



Hon. Peter Dunne
Associate Minister of Conservation
Parliament Buildings
Wellington

8 December 2016

By email: p.dunne@ministers.govt.nz

Dear Minister,

New Zealand Game Animal Council and the Proposed Levy on Exported Trophies.

The New Zealand Professional Hunting Guides Association (NZPHGA) and the New Zealand Association of Game Estates (NZAGE) held their Annual General Meetings in Christchurch on Friday 2nd November 2016. A combined meeting received a presentation from the Chair of the Game Animal Council (GAC) and other members of the GAC Levy Steering Group charged with producing the consultation paper proposing a \$300.00 (plus GST) levy on all game animal trophies exported from New Zealand. The consultation paper was referred to in the presentation but the meeting was advised that it was not yet approved for public consultation. A frank question and answer session followed the presentation.

Subsequently, an open forum was held which included a cross section of those involved with the harvest and export of trophies including professional guiding, game estate owners, hunting clubs, deer farming and the taxidermy and expediting sectors. After extensive discussion, the meeting resolved;

‘That this meeting opposes the levy on exported trophies proposed by the Game Animal Council until such time as a review of the legislation governing wild animal management is completed’

The resolution was passed by solid majority with one abstention recorded (R Duxfield).

The meeting was informed that the GAC Act (2013) was being reviewed and the consensus was that inconsistencies in the GAC Act and with other legislation such as the Wild Animal Control (WAC) Act (1977) should be resolved before the commercial hunting sector could support the proposed trophy export levy. While the managed hunting sector supports the GAC in principle, dissatisfaction with the proposed levy arises for the following reasons which were expressed at the meeting.

The proposed levy is uneven and unfair.

- A significant financial burden (\$1.6 million) would be imposed on a very small number of individual businesses (less than 100) which have, to date, received negligible benefit from the last three years of GAC operation. Within the commercial hunting sector there would also be considerable uneven impact with about 80% of the revenue being generated by 20% of the businesses, largely from privately owned animals from private land.
- The GAC Act, as it is currently written, is primarily focused on recreational hunting on public land and it is difficult to see how commercial hunting on private land can be anything other than a minor beneficiary of its own funding. This raises issues of natural justice.
- The GAC Act is highly specific regarding the levy mechanism on exported trophies but vague on other funding mechanisms. The commercial hunting sector believes that without legislative change prior to implementation of any levy, it will continue indefinitely to carry a disproportionate cost of funding the GAC relative to other sectors.
- Commercial hunters hunting on public land already pay hunting fees to the Department of Conservation (DOC), effectively making the levy a tax upon a tax.
- Commercial trophy hunting generates significant tourism revenue and attracts some of the highest paying visitors to New Zealand. Many visitors consider they have contributed substantially to the NZ economy without an additional export levy designed to fund recreational hunting.
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- International hunters who do not use the services of a professional guide or game estate and hunt trophies in NZ, but do not export them, avoid the levy or any financial contribution to the GAC. This will likely engender growth in this exploitative practice.

The proposed levy would be unworkable.

- The amount of the levy at \$300 / trophy would create resentment, avoidance and quite likely civil disobedience. Several commercial hunters have said they will refuse to pay at the proposed level.
- Both the GAC Act and the WAC Act define privately-owned game animals on private land as 'wild animals,' yet the GAC has no jurisdiction over these animals and cannot offer any benefits as a result.
- International hunters understand 'license and tag' systems. This represents a hunting license and an individual tag for each animal hunted, commensurate with the value of the trophy. Hunters would resent a blanket levy on lower cost trophies, leading to levy avoidance and the cancellation of hunting some species, impacting commercial hunting businesses.
- A levy set at this amount in the absence of any other funding source is divisive and will set the commercial sector against the recreational sector and GAC. This is the opposite of the GAC's intent.
- Levy avoidance via loopholes and creative export practice will result in undeclared or redirected trophies. For example, it will be difficult to distinguish between hard antler exports as part of deer velvet exports (excluded) and hunted trophies and we can expect this anomaly to be widely exploited.

The proposed levy is excessive and would have negative consequences.

- The sole focus of the GAC in the short term should be redressing the inconsistencies in the Act and developing a pan-sector funding scheme that is fair, equitable and workable. The GAC does not need \$1.6m to achieve this.
- While the levy may be intended to be extracted from the tourist hunter, the commercial reality is that most hunting businesses will absorb the levy as part of the client's all-inclusive package. Leaving clients with the bitter taste of a substantial 'departure tax' will be avoided at all costs.
- New Zealand is already seen as expensive by comparison to other international hunting destinations such as Argentina and Africa. The \$300 levy will further this view and impact on added-value incentives such as discounted trophies and cast antlers as gifts, resulting in less visitors and contraction of the industry.
- An 11-person council, with an executive team of 6 people is considered excessive and 'gold-plated', lacking any sound modelling or business case.
- The commercial hunting sector is not persuaded the Council has appropriate governance and accountability checks concerning strategy, budgetary control and efficiency.

The commercial hunting sector remains supportive of the formation of a Game Animal Council that represents the total game animal industry, backed by legislation that supports all sectors within it. The commercial sector is prepared to contribute its share of the funding on a fair and equitable basis alongside the other sectors.

The commercial sector considers that the pending review of the GAC Act by the Minister is of critical importance and in particular, how the review will seek to redress the inequities in the current funding proposal to align with the GAC Establishment Committee's recommendations.

We consider that the legislative limitations placed on the GAC under its current proposed funding initiative will result in the GAC ultimately failing in its core objectives. We therefore urge the Minister to re-consider the proposed budget of the Game Animal Council, to reduce the proposed export levy to a more equitable amount, to ensure the pending review recommends the introduction of additional revenue mechanisms and that the GAC and WAC Acts are amended to reflect and benefit all those with interests in game animals.



We would welcome the opportunity to discuss with you the issues raised in this letter.

Yours sincerely,

A handwritten signature in black ink that reads "J. M. Scurr".

John Scurr
President NZPHGA

A handwritten signature in black ink that reads "S. Guild".

Simon Guild
President NZAGE

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