

## **CHAPTER 3: FISHERIES MANAGEMENT IN NEW ZEALAND**

**3.1** The fishing industry provides New Zealand with a valuable source of exports, although export revenue in recent years has been static at about \$NZ 1.2 billion. The export value of Australia's fisheries (including aquaculture) was slightly higher at \$AUS 1.6 billion. New Zealand exports mainly to Japan, the United States and to Australia. Exports from Australia also go to Japan and the United States but Taiwan and Hong Kong also provided significant markets for Australian seafood. The export market is significant to New Zealand's fishing industries with about two thirds of the total catch being exported.

**3.2** Both Australia and New Zealand export rock lobster but Australia also has significant markets for prawns, abalone and scallops whereas New Zealand's export mix includes proportionally more fish and squid.

**3.3** The management of New Zealand's fisheries and the protection of fish stocks was reformed during the late eighties and early nineties. Prior to this fisheries were managed under an open access control system with restrictions on gear capacity and boat size. The industry was subsidised by government and overcapitalised, and fish stocks were being over exploited.

**3.4** To address these problems new management arrangements were introduced in 1986. These provided for fish stocks to be managed on a total allowable catch (TAC) basis with fishing entitlements within that limit determined by individual transferable quotas (ITQ). The introduction of ITQs provided an opportunity to reduce the total catch and facilitated industry restructuring. The TACs were set at levels considered to be sustainable for each fishery. The ITQs however, were allocated to fishers on the basis of previous catch history. In some cases the total previous catch exceed sustainable limits and a buy back program was initiated by the government with \$48 million to acquire catch history and reduce quota rights. This made it feasible to reduce TACs to sustainable levels and to restructure the industry.

**3.5** These reforms also ensured the sustainability of the fisheries and removed the need for industry support programs. The Committee members were told that the buy out program was relatively cost effective because it occurred before a trading market had developed for the ITQs. The cost of the buy out did not reflect the full future value of the ITQs. The fishers remaining in the industry however gained a tradeable property right in the form of the ITQs and security of access to fish stocks.

**3.6** In addition to providing fishers with a tradeable property right and security of access to fish stocks the ITQs also allowed fishers to enter or exit the industry or to adjust their fishing activity without undue administrative constraints.

**3.7** The management of Australian fisheries does not yet generally involve the use of ITQs but this approach has been adopted in two significant fisheries. In the south east fishery its introduction has been associated with litigation, and a market for ITQs has not developed. The experience in New Zealand appears to be more positive, possibly because the ITQs clearly established tradeable property rights to fish resources. Furthermore, the situation in New Zealand was not complicated by jurisdictional disputes between levels of government, as was the case in Australia. It is expected that controls such as ITQs will be introduced into more Commonwealth fisheries. The New Zealand experience suggests that this is the right way to go in fisheries management. Recent amendments to fisheries management legislation

will take Australia further in this direction. The recent *Fisheries Legislation Amendment Act 1997* provides for the continuation of statutory fishing rights, where granted by the Australian Fisheries Management Authority, when fisheries management plans are changed.

**3.8** Bycatch has been another problem in Australia with fishers unable to land non target fish taken when fishing for preferred species. Fishers have not been allowed to land by catch species but it is illegal to dump bycatch. This is an unworkable situation in multi-species fisheries where target and non-target species co-exist. The difficulties with the current bycatch arrangements have been recognised and the Government has announced its intention to develop a comprehensive bycatch policy for Commonwealth fisheries. In New Zealand this problem was avoided by allowing bycatch to be landed and surrendered at deemed values.

**3.9** Fishery management arrangements in New Zealand are being further revised by legislative reform. Cost recovery was introduced in 1994 through amending legislation and a new fisheries Act came into effect in 1996. The new Act further developed cost recovery measures, and revised and simplified management arrangements.

**3.10** The 1996 legislation amended the ITQ system to allow for an annual catch entitlement and for the fishing effort to be balanced on an annual or monthly basis depending on the variations in fish stocks and other factors affecting the industry. The new Act also includes explicit standards for environment protection and makes regulations for indigenous customary fishing.

**3.11** Maori fishing rights have always existed and there has been a long history of Maori involvement in traditional and modern fishing, but the introduction of ITQs as means of restricting commercial access to fish stocks raised the need to accommodate these rights into the management arrangements. Claims to commercial fishing rights were settled by negotiation which resulted in the Government providing funding for Maori to acquire a half share in New Zealand's largest fishing company. Ten per cent of all ITQs were transferred to Maori, which together with quota acquired in the purchase of the fishing company, resulted in the Maori becoming the single largest participant in the commercial industry. In return the Maori agreed that all claims to commercial fishing were settled. Regulation of traditional, non-commercial access was also provided for in the 1996 Act.

**3.12** As is the case with many other primary industries the development of the fishing industry is supported by a producer board. The New Zealand Fishing Industry Board is a statutory body that promotes the interests of all sectors of the seafood industry through activities such as policy advice to government, research, market development and trade access, but it is not involved in selling seafood. It co-ordinates industry participation in management processes such as stock assessments and it liaises with the Seafood Industry Training Organisation.

**3.13** In recent discussions in Australia the Committee has been given an example of the contribution of the New Zealand Fishing Industry Board. A representative of a seafood exporting company contrasted the difficulty that Australian industry has in accessing European markets compared to the success of the New Zealand industry. The tariff for Hoki, a major New Zealand export, was reduced from 15 per cent to 6 percent when the Board entered into trade negotiations on behalf of the entire New Zealand industry. Australian exporters have not been able to obtain a similar reduction for equivalent products exported to Europe and have found that the Austrade will only pursue specific markets for individual exports.

**3.14** The Committee was reminded that the Australian fishing industry lacks an effective national body with a strong and focussed interest in export market development. In the report of the inquiry into fisheries management the Committee recommended that in order to provide a national focus and national identity for the fishing industry, fishers be subject to a compulsory levy to enhance the role of the Australian Seafood Industry Council. An enhanced and better resourced Council could take a lead role in developing export markets. The success of New Zealand's approach lends weight to the Committee's findings on this matter.

**3.15** New Zealand has a Ministry for Fisheries and has not separated policy advice activities and management activities, as is the case in Australia where the Australian Fisheries Management Authority and the Department of Primary Industries and Energy each have different roles in assisting the Minister who stands at arm's length from day-to-day fisheries management.

**3.16** In the report of its inquiry into the management of Commonwealth fisheries the Committee called for a ban on the taking of blue, black and striped marlin by commercial fishers. The Committee therefore noted with interest the advice from representatives of the New Zealand Ministry of Fisheries that these species cannot be landed for commercial purposes and that sword fish can be landed but only if taken as bycatch. There are also areas that are closed to all billfish fishing, including recreational fishing. In light of the approach taken in New Zealand the Committee recommends that:

**(2)in formulating its response to recommendation 37 of the Committee's report *Managing Commonwealth Fisheries; The Last Frontier*, the Commonwealth Government have regard to the policy of New Zealand on the taking of billfish species.**