A REPORT ON UNDERSTANDING AGENCIES, LICENCING AND SALES IN THE NORTH CANTERBURY REGION

2. BACKGROUND / INTRODUCTION ABOUT THE REPORT

This Report is based on 'Fish' sales only. The Report gives an insight into North Canterbury's agencies, licencing and sales from 2013/14 season to 20 April 2020. It is designed to understand where and how our customers and sales come from.

This report aims to assist discussion on recruitment and retention of licence holders and agencies and help clarify in what areas our advertising efforts and investments should be focused.

This Report is broken down into five areas;

1. An overview of licence sales nationally;
2. North Canterbury licence agencies (who they are, where they are based and the sales they generate);
3. North Canterbury international / non-resident licence holders (how they buy their licences and where they come from);
4. North Canterbury's local market / resident licence holders (where they come from and types of licence's they buy); and
5. North Canterbury residents who purchase a licence in the Central South Island region.

3. TERMINOLOGY USED IN THIS REPORT

a. **AOL** Agency On Line (licences purchased through authorised retailers)

b. **POL** Public On Line (licences purchased through the Fish and Game licencing website)

c. **Legend for Licence Categories**

FWF	Full Whole Family
FWA	Whole Season Adult
FWNA	Whole Season Adult International
FSLA	Loyal Senior
FLAA	Local Area
FWIA	Winter Adult
FLBA	Long Break
FSBA	Short Break
FDA	Adult Day
FDNA	Adult Day International
FWJ	Whole Season Junior
FWNJ	Whole Season Junior International
FWIJ	Winter Junior
FDJ	Junior Day
FDNJ	Junior Day International

d. **LEQ** Licence Equivalents – an average of all licence types sold based on the Adult Whole Season price

4. OVERVIEW OF TRENDS SALES NATIONALLY

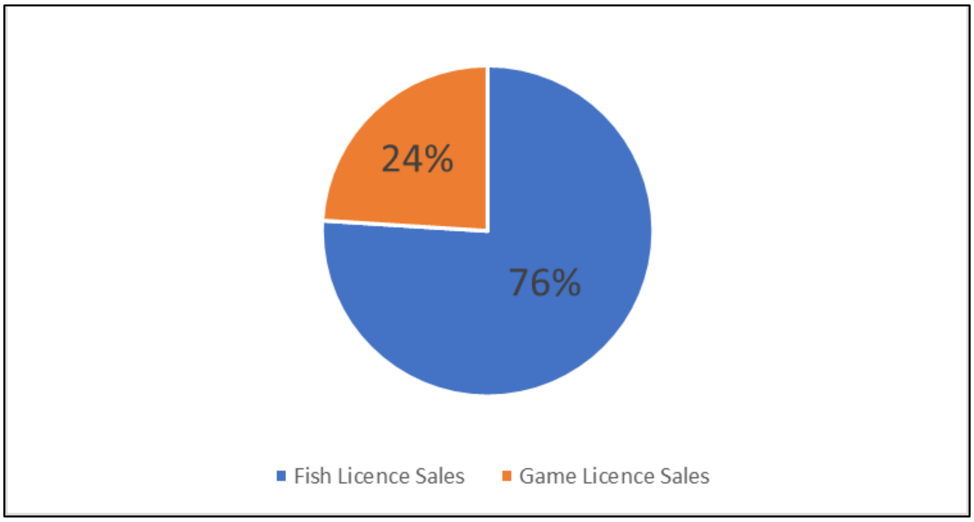


FIGURE 1. Typical separation of the total national Fish and Game revenue that comes from fish vs game licence sales (mean national licence income for the 2015 – 2019 period).

The table below shows North Canterbury's fish sales percentage of licence revenue as it contributes to overall national sales.

TABLE 1. NORTH CANTERBURY'S CONTRIBUTION TO NATIONAL SALES

YEAR	NATIONAL SALES	NORTH CANTERBURY SALES	%
2016/17	$ 9,779,026.00	$ 1,661,834.00	17%
2017/18	$ 9,907,312.00	$ 1,621,341.00	16%
2018/19	$ 10,110,368.00	$ 1,599,886.00	16%
2019/20	$ 9,795,637.00	$ 1,544,328.00	15%

The two tables below (Table 2 & 3) show North Canterbury's fish licence revenue in comparison with total North and South Island revenue.

TABLE 2. NORTH CANTERBURY COMPARISION WITH NORTH ISLAND SALES

YEAR	NORTH ISLAND SALES	NORTH CANTERBURY SALES	%
2016/17	$ 2,655,003.00	$ 1,661,834.00	63%
2017/18	$ 2,650,344.00	$ 1,621,341.00	61%
2018/19	$ 2,755,154.00	$ 1,599,886.00	58%
2019/20	$ 2,677,167.00	$ 1,544,328.00	57%

TABLE 3. NORTH CANTERBURY COMPARISION WITH SOUTH ISLAND SALES

YEAR	SOUTH ISLAND SALES	NORTH CANTERBURY SALES	%
2016/17	$ 7,124,023.00	$ 1,661,834.00	23%
2017/18	$ 7,256,968.00	$ 1,621,341.00	22%
2018/19	$ 7,355,214.00	$ 1,599,886.00	22%
2019/20	$ 7,118,470.00	$ 1,544,328.00	22%

There is a great disparity of income between regions in the North Island with Eastern the only region earning in excess of $1,000,000.00 annually.

In the 2019/20 licencing year for fish, the four larger South Island regions (NC, CSI, Otago and Southland) accounted for 64% of the national sales, while the two smaller South Island regions (West Coast and Nelson/Marlborough) contributed 8.6% of national income.

Table 4 below represents a summary of North Canterbury's percentage of fish versus game sales on total annual income. These figures are based on total income and not LEQ's.

Also note the Table 4 below is the only table to include Game sales.

TABLE 4. NORTH CANTERBURY TOTAL SALES ON FISH VS GAME INCOME BASIS

YEAR	TOTAL INCOME	TOTAL FISH SALES	% OF FISH SALES ON TOTAL INCOME	TOTAL GAME SALES	% OF GAME SALES ON TOTAL INCOME
2013/14	$1,906,957.00	$1,687,014.00	88%	$219,943.00	12%
2014/15	$2,055,884.00	$1,834,490.00	89%	$221,394.00	11%
2015/16	$2,000,759.00	$1,777,937.00	89%	$222,822.00	11%
2016/17	$1,899,484.00	$1,661,834.00	87%	$237,650.00	13%
2017/18	$1,870,382.00	$1,621,341.00	87%	$249,041.00	13%
2018/19	$1,843,780.00	$1,599,886.00	87%	$243,894.00	13%
2019/20	$1,771,567.00	$1,544,328.00	87%	$227,239.00	13%

Since 2015/16 there has been a steady regional decline in fish revenue. This does not necessarily mean we are selling less licences, but certainly the introduction of four new licence categories; Loyal Senior, Local Area, Long Break and Short Break have not helped.

These new categories are discounted, and the compounding uptake of these *'cheaper licences'* has impacted licence revenue overall. These additional categories were introduced in the 2016/17 fishing season and since then we have seen a steady decline in total fish income due to the pricing differences.

5. AVENUES FOR SELLING LICENCES

The table below illustrates the impacts from converting "Retail Books" to the current internet based system for both fish and game licence sales.

The total number of licences sold from all avenues AOL, POL and Retail books, year on year were;

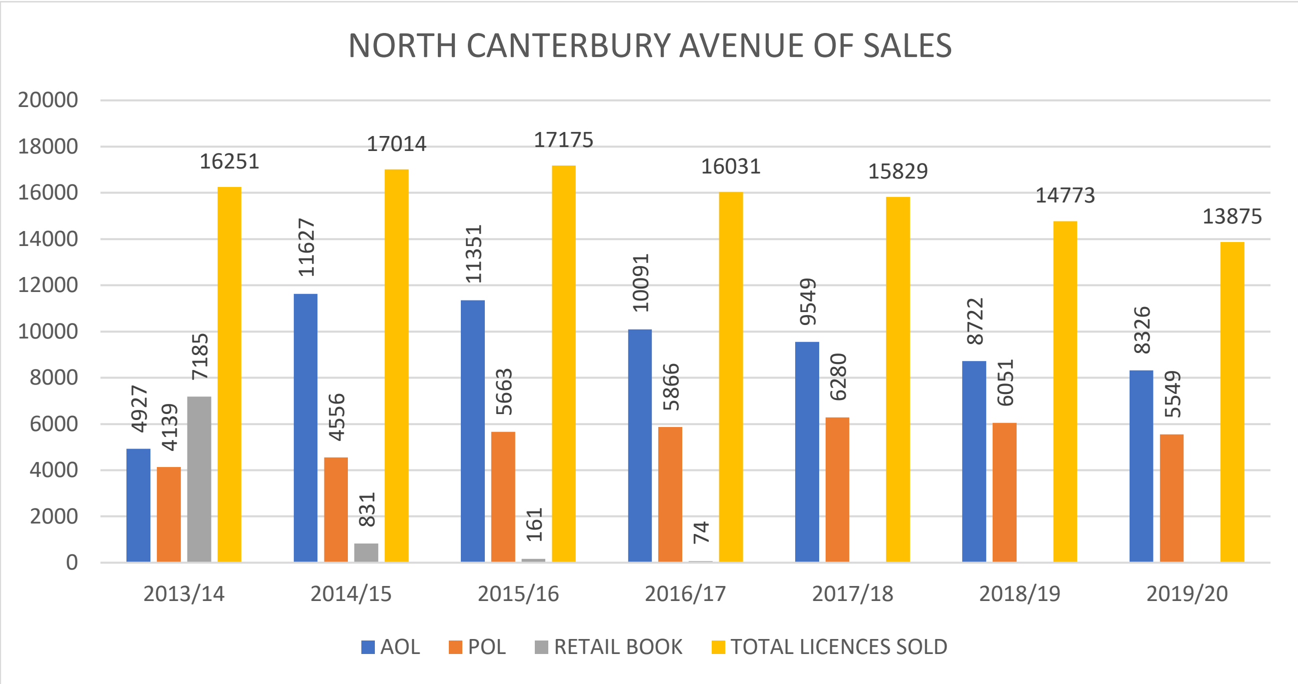


FIGURE 2. Represents trends in changes to North Canterbury licence sales avenues over the 2013 – 2020 time period.

Note:

- 2015/16 - this licencing year was the first year of phasing out licencing books
- 2016/17 - licencing books were totally phased out by the end of this licencing year

6. AGENCIES

North Canterbury Licence Agents are under Contract to North Canterbury Fish and Game. The Contract can be terminated by either party at any time. If necessary, an Agency can be suspended, if for instance they do not pay their invoices on time. Agencies receive 5% commission on their total amount of sales. This is invoiced at the end of each month and monies received are not paid until the month following. In effect there is a two-month lag between the sale of a licence from an agency to the receipt of money into North Canterbury's bank account.

The figure paid to North Canterbury is the Agent's total sales for that month less 5% commission.

Summary of Agencies in the North Canterbury Region

From 2013 North Canterbury has had a total of 46 Agencies in its Region.

Of those –

- 6 Agencies did not continue with the introduction of Agency Online.
- 3 Agencies had been sold but continue to operate with new owners.
- 1 Agency had folded.
- 1 Agency amalgamated with another.
- 7 Agencies did not to continue as an Agency (however they had been using Agency Online).

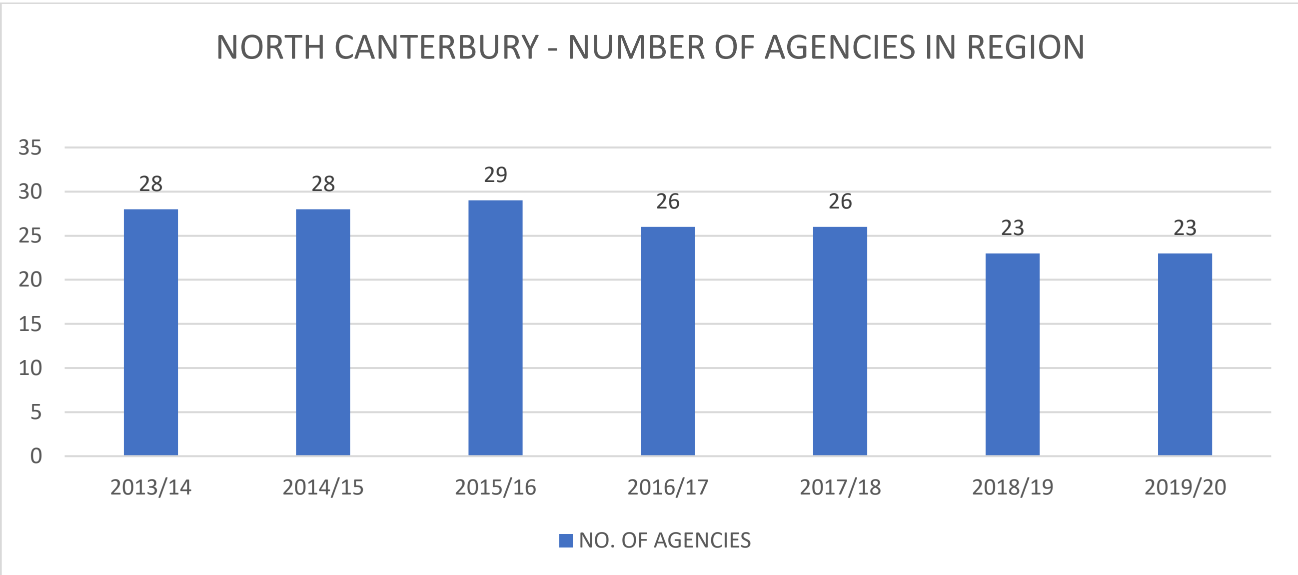


FIGURE 3. Changes to the number of licence agents over the 2013 – 2020 period.

The full-page table below (Table 5) illustrates the number of Agencies currently operating in the North Canterbury Region and the total amount of licences they have sold to date by category.

Since the introduction of the licencing On-Line system, all agencies have the ability to sell both fish and game licences. However, all Farmlands stores, the two Gun City stores, Gunworks and Shooters Supplies are specialists and predominately sell Game licences only.

NAME OF AGENCY	AREA	YEARS IN BUSINESS	TOTAL LICENCES SOLD														
			FWF	FWA	FWN A	FSLA	FLA A	FWIA	FL BA	FSB A	FDA	FDN A	FWJ	FW NJ	FWI J	FD J	FDN J
Anglers Warehouse	Bromley	2013 - Current	102	322	1	22	16	12	1	38	89	12	14			2	1
Ballingers Hunting & Fishing	Riccarton	2013 - Current	8,009	14,020	1,161	1,562	112	576	104	779	3,768	735	1,151	21	21	275	80
Bishopdale Sports	Bishopdale	2013 - Current	96	216	15	24		23	1	14	81	13	28		6	11	4
Cheviot Hardware	Cheviot	2013 - Current	98	177	7	13	35	1	2	11	63	10	21	2		3	3
Darfield ITM	Darfield	2013 - Current	146	218		11	2	8	2	17	103	12	36	1		10	9
Farmlands Hornby	Hornby	2013 - Current	9	11	12	1	1		1	6	1		2				
Farmlands Culverden	Culverden	2013 - Current		3	1					1			1				
Farmlands Darfield	Darfield	2013 - Current									2	1					
Farmlands Leeston	Leeston	2013 - Current	1	2									2				
Fishermans Loft	Addington	2013 - Current	733	1,755	648	209	18	89	14	72	445	243	108	5	4	35	7
Gun City Cranford Street	Redwood	2013 - Current	30	79	3	1		2	1	1	41	3	5	1		3	3
Hanmer Springs Adventure Centre	Hanmer Springs	2013 - Current	76	166	105	3	3	10	7	15	282	156	23	2	2	33	24
Kaiapoi Visitor Centre	Kaiapoi	2013 - Current	64	171	9	34	33	3	3	27	92	24	36		3	12	5
North Canterbury Fish and Game	Harewood	2013 - Current	146	174	36	120	3	5	1	2	13	16	16	1	4	3	1
Springfield Service Station	Springfield	2013 - Current	28	52	3	3		1		4	32	15	5			5	1
The Complete Angler	Redwood	2013 - Current	1,044	2,494	442	149	33	216	27	205	899	320	214	15	2	75	22
Rakaia River Holiday Park	Rakaia	2014 - Current	87	190	60	11	6	9	6	25	208	94	14	3	1	26	11
Gunworks	Yaldhurst	2015 - Current	Nil Fish Sales to Date														
Unreel Fishing Gear	Kaiapoi	2015 - Current	12	14	7	1	2			10	17	3	4			5	
North Canterbury Hunting & Fishing	Rangiora	2017 - Current	1,941	3,043	55	248	85	89	15	121	450	58	367	2	6	41	20
North Canterbury Rivers to Ranges	Rangiora	2019 - Current	39	88	2	16	2			6	12	3	19			3	
Shooters Supplies	Hornby	2019 - Current	1	4							2		1				
Gun City Sockburn	Hornby	2020 - Current	Nil Fish Sales to Date														
		TOTALS	**12,662**	**23,199**	**2,567**	**2,428**	**351**	**1,044**	**185**	**1,354**	**6,600**	**1,718**	**2,067**	**53**	**49**	**542**	**191**

The table below (Table 6) shows Agencies who are no longer selling fishing licences and represents the possible “lost” opportunities for sales. However, there is uncertainty if the POL has had an uptake due to these Agencies closing, especially in the rural areas.

Note: Some Agencies still operate under new owners and are represented in the table above; Rakaia River Holiday Park, North Canterbury Hunting and Fishing and Hamills North Canterbury. Christchurch Hunting and Fishing amalgamated with Ballingers Hunting and Fishing. They do appear in the table below under the old owners.

TABLE 6. Historical agencies in the North Canterbury Region and the total amount of licences they sold by category.

NAME OF AGENCY	AREA	YEARS IN BUSINESS	TOTAL LICENCES SOLD														
			FWF	**FWA**	**FWNA**	**FSLA**	**FLAA**	**FWIA**	**FLBA**	**FSBA**	**FDA**	**FDNA**	**FWJ**	**FWNJ**	**FWIJ**	**FDJ**	**FDNJ**
Farmlands Amberley	Amberley	2013 - 2014	Nil Fish Sales														
Farmlands Rangiora	Rangiora	2013 - 2014	Nil Fish Sales														
Shooters Supplies	Addington	2013 - 2014	Nil Fish Sales														
Rakaia River Holiday Park	Rakaia	2013 -2014	28	71				9			79		7			1	1
Clearwater Golf Club	Harewood	2013 - 2015		4				2			11						
Grassmere Lodge		2013 - 2015	1	4							66					8	
Clausens Canvas & Paint	Leeston	2013 - 2016	44	93	2	1	3	2		2	22	4	12			1	1
Culverden Four Square	Culverden	2013 - 2016	30	71				2			48		5		1	7	
Waikari Auto Services	Waikari	2013 - 2016	1	46		1		1			45		9			1	1
Christchurch Hunting & Fishing	Central Chch	2013 - 2017	1,440	3,002	217	151	33	148	5	92	669	302	206	4	7	43	34
Neil Goldie Fishing (Guide)	Harewood	2013 - 2017	10	11							63					4	
North Canterbury Hunting & Fishing	Rangiora	2013 - 2017	817	1,184	17	267	33	29	9	96	148	19	137	1		30	
Smiths City Colombo Street	Central Chch	2013 - 2018	196	441	37	26	12	15	2	26	136	24	24	1	1	6	7
Smiths City Northwood	Northwood	2013 - 2018	371	845	14	41	25	34	5	31	190	4	122		5	14	11
Smiths City Riccarton	Riccarton	2013 - 2018	90	207	2	4	4	2	2	9	97	5	25	1		18	8
Hamills North Canterbury	Rangiora	2013 - 2019	899	1,480	35	186	47	49	14	85	352	34	182		3	37	17
Oxford Motor Company	Oxford	2013 - 2019	43	76	2		2	5		3	27	2	12		2	4	4
Blackwells Ltd	Kaiapoi	2014 - 2018	111	357				10			86		46		4	11	
Amberley Outdoors & Sports	Amberley	2016 - 2019	19	29	1	2	1		5	11	19		8			6	
		TOTALS	**3,942**	**7,464**	**326**	**677**	**159**	**289**	**37**	**344**	**1,874**	**394**	**734**	**7**	**23**	**173**	**83**

NOTE: **Tables 5 and 6 show Agency sales to April 2020. This was when this report was written.**

7. INTERNATIONAL LICENCE SALES

International licence categories were introduced in the 2015/16 licencing year.

The new categories introduced were;

FWNA Whole Season Adult
FDNA Adult Day
FWNJ Whole Season Junior
FDNJ Junior Day
FWNC Whole Season Child
FWDC Junior Child

The table below represents international / non-resident sales as a percentage of the total of North Canterbury income.

TABLE 7. International / Non-Resident licence sales as a percentage of the total of North Canterbury income.

YEAR	TOTAL NORTH CANTERBURY INCOME	TOTAL INTERNATIONAL SALES	% OF SALES
2015/16	$2,000,759.00	$152,095.00	8%
2016/17	$1,899,484.00	$151,349.00	8%
2017/18	$1,870,382.00	$161,160.00	9%
2018/19	$1,843,780.00	$167,790.00	9%

From the 2013/14 to 2016/17 seasons reporting of international licence sales were mixed with the same NZ category types due to the price points being the same. 2017/18 was the first season when all international licence sales were shown in separate categories. Due to a tidying up of the licencing reporting systems, licences purchased in 2015/16 and 2016/17 are now shown in the years they were purchased.

The figures below (Figure 4 and 5) show the avenues by which International Licences are purchased in the North Canterbury region. The report does not include Junior or Child purchases as they would generally be purchased by their adult parents.

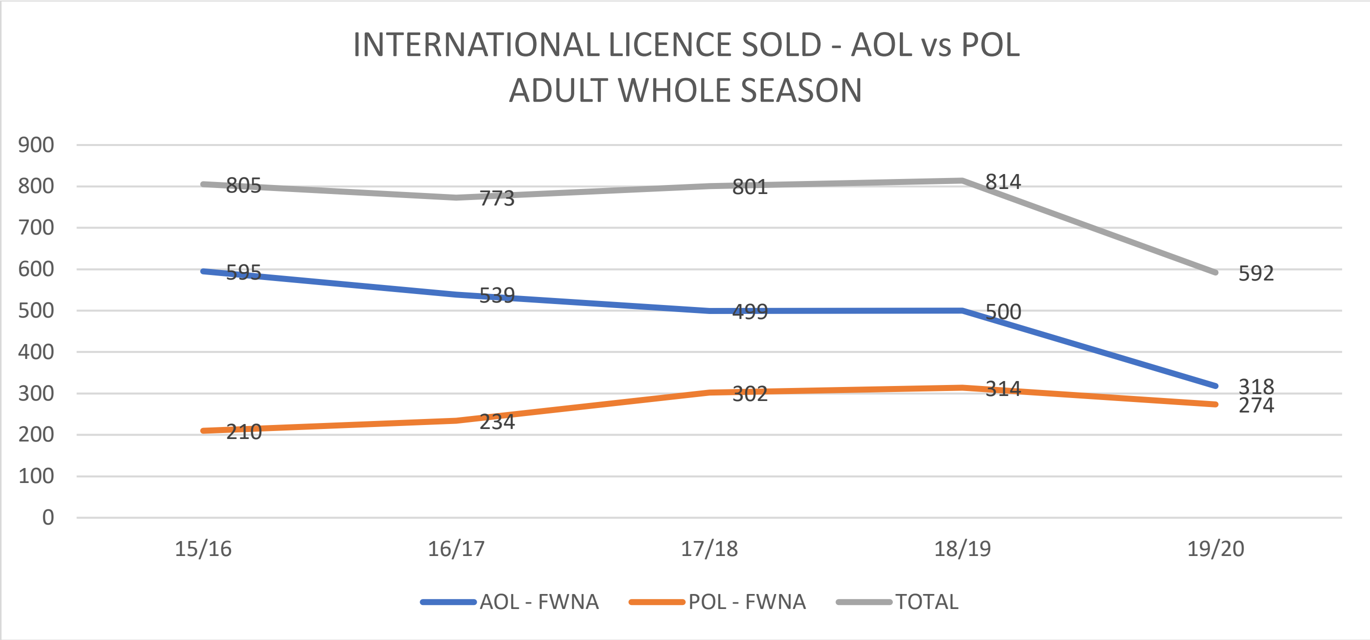


FIGURE 4. International Adult Whole Season Licence Sales – Agency (AOL) vs Public Online (POL)

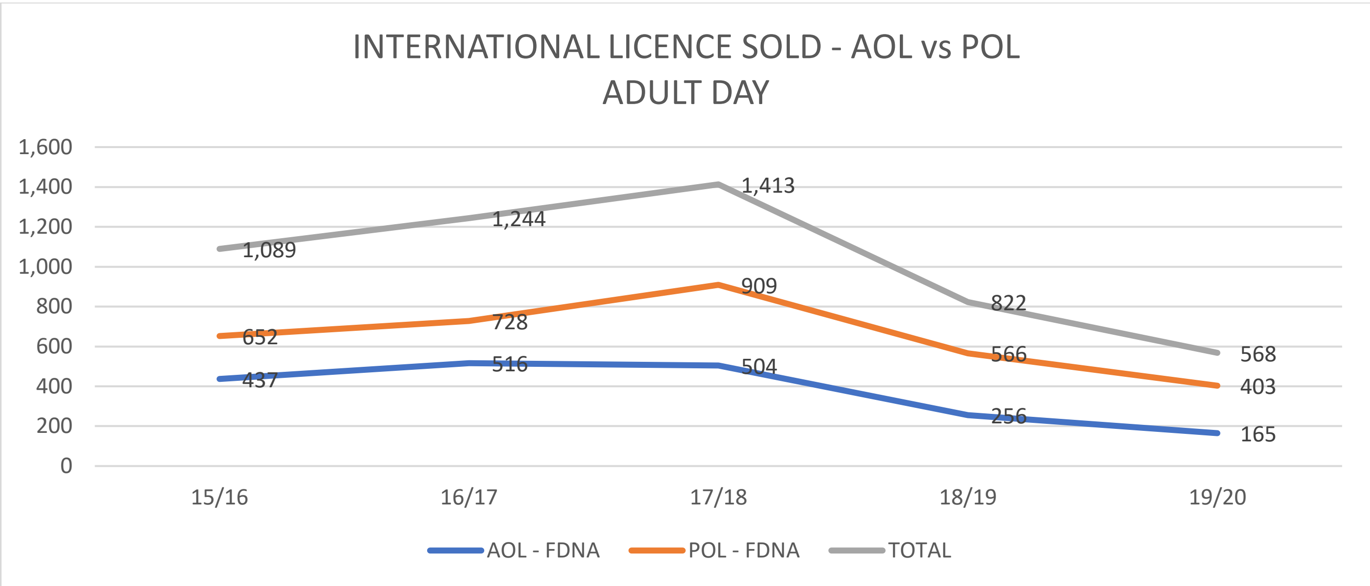


FIGURE 5. International Adult Day Licence Sales – Agency (AOL) vs Public Online (POL)**.**

Note:

- There could be more Day Licences to add to the table above because some are unidentifiable. Currently address information is not required in the licencing system when purchasing a Day Licence, so it is unfortunately up to the individual if this is entered or not.
- The 19/20 year is to 2020 April only. However, by this time (in most years pre-pandemic) most international licences in the North Canterbury region have usually already been purchased.
- The circa 25% reduction in international sales for the 2019/20 season is considered to primarily be driven by the Covid-19 pandemic.

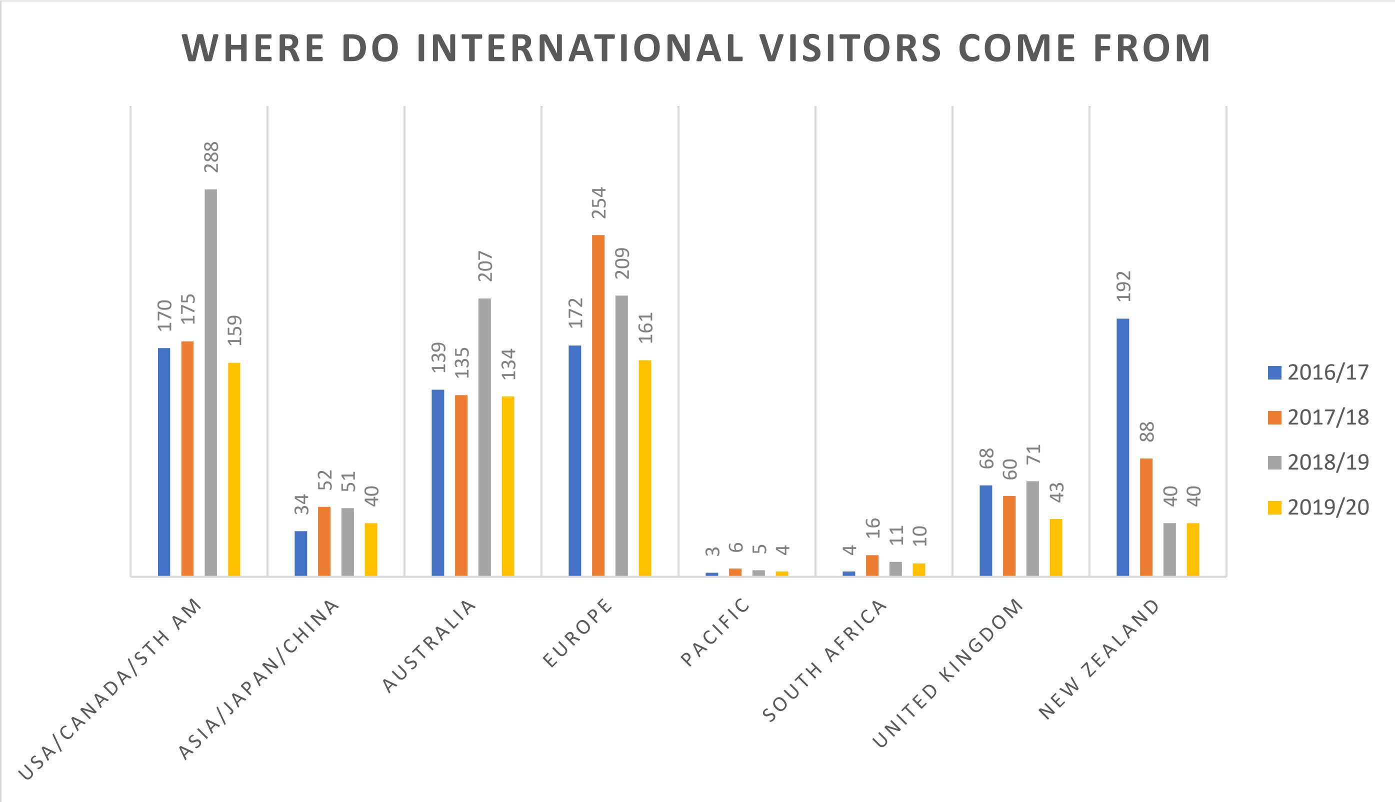


FIGURE 6. Country of origin of international / non-residents that purchase a licence in the North Canterbury region.

The above chart is based on the International Whole Season licence categories only.

“New Zealand” means:

1. Workers who are on a working visa who have been in New Zealand for less than six months and have a New Zealand address; (these workers are able to purchase a NZ whole season licence after being in NZ for six months)
2. NZ citizens living overseas, but who are entitled to NZ licences;
3. Agencies putting in the wrong address (The 2016/17 year was the second-year international licences were on sale and agencies were not used to putting in international addresses hence 192 were not identified by their country of origin;
4. 2019/20 year is to 20 April 2020.

8. NEW ZEALAND LICENCE SALES

Below is a comparison of sales trends in summary between national and North Canterbury sales.

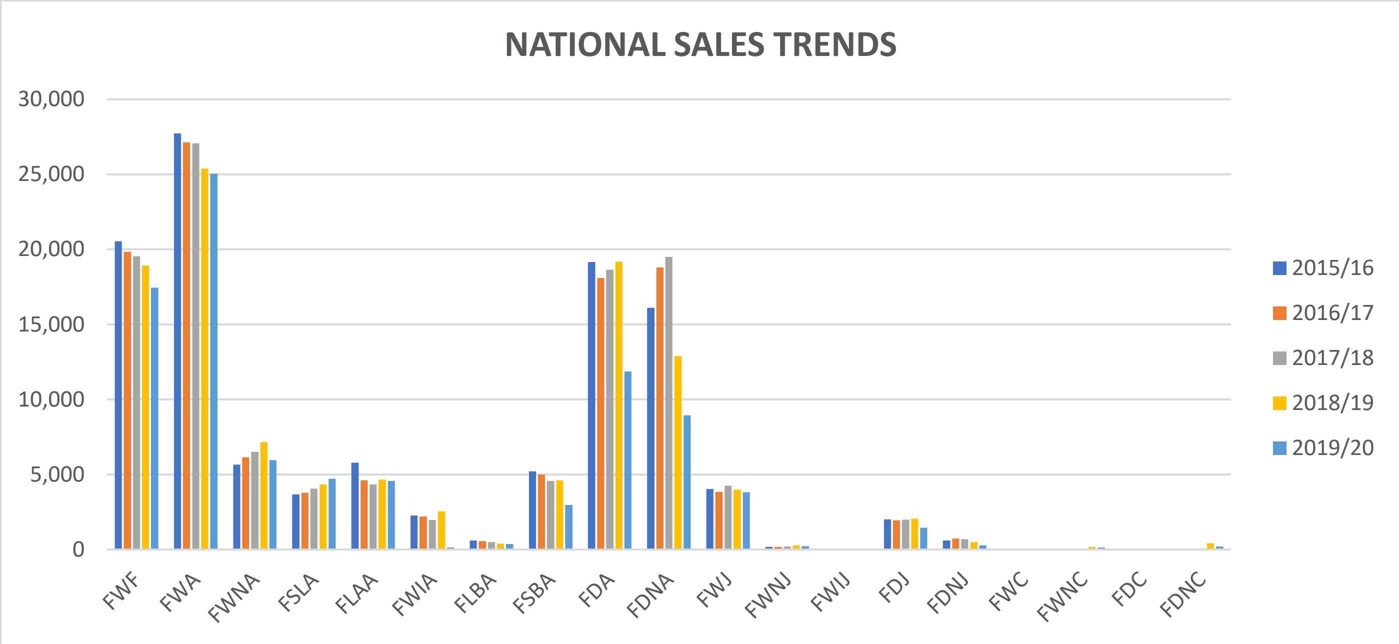


FIGURE 7. National sales trends by licence category (see Section 3 for abbreviations).

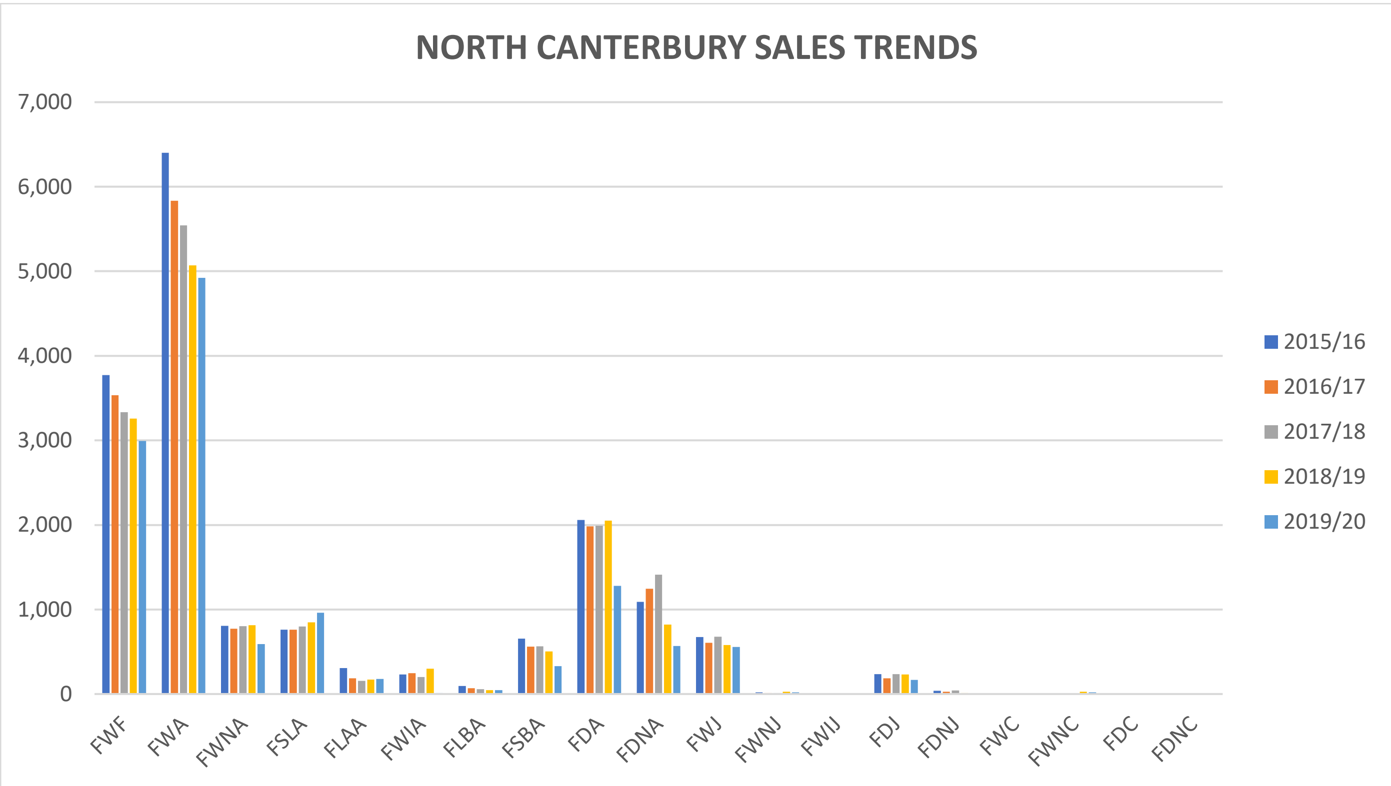


FIGURE 8. Sales trends in North Canterbury by licence category (see Section 3 for abbreviations).

National versus North Canterbury sales trends broken down by category.

FIGURE 9. Comparison of National vs North Canterbury sales trends for the Adult Whole Season (FWA - top panel), Family Whole Season (FWF - middle upper panel), and Junior Whole Season (FWJ - middle lower panel), and Loyal Senior (bottom panel) licence categories.

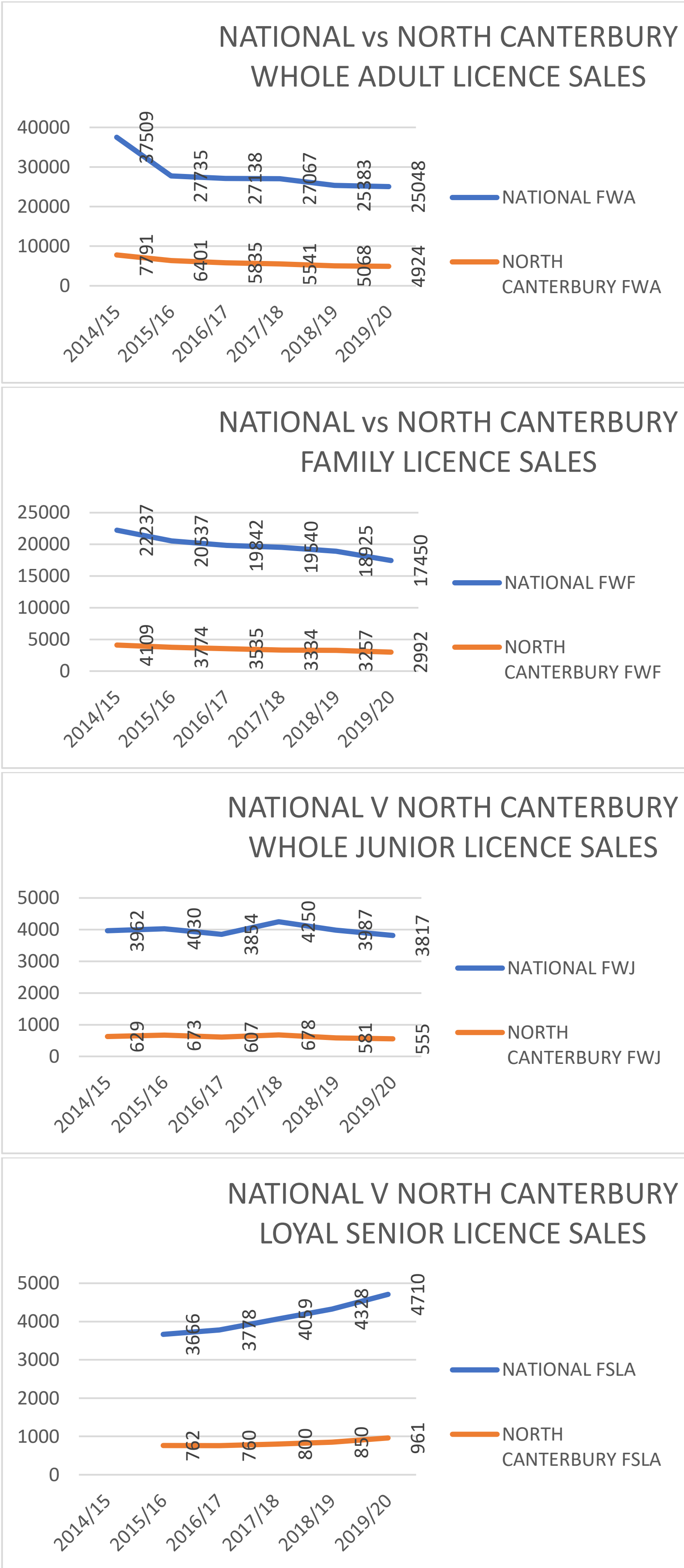


FIGURE 10. Comparison of National vs North Canterbury sales trends for the Adult (top panel) and Junior (bottom panel) Day Licence categories.

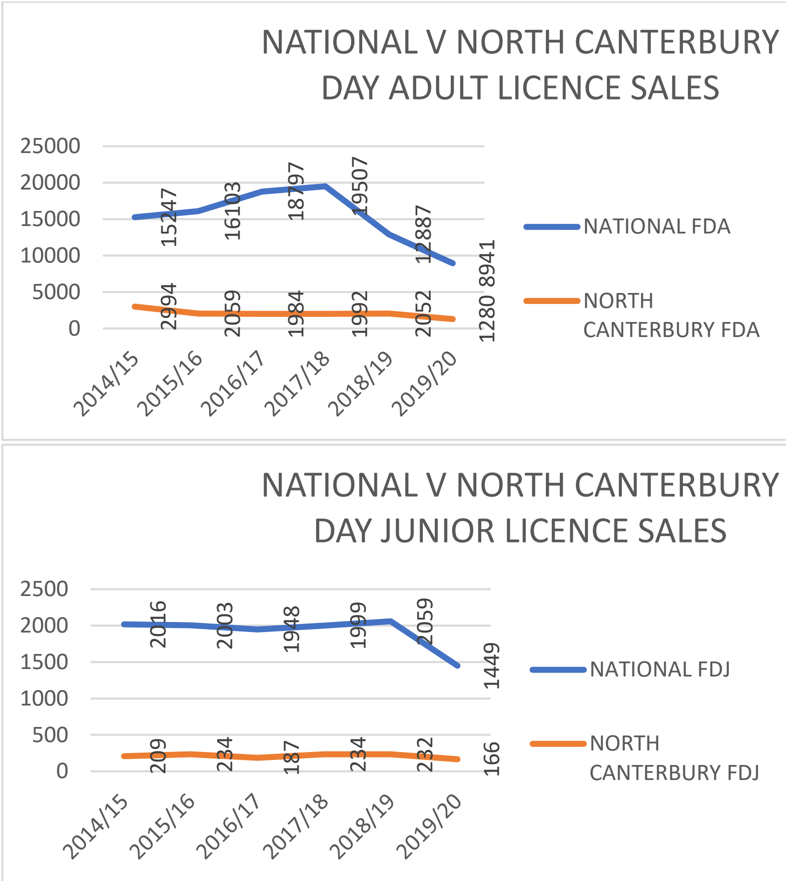


FIGURE 11. Comparison of National vs North Canterbury sales trends for the Winter Adult (top panel) and Local Area (bottom panel) Licence categories.

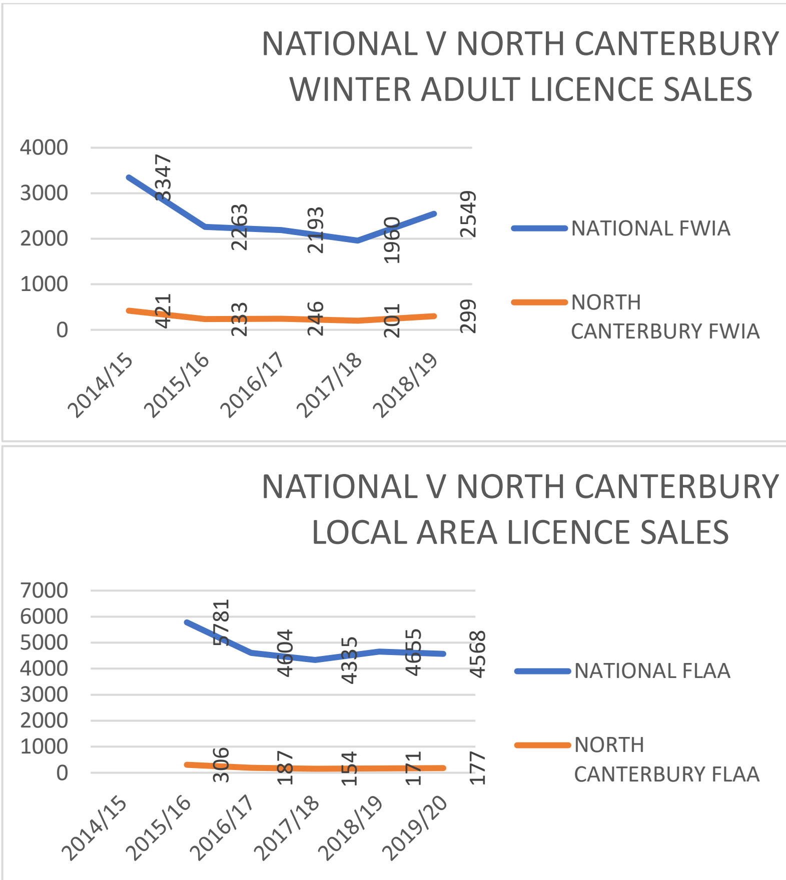
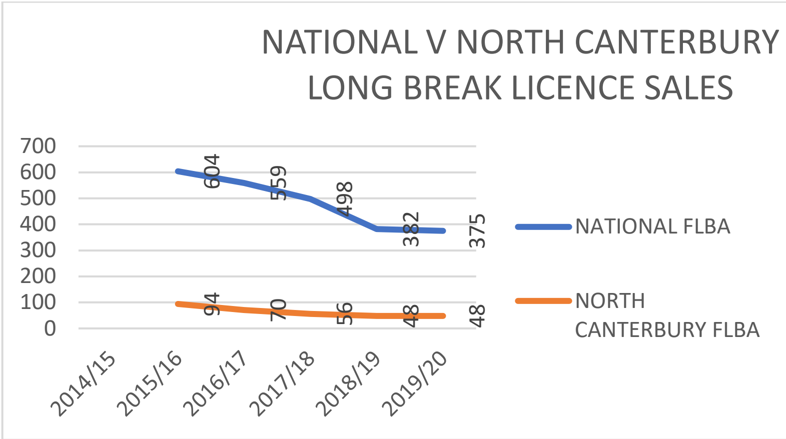
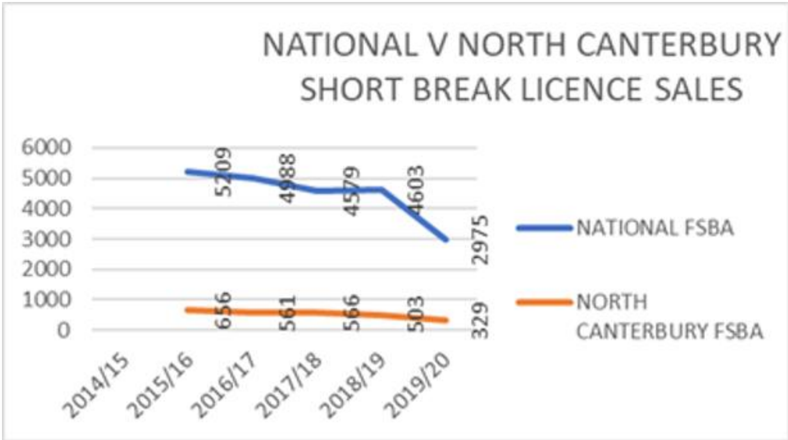


FIGURE 12. Comparison of National vs North Canterbury sales trends for the Long Break (FLBA - top panel) and Short Break (FSBA - bottom panel) Fishing Licence categories.





WHERE DO NORTH CANTERBURY LICENCE HOLDERS COME FROM?

FIGURE 13. North Canterbury Adult Whole Seasons Licence sales trends by district.

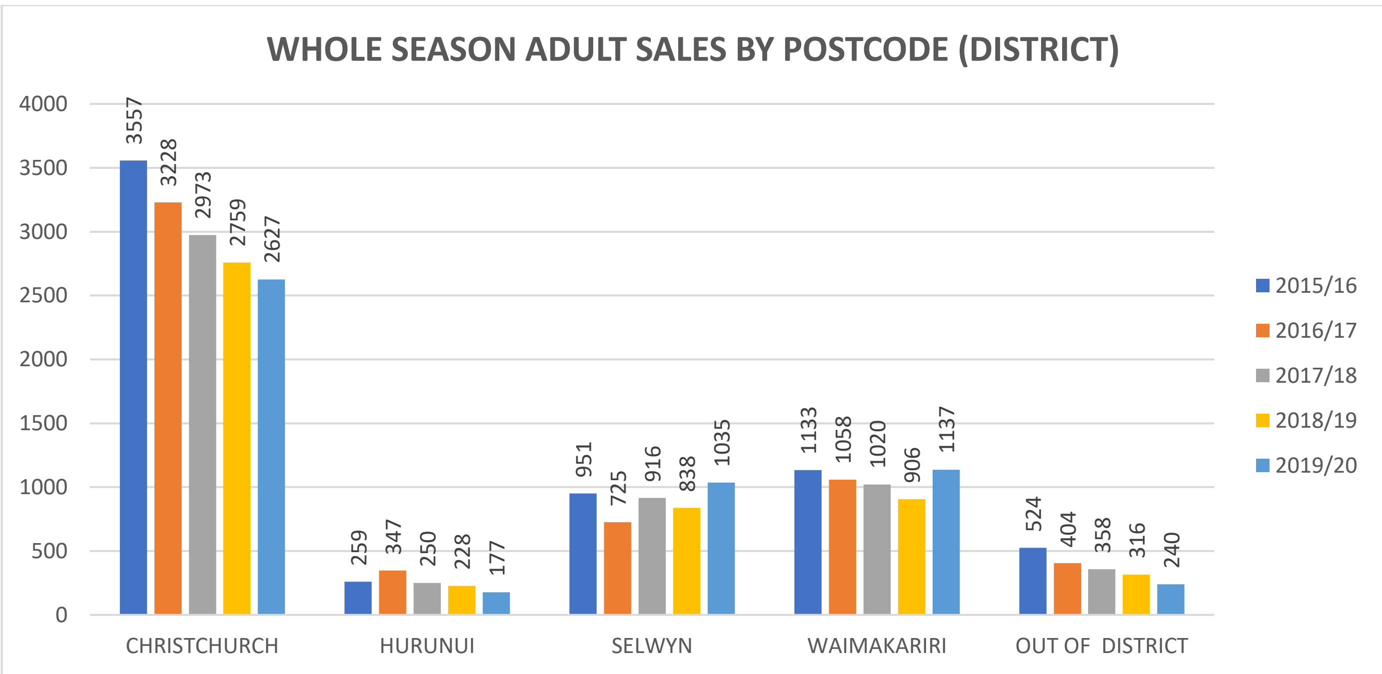
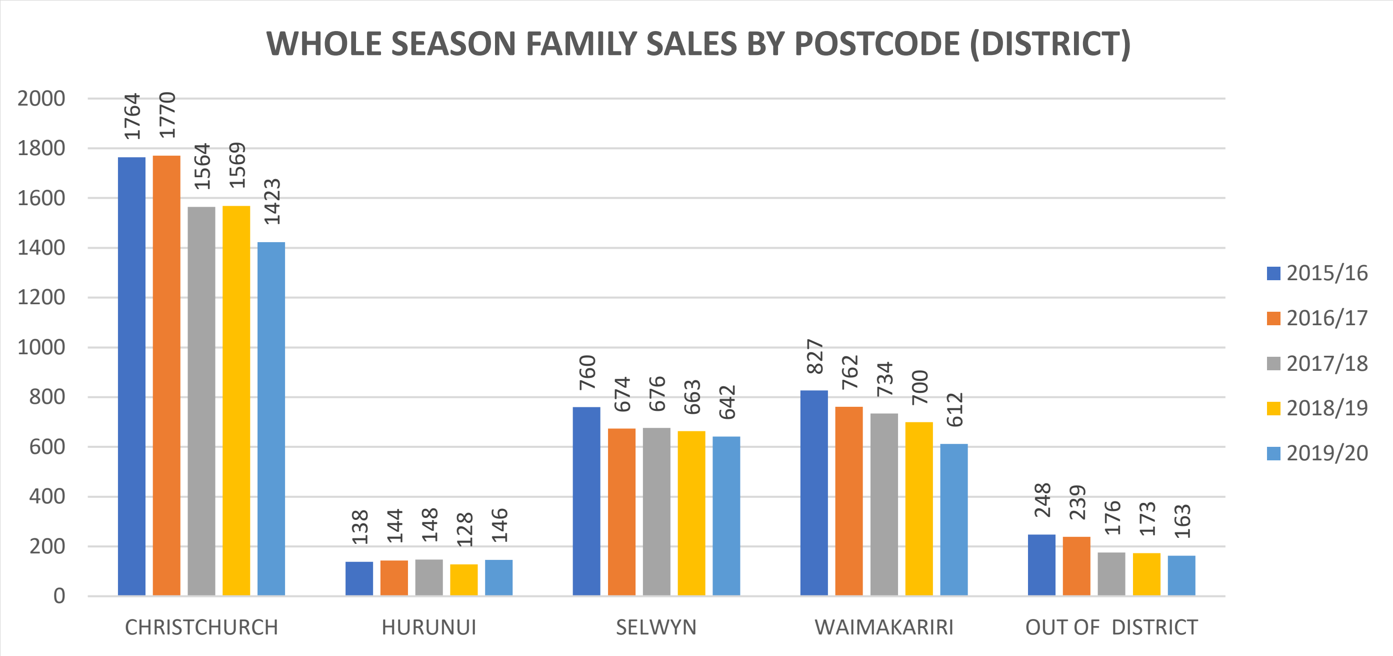


FIGURE 14. North Canterbury Family Whole Season Licence sales trend by district.



If we add 2018/19 Whole Season and Family licences together (this is a complete licence sales season) and compare sales against the populations of each District we can use the percentages of licences sold per District for these two combined licence types as a "% *uptake"* index.

District	Population	No of Licences Sold	% Uptake
Christchurch	399,000	4,328	1.08
Waimakariri	62,800	1606	2.56
Hurunui	12,558	356	2.83
Selwyn	65,600	1501	2.29

9. NORTH CANTERBURY RESIDENTS WHO PURCHASE LICENCES IN THE CENTRAL SOUTH ISLAND REGION

FIGURE 15. Total number of North Canterbury residents that purchase a fishing licence (all categories combined, except international / non-residents) in the Central South Island Region.

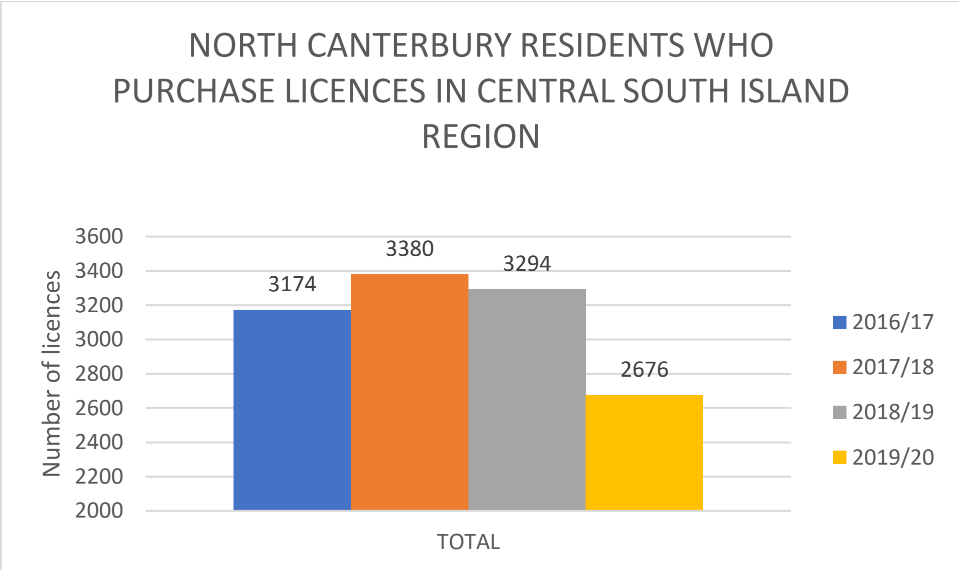
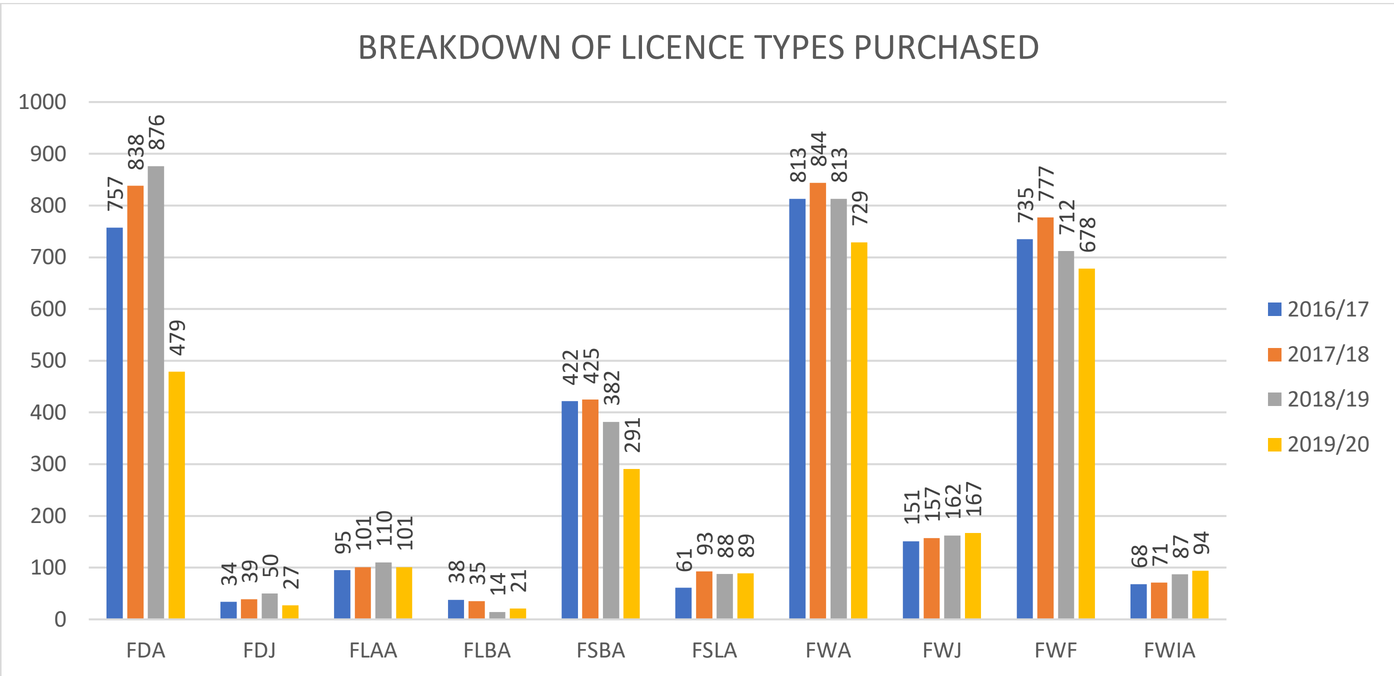


FIGURE 16[1]. Breakdown of licence types purchased by North Canterbury residents electing to buy a fishing licence in the Central South Island region (see Section 3 for abbreviations).



[1] Note figures in this table are to 16 July 2020.

When purchasing their licence online customers / licence holders may be unaware that funds settle with the region they choose. Although some customers do likely intentionally choose to purchase a ‘out of region licence’ for personal or practical reasons. For example, it may be where they prefer to fish / holiday or its perhaps even the region they are aspiring to stand or vote for Council in.

Others are likely unaware that when purchasing a licence outside of their region, those funds will stay in the region where the licence was purchased unless the purchaser specifically specifies their home region.

The Mackenzie Basin Canals are a big draw card to North Canterbury residents, and studies indicate that approximately 30% of anglers fishing in the Canals can be from North Canterbury region (2015-16 angler harvest survey of the Tekapo canal fishery). It is therefore natural to expect that Local Area, Day as well as Short / Long Break Licences likely reflect intentional choices. However, the reason for ‘out of region’ purchases of Whole Season Adult and Family Licences are much less clear.

10. DISCUSSION AND CONCLUSION

In order to ever have a reasonable chance at reversing persistent year-on-year declines in licence sales North Canterbury Fish & Game staff and Council must first identify and understand the key drivers behind observed sales trends.

This report only represents an initial first step analysis. But the information and trends presented have already been helpful to identify further knowledge gaps and start discussions on how increasing promotional efforts PLUS fishing and hunting opportunities (by for example regulation adjustments) may help change the regional trend of ongoing declines in licence sales.

Targeting marketing and promotional efforts at specific areas (e.g. rural districts like Selwyn or Waimakariri) or licence holder groups will improve our ability to measure the outcomes or success rate of such initiatives and investments. Specific examples include targeting email communications containing updates and ‘how to’ information at individuals that purchased three or more Day Licences in the previous season, as well as recently lapsed but previously repeat licence holders from the adult and family licence categories in rural or city district to inform them of seasonal fishing opportunities.

In conclusion it appears very clear that to make any meaningful progress on forming and implementing a successful (and measurable) marketing and business development strategy considerable staff time and effort must be directed at this area. It is likely that while useful initiatives and actions can be identified and implemented, a sustained and large effort by a specialist and dedicated staff member may be the most cost-effective way to make significant progress. As such, if additional regional budget / funding is not provided this initial analysis and discussion paper suggests internal reprioritisation of staff effort and specialist skills may be required.