

# Fish Mainland

Business Plan

2021 – 2026

4 November 2019

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## Executive Summary

A recent article in the Proceedings of the National Academy of Sciences asserts that globally there is increasing recognition that, for too long, the considerable importance and effects of recreational fishing have been ignored. With this recognition comes a growing awareness that policymakers and fisheries managers should address their recreational fishing sectors by rethinking management objectives.

The article's authors advise that this rethink should put recreational fisheries on equal footing with commercial fisheries, particularly in inshore mixed fisheries. Their recommended objectives are to enable recreational fishers to be involved in decision-making processes, create incentives for sustainable fisher behaviour, and improve data collection and monitoring to better inform decision making. This rethink also includes acknowledging the importance of organisations that represent recreational fishing interests and incentives for these organisations to be proactive, forward looking and cooperative.<sup>1</sup>

Recently there have been two significant developments that make reform of New Zealand's recreational fisheries management a real possibility. First, Fisheries New Zealand was formed with an expressed focus on innovation and new ways of engaging with fishers. Second, a working group of recreational fishers was formed to design an innovative representative organisation. This group comprises recreational fishers from the various South Island regions and some South Island Iwi.

The South Island working group met on two occasions, the first to draft key components of a representative organisation, and the second to consider the feedback received when finalising those components. This resulted in the design of Fish Mainland to represent, promote and communicate the interests of the 100,000+ South Islanders who fish.

The working group focused on the two main challenges to establishing a representative organisation; a mandate for representation and secure long-term funding.

The working group considers that it has designed the best possible means of Fish Mainland building a mandate for representation, based on an electoral system to select a Board of Directors at the regional and Iwi level. The intent is to build Fish Mainland's operational capability and capacity over time.

For a representative organisation to be fully functioning and effective, it must have dedicated professionals running it. Secure, adequate long-term funding is required to pay for professional services and to have funds available for projects that directly benefit recreational fishers and communities.

The working group proposes that Fish Mainland has a Service Level Agreement like that between Recfishwest and the Western Australian Government. Their Agreement has Recfishwest funded to represent all 700,000+ recreational fishers across the State.

In exchange, Recfishwest provides, amongst other things, effective professional representation, advice and leadership that assist the Minister of Fisheries in resolving fisheries issues, limiting the need for political intervention, where possible. Recfishwest also assists in identifying issues as they arise and works with the Government and others to deliver the best possible equitable outcomes for the State.

This Business Plan considers two possible Government funding sources and compares them with a fee to fish and a one-for-one matching funding option. These options, in the working group's order of preference, are as follows:

**Options 1 and 2** set out how the Government may consider funding Fish Mainland without the use of a fee to fish. The two proposed funding sources are a portion of petrol excise duty paid by recreational

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<sup>1</sup> <https://sustainablefisheries-uw.org/managing-recreational-alongside-commercial/?fbclid=IwAR3PeJffMfOVY7jViR175kz6gQtQz1cdnL119B-e-rMNZ9HSeJTCroOtpnw>

boat-based fishers or Vote appropriations in the Government’s budget. Both options include \$1 million in annual Government funding, which would result in Fish Mainland having an accumulated loss of \$197,000 in Year 5.

**Option 3** sets out a fee to fish system based on Western Australia’s Recreational Fishing From Boat License. It does not apply to fishing from shore, including off wharves or hand gathering. This self-funding option provides adequate funding for Fish Mainland to meet its purpose and objectives, and with an accumulated surplus of \$2.7 million in Year 5. The projected ongoing surplus could be used to reimburse the Government for set-up and Year 1 operating costs and steadily increase funding for projects that benefit fishers and communities.

**Option 4** proposes an agreement between the Government and the South Island recreational fishing sector to match funds on a one-for-one basis, as was offered by the previously Labour-led Government. This option could complement options 1, 2 or 5.

**Option 5** proposes Fish Mainland build professional fundraising capability to pursue a range of funding sources, while receiving on average \$450,000 in annual Government funding. The projected revenue would be inadequate from Year 1 onwards. This option also has some downsides that could compromise Fish Mainland’s ability to achieve its purpose and objectives. Refer to the table below.

Option	Set-up & Year 1 costs	Annual cost to Govt.	Accumulated surplus/loss Year 3	Accumulated surplus/loss Year 5*	Members Year 5**	Notes
<b>1 &amp; 2</b> Full Govt. funding	\$1 million	\$1 million	\$20,000	(\$197,000)	761	<ul style="list-style-type: none"> <li>Fully reliant on Govt. funding.</li> <li>Low membership base (voluntary).</li> <li>Weak mandate for representation.</li> <li>No improvement in recreational fishing data.</li> </ul>
<b>3</b> Power boat permit system	\$1.3 million	\$0	\$1.38 million	\$2.7 million	111,937	<ul style="list-style-type: none"> <li>Independent, adequate funding (self-funded).</li> <li>All Govt. costs reimbursed by Year 4.</li> <li>High membership base (required + voluntary).</li> <li>Strong mandate for representation.</li> <li>Database for conducting low-cost surveys.</li> </ul>
<b>4 &amp; 5</b> Matching one-for-one funding	\$1.1 million	\$450,000 (5-yr avg.)	(\$975,000)	(\$962,000)	776	<ul style="list-style-type: none"> <li>Partially reliant on Govt. funding.</li> <li>Other funding sources insecure.</li> <li>May require amended purpose &amp; objectives.</li> <li>Low membership base (voluntary).</li> <li>Weak mandate for representation.</li> <li>No improvement in recreational fishing data.</li> </ul>

\* Budgets for Years 4 & 5 same as for Year 3.  
 \*\*Only those Members who reside and/or own property in the South Island or Stewart Island have voting rights at General Meetings.

#### Comparison of funding options.

A further consideration is that Government funding alone (Options 1 and 2) or matching one-for-one funding (Options 4 and 5) would not provide the means to improving recreational fishing data collection and monitoring to better inform decision making. What is needed is either a database of those who have paid a fee to fish or another type of registry of fishers. That way, low-cost recreational fishing surveys could be undertaken on a frequent basis as a valuable fisheries management resource.

The alternative is to continue reliance on the costly, infrequently used National Panel Survey. Two-thirds of the cost of this Survey goes towards finding who fishes and recruiting them to participate in the Survey. A database or registry of fishers could significantly offset these costs.

The next step involves Fisheries New Zealand, the South Island recreational fishing sector, Iwi and other sectors and interests considering the content of this Business Plan. The Plan sets out the rationale for establishing Fish Mainland, the proposed Service Level Agreement and Fish Mainland’s benefits and structure. It ends by comparing the funding options and their likely effect on Fish Mainland’s ability to achieve its purpose and objectives.

## Introduction

Recreational fishers are a large diverse group who look for opportunities in fisheries that range from a feed for the family to catching trophy fish or simply improving health and wellbeing.

In these pursuits, recreational fishers face a myriad of issues in shared fisheries that require them to engage with the other fishing sectors and a multitude of government and non-government organisations. Shared fisheries are those where commercial, recreational and Māori customary fishers have a shared interest, and they value their share quite differently.

The level of engagement required places huge demands on voluntary organisations that represent recreational fishing interests, both in terms of the skills and funding required. These demands heighten whenever tensions and conflicts between sectors worsen. Volunteer organisations with limited resources struggle to effectively engage and demonstrate any mandate for representation.

Recfishwest could not effectively uphold its government-granted mandate to represent all 700,000+ recreational fishers without also having a government-supported funding arrangement. This is because Recfishwest's voluntary membership remains low, with the fees paid by voluntary members totalling AU\$22,000, or just 10% of Recfishwest's total annual revenue.

Recfishwest is funded primarily through the sale of fishing licences. Western Australia has six fishing licences, with around 250,000 licences sold annually, ranging from AU\$40 to AU\$50, which totalled AU\$7.4 million in revenue in 2018.

The Service Level Agreement with the Ministry provides Recfishwest with 15% of the total revenue from the sale of fishing licences. For the year ended 30 June 2018, Recfishwest's licence fee revenue totalled AU\$1.115 million, around half of its AU\$2.143 million total revenue for that year.<sup>2</sup>

The New Zealand Fish and Game Council is another example of an organisation with a government-granted mandate backed up with a government-supported funding arrangement. The Fish and Game Council is a body corporate under Part 5A of the Conservation Act 1987. Its statutory mandate is to represent nationally the interests of freshwater anglers and hunters and provide co-ordination of the management, enhancement, and maintenance of sports fish and game.

The Fish and Game Council is funded through the sale of fishing and hunting licences. There are nine fishing licences for residents or non-residents. The adult resident licences range from \$21 for one day of fishing to \$130 to fish year-round. The adult non-resident licence is \$34 for one day and \$169 for year-round. The Council's total revenue for the year ended 31 August 2018 was \$3.78 million.<sup>3</sup>

The evidence shows that an effective representative organisation able to work constructively with government and others requires both a government-granted mandate and government-supported funding.

The evidence also shows that South Islanders are far more inclined to work together to resolve fisheries issues. For example, the Marine Guardians of Fiordland and Kaikoura were formed to work collaboratively with all fishing sectors and local interests to address problems in their defined areas.

Furthermore, the South Island Iwi were the first to develop regulations that provide for their right to fish and manage for customary purposes and improve the management of the eel fishery through a collaborative approach.

South Islanders have designed Fish Mainland to meet their needs, which includes support for a collaborative approach to shared fisheries issues. The question remains, how best to fund it?

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<sup>2</sup> [https://recfishwest.org.au/wp-content/uploads/2018/11/2017\\_2018-Recfishwest-Annual-Report-for-web-1.pdf](https://recfishwest.org.au/wp-content/uploads/2018/11/2017_2018-Recfishwest-Annual-Report-for-web-1.pdf)

<sup>3</sup> <https://fishandgame.org.nz/about/about-fish-and-game-council/council-downloads/annual-reports-2/>

## Why have a South Island representative organisation?

The answer to this question starts with acknowledging that successive governments have failed to address problems that inevitably arise in shared fisheries. This failure results in inter-sectoral tensions and conflicts, which, if allowed to worsen, could adversely affect the management of fisheries to the detriment of all fishing sectors.

This failure is due, in part, to the public right to fish having remained poorly defined compared to the rights associated with quota holdings and Māori customary fishing rights. Ill-defined rights are difficult to protect and easier to ignore when pressure increases for use of the nearshore environment and fisheries resources.

The working group has developed a South Island recreational fisheries policy. This policy affirms New Zealanders' right to fish, while upholding the rights of others.

The policy vacuum during the last three decades, along with poorly defined rights, have resulted in an imbalance in management objectives. Successive governments' objectives have focused on benefiting commercial fisheries and settling Treaty-based claims to fisheries resources. These objectives include clarifying roles and involvement in management processes and developing organisations to represent their interests.

Furthermore, conservation objectives for the nearshore environment, such as marine protected areas, are often focused on reducing or eliminating fishing, recreational and commercial alike, even though other factors may pose greater threats to the marine environment or explain changes in the availability of fisheries resources.

This ongoing imbalance largely explains why several attempts to reform the management of recreational fisheries have failed (e.g. 2000 *Soundings*, 2006 *Shared Fisheries*, 2010 *Securing an Amateur Fishing Future* and 2013 *FISHinFuture Search*). However, each failure has led to an increasing awareness that change is inevitable.

Recreational fishing is too important to be ignored and continually disadvantaged. And, effective, professional representation of recreational fishing interests is the missing link in addressing the imbalance in management objectives and inevitable problems in shared fisheries.

The South Island's history of embracing innovative yet practical changes was exemplified in the 2010 *Securing an Amateur Fishing Future*. It attempted to establish a representative organisation for recreational fishing interests.

The 2010 initiative failed because it sought support from some North Island recreational fishing interests. It also failed because the then Ministry of Fisheries was unresponsive as it undertook an extensive organisational restructuring. The initiative also lacked necessary funding to proceed.

The working group has sought input from several South Island fishing clubs, boat clubs and other organisations, including the New Zealand Sport Fishing Council. The Council has a minor presence and support base amongst the South Island recreational fishing sector. The working group has engaged with the Council via the two South Island-based affiliated fishing clubs that are supportive of Fish Mainland. These two clubs hold the majority of the South Island Council-affiliated club membership.

The working group has taken opportunities to discuss its progress and seek feedback from any of the other Council-affiliated South Island-based clubs, the Council's South Island-based former president and the Council. The Council has been invited to be a part of Fish Mainland, as can fishing clubs, boat clubs, other organisations, and the vast majority of fishers who are not members of any club or organisation.

## *Benefits of Fish Mainland*

The aim of Fish Mainland is to provide a unified voice for South Island recreational fishers. Its aim is also to demonstrate the ability to work respectfully and collaboratively with the Government, Iwi, the other fishing sectors and interests to find workable solutions that provide the best public outcomes.

Fish Mainland's inclusiveness and focus on mutual benefits are guided by the collaborative approach that characterises the Marine Guardians of Fiordland and Kaikoura, along with Recfishwest. Fish Mainland is, therefore, designed to provide support for the Guardians groups and existing fishing clubs, boat clubs and other organisations to achieve their own outcomes.

The benefits of a fully functioning, professional Fish Mainland are apparent to several of these clubs and organisations. Many of them have recognised the need for collective representation. They realise that if joined together, they can accomplish a lot more than if they continue to work individually or in small groups.

Fish Mainland is also designed to provide the means for the non-club affiliated recreational fishers to articulate input into fisheries management processes that would not otherwise be possible. Even when fishers choose not to participate directly, they can put their views forward, and be assured that Fish Mainland will direct efforts to protect and enhance their interests.

This is because Fish Mainland recognises that recreational fishing is a valuable and integral component of South Island fisheries, and that some communities are dependent on local fisheries as a source of food. It also acknowledges the importance of commercial fishing as a source of food for non-fishers and fishers alike.

The working group considers that it is also important to demonstrate the support amongst the commercial fishing representative bodies that would work closely with Fish Mainland to improve shared fisheries.

The working group has also received letters of support from the Paua Industry Council, the CRA5 Canterbury Marlborough Commercial Rock Lobster Stakeholder Group, the CRA7 Otago Rock Lobster Industry Association, and the CRA8 Rock Lobster Industry Association. The working group has also met with the Chair of the Board for the Southern Inshore Fisheries Management Company. While Southern Inshore does not want to formalise anything currently, it is supportive in principle of the concept and the desire to maintain a level of engagement.

Furthermore, Fish Mainland acknowledges the importance of Māori customary fishing, and the spiritual and cultural relationships between Māori and Tangaroa, and that a healthy marine environment is crucial to the wellbeing of all sectors and interests. These acknowledgements likely aid the nine Iwi in the South Island in deciding to provide their in principle support for establishing Fish Mainland.

Another thing in the working group's favour is Recfishwest's ongoing investment to improve Fish Mainland's chances of success. The working group can draw on the expertise of Recfishwest's Founder and Inaugural Chair, Ian Stagles, and its CEO, Dr Andrew Rowland.

Finally, Fisheries New Zealand is more receptive than its predecessors. Its formation in 2018 was based on it being open to innovative ideas and new ways of engaging with fishers. Fish Mainland delivers on both counts.

Fish Mainland's purpose is to coordinate, represent and promote recreational fishers' interests in restoring and sustaining fisheries resources to maximise their fishing experiences and opportunities.

Its vision is a healthy and abundant marine environment in which recreational fishers have an equitable share of available fisheries resources and are respected partners in management decisions.

The working group has devised objectives for Fish Mainland that should incline policymakers and fisheries managers to rethink fisheries and environmental management objectives and how best to integrate recreational fishing into those objectives. Fish Mainland’s objectives are:

- a) To protect our ocean and show respect for Tangaroa by actively supporting the restoration of fisheries and striving for a healthy and abundant marine environment.
- b) To provide an effective voice in representing and promoting recreational fishing interests to Government and others to ensure access to an equitable share of sustainable fisheries resources.
- c) To be recognised as representing South Island recreational fishers in fisheries management and decision making.
- d) To provide recreational fishing information for management decisions.
- e) To develop and implement strategies, policies and plans to improve the recreational fishing experience.
- f) To promote responsible and safe recreational fishing for its value as a sustainable community food source and its health and wellbeing benefits.
- g) To keep recreational fishers informed and up to date with rules and regulations that affect recreational fishing.
- h) To work respectfully and collaboratively with the Crown, Iwi, and other fishing sectors or interested parties to find workable solutions that provide the best public outcomes.
- i) To do any other activities required to achieve the purpose of Fish Mainland.

The benefits of a fully functioning, professional Fish Mainland are summarised as follows:

<b>Features</b>	<b>Benefits</b>
Mandated body for South Island recreational fishing interests	<ol style="list-style-type: none"> <li>1. Provides a central point of contact and referral for issues that affect recreational fishing.</li> <li>2. Effectively consults, represents and promotes fishers’ interests in the development of positions and advice.</li> <li>3. Protects the public right to access a reasonable share of fisheries resources.</li> </ol>
Partnerships to address shared fisheries issues	<ol style="list-style-type: none"> <li>1. Provides effective, professional representation, advice and leadership.</li> <li>2. Partners with the Crown, Iwi, other sectors and interests to resolve shared problems, limiting the need for political intervention.</li> <li>3. Works respectfully and collaboratively, building support through trust and confidence.</li> <li>4. Shares information and other resources to help maintain and improve partnerships.</li> </ol>
Iwi involvement	<ol style="list-style-type: none"> <li>1. Direct involvement at the Board level.</li> <li>2. Fully participates in strategic and operational problem definition and resolution.</li> </ol>
Informing decision making	<ol style="list-style-type: none"> <li>1. Supports research that ensures appropriate data collection that will benefit fisheries and the environment.</li> <li>2. Committed to improving information collected on recreational catch and effort and social, cultural and economic considerations.</li> </ol>
Secures adequate and ongoing funding	<ol style="list-style-type: none"> <li>1. Takes up increasing responsibility and costs of managing and enhancing recreational fishing.</li> <li>2. Funds cost-effective projects that directly benefit recreational fishers and communities.</li> </ol>
Regional structure	<ol style="list-style-type: none"> <li>1. Upholds mandate for representation through grassroots, transparent regional election of Directors.</li> <li>2. Directly communicates with fishers and keeps them up to date on issues across regions.</li> <li>3. Improves the profile of recreational fishing and its health and wellbeing benefits.</li> </ol>
Commitment to fisheries and environmental sustainability	<ol style="list-style-type: none"> <li>1. Direct involvement in sustainability processes.</li> <li>2. Supports Citizen Science contributions that augment other scientific methodologies.</li> <li>3. Provides education on safe and responsible fishing and stewardship roles that help maintain abundant fisheries and a healthy marine environment.</li> </ol>

**Summary of Fish Mainland benefits for Government, Iwi and the other sectors and interests.**



## Organisational structure

The recreational fishing sector is far more numerous, diverse and undefined compared to the commercial fishing sector and Iwi fishing interests. The recreational fishing sector remains largely unknown, except for a small proportion with membership to fishing and boating clubs. Successive governments have had no means of identifying those who make up the recreational sector, nor any way to gauge a mandate for change.

In comparison, quota holders have incentives to pursue their collective interests through the formation of representative organisations. Examples include Sector Representative Entities and Commercial Stakeholder Organisations. Similarly, Mandated Iwi Organisations (MIOs) were formed to represent Iwi interests, requiring Iwi-wide ballots to demonstrate whether registered members support these organisations and their constitutions.

The working group acknowledges the inappropriateness of applying the same mandate standard (e.g. defined population with majority rule) to the South Island recreational fishing sector. The group also acknowledges the futility and high cost of attempting to seek a mandate from the majority of 100,000+ South Islanders who fish.

Instead, the working group focused on how best to build a mandate for representation. The working group considers that it has designed the best possible means of Fish Mainland building a mandate, based on an electoral system to select a Board of Directors at the regional and Iwi level.

### *Board of Directors*

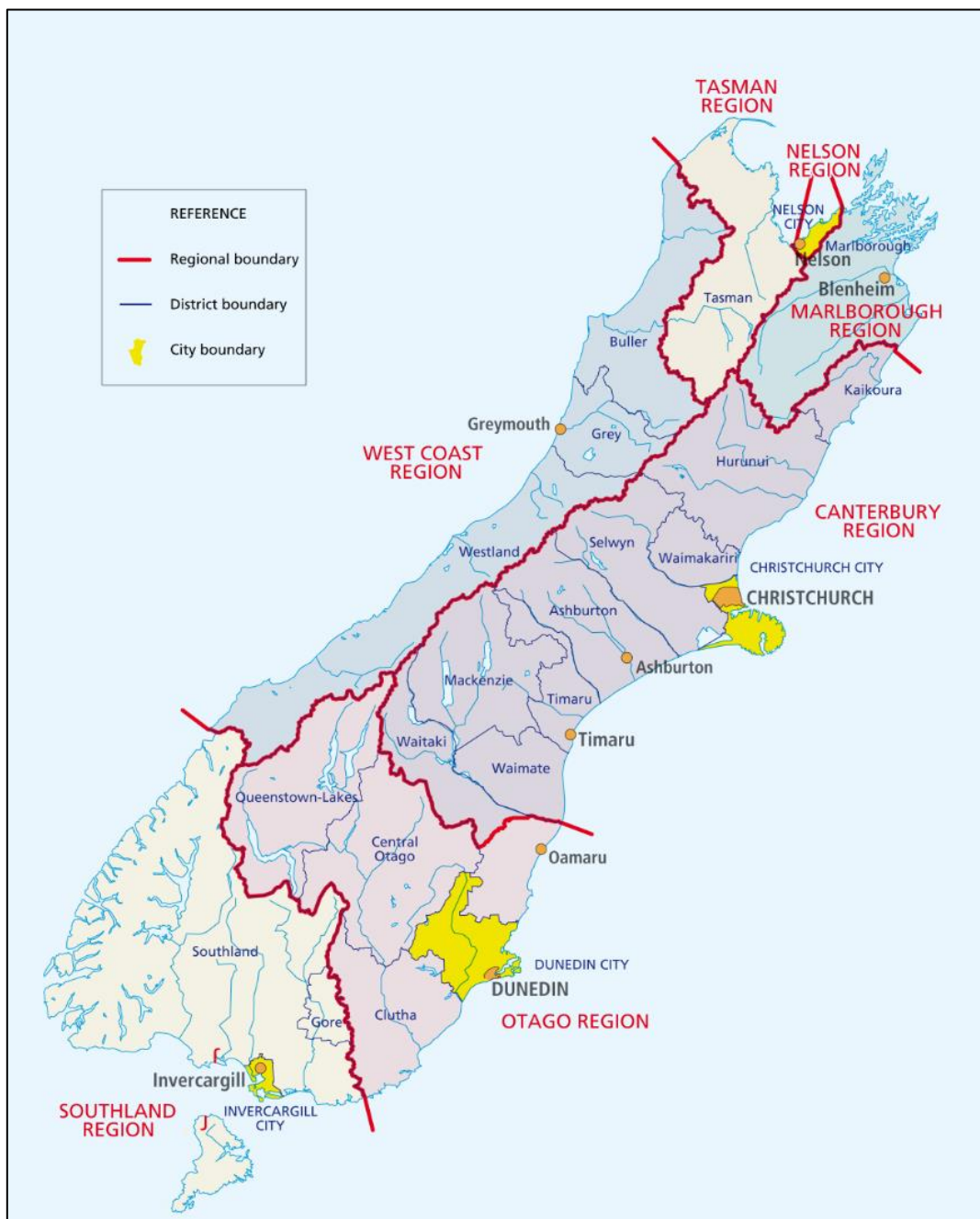
The working group considers the Fish Mainland Board of Directors should comprise:

- One Director in each of the following regional groupings (refer to map below) –
  1. Tasman District, Nelson City, Buller District and Grey District;
  2. Marlborough District and Kaikoura District;
  3. Canterbury Region, excluding the Kaikoura District and the Waitaki District;
  4. Otago Region, Waitaki District and Westland District; and
  5. Southland Region, including Stewart Island.
- Two Directors appointed by the South Island MIOs.
- Two Directors appointed by the Board for their professional expertise (e.g. one lawyer and one accountant).
- An independent chair who is not the CEO of Fish Mainland.

For the present, Fish Mainland's constitution (for incorporation under the Incorporated Societies Act 1908) stipulates that the working group will preside as the Board Directors on a voluntary basis until such time as the Ordinary Members who are eligible to vote and appointed delegates of Financial Members elect five of the nine Directors on the Board, and South Island MIOs appoint two Directors. The remaining two Directors will be appointed by the Board following the first Annual General Meeting (refer to the constitution of Fish Mainland Inc).

Each Director elected from the regions will be expected to represent the interests of their respective regional recreational fishers and the interests of all South Island fishers. Similarly, the Directors appointed by the MIOs will be expected to represent the interests of all South Island fishers, along with the interests of their respective or collective Iwi. The two Directors appointed by the Board will also be expected to represent the interests of all South Island fishers.

At all Board meetings each Director will have one vote, and resolution will be decided by a simple majority. The Chairperson will not have a casting vote in Board or committee meetings.



South Island local authority boundaries that determine Fish Mainland’s regional groupings.

### **Membership**

For the purpose of incorporation, Fish Mainland will provide two types of voluntary membership, Ordinary and Financial Members, outlined as follows.

Ordinary Members may include any person who is interested in and supportive of recreational fishing and/or sustainable fisheries management practices.

Financial Members may include any body corporate (i.e. incorporated society, company or charitable trust) located in the South Island or Stewart Island that is interested in and supportive of recreational fishing and/or sustainable fisheries management practices.

Ordinary Members and Financial Members must satisfy the requirements for Membership, including payment of any Annual Subscription.

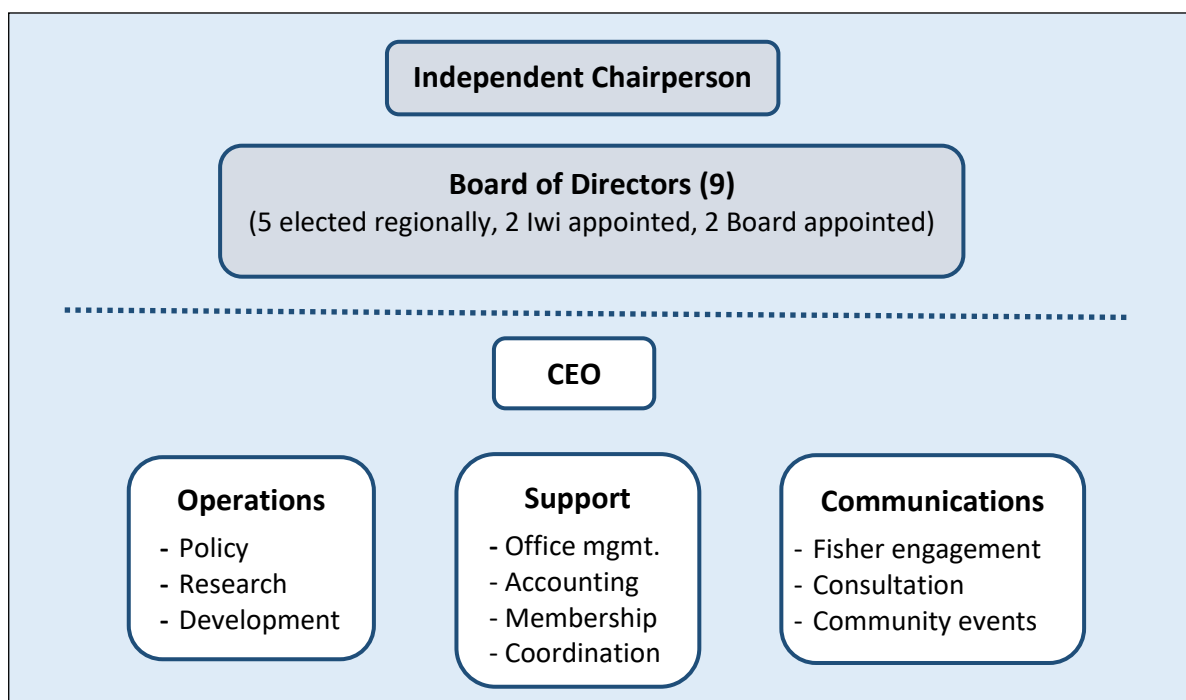
Ordinary Members who reside and/or own property in the South Island or Stewart Island and appointed delegates of Financial Members are eligible to vote at any General Meeting. Each has one vote.

Ordinary Members who are eligible to vote and appointed delegates of Financial Members who are in good standing are eligible to stand for election as Directors.

Fish Mainland will also provide Life Membership in recognition and appreciation of outstanding service in furthering the purpose of Fish Mainland. Life Membership will have all the rights, privileges and obligations of an Ordinary Member and without the requirement to pay an Annual Subscription.

### **Organisational capability and capacity**

The working group’s initial focus is to ensure Fish Mainland has transparent and accountable governance arrangements through the Board of Directors and committees. The intent is to build Fish Mainland’s capability and capacity over time, starting with a CEO and Office Manager. Over time, the capability will include roles in operations and communications and staff able to cover a range of duties, including policy, research, development, accounting, membership, coordination, fisher engagement and community events as outlined in the figure below. The intent is for a fully functioning Fish Mainland to have four to five full-time equivalent staff, plus contractors as required.



**Fish Mainland’s intended fully functioning organisational structure.**

### **Service level agreement**

The intent is for Fish Mainland to provide beneficial services similar to those agreed between Recfishwest and the Western Australian Government. Their Service Level Agreement has Recfishwest funded for three-year periods to provide, amongst other things, effective professional representation, advice and leadership in processes that assist the Minister of Fisheries in resolving issues associated with shared fisheries, limiting the need for political intervention, where possible.

Recfishwest also assists in identifying issues as they arise and works with the Government to deliver the best possible equitable outcomes for the State.

The working group proposes a similar Agreement with Fisheries New Zealand whereby Fish Mainland, as the elected representative of South Island recreational fishing interests, is a service provider on behalf of the Government. In exchange, Fish Mainland receives Government-supported funding, either as an agreed annual amount of funds or statutory support for the design and management of a power boat-based fishing permit system, to deliver services effectively and efficiently. The proposed Agreement is summarised as follows:

### **Overview**

In expending public funds, Fish Mainland is expected to ensure that its Board of Directors and staff adhere to appropriate standards of behaviour and conduct, as per Fish Mainland's code of conduct for Employees and Board of Directors and any relevant Government fiduciary requirements.

Fisheries New Zealand is expected to work with Fish Mainland in a professional manner consistent with Fish Mainland's role as the South Island organisation representing recreational fishing interests. Fisheries New Zealand is also expected to communicate with Fish Mainland in a timely, transparent and professional manner.

Regular communication, both formal and informal, between Government, Iwi, Fish Mainland and the commercial fishing sector is vital to ensure effective solutions are found to shared fisheries problems that provide the best public outcomes.

Communication necessitates mutual trust and goodwill between all parties. While Government, Iwi, Fish Mainland and the commercial fishing sector cannot be expected to agree on every issue, it is important that all parties have faith the others will act in a manner consistent with the ideal of shared responsibility and respect.

### **Recognition**

Recreational fishing is recognised as a valuable and integral component of South Island fisheries, as are commercial and Māori customary fishing, and that a healthy marine environment is crucial to the wellbeing of all sectors and interests.

Fisheries New Zealand and Fish Mainland recognise that they, along with Iwi and the commercial fishing sector, have responsibilities and key roles to play in sustainable fisheries management.

Fish Mainland is supportive of collectively exploring the best means of meeting the costs associated with recreational fisheries management, research and education. Fish Mainland is also supportive of strong investigations and enforcement actions under the Fisheries Act 1996 and relevant regulations.

By reference to Fish Mainland's strategic priorities, Fish Mainland will provide input into Fisheries New Zealand's annual deliverables and longer term priorities across the suite of shared fisheries.

Fish Mainland's CEO, Fisheries New Zealand's Deputy Director-General and the appointed representative of commercial fishing interests will meet quarterly, or as required, for the purpose of problem solving and discussing strategic requirements and objectives.

This Agreement can be amended at any time by agreement between the Minister of Fisheries and Fish Mainland's CEO.

### **Independence**

While Government provides or approves funding to Fish Mainland, it is in the context that Fish Mainland is independent and free to execute its representational, operational, financial, governance, communication, consultation and planning roles, so long as these roles and activities are consistent with its own constitution, this Agreement and other relevant legal and administrative requirements.

This independence is critical to ensure honest, effective and consolidated advice from the South Island recreational fishing sector, and to ensure an effective partnership that is in the best interest of all parties.

While independent, all reasonable effort will be made to collaborate on activities where objectives of the Government and Fish Mainland are aligned.

Whenever Fish Mainland respectfully disagrees with a decision made by the Minister of Fisheries or Fisheries New Zealand, Fish Mainland will not use Government-supported funds to publicly advocate in a political manner against a Government decision.

### ***Value propositions***

To ensure that the use of Government-supported funding is being undertaken in an appropriate manner, the role of Fish Mainland as funded under this Agreement is to enable delivery of the following value propositions. These propositions are designed to incentivise Fish Mainland to be proactive, forward looking and cooperative in undertaking its operations:

1. Effective professional representation of recreational fishing interests. Representation includes:
  - Promoting the interests of Fish Mainland’s membership base and the broader South Island recreational fishing sector.
  - Providing strategic leadership for the recreational fishing sector on matters of significance.
  - Negotiating on behalf of the recreational fishing sector or providing a forum for mediation.
  - Providing representation of recreational fishing interests on fisheries management and Ministerial committees, as may be requested by the Minister of Fisheries or Fisheries New Zealand.
  - Raising community awareness in respect of the benefits of recreational fishing.
  - Coordinating the recreational fishing sector’s advice to Government.
2. Provision of professional advice to the Government on proposals and issues that may affect recreational fishing. Fish Mainland advice will be:
  - Sought officially through Fisheries New Zealand or the Minister of Fisheries.
  - Offered on matters that Fish Mainland considers to be of relevant interest.
  - Accurate, timely and transparent, clearly identifying the processes used to generate it, and submitted for use in decision-making processes.
  - Based on science and evaluation of the recreational fishing sector’s priorities and preferences.
  - Adapted either as a consolidated position, solution offered, recommendation on what might be done to address a problem, or how to manage a situation.
  - Intended to promote and foster public debate to better ensure effective and innovative fisheries management.
  - For the purpose of improving the quality, efficiency and relevance of Government policies, programmes and services.
3. Communication and consultation on management and implementation of strategic Government priorities and projects. Fish Mainland will:
  - Consult with the recreational fishing sector on matters referred to it.
  - Act as the main channel for dissemination of information and timely communication between Government and the recreational fishing sector.

- Document communication processes, where applicable, while having regard for capacity to respond to changing circumstances or opportunities.
  - Brief Government on all media opportunities and co-badge alongside Fisheries New Zealand for all published material.
4. Demonstrated leadership in processes that assist the Minister of Fisheries resolve issues associated with shared fisheries, limiting the need for political intervention, where possible. Fish Mainland will:
- Engage in a professional manner that develops mutual trust and respect and promotes professional behaviours.
  - Explore ways to provide information on recreational fishing to improve management decision making.
  - Work directly with others to identify shared priorities and develop solutions to inter-sectoral issues of concern, including the allocation of fisheries resources (e.g. spatial, temporal and as a proportion of sustainable yields).
5. Assists Government to provide research and education that raises the profile and awareness of issues of common priority. Fish Mainland will:
- Support educational and training programmes on environmental and sustainable resource use subjects.
  - Partner with universities and other research institutions to develop local and regional research projects that improve the value of recreational fishing access to fisheries resources.
  - Help inform and educate the public about the benefits of complying with regulatory controls on their fishing practices and catches to reduce the effect on fisheries resources and the environment.
  - Promote Maritime New Zealand's educational programme for safe boating and fishing.
6. Assist in the annual review of Fish Mainland's performance.
- Provide an annual report that outlines the activities and outcomes against the above value propositions and any specific deliverables identified for the year.
  - Support all aspects of the review process, which may include auditing and/or canvassing the views of other parties as part of the process.

## Options for funding Fish Mainland

The funding options considered by the working group, in order of preference, are discussed as follows:

### ***Option 1: Full Government funding – portion of petrol excise duties.***

The South Island recreational fishing sector has a moral argument for the Government to agree to fund Fish Mainland with a portion of the petrol excise duties paid by South Islanders who operate petrol-powered recreational boats and pleasure craft.

Collected petrol excise duty revenue goes into the National Land Transport Fund to cover road construction, maintenance and related services. Because the same petrol used for cars is also used for recreational boats, petrol used in boats is taxed as though it was used on roads. There is no system for exempting petrol used in boats from excise duties or refunding the excise duties paid.

The exact amount of annual petrol excise duties paid by those who operate petrol-powered boats and pleasure craft cannot be determined. In 2009, the petrol excise duties paid were estimated at around

\$25 million annually, though a more realistic estimate based on surveys and expert opinion was \$61 million.<sup>4</sup>

The current annual excise duties paid by recreational boat and pleasure craft users are expected to be significantly higher, well over \$100 million. This estimate is based on the duty having increased 56% (42.5 cents in 2009 to the current rate of 66.5 cents per litre (exclusive of GST)), and the significant increase in the number of boats since 2009 (at that time 409,000 boats with half estimated to be petrol-powered). The number of new boat trailer registrations provides an indication of the growth in petrol-powered boats. Between 2009 and 2018, new boat trailer registrations increased 68%.<sup>5</sup>

On an individual basis, this means that filling a 20 litre tank for a boat includes paying \$13.30 to subsidise roading projects, and paying GST on the excise duty. The Government has announced that the petrol excise duty will increase a further 3.5 cents per litre in 2020.

Under Section 9(1) of the Land Transport Management Act 2003, the Minister of Transport and Minister of Finance can fund from the petrol excise duties the following activities and services:

- a) Search and rescue activities, whether in relation to pleasure craft or otherwise;
- b) Recreational boating safety and safety awareness;
- c) Maritime safety services that benefit the users of pleasure craft; and
- d) Administration by the Secretary in relation to the activities and services described above.

Payments made under Section 9(1) of the 2003 Act go to Maritime New Zealand, with most going towards search and rescue services on land and sea. In 2017 the payment to Maritime New Zealand was \$9 million and \$12 million in 2018.<sup>6</sup>

Since recreational boat-based fishers make substantial contributions to the annual petrol excise duties collected, it is reasonable to expect they should benefit directly from those contributions. This could be done by adding recreational fisheries management activities under Section 9(1), and with a portion of the payment for these activities funding Fish Mainland.

### **Option 2: Full Government funding – Vote Agriculture, Biosecurity, Fisheries and Food Safety.**

As background, when the Government releases its annual budget a process begins for Parliament to scrutinise and eventually approve the Government's spending plans. Details of the proposed spending are set out in the Estimates of Appropriations documents.

Since Parliament must vote to authorise the spending, appropriations are grouped by 'Votes'. Votes can contain several appropriations that different Ministers are responsible for, such as Vote Agriculture, Biosecurity, Fisheries and Food Safety, which spans three Ministers and is administered by the Ministry for Primary Industries.

The appropriations for fisheries for the 2019/20 financial year total just under \$84 million; Fisheries Policy Advice is appropriated 13.716 million, and Fisheries Management is appropriated \$14.727 million.<sup>7</sup>

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<sup>4</sup> New Zealand Institute of Economic Research (2009). *Recreational boating activity: Review of fuel excise revenue estimate. Final report to the Ministry of Transport*. New Zealand Institute of Economic Research: Wellington.

<sup>5</sup> *Overview of boat-trailer registrations and outboard motor imports in New Zealand, and diesel engine sales in New Zealand and Australia for 2009-2018*. Report prepared for the New Zealand Marine Industry Association.

<sup>6</sup> New Zealand Transport Agency (2018). *National Land Transport Fund Annual Report 2018 – Section C Financial Statements and Audit Report*. New Zealand Transport Agency: Wellington.

<sup>7</sup> <https://www.budget.govt.nz/budget/2019/by/minister/stuart-nash.htm>

The working group proposes that the Minister of Fisheries consider seeking Cabinet approval for funding Fish Mainland as a new policy initiative across either or both of these appropriations starting in the 2020/21 financial year.

The working group understands that the Minister of Fisheries had previously requested Cabinet approval of \$1 million in funding for a national-level recreational fishing representative organisation in the 2018/19 budget. Cabinet did not approve it.

Given the progress that has been made with establishing Fish Mainland, as outlined in this Business Plan, the working group requests the Minister of Fisheries and Cabinet consider the benefits of providing adequate funding for it in the next budget round.

It is likely that either an option 1 or 2 funding arrangement could be made with Fish Mainland remaining a not-for-profit incorporated society and listed as a non-government service provider for Government budget purposes. With this arrangement would come a requirement to uphold a layer of statutory accountability and transparency beyond those stipulated in Fish Mainland's constitution.

The first three years of the budget for options 1 and 2 set out below, with full Government funding of \$1 million annually, shows a surplus in Years 1 and 2, and then a loss in Year 3, and subsequent years, despite an estimated 100% increase in Ordinary Members. The accumulated loss in Year 5 is \$197,000.

### ***Option 3: A required fee to fish.***

Fees, licences or permits to fish have been debated for decades. Some staunchly oppose their use, while others understand the collective benefits of paying even a modest fee. The 2010 initiative, *Securing an amateur fishing future*, proposed by three South Islanders, revealed that many South Islanders were supportive of a professional representative organisation that was self-funded through payment of a fee to fish.

This support was due, in part, to interest in the benefits of having a database of fishers and its use for research and management purposes. Other reasons for supporting the database were better communication with fishers by keeping them informed about the representative organisation and improved ability to progress issues and developments at local, regional and national levels.

The working group considers that if fishers must contribute funding for Fish Mainland, the best option would be a fee like what fishers pay in Western Australia to fish from a power boat. The AU\$40 annual Recreational Fishing From Boat License (RFBL) applies to fishers, not the boat. If the skipper is the only one who paid the RFBL fee, then the catch of all on board must be within the skipper's bag limits. If others on board want to fish to their own bag limits, they too must pay the RFBL fee. The RFBL does not apply to fishing from shore, including off wharves or hand gathering

The Western Australia Department of Primary Industries and Regional Development stipulates when a RFBL is not required to fish. Fish Mainland could lead discussions on how best to adapt the Western Australian approach for South Island fisheries.

The RFBL gained broad public support due to the database it provides. The public understood the need to collect better data on recreational fishing for management purposes. The database allows for low-cost, bi-annual recreational fishing surveys that inform decision making. The average cost is AU\$1.2 million for a State-wide survey of boat-based fishers.

If South Island fisheries had a similar database, bi-annual surveys could be administered at a cost lower than in Western Australia due to the relatively low number of South Island fishers. These surveys could augment the costly, infrequent National Panel Survey, which has been administered in 2011/12 and 2017/18. Its infrequent administration is due to it costing around \$3 million, with two-thirds of this cost applied to finding who fishes and recruiting them to participate in the Survey.



Government agreement for a power boat-based permit system could be linked to the Service Level Agreement stipulating exploration of ways to collect catch and effort data outside power boat-based fishing, such as the growing kayak sub-sector and those who undertake shore-based fishing and hand gathering.

Fishers should readily understand the value of the benefits exceeding the cost of any fee paid to fish. For example, Fish Mainland membership should include retail discounts on purchases, such as petrol, which could provide power boat-based fishers with a net gain.

Portions of the fee paid would also be set aside to fund projects that are aligned with recreational fishing sector priorities, such as improved boat ramps, cleaning stations and disabled access, as is the case with Western Australia's Recreational Fishing Initiatives Fund.<sup>8</sup> The budgets for the funding options below has \$100,00 going towards these types of projects each year. Like in Western Australia, local communities could apply for the funding each year.

The New Zealand Marine Industry Association has estimated the stock of various types of boats in New Zealand, as of June 2018. The total estimated number of trailer power boats, 3.5 m to 8.5 m in length, was 196,000 and increasing by 3,500 annually. Many of these boats are petrol powered. Those who fish from these boats, and other types of petrol- and diesel-powered boats, in South Island waters would be eligible for a power boat-based permit system.

Based on the South Island having around 20% of the national population, the current number of South Island trailer power boats would be around 40,000 (196,000 x .20). A conservative number of trailer power boats used in the marine environment would be around 25,000 (minus 15,000 to account for those boats used solely on lakes and rivers and a portion allocated for non-compliance).

A modest permit fee of say \$20 applied to the conservative estimate of 25,000 trailer power boats, and with an average of 2 fishers per boat paying the fee, would generate gross annual revenue around \$1 million by Year 3 (\$20 fee x 2 fishers per boat x 25,000 boats).

In addition, this option assumes that the \$20 permit applies to those who fish one day or each day of the year on board any power boat, including recreational charter boats. Option 3 includes a conservative estimate of 40,000 people who fish on board South Island charter boats each year, providing a further \$800,000 in Year 1, and estimated 10% growth in demand each year.

The working group would prefer a simple fee system that offers annual fees only, like is done in Western Australia, and avoid the complexity that comes with offering multiple fees. For example, British Columbia offers annual (full-season) fees, along with reduced fees to fish 1, 3 or 5 days, plus the cost of conservation stamps for certain species, and higher fees for non-residents.

One reason for preferring a simple annual fee system is that New Zealand, like several other fishing nations, are experiencing increasing demand for charter boat fishing. Many of these fishers are regular customers of charter boats, and so there would be less demand for shorter-term permits.

Many of the tourists would make a relatively greater financial contribution when purchasing the annual permit for a one-off fishing experience. However, it is common practice overseas for tourists (non-residents) to pay higher fees than residents. For example, British Columbia's 1-day, 3-day, 5-day and full-season licenses for non-residents are 33%, 73%, 94% and 381% higher than for residents, respectively. The lesson from overseas experiences is to keep the fee system simple, wherever possible.

The working group acknowledges that a fishing from a power boat-based permit system would have far more South Island appeal if Government does not control the system, due to concerns that the system would start with low fees that would increase over time. The intent of the working group in proposing

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<sup>8</sup> <https://recfishwest.org.au/rfif/>

this option is to include a cap on the fee. Other revenue streams would be explored to ensure the permit fee remained within the cap.

This option would likely require Government agreement to recognise Fish Mainland as an independent, not-for-profit organisation under the Fisheries Act 1996, and ratify regulations that would require those who fish from a power boat in South Island waters to pay the fee. The regulations could also allow Fish Mainland to select an administration service company to collect the funds from fishers, via a financial institution, as is the arrangement for the New Zealand Fish and Game Council's licence system.

The first three years of the budget below, funded only with the fishing fee, show an increasing surplus each year, with an accumulated surplus of \$1.38 million in Year 3 and \$2.7 million in Year 5. The projected ongoing revenue stream would allow Fish Mainland to reimburse the Government for all set up and Year 1 operating costs in Year 4. This option also provides the highest membership base and, therefore, strongest mandate for representation of all the options.

#### ***Option 4: One-for-one matching funding.***

An agreement to match funds is another way the Government and the South Island recreational fishing sector could share the costs associated with recreational fisheries management, research and education. Like option 3, this option would allow both to commit investments in the future of recreational fisheries and resolving the tensions and conflicts between fishing sectors.

The working group understands that the Hon Pete Hodgson, while Minister of Fisheries from 2002 to 2004, offered one-for-one matching funding up to \$1 million annually in response to concerns raised about the future of recreational fisheries management. The caveat was that the matching funds would be used to establish a recreational fishing representative organisation that could work constructively with Government and others. This offer was declined. This type of one-for-one matching arrangement could accommodate options 1, 2 or 5.

#### ***Option 5: Fish Mainland building a professional fundraising capability.***

With a one-for-one matching arrangement on offer, Fish Mainland could explore a range of prospective funding sources. Potential sources include longstanding South Island companies, such as Skeggs Group Ltd., Skellerup Industries Ltd., Calder Stewart Industries, McKeown Group, and Nelson Petroleum Distributors Ltd.

Fish Mainland could also explore funding from nationwide companies with a strong presence in the South Island, such as Fonterra Co-operative Group Ltd., Placemakers and Hunting & Fishing New Zealand. Also, Gull New Zealand is entering the South Island market, making it another potential source of funding or petrol discounts for Fish Mainland members.

Furthermore, Fish Mainland could seek funding from high-net wealth individuals (those who reside on the South Island or regularly visit from overseas (e.g. celebrities prepared to provide funding, if not also public endorsements).

The downside to seeking various private and independent funding sources is the potential influence that some could exert, which could disadvantage Fish Mainland's independent operations.

In addition, Fish Mainland could seek funding from the public. For example, membership should be open to all, including those who do not fish. Some may wish to make contributions or gifts, knowing the funds will go towards ensuring sustainable use of the marine environment and fisheries resources. No limit should be placed on the amount that can be contributed or gifted.

These potential sources of funding may be possible, given that The Nature Conservancy has offered its fundraising capacity, advice, and resources to build up the working group's capacity to take the lead in securing financial support to see it through until it secures long-term funding.

Option 5, however, assumes that Fish Mainland's fundraising capacity would continue to build and provide significant amounts of funding for the long term.

This option could be pursued so long as Fish Mainland remains an incorporated society. Registration as a charitable entity, under the Charities Act 2005, may be necessary to apply to those funders who only fund registered New Zealand charities (e.g. charitable trusts and foundations).

However, these types of funders may limit funding to the delivering of specific services for the benefit of the public (e.g. boat ramps, fish cleaning stations, disabled access). It may not apply to covering Fish Mainland's operating costs.

A further consideration is that registration as a charitable entity would likely require Fish Mainland to amend its constitution to reflect charitable purposes, meaning less advocacy and promotion-related objectives and more objectives aligned with the provision of public benefits (e.g. health and wellbeing). The potential downside is that this would be a change in purpose, along with a redirection of resources to support fundraising capacity.

The upside is that registration as a charitable entity would improve Fish Mainland's application to Inland Revenue for tax exemptions, allowing Fish Mainland donors to claim tax credits on their donations. These matters warrant legal advice and consideration by Inland Revenue.

The first three years of the budget for options 4 and 5 combined, with partial Government funding averaging \$450,000 annually, assumes that Fish Mainland can raise \$250,000 in Year 1 and increase the fundraising by 25% annually. This rate of increase may be ambitious, but these options still result in losses in Years 1 – 4, despite an estimated 50% increase in Financial Members and a 50% increase in their average contributions. In Year 3, the accumulated loss is \$975,000. In Year 5, the surplus is nearly \$35,000, but the accumulated loss is \$962,000.

## Budgets for the first three years of each funding option

### Options 1 & 2: Full Government funding

2021/22 Financial year		2022/23 Financial year		2023/24 Financial year	
<b>Set up costs</b>					
Staff recruitment	20,000				
Systems development*	30,000				
Travel	30,000				
Office equipment	50,000				
Vehicle lease	9,000				
Publicity	25,000				
Other	8,500				
<b>Total</b>	<b>172,500</b>				
<b>Income</b>					
Govt. service grant	1,000,000	Govt. service grant	1,000,000	Govt. service grant	1,000,000
Ordinary Member fees	10,000	Ordinary Member fees	11,000	Ordinary Member fees	12,100
Financial Member fees	10,000	Financial Member fees	11,000	Financial Member fees	12,100
Interest	2,000	Interest	2,000	Interest	500
Inventory sales**	2,500	Inventory sales	3,500	Inventory sales	4,500
<b>Total income</b>	<b>1,024,500</b>	<b>Total income</b>	<b>1,027,500</b>	<b>Total income</b>	<b>1,029,200</b>
<b>Expenses</b>					
Administration	90,000	Administration (10%↑)	99,000	Administration (10%↑)	108,900
Salaries and on costs	300,000	Salaries and on costs	400,000	Salaries and on costs	550,000
Director fees	50,000	Director fees	50,000	Director fees	50,000
Travel	60,000	Travel	80,000	Travel	100,000
Communications	120,000	Communications	140,000	Communications	140,000
System support services***	35,000	System support services	35,000	System support services	40,000
Transaction fee	700	Transaction fee	770	Transaction fee	847
Card system	780	Card system	858	Card system	944
Cost of sales**	1,500	Cost of sales	2,000	Cost of sales	3,000
Motor vehicle	4,000	Motor vehicle	26,000	Motor vehicle	26,000
GST payable	70,437	GST payable	83,983	GST payable	79,501
Depreciation	2,000	Depreciation	4,000	Depreciation	6,000
Community projects	100,000	Community projects	100,000	Community projects	100,000
<b>Total expenses</b>	<b>834,417</b>	<b>Total expenses</b>	<b>1,021,611</b>	<b>Total expenses</b>	<b>1,205,192</b>
<b>Surplus/loss for the year</b>	<b>\$190,083</b>	<b>Surplus/loss for the year</b>	<b>\$5,889</b>	<b>Surplus/loss for the year</b>	<b>-\$175,992</b>
		<b>Accumulated surplus/loss</b>	<b>\$195,971</b>	<b>Accumulated surplus/loss</b>	<b>\$19,979</b>
Ordinary Members+	500	Ordinary Members (10%↑)	550	Ordinary Members (10%↑)	605
Financial Members	20	Financial Members (10%↑)	22	Financial Members (10%↑)	24
<b>Paid-up member base</b>	<b>520</b>	<b>Paid-up member base</b>	<b>572</b>	<b>Paid-up member base</b>	<b>629</b>

\* Reduced cost due to developing membership system only.

\*\* Decrease in inventory sales and cost of sales due to low total membership.

\*\*\* Decrease cost due to low total membership.

+ Estimated 100% increase in Ordinary Members (500) in lieu of acquiring membership via power boat permit holdings. Also, estimated 10% increase in annual membership for both Ordinary and Financial Members.

### Option 3: Power boat-based permit system

2021/22 Financial year		2022/23 Financial year		2023/24 Financial year	
<b>Set up costs</b>					
Staff recruitment	20,000				
Systems development	57,500				
Travel	30,000				
Office equipment	50,000				
Vehicle lease	9,000				
Publicity	25,000				
Other	8,500				
<b>Total</b>	<b>200,000</b>				
<b>Income</b>					
Fees - private boat fishers*	750,000	Fees - private boat fishers	850,000	Fees - private boat fishers	1,000,000
Fees - charter boat fishers**	800,000	Fees - charter boat fishers	880,000	Fees - charter boat fishers	968,000
Ordinary Member fees***	5,000	Ordinary Member fees	5,250	Ordinary Member fees	5,513
Financial Member fees+	10,000	Financial Member fees	10,500	Financial Member fees	11,025
Interest	3,000	Interest	4,000	Interest	5,000
Inventory sales	5,000	Inventory sales	7,000	Inventory sales	9,000
<b>Total income</b>	<b>1,573,000</b>	<b>Total income</b>	<b>1,756,750</b>	<b>Total income</b>	<b>1,998,538</b>
<b>Expenses</b>					
Administration++	90,000	Administration (10%↑)	99,000	Administration (10%↑)	108,900
Salaries and on costs	300,000	Salaries and on costs	400,000	Salaries and on costs	550,000
Director fees	50,000	Director fees	50,000	Director fees	50,000
Travel	60,000	Travel	80,000	Travel	100,000
Communications	120,000	Communications	140,000	Communications	140,000
System support services+++	70,000	System support services	70,000	System support services	75,000
Transaction fee^	54,775	Transaction fee	61,101	Transaction fee	69,459
Card system^^	116,655	Card system	130,175	Card system	148,047
Cost of sales	3,000	Cost of sales	4,000	Cost of sales	6,000
Motor vehicle	4,000	Motor vehicle^^^	26,000	Motor vehicle	26,000
GST payable	111,466	GST payable	149,540	GST payable	172,843
Depreciation	2,000	Depreciation	4,000	Depreciation	6,000
Community projects	100,000	Community projects	100,000	Community projects	100,000
<b>Total expenses</b>	<b>1,081,896</b>	<b>Total expenses</b>	<b>1,313,817</b>	<b>Total expenses</b>	<b>1,552,249</b>
<b>Surplus/loss for the year</b>	<b>\$491,104</b>	<b>Surplus/loss for the year</b>	<b>\$442,933</b>	<b>Surplus/loss for the year</b>	<b>\$446,289</b>
		<b>Accumulated surplus/loss</b>	<b>\$934,038</b>	<b>Accumulated surplus/loss</b>	<b>\$1,380,327</b>
Permit holders (25%↓)	37,500	Permit holders (15%↓)	42,500	Permit holders	50,000
Charter boat fishers	40,000	Charter boat fishers (10%↑)	44,000	Charter boat fishers (10%↑)	48,400
Other Ordinary Members	250	Other Ordinary Members (5%↑)	263	Other Ordinary Members (5%↑)	276
Financial Members	20	Financial Members (5%↑)	21	Financial Members (5%↑)	22
<b>Paid-up member base</b>	<b>77,770</b>	<b>Paid-up member base</b>	<b>86,784</b>	<b>Paid-up member base</b>	<b>98,698</b>

\* \$20 fee x 2 permits per boat on avg. x 25,000 boats, though a 25% reduction in boats in Year 1 and 15% reduction in Year 2 for non-compliance.

\*\* \$20 fee x number of fishers the charter boats carry, with total estimate of 40,000 fishers in Year 1 and 10% annual growth.

\*\*\* \$20 x estimated 250 Members in addition to power boat permit holders.

+ Estimated 20 Financial Members contributing \$500 on average.

++ Bank and accounting fees, consultants, rent, office supplies, insurance, other expenses / repairs.

+++ Includes fixed annual administration fee plus GST and cost of miscellaneous development plus GST.

^ Estimated 3% of transactions.

^^ Number of plastic cards x \$3. Assumes 50% of Members opt for digital card only.

^^^ Includes cost of second vehicle lease plus operating expenses for two vehicles.

**Options 4 & 5: Partial Government funding; one-for-one matching funds**

2021/22 Financial year		2022/23 Financial year		2023/24 Financial year	
<b>Set up costs</b>					
Staff recruitment	20,000				
Systems development	30,000				
Travel	30,000				
Office equipment	50,000				
Vehicle lease	9,000				
Publicity	25,000				
Other	8,500				
<b>Total</b>	<b>172,500</b>				
<b>Income</b>		<b>Income</b>		<b>Income</b>	
Foundations & other*	250,000	Foundations & other (25%↑)**	312,500	Foundations & other (25%↑)	390,625
Govt. one-for-one grant***	282,500	Govt. one-for-one grant	348,250	Govt. one-for-one grant	429,950
Ordinary Member fees	10,000	Ordinary Member fees	11,000	Ordinary Member fees	12,100
Financial Member fees+	22,500	Financial Member fees	24,750	Financial Member fees	27,225
Interest	0	Interest	0	Interest	0
Inventory sales	2,500	Inventory sales	3,500	Inventory sales	4,500
<b>Total income</b>	<b>567,500</b>	<b>Total income</b>	<b>700,000</b>	<b>Total income</b>	<b>864,400</b>
<b>Expenses</b>		<b>Expenses</b>		<b>Expenses</b>	
Administration	90,000	Administration (10%↑)	99,000	Administration (10%↑)	108,900
Salaries and on costs++	450,000	Salaries and on costs	450,000	Salaries and on costs	600,000
Director fees	50,000	Director fees	50,000	Director fees	50,000
Travel	60,000	Travel	80,000	Travel	100,000
Communications	120,000	Communications	140,000	Communications	140,000
Agents commission	4,875	Agents commission	5,363	Agents commission	5,899
Transaction fee	1,138	Transaction fee	1,073	Transaction fee	1,180
Card system	1,060	Card system	1,166	Card system	1,283
Cost of sales	1,500	Cost of sales	2,000	Cost of sales	3,000
Motor vehicle	4,000	Motor vehicle	26,000	Motor vehicle	26,000
GST payable	14,664	GST payable	45,052	GST payable	62,366
Depreciation	2,000	Depreciation	4,000	Depreciation	6,000
Community projects	100,000	Community projects	100,000	Community projects	100,000
<b>Total expenses</b>	<b>899,237</b>	<b>Total expenses</b>	<b>1,003,653</b>	<b>Total expenses</b>	<b>1,204,627</b>
<b>Surplus/loss for the year</b>	<b>-\$331,737</b>	<b>Surplus/loss for the year</b>	<b>-\$303,653</b>	<b>Surplus/loss for the year</b>	<b>-\$340,227</b>
		<b>Accumulated surplus/loss</b>	<b>-\$635,390</b>	<b>Accumulated surplus/loss</b>	<b>-\$975,617</b>
Ordinary Members	500	Ordinary Members (10%↑)	550	Ordinary Members (10%↑)	605
Financial Members***	30	Financial Members (10%↑)	33	Financial Members (10%↑)	36
<b>Paid-up member base</b>	<b>530</b>	<b>Paid-up member base</b>	<b>583</b>	<b>Paid-up member base</b>	<b>641</b>

\* Potential funding from South Island companies, high wealth individuals, charitable trusts, the public, etc.

\*\* Estimated 25% annual increase in fundraising each year.

\*\*\* Government funds match the total annual income from foundations & other plus total membership fees.

+ Estimated 50% increase in Financial Membership (30 Members), 10% growth in membership and 50% increase in average contributions (\$750).

++ Costs increase to hire professional fundraiser in Year 1.

