

GAME TROPHY EXPORT LEVY

Summary of consultation submissions

31 March 2017

Contents

Introduction	1
Overview of responses	4
Responses by question	7
Other issues and suggestions	16

Introduction

Background

The Game Animal Council (GAC) is a statutory body established under the Game Animal Council Act 2013 (the Act). It represents the interests of the hunting sector with the aim of sustainable management of game animals and hunting for recreation, commerce and conservation.

The GAC's establishing legislation requires it to be self-funding. In the first instance, the GAC's operations need to be funded from the mechanism specified in the legislation: a game trophy export levy. To date, the Council has operated on a small amount of Government funding (provided on a year-by-year basis).

The Government sought submissions on how a proposed export levy on game trophies would impact key stakeholders in the game hunting sector including individuals, businesses, representative associations and other organisations.

This document provides a summary of submissions in response to the proposed export levy as set out in the consultation document.¹

Consultation process

The Game Animal Council Act 2013 describes the high-level approach to the export levy. Consultation on a proposed export levy commenced in 2016 and included engagement with the following stakeholders:

- New Zealand Association Game Estates (NZAGE) and New Zealand Professional Hunting Guides Association (NZPHGA) Annual General Meeting (2015)
- Safari Club International convention in Las Vegas (2016)
- Hunting expo in United States (2017).

More recently, the design of the proposed export levy was developed by the GAC with assistance from the Department of Conservation (DOC), with input from key stakeholder groups in the commercial hunting sector², including:

- workshop in Christchurch on 28 October 2016 with the Chairs and representatives of the commercial hunting sector: NZAGE; NZPHGA; Safari Club International; and an expeditor³
- presentation and discussion about the proposed export levy on 2 December 2016 to the joint Annual General Meeting of the NZAGE and NZPHGA.

A formal consultation process to seek submissions on the proposed game trophy export levy ran from 13 December 2016 to 13 February 2017. The process to notify the public about the consultation followed the requirements of the Act and included:

- a media release from the Associate Minister of Conservation's office

¹ Proposal to establish a game trophy export levy for the Game Animal Council, by the Associate Minister of Conservation, 13 December 2016.

² In this report, the commercial hunting sector has a broad meaning, encompassing providers of hunting-related services, their customers and association groups.

³ New Zealand Taxidermy Association were planning to attend but were unable to make the workshop on the day.

- email to stakeholders from the GAC Chair
- announcement on the GAC and DoC websites (including links to the consultation document and submission form)
- public notices in the Gazette and four main daily papers.

All those who made a submission were sent an email acknowledging receipt of their response.

Approach to analysis and reporting

All submissions were assigned an identification number and entered into a central spreadsheet. Submissions were classified into a stakeholder group based on submitter name (ie company, organisation or association name) and/or submission content.

The approach thematically grouped responses to each consultation question (based on the main theme identified) and across the submission as a whole. Analysis of the feedback had regard to, but was not limited by, the number of times a theme was raised. Where numbers and percentages are used, they are based on this thematic analysis of submissions. Protocols were established to ensure as great a degree of consistency in interpretation as possible.

Selected quotes and examples from submissions have been included in this report for their value in illustrating points made by submitters.⁴ Their inclusion in this document does not imply that they have been given more weight over and above submissions that have not been cited.

Every effort was made to ensure this report accurately summarises the overall feedback that was received on the export levy. We cannot guarantee that all views are reflected in this report.

Submissions to the consultation

In total, the Department received 117 submissions. Of these, 3 submissions were duplicates (ie identical submitter and submission content) and were removed from the analysis, leaving 114 unique submissions.

In some instances, the same submission was made by different groups or individuals. In a few other cases, an individual made multiple submissions but from different perspectives (eg individual perspective and a group perspective). These were counted as separate submissions.

Most submissions (approximately 90% of total responses) were made using the submission form. The submission form contained ten questions designed to prompt thinking about the proposed levy. The first question (do you agree with the amount of the proposed export levy?) received the largest response rate (around 80% of total submissions). Each of the remaining questions received a smaller number of responses (on average, 55% of the submissions responded to any one question).

The vast majority (95%) of submissions were made from individuals and companies in New Zealand (identified by contact details provided). Three individual submissions were received with overseas contact details and two international groups responded. The largest of these, Safari Club International, represents over 50,000 members worldwide.

⁴ Some submissions specified currency when providing financial examples, but many did not.

Sixteen submissions were received from representative groups and associations.⁵

International groups:

- International Professional Hunters Association
- Safari Club International

New Zealand-based groups:

- Canterbury Aoraki Conservation Board
- Council of Outdoor Recreation Associations of New Zealand.
- New Zealand Deer Stalkers Association (National office and branches from South Canterbury, North Taranaki and Thames Valley)
- New Zealand Association of Game Estates
- New Zealand Outdoors Party
- New Zealand Professional Hunting Guides Association
- New Zealand Tahr Foundation
- New Zealand Taxidermy Association
- New Zealand Pig Hunters Association
- Safari Club International (New Zealand branch)
- Sporting Hunters Outdoor Trust

⁵ Organisations representing a network of stakeholders were counted as a 'group' submission. Businesses were included under the count of individual submissions.

Overview of responses

Key themes

Level of export levy too high, adversely impacting the commercial hunting sector:

Overwhelmingly, the view held by the commercial hunting sector is that the introduction of the export levy, at the proposed rate, would negatively impact business. In their view, the export levy is expected to result in:

- a reduction in the number of hunters choosing to come to New Zealand and/or a change to the type of hunters visiting (eg reduction in the group of non-wealthy, budget conscious hunters)
- a reduction in the volumes of animals they shoot, and/or an increase in the number of shot animals that are abandoned
- a reduction in the volumes of trophies exported and/or a change in the mix of trophies exported (eg a reduction in the export of lower-value trophies).

“New Zealand is already seen by international hunters as an expensive destination, due to distance and cost of air travel and the high cost of living and visiting/being a tourist in NZ. As a commercial hunting guide and outfitter, I have many clients and potential clients comment on this. I know the high cost of visiting and hunting in New Zealand in relation to other hunting destinations such as Africa and Argentina – this is a barrier to taking client bookings.”
(Professional guide)

“This has the potential to cost me tens of thousands of dollars. I am a self-employed sole operator. In a normal year approximately 60% of my work is from overseas hunters. Most hunters will have 2 or 3 trophies to be mounted, but has been as high as 10 for one client. Even losing a couple of clients will hurt financially. Unfortunately, I think it will be more than just a couple of clients. This will be the same for all taxidermists who mount & export.” (Taxidermist)

“At least 20% of the trophies we prepare are “add-ons” ie a small stag taken by a client as a second animal, or by his young son, a nanny tahr or nanny chamois shot at a nominal cost to fill in the hunt. The \$300 levy would be more than the trophy fee, stopping the hunter from taking these extra animals.

There is a perception that overseas hunters are all huge spenders, the reality is I probably get an average of two hunters a year whom would spend over \$70,000 on a hunt. 90% of the hunters would spend \$10,000-\$20,000. They are just working class people who have got close to retirement, the kids have left home and they can afford a modest overseas hunt. Suddenly the cost of the hunt could go up \$1200-\$1500 [levy on 4-5 trophies]. On most hunts this would be getting close to a 10% price increase.” (Expeditor)

“[As the consultation document states] “The primary focus is to enable the Council to operate on a financially sustainable footing”. However, it also needs to be sustainable for the businesses and individuals paying the levy”. (Professional guide)

Cost of funding the GAC unfairly falling on the commercial hunting sector: There was strong feedback about the perceived unfairness and inequity of the commercial hunting sector and its clients funding all of the GAC’s costs, without contribution from other sectors. Submissions also argued that it was unjust that levy revenue would be generated from trophies sourced from privately-owned game shot on private land.

Some submissions pointed to the recreational hunting sector (which was not being asked to contribute funding at this stage) as potentially one of the biggest beneficiaries of the GAC.

Many submitters felt the GAC's stated benefits were already being delivered from within the commercial sector and the GAC placed insufficient emphasis on priority areas such as improving biosecurity and standards and regulation, and reducing theft of private game animals.

"The majority of the commercial hunting sector remains supportive of the formation of a Game Animal Council in principle that is capable of representing the total game animal industry, backed by legislation that supports all sectors within it, as was the original intent. They are prepared to contribute their share of the funding on a fair and equitable basis alongside the other sectors.

The New Zealand hunting sector is estimated to contribute \$187 million to the national economy annually of which the commercial sector (hunting guides and game estates) contribute \$45 million. Based on this, the commercial sector should be contributing approximately 24% of the running costs of a GAC that can demonstrate benefits to all contributing parties. To expect a single sector to fund 100% of the GAC's requirements, at any point, for minimal benefit raises serious questions of natural justice." (New Zealand Professional Hunting Guides Association)

"It is estimated that around 28,000 hunters visit New Zealand annually. Trophy exports number around 5,300 animals from a maximum of 4,000 hunters, the vast majority of which are taken on private land and not under the GAC's purview. These 4,000 hunters are in effect subsidising the other 24,000 hunters who are exploiting our game resource at the expense of New Zealand hunters, most of whom do not have a channel to contribute even if they wanted to." (Game estate)

"[70% of the trophies we export] are for red deer stags, fallow and elk that are highly managed and therefore there is no value that [the GAC] can add to the quality of these trophies...they sit outside a lot of the scope of [the GAC's] strategic intent." (Professional guide)

Increased administration burden on business: Many of the commercial sector submitters felt the proposed collection mechanism would place an additional administrative burden on business. The timing of the levy introduction was frequently cited as an issue, due to overseas clients having pre-booked hunting trips 1–2 years in advance (although it is unclear from submissions about how big an issue this is).

"Our biggest concern at this point is the collection of any levy, as it appears taxidermists could be expected to be responsible, and this factor is a total unknown at present, but with likely consequences to us implementing." (New Zealand Taxidermy Association)

"The timing that the levy will be implemented...will have a significant impact on our bottom line. [Clients] have paid in full, therefore we cannot expect them to front the fee as this was not part of the initial contract. The majority of this year's trophies would not be expedited until after your proposed start date resulting in us having to pay directly. This will have a significant impact on our bottom line. In the situation of [our company], this will reduce our forecast EBITA this year and next by 20%." (Professional guide) ⁶

Alternative funding approaches preferred: A number of submissions supported funding the GAC but did not agree with the proposed export levy approach. Most of the commercial sector (including game estates, professional guides, taxidermists and expeditors) and many recreational hunters

⁶ Financial impact specified in submission, but not reproduced in this report on request of submitter.

suggested a licensing and tag system, with hunters pre-paying, would be a more effective and fairer mechanism for generating revenue.

“Almost every hunting country has a tag system which you buy before the hunt. This would mean the GAC would get an income regardless of whether a kill was made and gives guides the chance to upsell to their clients too”. (Individual)

Stakeholder support needed to achieve compliance: Based on the submissions, a key implementation challenge appears to be getting buy-in from the commercial hunting sector. A fundamental disagreement with imposing an export levy – and the perceived lack of benefits to those paying it – may mean there is a low level of self-regulation within the industry and people try to get around paying the levy on principle.

“The [New Zealand Association of Game Estates] believes that given the almost complete lack of benefits to the commercial sector, the appetite for non-compliance with the new system will be strong.” (New Zealand Association of Game Estates)

Recreational hunters more likely to support the export levy than the commercial hunting sector: Submissions we identified as being from recreational hunters (who were not part of the commercial hunting sector) were more likely than other submitters to agree with the level of the proposed levy, and be more neutral about its impacts. Over half of those we identified, agreed with the amount of the levy, were happy with there being no exceptions and satisfied with the collection mechanism. They held far more neutral views than the commercial hunting sector about the impact on the numbers of hunters coming to New Zealand and the volumes of trophies being exported. A number of the recreational hunters submitted that they should not have to fund the GAC.

Responses by question

Key elements of the levy

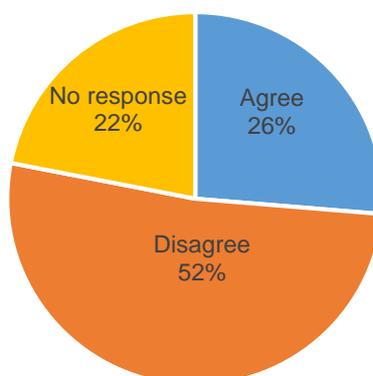
Amount of proposed levy

Do you agree with the amount of the proposed export levy? Why / why not?

Please spell out the implications of the proposed levy rate for you. And please make clear if you are responding in terms of impacts on you as an individual, on your particular profession, or on a sector group.

The proposed game trophy export levy would have a single rate for all game trophies.
The proposed rate is: NZD 300 excluding GST (if any) per game trophy.

In total 30 submitters agreed with the amount of the proposed levy and 59 disagreed with the amount, while 25 did not provide a response.



Amongst those who agreed, there were 7 who said they thought there was actually scope to increase the levy – submitters highlighted the low cost relative to what hunters are prepared to pay for a trophy overall and the favourable impact that the exchange rate would have for hunters coming from USA and Europe.

A key theme amongst the response given by those who disagreed with the levy was that it would increase overall hunting costs and adversely affect businesses in the commercial hunting sector. Submitters expected this to occur because of one or a combination of factors listed below (similar points were raised in response to many of the consultation questions):

- Decrease in the volume of international hunters coming to New Zealand, particularly the “average” international hunter who is relatively sensitive to increased hunting costs. One guide submitted they catered to the “average overseas hunter” and trophy fees ranged from \$1,500 to \$2,500, and the export levy increased their client’s per-trophy cost by 12%–20%.

- Decrease in number of game animals shot, reducing trophy fee revenue for game estates and guides. A number of guides submitted that clients currently shot multiple game animals, with examples provided ranging from 3 to 10 animals per client.
- Decrease in the number of trophies exported, reducing revenue for taxidermists and expeditors. Most of the submissions from taxidermists and expeditors stated that export trophies generated a significant – if not majority – proportion of their overall business. Taxidermists also expected an increase in the number of trophies being mounted outside of New Zealand due to cheaper overseas taxidermy costs and a desire by hunters to offset the levy cost.

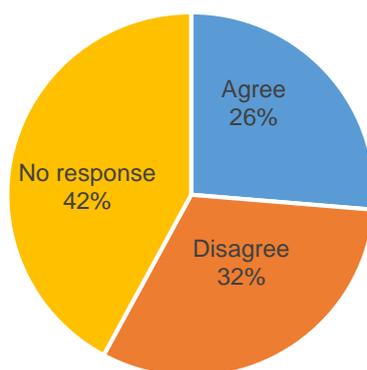
Where an alternative levy rate was suggested, amounts were often \$50 (submitters referenced a motion passed at a NZPHGA Annual General Meeting), or a rate in the range of \$150–\$250.

No exceptions for the export levy

Do you agree with there being no exceptions for the export levy in special circumstances? If you think there are justified circumstances, please provide details.

The levy would apply to all trophies as defined in the Act. There is no intent to allow for discounts or exceptions to the levy in special circumstances. Hunting sector representatives have indicated there are expected to be very few cases where such an exception might be warranted, and the process to administer these is considered unduly complex given the few cases likely to be involved.

In total, 30 submitters agreed with the proposal to have no exceptions for the export levy (citing the need to minimise complexity and administrative burden) and 36 disagreed. 48 submitters provided no response to this question.



Of those that submitted there should be an exemption, many considered businesses that have existing commitments to a fixed-fee arrangement with international hunters should be exempt.⁷ Examples were provided of clients booking 1–2 years in advance. Business would have to absorb the levy cost because of contractual arrangements and/or risk adversely impacting hunter satisfaction with the

⁷ Including Safari Club International submission.

service being provided. While this exemption was frequently suggested, it was not clear how many clients this might apply to in total and, therefore, the quantum of cost that business might have to absorb if no such exemption applied.⁸

A similar exemption was proposed by the New Zealand Taxidermy Association in instances where taxidermists had trophies in various stages of completion at the time the export levy comes into effect.

Other suggestions for exemptions included:

- animals shot on private land. Game estates in particular advocated an exemption for private trophies hunted on private land. Submitters also drew a parallel with the Act excluding farmed/fenced pigs as a trophy, but including game on private land.
- exports by accredited bodies (eg of game estates and professional guides).
- trophies that are gifted, found or sold at (souvenir) shops
- trophies taken overseas for promotional purposes (eg trade shows) or where New Zealanders are relocating to another country
- specific species of game animals. Examples included privately reared game (eg red deer raised on a farm and sold to a game estate for hunting purposes) and animals from small herds
- animals shot before the export levy comes into effect.

Levy collection mechanism

What's your view of the proposed collection mechanism?

Please make clear if you are responding in terms of impacts on you as an individual, on your particular profession, or on a sector group.

The export levy to be paid at the same time the trophy's certificate of export is arranged. In other words, payment of the levy would be at the point when the decision to export is made.

69 submissions (61% of total respondents) provided their thoughts on the proposed collection mechanism for the export levy.

Of these, 39% were happy with the proposal, and a further 9% were neutral. 52% disagreed with the proposed mechanisms for two main reasons:

- Additional administrative burden: businesses are expecting to collect the levy on behalf of the overseas hunter, increasing administrative burden which ultimately equates to more cost to those businesses. Taxidermists considered the impact of bad debtors would be exacerbated in instances where the taxidermist has paid the export levy on the client's behalf.
- The export levy should be collected before hunting commences: the proposed approach may result in animals being shot but hunters choosing not to export the trophy, and potential compliance and enforcement issues created by the timing of the levy collection (discussed further under compliance challenges).

⁸ One professional guide submitted that the financial impact would be 20% of EBITA for two years.

Conversely, of those that agreed with the collection approach, many supported the collection of the levy after the animal was shot.

Approximately 25% of responses to this question indicated there was insufficient detail about the proposed collection mechanism in the consultation document to make an informed comment. The New Zealand Taxidermy Association submission said insufficient detail about the collection process was a significant issue.

A number of submitters expressed a desire for the collection process to be simple, online and available 24/7.

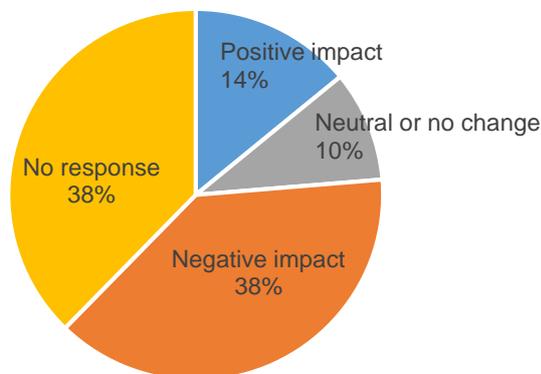
The timing of the introduction of the export levy was raised as a concern by the commercial hunting sector because of insufficient lead-in time to plan for the introduction of the export levy. June and July was cited as a busy time of the year for the sector, with promotional material already printed and hunting prices set for the forthcoming season.

Impact of export levy on submitters

What would the introduction of an export levy mean for you?

Please make clear if you are responding in terms of impacts on you as an individual, on your particular profession, or on a sector group. If you are a service provider, please make clear if this is in terms of current clients, or future clients.

In total, 44 submitters thought the introduction of an export levy would negatively impact them. 16 thought there would be a positive impact, while 11 felt there would be little to no change for them. 43 did not respond to this question.



Of those who thought a levy would have a negative effective, 77% expected a decrease in business revenue in the commercial hunting sector. Consistent with the responses about the level of the export levy, submitters thought the export levy would lead to decreased numbers of overseas hunters and repeat business, and fewer trophy exports. A number of submissions used examples to illustrate how the export levy would impact them. A selection of these examples are included below.

- One guide submitted that each client shot an average of four trophies and a reduction of one trophy per client would have a financial impact of \$87,000–\$130,000 per annum.
- One guide estimated at least 20% of trophies are “add-ons”; for example, a smaller stag taken as an additional trophy and the introduction of the export levy would stop this type of trophy being taken in the future.

- One guide estimated the volume of exported trophies would reduce by 10%-20% and this was expected to have a significant adverse impact on revenue. The most likely way to offset the revenue loss would be to reduce labour cost. ⁹
- Several guides (including one of the few guides that supported the export levy proposal) had spoken with current and/or potential clients (eg while undertaking promotional activity in the USA) and received feedback that the proposed levy rate would reduce the number of trophies exported by overseas hunters.
- Almost all taxidermists that responded to this question expected the introduction of an export levy to result in a decrease in business. One taxidermist employed 6 staff and estimated they exported approximately 20% of total trophy export volumes, and thought the export levy would risk redundancies in their business.
- Another taxidermist's business comprised 60% export trophies, with most overseas hunters mounting 2–3 trophies each. A reduction in the number of trophies being mounted would hurt financially.

A number of providers thought they would have to absorb the cost of the export levy in order to remain competitive in the commercial hunting industry.

Amongst those who thought there would be a positive impact from the introduction of the export levy, the two main reasons were better recognition of the value of the game resource and providing funding to the GAC.

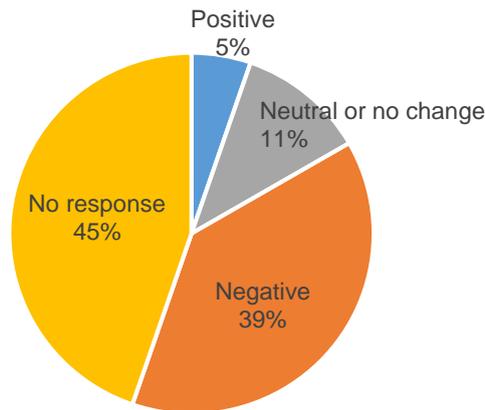
Changes that an export levy may lead to

What changes do you think the introduction of an export levy might lead to? For instance, might it encourage any particular changes in behaviour?

Please be clear about what part of the hunting sector you are referring to.

In total, 44 submitters felt that the introduction of an export levy would lead to changes in the behaviour of international hunters that would have a negative effect on the game hunting sector, and / or those working within it. 13 felt there would be little or no change, and 6 thought the levy would lead to positive changes. 51 submitters did not respond to this question.

⁹ The submission also estimated the expected reduction in trophy exports and the financial impact that could result. These numbers have not been reproduced in this report at the request of the submitter.



Potential positive changes identified by submitters included a recognition of the value of the resource, an increase in game management credibility for New Zealand and hunters focusing on trying to get high quality trophies.

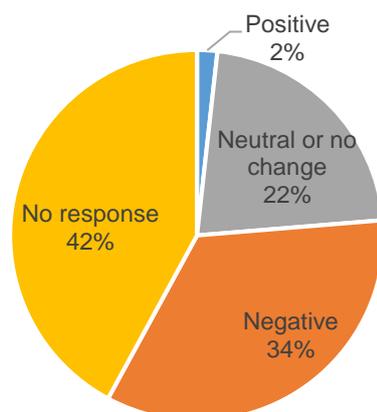
Submissions outlining potential negative changes for the industry were similar to the points raised in earlier consultation questions.

- Fewer trophy exports: the cost of the levy will limit the number of trophies that hunters choose to export.
- Hunters will go elsewhere: an export levy will deter international hunters from choosing New Zealand as their hunting destination. South Africa and Argentina were commonly cited as examples of where hunters might travel to instead of New Zealand (due to either cheaper cost of hunting and/or type of game animals available to hunt).
- Compliance will be avoided: international hunters will increasingly look for ways to ‘sneak’ trophies out of the country to avoid the levy. There was a view that it is not uncommon now for hunters to take trophies out of the country in their luggage, and this would increase.
- Increase in abandoned shot animals: related to the point above regarding trophy exports, the levy will see an increase in the number of animals who are shot and abandoned on the land because hunters choose not to take the trophy.

Impact of export levy on number and type of hunters coming to New Zealand

What would the introduction of an export levy mean for the volume and type of hunters coming to New Zealand?

In total, 25 submitters thought there would be little or no change to the number and type of hunters visiting New Zealand. 41 submitters thought that the introduction of an export levy would lead to a change in international hunters. 48 submitters did not provide a response to this question.



Of the 41 submissions that expected a change to the number and/or composition of hunters, 2 submitters talked about the positive impacts of the levy. One felt that if the levy was cheaper compared with other countries, we will see increased demand in visitor numbers. One felt the levy was going to result in improved game management.

The main themes of the remaining (39) submissions were fewer international visitors coming to hunt because the cost of the levy would lead to international hunters choosing different destinations.

It was generally felt that the numbers of very wealthy hunters and those travelling on a very tight budget were not expected to be affected; however, the number of cost conscious hunters (ie the segment in the middle) would likely decline.

One guide agreed that while the export levy equates to an increase of 1%–3% of the total hunting cost for a wealthy overseas visitor, for the “average-Joe hunter”, the increase was more likely to represent 6%–10% of the total hunting cost.

A number of submissions suggested that the budget hunter did not export large numbers of trophies and that hunters from Australia often fell into this category.

Challenges managing compliance

What do you think the challenges will be for managing compliance with the proposed new system?

Please make clear if you are responding in terms of impacts on you as an individual, on your particular profession, or on a sector group.

54 submitters (47% of total responses) answered this question, raising some of challenges they saw for the implementation of the levy and ensuring compliance. Specific challenges raised in the submissions are as follows.

- People will try and get around paying the levy to avoid compliance: submitters felt that the introduction of the export levy may lead to attempts by international hunters and those in the commercial sector to avoid paying.
- Hunters taking trophies out of the country in their luggage (either carry-on or checked luggage): it was often suggested this is common practice by Australian hunters; however it was unclear from the submissions about how often this occurs and to what extent this practice may increase in the future.

- Ensuring efficient and effective enforcement of the levy: with various means of getting trophies out of the country, and reliance on other agencies under those circumstances (largely Customs New Zealand), it may be difficult to enforce the export levy. However, effective enforcement will be important to encourage compliance into the future.
- Ensuring adequate education and awareness of the export levy for:
 - overseas hunters not using professional guides or outfitters
 - key partner agencies and others involved in the export process, including businesses communicating about the export levy with their clients.

A number of submissions (approximately 15% of total responses) referenced the existing concessions to hunt on DOC land and the interplay with the export levy (often viewed as “double-dipping” or being charged twice).

- Challenges for businesses involved in the administration of the export levy: some submitters felt the challenges would actually be faced by those in the commercial hunting sector, with increased burden on them (reflecting themes raised regarding the impact of the levy).

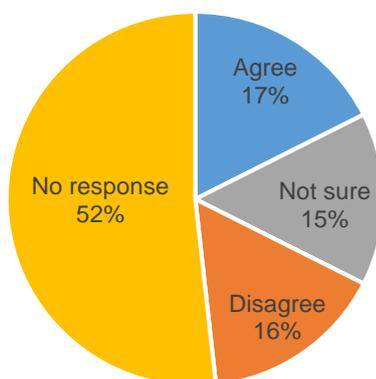
How the proposed levy is calculated

Accuracy of export volumes of game trophies

Do you agree this is an accurate view of the export volumes of game trophies (as defined in the Act)?
Why / why not?

Calculations for the proposed levy used volumes of game trophy exports based on data sourced from the Department of Conservation, reconciled against data from other government agencies and the hunting sector. On average, the export levy would be charged on approximately 5,300 game trophies per annum.

In total, 20 submitters thought the data used provided an accurate view of export volumes of game trophies. 18 disagreed that the volumes were correct, 17 were unsure, and a further 59 did not provide a response to this question.



Those who felt export volumes used to calculate the levy were not accurate cited the following key reasons:

- Numbers appear too low, many trophies are exported without documents: hunters taking home trophies in their suitcases on a regular basis results in an under-estimation of true volumes. One guide submitted most of his Australian clients take the antlers home on the plane and the capes are tanned in New Zealand and exported home via post. A taxidermist thought the number of trophies exported in consignment could be higher than what is reported on the DoC certificate of export.
- Numbers appear too high, based on industry knowledge: A large taxidermy business believed volumes were overestimated based on their experience. An expeditor thought volumes were likely to include non-applicable species and/or commercial exports (eg game meat), referencing data from 2014 DoC certificate of exports and the US Fish and Wildlife Service.

Impact of export levy on number and mix of game trophy exports

What might the introduction of an export levy mean for the volume and mix of game trophy exports?

In total, 43 submitters (38% of total responses) thought there would be a change in the volume of trophies exported and 17 (15% of total responses) thought there would be little or no change. 54 (47% of total responses) did not provide a response to this question.

Of those that thought there would be a change, almost all submitted there would be a decrease to overall volumes and/or a decrease in the number of “lower-value” trophies. Many submissions thought the number of “higher-value” trophies would not materially change. Submissions differed on what constituted a “higher- or lower-value” trophy, with examples referring to points, species, herd size, availability of species in other countries and trophy fee. A number of submissions commented the flat levy rate (charged on all trophy types) would encourage this shift.

A few submissions thought there could be an increase in the number of exports of non-applicable trophies, such as: Awapawa Ram and goat; and deer in the velvet (eg if hunter wants to export a skull trophy and avoid the export levy).

Other issues and suggestions

Submitters raised a number of issues that did not directly address the questions in the consultation document, but have been captured in this summary of feedback.

Funding contribution relative to benefits

There was strong feedback that the commercial hunting sector would be funding a disproportionate amount of the GAC costs relative to the level of benefits that it would receive. Many of the benefits that a fully operational GAC would aim to deliver are perceived to be already provided by other groups and businesses (particularly in the commercial hunting sector).

Submitters also felt it was inappropriate for privately owned animals (eg purchased off deer farms for hunting purposes) and/or animals shot on private land (eg game estates) to be used to fund public game animal management.

The mandate and representation of the GAC

A number of submitters expressed support for the GAC, even where they disagreed with the proposed funding mechanism (or aspects of it).

Other submissions questioned why they should be funding the GAC (through the export levy) when they believe key perspectives/stakeholders in the industry are not represented by the GAC – though submitters disagreed as to which were not represented, with some citing recreational hunters, and others citing groups involved in the commercial hunting sector or associations.

Proposed GAC budget

A number of submissions thought the GAC's budget was too high, some citing the personnel budget as an example. Constructive suggestions included that the GAC's strategic objectives and work programme be scaled down (at least initially) to enable a reduction in the proposed levy rate, while still resourcing the GAC to focus on high priority areas and establish other funding sources.

Changes to the proposed export levy approach

Some suggestions were made by submitters for amendments to the proposed levy design, either by introducing a different levy rate or levy exemption, for example:

- certain species (eg based on the scarcity of the species to enhance the quality of herds)
- privately reared game (eg red deer raised on a farm and sold to a game estate for hunting purposes)
- animals shot on public land versus private land
- exemption where accredited bodies are involved in the hunting activity.

Other suggestions included: there should be consistent application of wild and farmed species, for example farmed/fenced pigs versus fenced deer (on game estates); and the export levy should be charged on a per-hunter basis, rather than a per-trophy basis.

Alternative approach to generating revenue

Many submissions raised alternative charging mechanisms to the export levy, with the most popular options being:

- the tag system used overseas, and/or
- a licensing system, either in use overseas or similar to that administered by Fish and Game New Zealand.

Submitters frequently cited the perceived benefits of these approaches over the export levy as being:

- familiarity and acceptance by overseas hunters (ie similar to the approach employed in their own country)
- ability to charge all hunters (eg from recreational and commercial hunting sectors) which would:
 - improve alignment of those that benefit from the GAC's activities with those that help fund it
 - reduce the cost on any one individual and, therefore, lesson undesirable impacts on hunter and trophy volumes.

There was also a small number who indicated they were opposed to a tag and licence approach.

The concept of recreational hunters funding the GAC was raised in a number of submissions (although it should be noted this was not the purpose of the consultation process). There was a strong theme coming through the submissions (more than 30% of all responses and mainly those associated with the commercial hunting sector) that recreational hunters should be required to contribute to the funding of the GAC in some way.

There were also a number of submissions that were against recreational hunters funding the GAC. Approximately 6% of all submissions were made solely to express opposition to recreational hunters paying a fee or levy to hunt.