

# Rescue Fish – A pathway to abundance

## Opportunities for Māori



Ka pū te ruha, ka hao te rangatahi<sup>1</sup>

## Preface

To meet the challenges of ending 30 years of sustained depletion it is time to put te tini a Tangaroa, all the creatures of the sea, first.

We must restore our fisheries to an abundant state. There is no conflict in abundance. From this will come greater benefits for commercial, customary and recreational fishers, and much needed job opportunities for our regional communities. Abundant fisheries and a healthy marine environment will also help to lift the prosperity and wellbeing of all New Zealanders.

First things first. The Quota Management System has to go.

We need to put the right structures in place to enable good governance and provide for a more responsive local management regime. This will help restore hope, environmental integrity, and fishing opportunities for our regional communities.

LegaSea has invested in sending a research team around the world to see how other nations are reforming their quota systems. LegaSea has also employed fisheries scientists, independent economists, enlisted iwi, past and present commercial fishers to find solutions to benefit all.

As the renowned economist Joe Stiglitz (2009) writes: *“If what the expert says has little or no relation to what people feel or can see all around them, it’s inevitable that they stop believing the experts and the politicians they advise and look for answers elsewhere.”*

In this spirit I commend LegaSea’s policy proposals to you with the politest request: please use it as the basis for further work, to plot the best course for reform which restores abundance.

Scott Macindoe  
LegaSea advisor

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<sup>1</sup> As an old net withers another is remade.

## About LegaSea

LegaSea is a not for profit organisation established by the New Zealand Sport Fishing Council in 2012. The Council has 55 affiliated clubs with 36,200 members nationwide. LegaSea's core roles are to elevate public awareness of the issues affecting the marine environment and to inspire public support to effect positive change. One of LegaSea's primary missions is to restore New Zealand's coastal fisheries.

The New Zealand Sport Fishing Council and latterly LegaSea have been an integral contributor and participant to the [Hokianga Accord](#) since its inception in 2005. The Accord brings together the commercial and non-commercial interests of Ngapuhi, Ngāti Whatua, other northern iwi and hapū, environmental and fishing interest groups. The Accord has facilitated the sharing of ideas and knowledge between Māori and tauīwi through the sharing of the common objective of 'more fish in the water'. In July 2017 the Hokianga Accord resolved to support the call to establish a Royal Commission of Inquiry into fisheries management and the Quota Management System.

The Rescue Fish policy package results from the New Zealand Sport Fishing Council and LegaSea's years of research, participating professionally in scientific assessment of fish stocks, ongoing consultation with recreational and other commercial and Māori fishers, the Hokianga Accord, independent research of the views of Māori and New Zealanders overall, and visits to other countries using or abandoning quota management systems.

The proposed policies are informed specifically by fish stock science, current port prices for fish, an independent policy impact assessment, economic modelling, and a legal review of the proposals compliance with the Treaty of Waitangi, including the Treaty of Waitangi (Fisheries Claims) Settlement Act 1992.

## Enhancing tino rangatiratanga and enabling kaitiakitanga

In developing a set of proposals to reform the regulation of fishing in Aotearoa, LegaSea has focused on how its proposed regime will enhance tino rangatiratanga, chieftainship, and enable greater expression of kaitiakitanga, guardianship of marine resources and people.

The new regime will in part fulfil the Crown's Treaty duty to develop policies to help recognise customary use and management practices. It also seeks to enhance tino rangatiratanga and enable greater expression of kaitiakitanga in respect of traditional fisheries and more generally.

This note sets out how this will happen. But first, some background.

## Why the status quo is untenable?

The management and governance of our fisheries is in crisis. Inshore fish stocks are steadily collapsing. Depleted stocks include crayfish on the North Island's northeast coast, bluenose stocks nationwide and the snapper sub-stock in the Hauraki Gulf/Bay of Plenty. Closed stocks include scallops at the top of the South Island and Pipi 1A in east Northland. Yet we are told by government officials and commercial fishing industry spokespeople that New Zealand enjoys one of the highest quality management systems in the world. International experience, our research and anecdotal experiences garnered by the public all refute this claim.

The concern is widespread and based on lifetimes of personal and accrued communal experiences of declining coastal fisheries, the loss of regional small-scale fisheries, and the inability of successive governments to manage New Zealand's marine resources in the public interest.

In good faith Māori agreed to the Treaty of Waitangi (Fisheries Claims) Settlement Act 1992. Individual Transferable Quota (ITQ) shares were used as currency for settling Crown fisheries obligations to Māori. Monetary compensation and a transfer of 10% of quota ownership to Māori occurred. At the time this 10% quota shareholding represented around 60,000 tonnes of fish.

Despite a Fisheries Settlement, Māori are especially disadvantaged by current laws and practices. There is no formal co-governance structure. This denies Māori opportunities to have a meaningful role in firstly deciding how abundant our fisheries might be, and secondly having effective input into the fisheries decision-making processes. When combined with the lack of strong principles, the current regime is not delivering the economic and social potential that Māori aspired to when settling claims to commercial fishing interests.

**The major failings of the Quota Management System now present as the following symptoms:**

1. **Dumping** of bycatch. This comes from the use of non-selective methods which catch unwanted fish, precious birds and marine mammals.
2. **High grading.** Fishers only taking the marketable fish and discarding the rest.
3. **Under-reporting** of all catch. QMS is based on landed catch only.
4. **Wasteful and damaging fishing practices**, including habitat-destroying bottom trawling and dredging.
5. **Under funding for effective policing** and monitoring.
6. **Setting catch limits** while ignoring the diminishing numbers of fish in the water.

## All is not what it seems

New Zealand has always prided itself at being at the forefront of change. In 1986, New Zealand was one of the first countries to adopt a comprehensive quota system. After 30 years it is now clear that the Quota Management System has failed to achieve its goals of resource sustainability and economic efficiency.

*The QMS has evolved into a feudal system of resource allocation that relies on monopoly protection, rent seeking and private control over a public resource. The Quota Management System is so fundamentally flawed that it is now unable to produce long term value for New Zealand.*

On a national scale we are missing out on the societal benefits from the exploitation of our fisheries because there is no resource rental applied to commercial catches. Income from our wild resources could be used to support existing or even new health, education or policing services, not profits for private corporations.

Once common marine resources are now depleted to satisfy commercial imperatives. The first indicator of systemic failure is the diminishing returns for the hardworking commercial fishers on the water.

### Diminishing economic and social returns

Economically the value proposition is tenuous at best. The bulk of New Zealand's commercially caught fish is being exported at low prices and no added value. For example:

1. Exporting 1.5 million kilos of trevally at an average price of \$3.28 per annum is not an exemplar of success;
2. Nor is exporting 1.4 million kilos of kahawai at an average of \$1.63 per kilo. (Seafood New Zealand)

The promised levels of employment from more economic and increased fishing capacity have not occurred. Many smaller commercial fishing operations and vessels have been lost, especially from regional ports, and some of those remaining are in peril. The Quota Management System has relocated these opportunities to major ports while depleting local waters. Rescue Fish has been developed because there are strong economic benefits when commercial fishing is domiciled in regional ports.

Depletion in some important fisheries means catches by recreational fishers are also falling and bag limits cuts have been applied to some popular species. Allowing depletion to run down abundance and leave areas barren has also destroyed the ability of Māori to fulfil their customary fishing needs and obligations.

## Amendments to the status quo will not suffice

It seems that no amount of evidence is sufficient for a Minister to reduce the exploitation rate of commercial fishing in the face of quota shareholders' objections and claims of economic hardship.

The commercial industry lobbyists cling to the Quota Management System with all their strength, knowing that without the QMS allowing them to act as pseudo owners, their fishing opportunities would be significantly reduced.

This transition of power to a few powerful fishing lords is not unique to New Zealand. It is evident internationally in all countries with Individual Transferable Quota or property rights-based management systems.

It simply has to be abandoned. By pandering to the short-term demands of quota shareholders for the highest catch that a Minister can be persuaded to permit is slowly but surely destroying our inshore marine ecosystems.

## The public support fisheries reform

New Zealanders know our fish need rescuing. Independent surveys show that more than half think fisheries are facing a crisis of depletion and are being over exploited commercially.

From across the political spectrum there is a very strong agreement that our fisheries need to be reformed to ensure there is an abundant fishery.

**70%** think reform is needed, while just **6%** think it is not.

Public confidence in fisheries management is low.

1. Around 67% of New Zealand adults surveyed want the government to reform fisheries to make sure they're abundant *and* so commercial fishers pay a resource rental fee for fish they harvest.
2. Moreover, large numbers of New Zealand adults will switch votes at the 2020 election to a party or candidate supporting fisheries reform and the introduction of resource rentals.

## Māori hold the key to success

Around **73%** of Māori think reform is required to ensure there is an abundant fishery<sup>2</sup>.

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<sup>2</sup> Source: Horizon Research results of a survey of 1,000 Maori aged 18+ conducted between 29 May and 13 June 2019. Respondents are members of Horizon Research and Dynata online research panels. Results are weighted to represent the adult Maori population at the 2013 census. At a 95% confidence level the maximum margin of error is +/-3% overall.

Neither government agencies nor politicians are persuaded by any technical excellence or scientific logic - all are adamant that Māori hold the power to call for a serious analysis of Rescue Fish, particularly as it would entail resetting the terms of the commercial fisheries Treaty settlement.

## LegaSea propose an alternative approach

LegaSea has proposed fundamental reforms of the New Zealand fishing regime. In developing the Rescue Fish proposal LegaSea has sought to:

1. Avert depletion and restore sustainability of fish stocks and ecosystem services.
2. Decentralise commercial fishing effort, encourage local participation and promote regional economies.
3. Sustain the societal value of fishing, including recreational and customary fishing, as well as increasing the returns from commercial catch, and increasing the value (including health benefits) derived from the local consumption of seafood.
4. Discourage inefficient investment and effort.
5. Promote co-governance.

**Table 1. Rescue Fish - A new regime for managing inshore fisheries**

Main features
A new independent Crown Entity authority to set catch limits and undertake scientific research.
Māori and the Crown will have shared governance; fulfilling Treaty obligations for tino rangatiratanga (chieftainship) and enabling greater expression of kaitiakitanga (guardianship) of marine resources.
Statutory recognition of non-commercial interests in the new fisheries management system.
Priorities for Ministerial action explicitly set out in the Fisheries Act, prioritising sustained ecological resources, environmental interests, and high value Māori customary and recreational fishing.
Limits on catch will be reset, generally at lower levels to ensure fish stocks recover and become abundant.
Commercial permits to be sold via competitive tendering, replacing current levy-based funding. The payment to the Crown will be a form of resource rental payment and would be used, in part, to finance regulatory and research functions.
Permits for commercial fishing will be set in multi-species terms.
Commercial fishing will be subject to effort limits and gear controls, directed in part at limiting effects on other native species such as seabirds and mammals.
Independent monitoring of commercial fishing will combine self-reporting and electronic monitoring, audits and observers.

Source: LegaSea

**Table 2. Estimated share of Annual Catch Entitlement (ACE) held by iwi under each scenario**

	Sum of Estimated Low Share Value	Sum of Estimated Average Share Value	Sum of Estimated High Share Value
Iwi owned	\$137,237,698	\$291,613,501	\$580,275,355
Grand Total	\$1,262,168,425.81	\$2,733,834,129	\$5,547,973,459
Percentage	10.87%	10.67%	10.46%

## Rescue Fish – Benefits to Māori

LegaSea’s Rescue Fish proposal offers pathways to abundance with Māori in a co-governance role with the Crown and receiving greater ongoing income from fishing.

The alternative management structure is designed to benefit Māori in the following ways:

1. **To buy back the quota shares** that iwi hold at fair value. One essential step is to end the Quota Management System. Payments from the buy back is more useful than shares in Total Allowable Commercial Catches (TACCs) that are destroying inshore fish stocks.

Initial calculations by LegaSea have looked at three scenarios regarding possible valuations: high, medium and low. Table 2 above shows the indicative calculations under each scenario.

2. **To create a Rūnanga** that exercises the highest chieftainship over fisheries by setting Total Allowable Catches (TACs), the maximum catch that allows the stocks to always be above 50% of the unfished, natural size. The Rūnanga would comprise equal members of Māori and the Crown with an independent chair, to reflect the principles of the Treaty of Waitangi.
3. **Fulfilment** of the intention of those who signed the Treaty of Waitangi (Fisheries Claim) Settlement Act 1992. The original intent was to use Settlement cash to support “the development and involvement of Māori in fishing”. Out of that settlement iwi currently are estimated to own around 10.7% of the total quota share value, however, that value is expected to decline under the current Quota Management System.
4. **To regulate commercial fishing**, to encourage and enable small-scale fishing along the coast. Aspiring commercial fishers would apply for a permit, with maximum catches and maximum fishing days applying to each permit. This is to provide employment opportunities and again encourage young Māori to get their hands wet.
5. **A new Fisheries Act** based on a clear set of principles will be required to ensure the fish stock abundance targets are met. The best results come from having the minimum stock size set in law and not able to be changed as a result of lobbying. The Rūnanga will exercise kaitiakitanga and ensure our mokopuna can also exercise their customary fishing rights by having fish again plentiful in inshore areas.
6. **Local area management** will occur in each rohe, with each management area having a Kaitiaki board comprising mainly representatives of iwi, hapū, and the local council. The main role for this local board is to maintain a living spatial plan. They can impose rāhui, protect areas of high significance, for example habitats that are at risk, shellfish beds, and set local rules for fishery users.
7. **A resource rental or resource tax** will apply to commercial fishing permits. This is to reflect that the fish are common property and those that catch and sell them ought to pay something

back to the community. All of the resource rental is collected by the Crown. This Crown fund will pay for research and management costs. LegaSea has modelled 15% of the net resource rentals collected each year being distributed to Māori. The actual percentage going to Māori will need to be negotiated between the Crown and Māori.

8. **Māori will be free to invest their resource rental income** as they see fit. As the fishery returns to abundance the resource rental income is expected to grow. Some iwi may choose to reinvest in fishing opportunities for their people, others may decide they would generate more income elsewhere.
9. **Reverse the negative impacts on Māori.** Prior to the introduction of the Quota Management System the government, in the early 1980s, revoked the permits of fishers who were deemed to be part-timers, not making an annual income above \$10,000 from fishing, or if fishing was less than 80% of their annual income. This had a disproportionate effect on Māori, especially in the regions where it was common for people to spend several months at the freezing works or dairy factory and the rest of the year fishing inshore for flounders, mullet and kahawai. The ability to provide kai moana for the marae and community enhanced the mana of these fishers and their families. The removal of their fishing permits diminished their ability to work and provide kai for their communities.
10. **As fisheries rebuild Māori will benefit** from the resource rentals generated from the commercial use of fisheries. In the short term there will need to be catch reductions to achieve the desired level of abundance. In the governance role Māori will be part of the process to apply the necessary catch reductions in some areas to enable fish stocks to rebuild.
11. **Non-commercial fishing will improve** with more fish in the water. Māori customary interests will be paramount and best served by having kai moana readily available in the places traditionally fished. Fishing to feed the whanau without a permit is classed as 'recreational' fishing. At 26% of the total, Māori adult men represent the largest ethnic group participating in recreational fishing. Research shows that 52% of Māori who fish in the sea say they rely on fishing to feed their families, compared with 27% of the adult population overall. A return to abundance is the key to providing for Māori's interests in fisheries.

## In summary

LegaSea's Rescue Fish proposal will return New Zealand's fisheries to abundance, honour the Treaty of Waitangi and restore to Māori previously held customary, recreational and commercial fishing rights.

Māori would replace their 10.7% ownership share of income from a diminishing commercial fishery with a share of the growing resource rental income from a recovering fishery. For the purposes of modelling, LegaSea has assumed a 15% share of resource rentals going to iwi. The actual share going to iwi will be determined through negotiations with the Crown. LegaSea has not proposed how that future resource rental income stream should be distributed between iwi. That is for iwi to determine.