

## **NZSFC Fisheries Management Update 5**

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### **Will foreign charters prevail?**

Foreign Charter Vessels fishing in New Zealand waters has been a hot topic lately. The Government has been under pressure to address allegations of abuse highlighted in various media and public forums.

An Inquiry Panel has been established, received submissions and held hearings in Christchurch, Nelson, Wellington and Auckland. The NZ Sport Fishing Council submitted late so we were not included in the hearings. The Inquiry is due to report back to Government ministers in late February 2012.

There are fundamental issues that the NZSFC want officials to focus on that are not fully addressed in any of the 70 submissions or in the Inquiry's Terms of Reference.

It is particularly unnerving to consider the prospect of foreign vessels and crew operating in the inshore fisheries. Currently there are no effective barriers to prevent institutional creep inshore, as quota shareholders seek to maximise their investment returns and fishers seek to reduce costs.

The NZSFC strongly objects to any such development.

### **Recommendations**

It was significant that our first of five recommendations supported the submission made by Talleys, a large Nelson-based commercial enterprise.

Talleys advocate for bare boat charters crewed by New Zealanders as the only permissible Foreign Charter Vessel model. Also, that there is sufficient capacity in New Zealand and it needs to be properly valued, nurtured and actively supported to ensure a 100% NZ-owned and operated fishery. The NZSFC agrees, these views are economically, socially and morally sound.

### **The untold truth**

One glaring failure of the Inquiry is that it does not direct itself to a problem; it just invites opinion on all matters fishy. This can be partly attributed to their narrow Terms of Reference.

Rather than enabling a broad inquiry, the Government seeks only to determine if recent developments support its objectives of protecting New Zealand's reputation, maximising economic returns and compliance with labour standards.

An inquiry into what institutional arrangements have led to increasing use of Foreign Charter Vessels would uncover a problem statement. Without this, problems are assumed, implied or ignored, depending on the submitter - not a great format for guiding policy or a Crown Inquiry.

### **Efficiency, at a price**

At its inception in 1986 the Quota Management System was designed to limit catch to those people who owned quota. Nowadays the focus is on economic efficiency, and catching rights can be on-sold by quota owners to others willing to do the fishing.

As most coastal towns can attest, few owner-operators exist. Quota owners have evolved into rent-seeking "landlords" and some have little or no interest in fishing. Their interests rely upon collecting annual rents by selling the catching rights to low-cost operators, Foreign Charters included.

It is inevitable that if the market mechanisms, designed to deliver the greatest economic efficiency, continue to underpin the QMS there will ultimately be no role for New Zealand fishermen or processors.

Cheaper foreign capacity will prevail, to the detriment of all New Zealander's social, economic and cultural well-being, thus proving that our oft-touted Quota Management System is not "world class" after all.

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