The Commercial Fishery and the HGMP

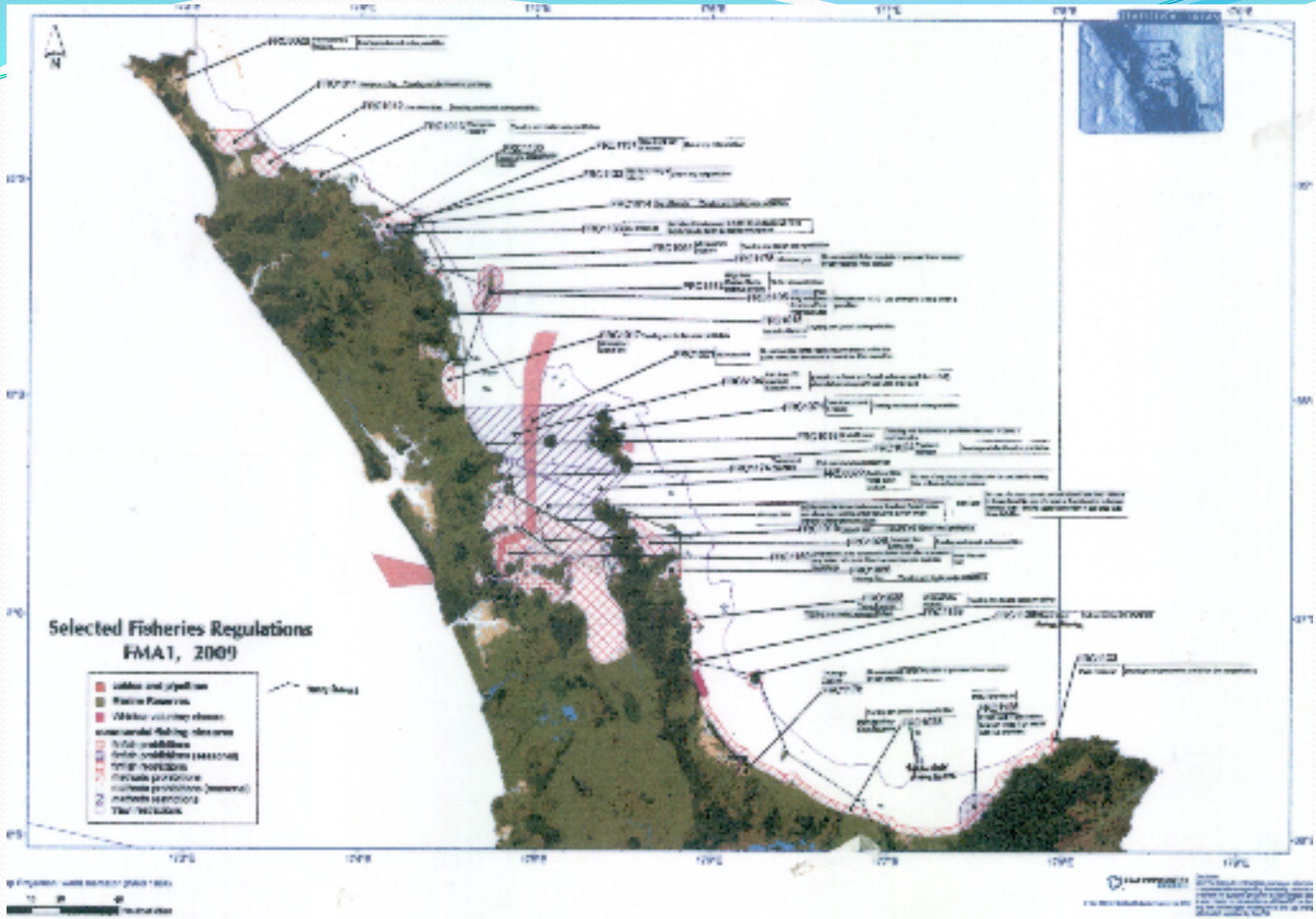
Northern Inshore Fisheries Company

Today's presentation

- Existing HGMP commercial fishing restrictions
- Synopsis of the seafood industry in the HGMP
- Quota ownership and its value to the industry and Maori

The role of the QMS

- The QMS is an output control that limits total commercial catches
- The QMS replaced ineffective effort controls
- Many existing HGMP commercial fishing restrictions are no longer necessary – they are relics of an abandoned system of effort controls


Selected Fisheries Regulations
FMA1, 2009

HGMP effort controls no longer relevant for sustainability reasons

- Vessel size restrictions.
- Method restrictions (Trawling and Danish seining) prohibited in inner Gulf.
- Pair trawling and pair Danish seining prohibited in certain waters of the Hauraki Gulf
- Maximum size/length of Danish seine net
- Maximum length of drag net or beach seine net
- Only hand hauling of drag net or beach seine net allowed
- Maximum length of set net

Early origins of HG trawl restriction

NOT A DOG IN THE MANGER POLICY, BUT PLENTY FOR ALL.

Hon. Millar (to Auckland deputation of line fishermen against trawling inside limits): It's no use asking me to grant a monopoly to the line fishermen of all the fishing area. Trawling is the modern method of fishing, and quantity will bring cheapness to the masses.

Observer, Volume XXVII, Issue 16, 5 January 1907, Page 19

Effects of the unnecessary effort restrictions

- Inefficiency with increased costs to commercial operators
- Increased cost to consumer
- Significant benefit to recreational fishers
  - Much higher abundance of snapper in the inner Hauraki Gulf
  - An increasing recreational catch but with increased risks to sustainability as this catch is not capped

Snapper catch (tonnes) inside Cape Colville to Cape Rodney

The HGMP commercial fishery

The main fishery throughout HGMP,

(where vessels are allowed to operate)

- Longline – catch is 90+% snapper
- Danish seine – catch is 80+% snapper
- Trawl – catch is about 70% snapper

Most common bycatch species:

- gurnard
- John dory
- trevally

At least half of the catch destined for local market

Also a discrete fishery operates in the innermost Hauraki Gulf waters on a much smaller scale:

Small vessels use set nets and other netting methods

- 65% of catch is flatfish and kahawai
- 25% of catch is grey mullet, snapper, rig and parore

This catch largely destined for local market

A third component of the fishery occurs in outer HGMP waters

- Rock lobster and scallops
- Trawling and lining for a more diverse range of finfish found in deeper waters including:
  - snapper
  - bluenose
  - cardinal fish
  - gemfish
  - tarakihi

The commercial fishery overall

- Snapper is the economic mainstay of the commercial fishery in the HGMP
- Without snapper, the finfish fishery would be uneconomic
- The inshore fishery is vital to Hauraki Gulf communities such as Leigh, Coromandel and Whitianga

Value of HGMP fishery

- Landed value (port price) of 2010-11 finfish catch exceeds $17M
- Wholesale value of finfish catch $40M
- HGMP snapper catch = 1/3 of NZ wide catch
- Snapper most valuable inshore finfish export
- 1/3 of NZ wide snapper catch goes to domestic market, much of this in Auckland/Waikato regions

Aquaculture

- Mussel and oyster farming throughout HGMP waters, but most development in the Coromandel district
- Recent economic impact studies show:
  - $\$28M_{2004}$ contribution to Auckland region GDP
  - $\$31.4_{2010\text{-}11}$ contribution to Waikato region GDP
  - more than 900 FTEs in employment, most from processing sector
  - significant growth potential

Summary of HGMP seafood industry benefits

- Contribution to regional and national economy
- Employment, of particular importance to smaller coastal communities
- Fresh seafood for the 80+% of the public that do not/can not fish recreationally
- Significant benefits to hospitality industry, tourism sector and social fabric of the region

Quota ownership

- Property rights create the right incentives
  - 25 years of experience shows that the QMS has performed exactly as economic theory predicts
  - fosters resource stewardship by quota owners
  - stakeholders are investing in research, enhancement and development to protect and increase the value of their asset

Value of quota

- A major commercial asset due to the security it gives each commercial operator
- Acquisition of quota represents a major investment by many fishing businesses
- Quota value attributable to HGMP = $130M
- Snapper quota value attributable to HGMP = $100M+

Quota and Treaty Settlement

- Quota is a core part of the Maori fisheries settlement
- Hauraki, Ngati Whatua and Tainui are all active in the seafood industry
- Iwi fishing businesses in HGMP area have invested heavily in the inshore and aquaculture sectors

Protecting quota value

- The value of quota represents the long term benefits of secure access to the commercial fishery
- Quota is a key part of the Maori Fisheries Settlement
- Quota value underpins investment in the industry
- Health of the resource underpins quota value
- Quota owners want policy and decision makers to respect their property rights.

Summary

- Many existing commercial fishing restrictions in the HGMP are redundant as sustainability measures, - the QMS has replaced the need for them
- However, while they are no longer necessary for their original purpose, recreational fishers now benefit from them
- Commercial fishing and aquaculture make a significant contribution to the wellbeing of the region
- Quota property rights in the HGMP have a value of $130M and represent a substantial industry asset deserving of appropriate recognition

Two concluding comments

- The greatest long term benefit to the marine environment from integrated management under the HGMP Act will come from better management of the effects of land use
- Fishery management requires real expertise and understanding - it is the role of fishery managers under the Fisheries Act .