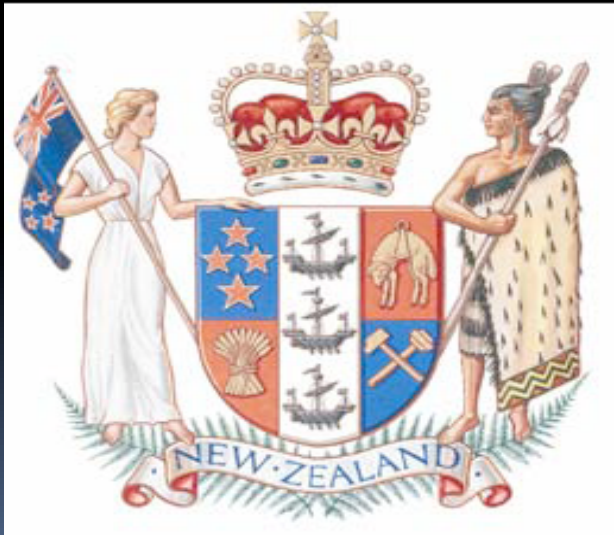


New Zealand's Catch Share Program

Michael Arbuckle
Senior Fisheries Specialist
World Bank



Key messages

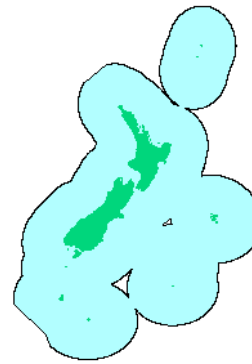
- Catch share programs are about the creation and distribution of wealth
- Distributing wealth is a problem of political economy and it changes over time (NZ has used five allocation approaches)
- Traditional fisheries measures (e.g. numbers of fishers) are inadequate for measuring performance of catch share programs – wealth measures become more relevant (Maori example)
- Not all catch share programs are born equal – its all in the design

New Zealand's Fisheries

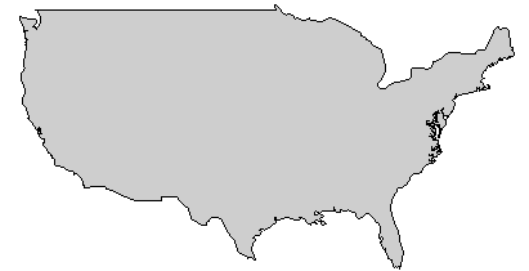
NZ is a small country (270,500 sq kms) in land mass
(about the same size as Great Britain)



3,781,000 sq km



4,363,000 sq km



7,956,000 sq km

NZ has a very large Exclusive Economic Zone
of 4,363,000 sq km which is larger than Europe

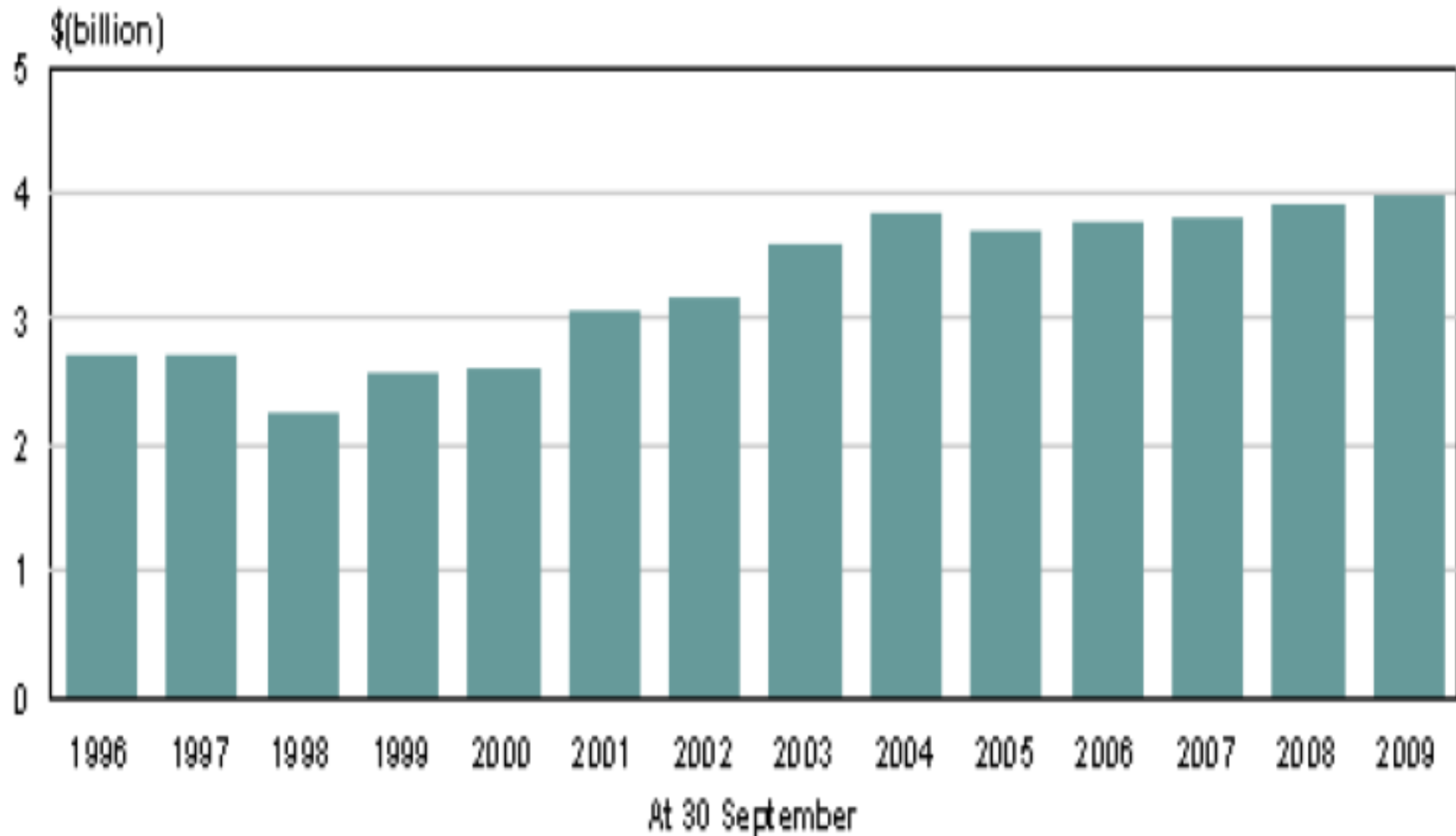


Performance of capture fisheries (2008)



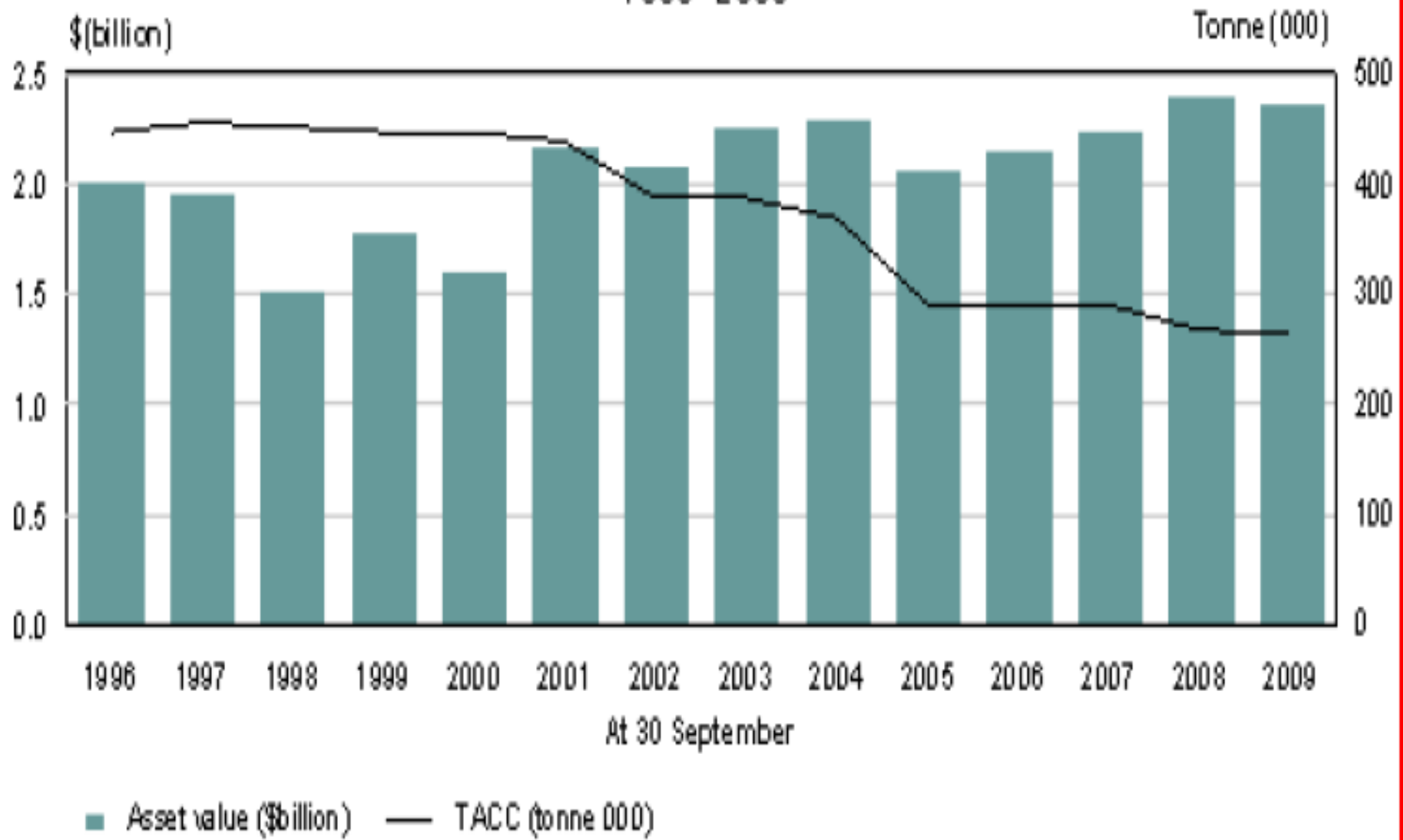
- Estimated sustainable yield 586,000 tonnes
- Actual harvest 441,000 tonnes
- Revenue NZ\$ 1.1 billion
- Asset value (quota value) about NZ\$4 b (US\$2.8 billion)
 - 39% increase in 11 years
- All commercial fisheries under QMS (690 stocks)
- NO direct subsidies
- Management costs recovered

Total Asset Value of New Zealand's Commercial Fish Resource 1996-2009



QMS⁽¹⁾ Original Species Asset Value, and TACC⁽²⁾

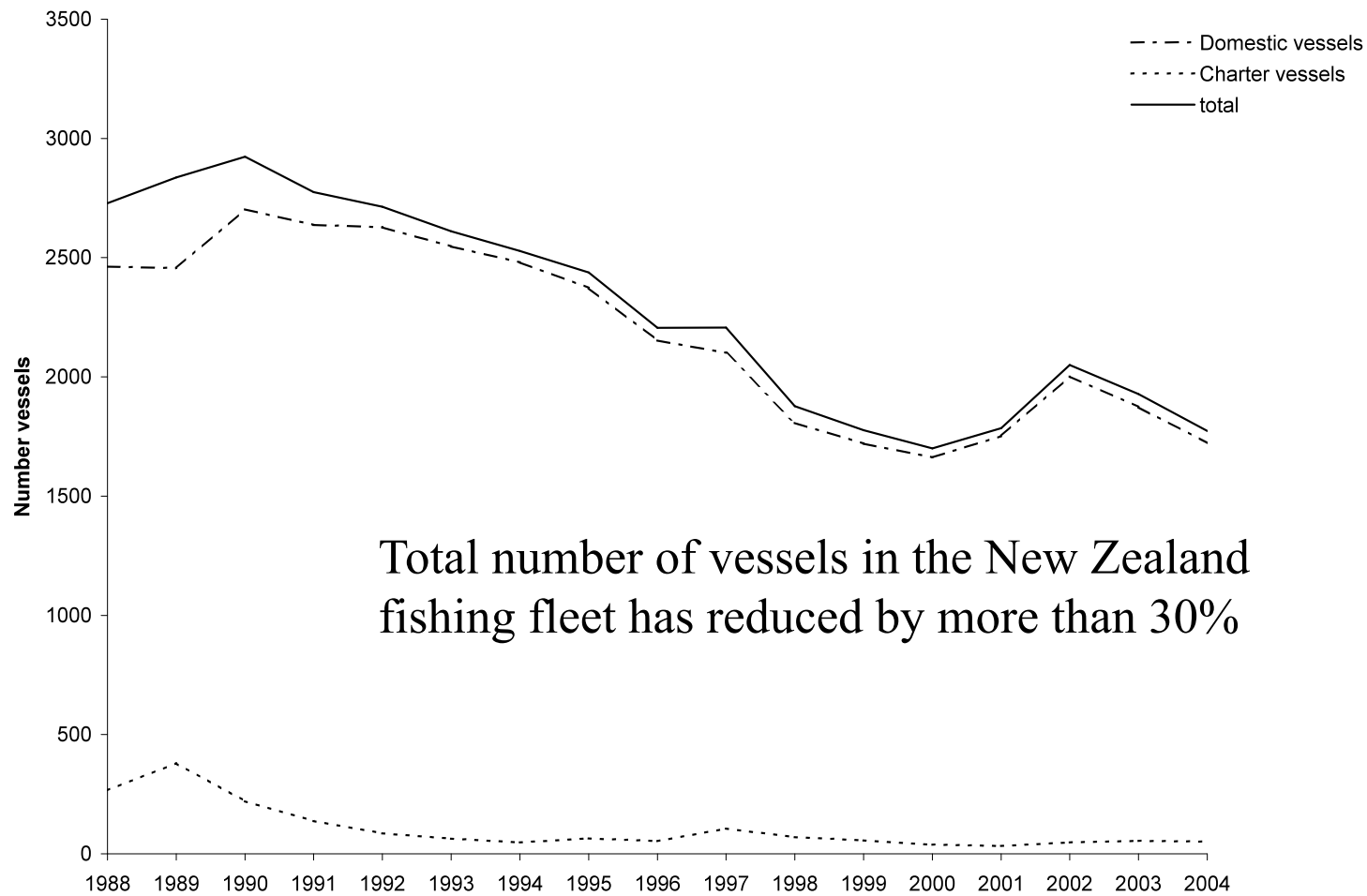
1996-2009



Allocating wealth (ITQ) - fairly

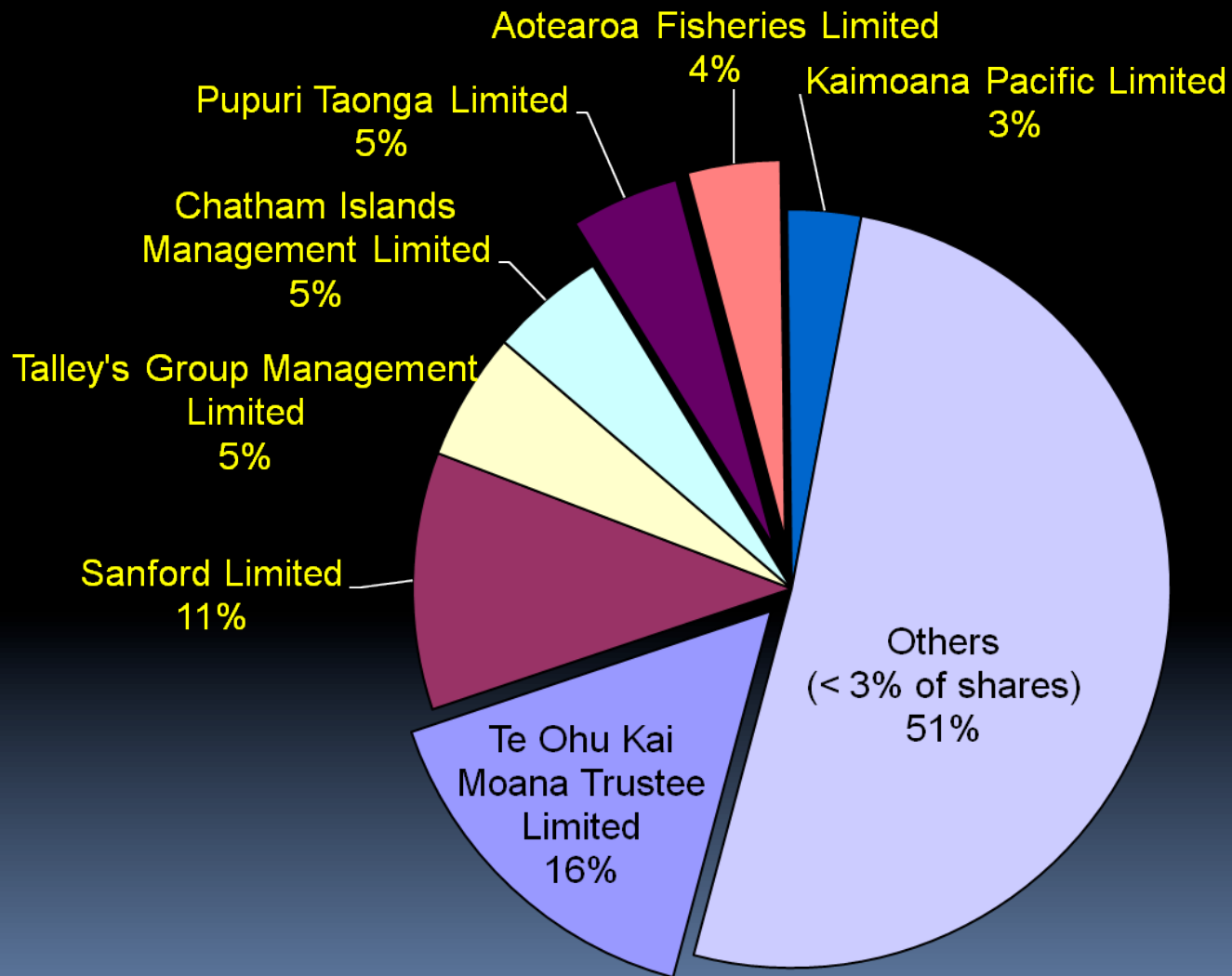
- The system used for allocating initial commercial rights has evolved:
 - Rationing access by removing permits (1982-85)
 - Allocating quota using commitment and dependence (1986-1992)
 - Allocating quota using catch history recorded between 1990 and 1992 (1996-2004)
 - Allocating quota by tender (2004+)
- ITQ became the currency for settling Maori claims to fisheries resources (1992+)
 - Specific settlement was reached with traditional fishers (Maori) to provide them with a share of the commercial fishing rights (purchased or allocated from "headroom")

Traditional measure of impact



Percentage ownership of NZ quota shares 1997

Approx. 60 billion shares across 592 fish stocks (100 million shares per stock)



Largest quota owners by share numbers are Maori 25% (plus)

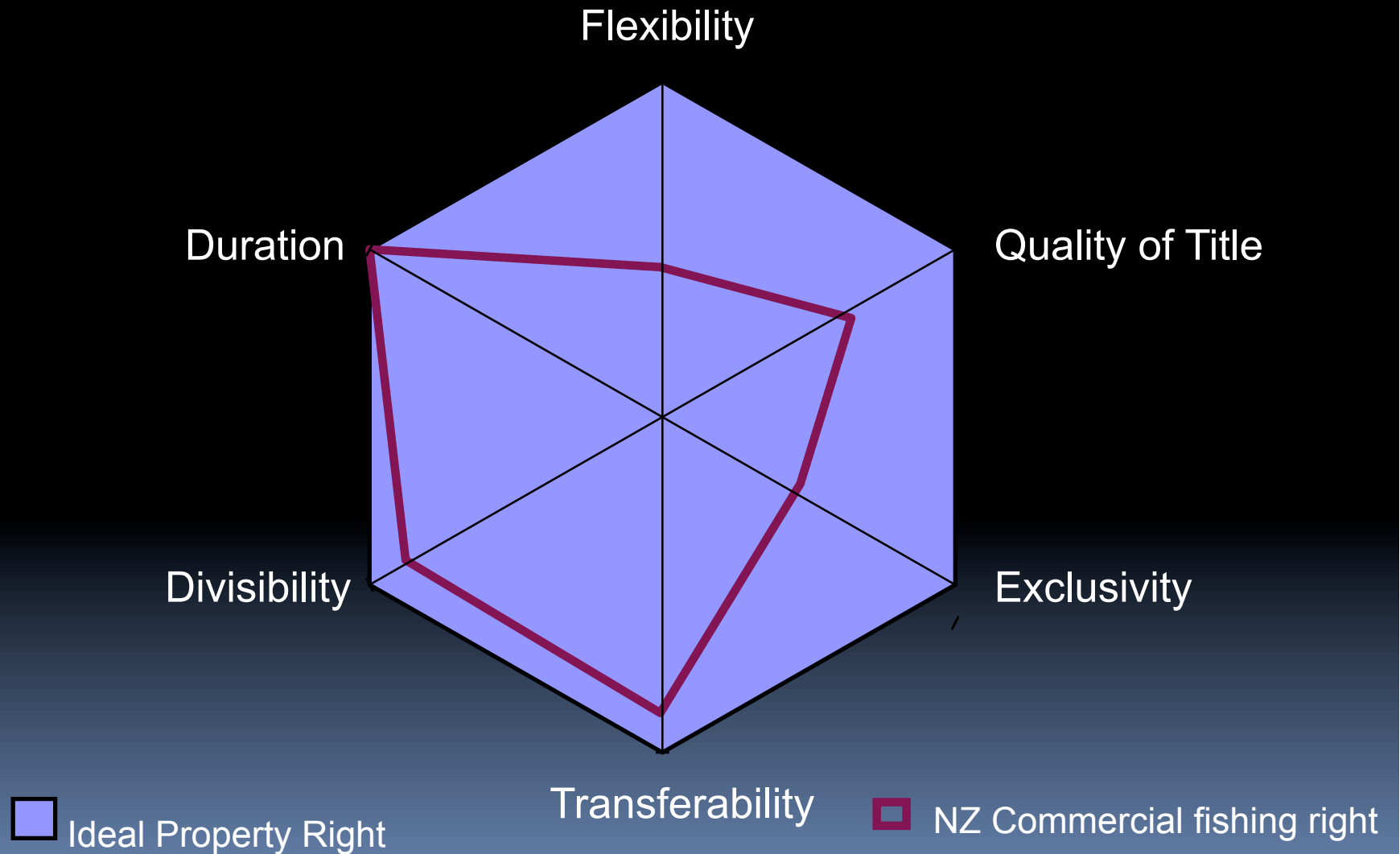
Maori assets

- 57 iwi (or tribal groups) own Maori fisheries assets (now NZ \$480 million)
- The total number of Maori beneficiaries is registered at 679,154 people (around 15% of New Zealand's population)
- Iwi received assets in the form of cash, quota and income shares based on iwi population and or coastline length or a combination of both
- Around half (NZ\$350 million) of all settlement assets (including a 50% share in New Zealand's largest fishing Company) are held by Aotearoa Fisheries Limited
- Income shares in Aotearoa Fisheries Limited and other settlement assets are owned by iwi trusts / companies established by the 57 iwi

The NZ catch share system

- All commercial fishers must have a permit (permit – not quota - is the authority to fish)
- Must record catch
- Non-QMS fisheries open access
- If utilisation or sustainability threatened then Minister must consider QMS introduction as first best management response
- All QMS fisheries have TAC / TACC (catch share between commercial and non-commercial interests)
- ITQ allocated as share of TACC (100 million shares allocated in each stock) – in perpetuity / tradable / divisible
- ITQ generates Annual Catch Entitlement – tradeable / divisible
- Must balance catch against ACE or pay deemed value (monthly and annually)
- Deemed value set to provide incentive to balance against ACE

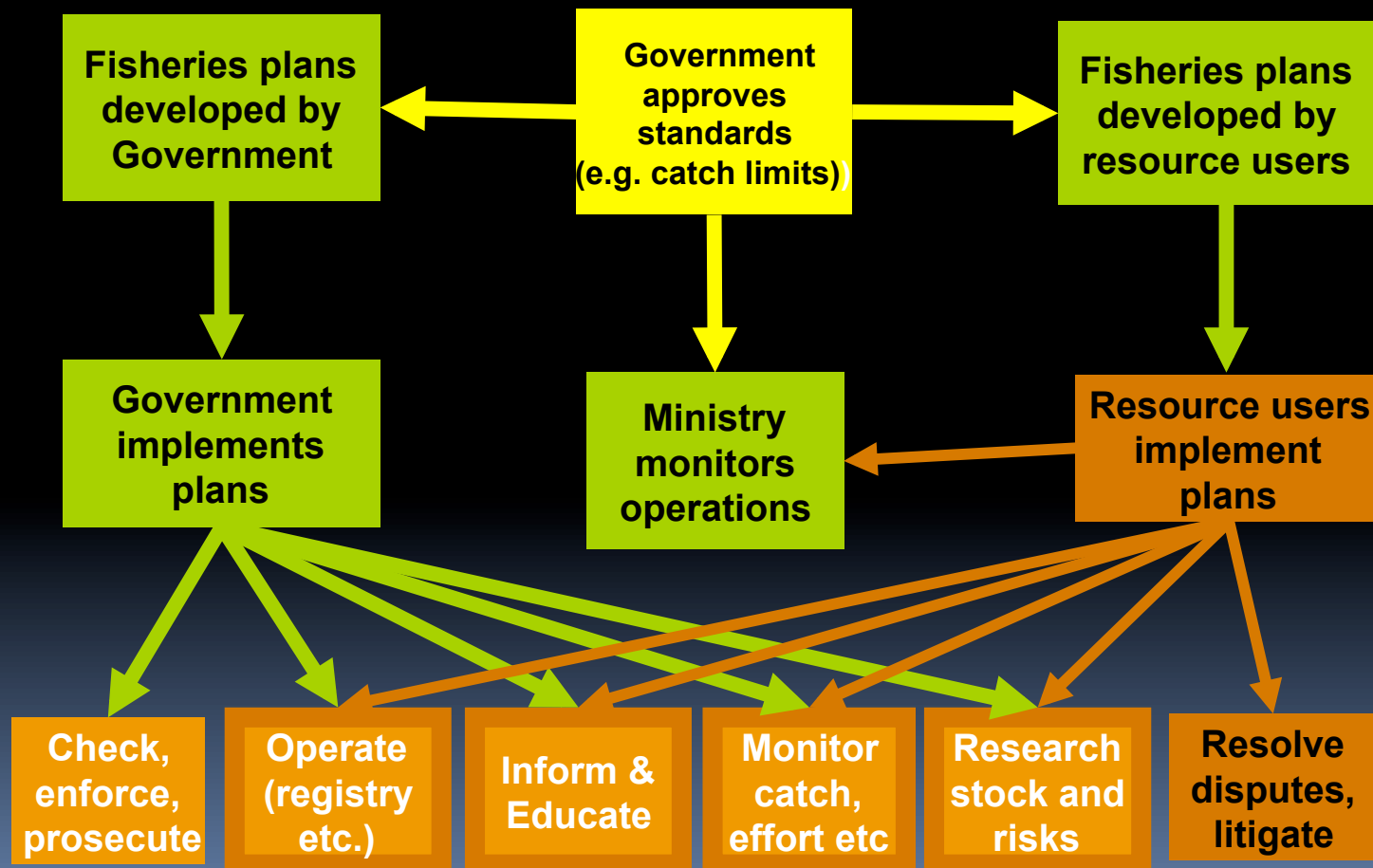
The strength of these rights (Scott 1955)



Commercial Fishing Property Rights

- Exclusivity is undermined by:
 - lack of coordination within a quota fishery (still a common property right)
 - shared fishery characteristics (recreational / traditional rights still not defined / allocated)
 - spatial conflict with other coastal users
- Flexibility is undermined by:
 - lack of ability to work together (barriers to collective action)
 - inflexible and intrusive regulation
 - competing Government capacity

Management Flexibility (enabling collective action)



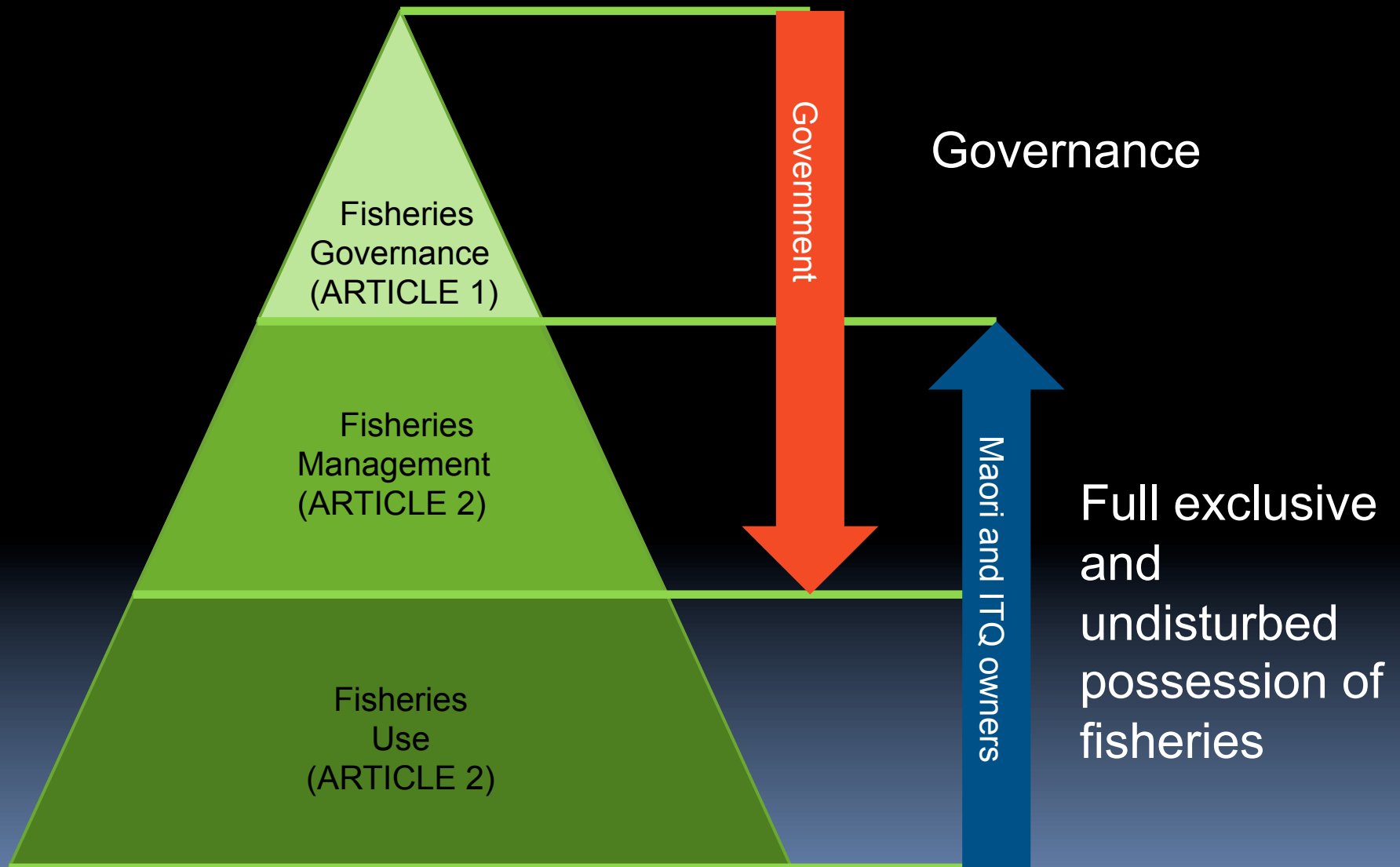
“SOLE” OWNERSHIP CORPORATIONS

Figure 10: Challenger Scallop Enhancement Co

- **Primary Activities**
 - Business & asset management
 - Enhancement
 - Research & Monitoring
 - Harvest & quality management
 - Negotiating access
 - Defence of quota rights



The tension between governance and management has expression in the Treaty of Waitangi



In Article One, chiefs ceded sovereignty over their respective territories to her Majesty the Queen of England. 'Sovereignty' was translated as *kawanatanga* (a transliteration meaning to have the attributes of a governor).

In Article Two, the Queen confirmed and guaranteed “*to the Chiefs and Tribes of New Zealand and the respective families and individuals thereof the full exclusive and undisturbed possession of their Lands and estates Forests Fisheries and other properties which they may collectively or individually possess so long as it is their wish and desire to retain the same in their possession*”...(2)

In Article Three, the Queen extended to the Natives of New Zealand her royal protection and imparted to them all the Rights and Privileges of British Subjects.

Article Two of the Treaty reflected the position that, under British Common Law, a change of sovereignty did not displace pre-existing tribal property rights in the form of aboriginal title over land, forests, fisheries and other resources.