit that even if smaller percentages of Table D are correct it would be an untenable position for New Zealand not to do something to better manage visitor impact and protect the rights/privilege of New Zealanders to catch a feed of fish.

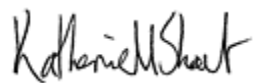
We wish to be heard by the Committee and can share further information.

Signed



Tony Craig
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Signed



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