

# **PROPOSED NON-RESIDENT ANGLING LICENCE**

## **Discussion Document**

**Prepared by the Department of Conservation and Fish and  
Game New Zealand**

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## **Non-resident angling licence – Discussion document.**

This paper discusses an option to establish a non-resident (i.e. not a New Zealand resident) sports fishing licence and charge a higher licence fee for non-resident anglers. A higher charge for non-residents is intended to reflect the limited contribution of international anglers to the management, and more intensive use, of New Zealand's more-expensive-to-manage high-quality fisheries.

This paper has been jointly prepared by the Department of Conservation and the New Zealand Fish and Game Council.

### **Summary**

New Zealand's high-quality backcountry sports fisheries are increasingly popular with dedicated non-resident<sup>1</sup> anglers who visit New Zealand specifically to fish. These high-quality sports fisheries are a tourism drawcard, but will require enhanced management to avoid deterioration in quality.

There is concern dedicated non-resident (international) anglers are, as a group, disproportionately impacting the sports fish resources in these waterways but not contributing to the long-term management of the resource in the same way as resident anglers.

Differential charges between resident and non-resident anglers are common overseas and are designed to address inconsistencies in the contribution to the management of the resource between the two groups.

Any non-resident licence needs to be carefully designed in order to avoid indirect discrimination or conflict with New Zealand's international trade and service obligations.

Notwithstanding this, there is a case for charging non-residents an elevated fee that reflects the value placed on the fishery by non-resident anglers and the more costly management required to maintain the high-quality fisheries they favour.

### **Background**

Dedicated international anglers coming to New Zealand to fish typically target high-quality sports-fisheries, notably sensitive backcountry<sup>2</sup> fisheries. In these fisheries

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<sup>1</sup> Non-resident dedicated anglers are non-residents where the purpose of their trip is mainly to fish for sports fish and who purchase more than a 24 hour licence to do so.

<sup>2</sup> The term backcountry fishery has its origins in 1970 surveys that defined recreational, scenic and wilderness fisheries. In 1995 these terms were redefined geographically as lowland, backcountry and headwater fisheries. The key characteristics of backcountry (incl. headwater) fishing are remote from

international anglers, as a group, are having a disproportionately large impact compared to resident anglers; yet they do not contribute to the long-term management of these fisheries in the same way as resident New Zealand anglers, as they are usually one-off licence purchasers. Fish and Game Councils indicate non-resident anglers typically use these sports fisheries more intensively, generally fish longer days than residents and fish every day for the duration of their typically 14 to 21 day stay, compared to resident anglers who may only average 4 to 6 days in a whole season. Non-resident anglers are therefore having a greater impact on, while contributing less to the management of, these high-quality fisheries than most New Zealand resident anglers.

To resolve this problem, the following objectives are proposed:

- maintain and enhance New Zealand's high-quality sports fisheries through improved management
- recognise the proportion of angling pressure exerted, the management costs incurred, and the transitory nature of contributions made by visiting international anglers
- establish a fee structure that better reflects the value placed on the New Zealand sports fishery by international anglers

### **New Zealand context**

New Zealand has a reputation for high-quality brown and rainbow trout fisheries and is renowned for unspoiled fishing for trophy-sized fish. Trout fishing is used as 'iconic' imagery for tourism (eg. 100% pure, airline magazines and agent brochures) and commercial market promotion (eg. Telecom, Rodd & Gun). A number of South Island waters also provide for salmon fishing.

Anyone wishing to go freshwater sports fishing in New Zealand is required to purchase a licence (unless they are the lawful occupier of any land, or waters within such land where they will be fishing). A licence issued by Fish and Game Councils allows an angler access to all New Zealand freshwater sports fisheries, except Taupo. The Taupo fishery is administered by the Department of Conservation and a separate licence is required to fish the lakes and rivers in the Taupo District.

For all sports fisheries, licence attributes are set through Licences, Fees and Forms Notices issued under the authority of the Acts and Regulations Publication Act 1989. Each notice is signed by the Minister of Conservation and administered by the Department of Conservation. The notice fixes the forms and classes of licence; their scope and effect; the regions in which they may be used; and the fees. The classes of licence and corresponding fees for the Taupo Fishery are set by the Minister of Conservation in concurrence with the Tuwharetoa Maori Trust Board.

In July 1999 Fish and Game Councils noted the increasing popularity of New Zealand's high quality fisheries with dedicated international anglers. The 2007/08 National Angling Survey illustrates a marked preference amongst international

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centres of population, not easily accessible, low angler density, largely unmodified catchment, highly scenic setting.

anglers for backcountry and headwater river fisheries. These fisheries accounted for 41.0% of international anglers' total effort, compared to 9.4% for their New Zealand counterparts<sup>3</sup>. Currently, in some of New Zealand's key backcountry fisheries, over 50% of the angling days are taken up by international anglers<sup>4</sup>.

International anglers accounted for 7.6% (4176 out of a total of 54416) of adult whole season or family licences and 25.8% (5923 out of a total of 22921) of adult 24 hour licences in the 2009/2010 season (from the Fish and Game national licence database, excluding Southland's retail sales).

### **Examples from overseas**

Overseas, particularly in the USA and Canada, it is routine for non-resident anglers to pay a licence fee significantly higher than resident anglers to fish in the majority of significant freshwater fisheries. Many visiting anglers fishing in New Zealand, particularly US anglers, express surprise at paying the same licence fee as resident anglers. In the USA and Canada licence fees for non-residents cost 1.5 to 6.6 times the fee for residents (but more typically non-resident licences are two to three times the cost of a resident licence).

In many instances where differential fishing licence fees are charged internationally the fisheries management is at least in part subsidised by local taxes (resident licence fees in the USA and Canada are generally less than in NZ). Higher fees for non-residents are justified on the basis of non-residents being able to take advantage of a benefit they have not paid for, but residents have.

Another feature of the US system, absent in New Zealand, are additional federal receipts from the Federal Aid in Sport Fish Restoration Act, commonly known as Dingell-Johnson/Wallop-Breaux funds (DJ/WB). These are generated from an excise tax on sport fishing equipment and marine fuels used by recreational boaters. The U.S. Fish and Wildlife Service distributes these funds to all states based on the number of sport fishing licences sold and the size (land mass) of the state. Alaska receives the maximum share of DJ/WB funds which must be used to manage and improve sport fisheries and provide access to boating sites.

### **New Zealand sports fisheries management**

In New Zealand freshwater sports fisheries management is paid for through fishing licence fees, without additional public funding. Currently fishing licence fees cover administration and management of the resource only. A system that can be argued is fair for New Zealanders who have a share in this ownership, but undervalues the resource to visitors.

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<sup>3</sup> i.e. if international anglers expended 100,000 angler-days in NZ, they would have spent 41,000 on backcountry/headwater rivers.

<sup>4</sup> International anglers are those listed in Fish and Game's database with a non-New Zealand residential address

Many resident anglers contribute substantial voluntary and long-term efforts to the management and protection of the sports fish resource. Resident anglers who have bought licences over a number of years feel they have made a substantial and consistent contribution to the management of the fishery. They also contribute, as tax and rate payers, to environmental research, freshwater ecosystem management, monitoring and public access. Some resident anglers have also served as members of Fish and Game Councils (and the former Acclimatisation Societies). Fish and Game Councils seek to protect the quality of the sports fishing experience through their involvement in resource allocation and habitat protection processes for fresh water. Only New Zealand residents can be Fish and Game Council members and they provide this service voluntarily, with no fees paid to them.

Non-resident anglers do not contribute to the management of the resource in this manner but are able to enjoy the benefits of this activity carried out and managed by NZ resident licence holders.

There is, therefore, a case for charging non-resident anglers a higher licencing fee in order to more accurately reflect the differing costs accrued and benefits obtained by resident and non-resident anglers in New Zealand.

### **International anglers**

Non-resident anglers comprise two main groups:

- a visitors that use less-sensitive lake fisheries for single or several-day fishing experience as a minor or incidental part of their New Zealand holiday. This group includes the charter boat party or casual angler who seeks to sample many New Zealand experiences, including fishing. Most of these effectively pay a premium through the purchase of a short-term licence<sup>5</sup> and are not intended to be the focus of differential licence fees.
- b dedicated international anglers who come to New Zealand specifically to fish for one to six weeks, attracted by the high-quality experience available in this country, and frequently target pressure-sensitive backcountry fisheries. This numerically smaller but relatively higher impact group is the focus of this paper.

According to Fish & Game New Zealand's 2007/08 National Angler Survey (NAS), visiting international anglers showed a strong preference for South Island waters and an equally strong preference for river fisheries as opposed to lake fisheries. In absolute terms their most frequently fished region was Southland. However, when expressed as a proportion of the total effort expended within each fishing region by all anglers, the contribution from overseas visitors was most significant in the Nelson/Marlborough and West Coast regions, where visiting international anglers accounted for over 15% of the total fishing effort.

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<sup>5</sup> There is an argument against differentiating between non-residents as it may prove difficult to define when they stop being one type of non-resident (i.e. a tourist on holiday) and become another (i.e. a dedicated angler).

## **Managing New Zealand's high quality sports fisheries**

Backcountry (including headwater) fisheries are one class of high quality fishery favoured by international anglers. According to the 2007/08 National Angler Survey (NAS) backcountry fisheries attracted 51.35% of non-resident anglers compared to 16.7% of all resident anglers.

Backcountry fisheries are characteristically small bodies of water with limited numbers of often trophy-sized fish in them. Despite many backcountry anglers practicing catch and release fishing, maintenance of quality angling experiences on these fisheries requires active management.

Angler density in the backcountry is closely related to angler satisfaction and increased angler density can adversely impact on angler enjoyment in what is perceived as a high-quality recreational environment if not managed.

Currently there are nine designated backcountry fisheries (the Greenstone including the Caples, Dingle Burn, Lochy, Nevis, Hunter, Young and Wilkin rivers in Otago, the Ettrick Burn in Southland and the Upper Rangitikei in Wellington). These require a separate backcountry licence as an endorsement to a whole season licence. There is no additional fee attached to these licences. Nelson/Marlborough Fish and Game Council also considered introducing a separate backcountry licence for its key fisheries but monitoring costs made it unaffordable.

Defining waters as backcountry fisheries triggers an intensification of management to maintain angling quality. At the most intensive level, a booking system may need to be established to ensure anglers enjoy a high quality angling experience. This has been successfully done on Otago's Greenstone River and surveys show that angler satisfaction with the fishery is higher than adjacent, less intensively managed, fisheries.

In addition to backcountry fisheries, New Zealand also has many lower reaches of its rivers and streams, commonly referred to as lowland waterways, which flow into lakes that command similar attention from dedicated anglers. Rivers like the Maitai and Oreti in Southland, the Rangitata in Central South Island, Motueka in Nelson/Marlborough and Tukituki in Hawke's Bay are examples.

Management costs for many quality fisheries (particularly, but not exclusively, sensitive backcountry fisheries) increase markedly as angling pressure increases. Associated management issues include increased crowding, disturbance of wilderness values by helicopters, angler displacement and the effects of fishing pressure on fish.

The remote location and difficulty accessing many high quality backcountry fisheries incur greater costs than the accessible lowland fisheries. For example, in order for Fish and Game to survey the Travers River, that flows into Lake Rotoiti in the Nelson Lakes, it was necessary to employ specialist staff for a summer season and house them on site. This involved flying in a hut by helicopter and frequent use of vehicles and boats for access (estimated cost approximately \$30,000).

As a further example, the operational costs to manage/administer Otago's Greenstone fishery are:

• signage	\$1408.00
• printing	\$2288.66
• temporary staff salaries (compliance monitoring)	\$2304.00
• helicopter transport	\$1511.12
• hut fees and provisions	\$2340.91
• advertising	\$ 314.00
• Total	\$10,166.69

This does not include staff time and overhead costs which are estimated at \$20,000 p.a.

Southland Fish and Game Council also notes it spends significantly more time dealing with non-resident angler requests for information and emails, than resident anglers, as they plan their visits. There is also a greater demand from non-residents for brochures on angler access and other information material.

Surveys indicate that usage by resident anglers is relatively constant or even declining in some high-quality fisheries, while international angler usage continues to increase<sup>6</sup>. There is anecdotal evidence in some instances where the increase in international angler usage is displacing New Zealand anglers – anglers who are no longer willing to 'compete' in the belief that the quality of experience is diminishing due to increasing use from international anglers.

### **A non-resident fishing licence**

The intention of a non-resident fishing licence is to better provide resources to manage New Zealand's high-value fisheries more intensively (including by improving monitoring of fish stocks, spawning, rearing and recruitment, angler use, harvest and satisfaction), rather than to control the use of rivers.

Potential benefits of establishing a non-resident fishing licence include:

- improved management and monitoring of New Zealand's high value-freshwater sports fisheries.
- helping overcome the stigma attached to visiting international anglers held by some New Zealand anglers who believe they are 'free-loading' on an asset they have had no part in creating or maintaining.
- reducing the burden on resident New Zealand anglers of managing high-value fisheries.

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<sup>6</sup> Surveys of the Greenstone (1987/88, 1994/95, 2010/11) show non-residents were 51%, 56% and 57% consecutively. Similar surveys on the Caples (1988/89, 1996/97, 2010/11) show non-residents were 24%, 52% and 81% consecutively.

In National Angling Surveys during, 2001/02 and 2007/08, resident headwater (the most remote) and backcountry river anglers made up 18.9% and 16.7% respectively of all resident river angling. By contrast, in the 2007/08 survey non-resident headwater and backcountry river anglers made up 51.35% of all non-resident river angling.

- establishing a fee structure that is more consistent with the importance placed on high-value freshwater fisheries by dedicated international anglers.

The proposal to charge non-resident anglers must be justified on the grounds of non-resident use of the fishery incurring increased costs in order to avoid being discriminatory or possibly cutting across international trade agreements. A differentially priced licence represents an important management tool to foster equality, thereby allaying local fears of local anglers that non-resident anglers are taking advantage of New Zealand's high-quality sports fisheries that have been introduced, nurtured and safeguarded by generations of local anglers.

Introduction of a non-resident fishing licence will add a minor degree of administrative complexity to the licencing process. One possible approach is to require all anglers purchasing a licence to sign a declaration stating whether they are resident or non-resident according to specified criteria. While such an approach relies on a degree of honesty, it does limit the potential for any inadvertent discrimination.

The Income Tax Act 2007 No 97 YD 1 defines a New Zealand resident as someone who has a permanent abode in New Zealand (regardless of whether they also have a permanent place of abode elsewhere) and/or someone who is in New Zealand for more than 183 days in total in a 12-month period. A person treated as a New Zealand resident after being present in New Zealand for 183 days in a 12-month period stops being a New Zealand resident if they are personally absent from New Zealand for more than 325 days in total in a 12-month period. This non-resident definition could be adopted for the purposes of the non-resident fishing licence.

Under such an approach there will be no additional enforcement burden as rangers in the field will still simply be required to check that anglers hold an appropriate licence – regardless of whether it is a resident or non-resident licence.

Fish & Game NZ indicates that many international anglers, particularly those from the USA, recognise the case for a differentiated fee as long as the fees are directed to the management of the resource. However, many Australian anglers object to the existing fees required in New Zealand, and a non-resident licence with differential charges might be met with resistance from this group.

### **Examples of differential fee structures**

Public fisheries in the USA require anglers to pay licence fees, with differential pricing for in-state and out-of-state fishing licences. A non-resident angler visiting Wyoming, Colorado, Idaho, and Montana (normal in a three week itinerary) will pay a short-term licence fee in each State which is significantly greater than that charged to residents of each State; and a resident of Wyoming who is a serious angler will, in each trout season, commonly visit several other states paying a non-resident fee in each case. In every case these fees are set to recognise the investment made by the State and its residents in the fishery, and can be seen to be a fee for use (providing for current and future management costs).

## Proposal

Establish a non-resident sports fishing licence fee that is higher than the licence for NZ resident anglers as a means of ensuring a more equitable contribution by non-resident anglers to the development and maintenance of New Zealand's high quality sports fisheries.

The target of this proposal is the dedicated international angler (i.e. the visitor who comes to New Zealand specifically to fish for sports fish in a world-class wild sports fishery). This proposal is not intended to address the visitor who fishes casually while in New Zealand, who can still do so through the purchase of 24 hour licences.

A non-resident licence with a higher fee will enable improved management of high quality fisheries and better reflect the additional benefit non-resident anglers derive from the voluntary efforts and long-term contributions of resident anglers, as well as offsetting the additional cost incurred from international angler's more intensive targeting of these fisheries.

Criteria for such a licence could include:

- A non-resident Adult Whole Season licence (of the same duration as the existing Adult Whole Season licence)
- A licence fee of two to three times the current annual resident adult whole season licence fee. The appropriate level for a non-resident licence fee needs careful consideration, but analysis of North American examples suggest this may be appropriate<sup>7</sup>.
- The additional money from a non-resident licence to be collected by Fish and Game councils, as the fisheries manager, for ongoing management of the resource (with the exception of Taupo, if this is to be included, where it would be used by the Department of Conservation for on-going management of the Taupo Fishery).

24 hour licences are more price sensitive, with the more casual non-resident angler likely to purchase this type of licence already effectively paying a premium. 24 hour licences are not proposed to be subject to differential fees.

Under section 48A(1)c of the Conservation Act 1989, special regulations relating to freshwater fisheries, the Governor-General may by Order in Council make regulations "prescribing the forms and classes of licences to fish for freshwater fish or sports fish and licences to operate as a sports fishing guide, and providing for the issue of such licences and for the disposal of fees for such licences and of fines recovered under this Act"

Any additional charge for non-residents must be justified on the grounds of an additional cost imposed, or benefit enjoyed, by non-resident anglers versus resident

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<sup>7</sup> A survey of 7 USA state non-resident fees indexed to resident adult whole season (AWS) fees provides an average of 366%. This would represent \$414 based on the current fee structure. A Canadian non-resident fishing licence is 207% of a resident licence, which would represent \$234. Fish & Game NZ already indexes other classes of licence to the adult licence fee, eg. a family fish licence is 130% the Adult Whole Season fee. The income from all licence fees needs to be taken into account in accordance with Conservation Act 1986 sec 26Q(1)(d)(ii) – i.e. cost recovery with fees set accordingly.

anglers to avoid constituting indirect discrimination under Section 65 of the Human Rights Act 1993.

Similarly, in order to ensure consistency with Section 19 of the Bill of Rights Act 1990 it must be considered a reasonable limit in terms of section 5 of the Bill of Rights Act 1990.

Implications for New Zealand's international trade and service agreements require careful consideration as well. Because individuals, and not service providers (i.e. tourism/fishing operators), are required to obtain licences it is unlikely there would be a breach of "national treatment" (i.e. the non-discrimination obligation to provide no less favourable treatment to foreign services and service suppliers than accorded to New Zealand services and service suppliers) which NZ has committed to under the WTO General Agreement on Trade in Services (GATS) and free trade agreements. Foreign and local tourism operators would equally be required to obtain licences (albeit for differing fees) for all anglers (local or foreign) in their tour parties.

As an indication, if we take the figures from the 2007/08 NAS, 5,400 Adult Whole Season (AWS) licences were purchased by non-resident anglers. Assuming a non-resident fee of two times the current AWS licence fee (\$226, or \$113 more than a resident AWS) this is likely to create an additional \$610,200 of revenue for the management of New Zealand's high quality fisheries. In the 2009/10 season 4,176 AWS licences were sold to international anglers, which would have yielded an additional \$555,408. This additional revenue would allow Fish and Game councils to improve access, assess and manage angler satisfaction, and better protect habitats as required.

## **Risks**

Risks of persisting with the status quo include:

- A deterioration in the quality of New Zealand's premiere sports fisheries and reduced quality of angling experience, resulting in lower international angler (tourism) numbers.
- continued and increasing ill feeling amongst the local angling community that international anglers are taking unfair advantage of a resource they have played little part in fostering.

Risks associated with adopting a differentially priced non-resident licence include:

- reduced tourism, although given the size of the proposed increase, and the substantial investment international anglers make to travel to fish in New Zealand, this is likely to be minor (it could be argued be that the perceived increase in the quality of the fishing resource may in fact attract more high-end anglers to New Zealand).
- differential pricing for non-residents may constitute indirect discrimination under Section 65 of the Human Rights Act 1993 unless it is clearly demonstrated to be recovering an additional cost imposed by providing non-resident anglers with the same service as resident anglers.
- any implications for New Zealand's international trade and service obligations need to be carefully considered.

## **Have your say**

We are interested to hear your views on the necessity and appropriate design for a non-resident licence.

- Do you support establishing a higher licence fee for non-resident anglers? Why/why not?
- In your view, will the proposed licence deliver on the proposed objectives?
- Is it also appropriate to introduce a non-resident licence for the Taupo fishery?
- What is the appropriate level for a non-resident licence fee?

Please respond by 5pm Friday 28 October to:

[fishlicence@doc.govt.nz](mailto:fishlicence@doc.govt.nz)