

Fisheries Outcomes Management Framework

Introduction

1. This paper presents an outcomes management framework designed to help implement an objectives-based management approach for New Zealand fisheries. Objectives-based management will assist decision-makers to set priorities, allocate resources, and monitor progress towards achieving management objectives, desired outcomes, and ultimately the Fisheries Vision.
2. The Outcomes Management Framework (OMF) is a planning and management tool to help:
 - Guide the formulation of outcomes that need to be achieved if the desired Fisheries Vision is to be attained
 - Determine how fisheries management systems and processes can best operate to implement objectives-based fisheries management and achieve the Fisheries Vision (Fisheries Strategy).
3. Implementing the OMF will require collaboration between MFish and stakeholders. Stakeholder involvement in setting the Fisheries Vision and implementing the strategies to achieve it is crucial. The OMF is not intended to cover only those matters within MFish's (the Ministry of Fisheries') direct control and for which MFish can be held fully accountable for.
4. The Managing for Outcomes section of the State Services Commission website (www.ssc.govt.nz) provides material to assist government departments in successfully implementing outcomes based management.

The Outcomes Management Framework and Objectives-Based Fisheries Management

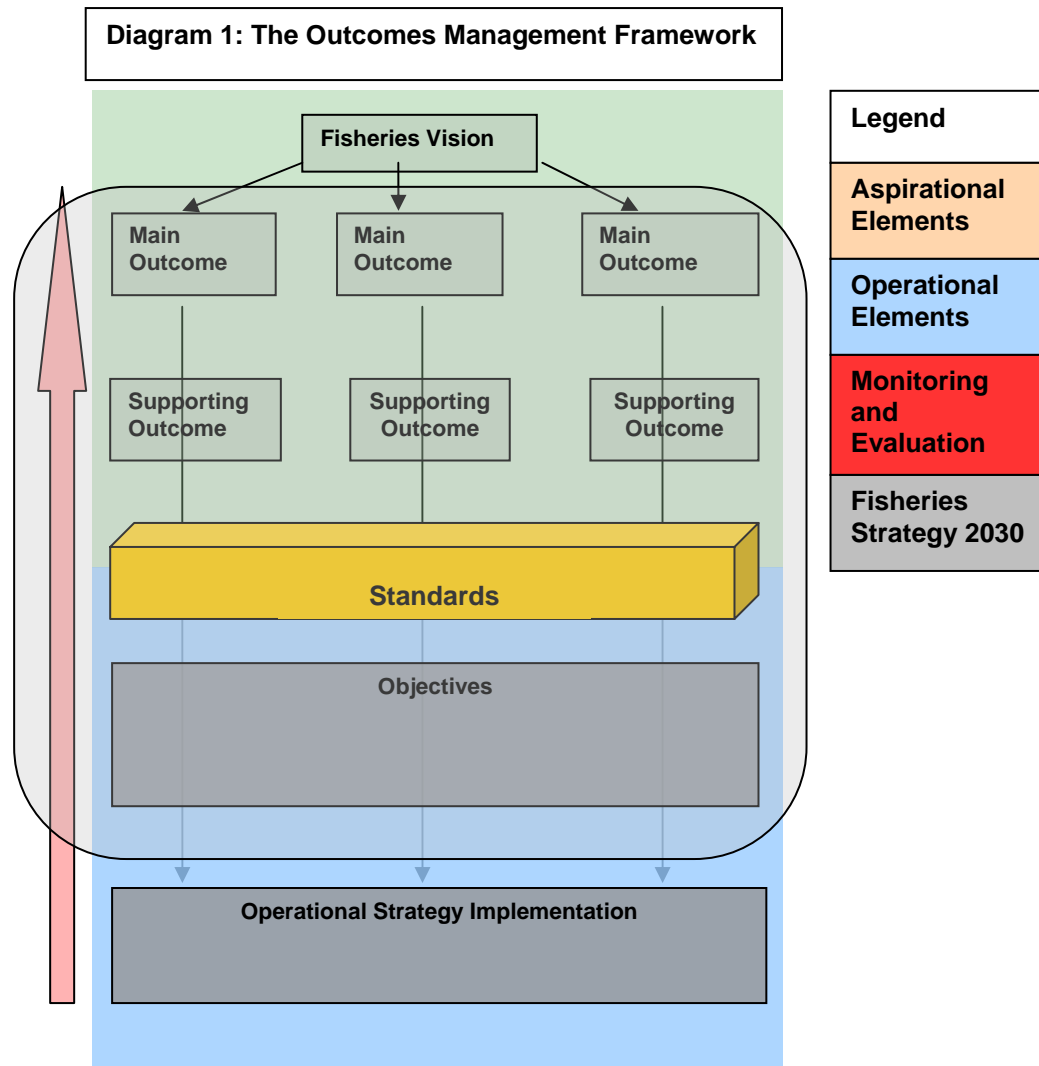
5. Objectives-based management is an increasingly important part of New Zealand's fisheries management regime. The OMF provides the context for developing and implementing objectives-based fisheries management
6. The Fisheries Vision sits at the top of the OMF. The Vision needs to be a statement of aspirations describing what MFish and stakeholders want fisheries management to look like in 20 years. The OMF will help identify the results desired from management, and demonstrate how various levels of management actions will be coordinated through the development and implementation of the Fisheries Strategy to achieve the Vision.
7. The OMF is a mix of aspirational processes (visioning and outcome development) and the strategic and operational processes for delivering them. The OMF work requires identifying a hierarchy of outcomes that need to be achieved if the Fisheries Vision is to be delivered. This hierarchy provides clarity about the goals of management action.
8. Intervention logic provides the narrative to the OMF. Intervention logic describes the assumed cause and effect relationships between desired outcomes and outlines why specific choices have been made, and the assumed impacts these choices have compared to others. The intervention logic also needs to set out the factors

considered when identifying and selecting strategies to achieve outcomes, and the assumed impact of those decisions.

9. Despite these assumed cause and effect relationships, there is still likely to be some uncertainty about the exact nature of the links between the different levels of the OMF, and the nature of the impact a particular management intervention will have. Intervention logic needs to explain why some risks arising from such uncertainty may have been addressed through specific management action, while no action may be proposed to address other risks.
10. Regular assessment of the validity of the assumptions, as part of the defined monitoring and evaluation process, is necessary to determine whether fisheries management is achieving its intended goals, including the desired Vision.

Elements of the Outcomes Framework

11. An overview of the OMF is provided in Diagram 1. The diagram illustrates the relationship between key elements of the objective based management approach over a 20 year timeframe. The diagram demonstrates the importance of standards in providing a key linkage in the OMF between outcomes (the aspirational) and objectives (operational) and the role monitoring and evaluation plays at every level of the OMF. Performance in achieving outcomes will be influenced by a range of external events (e.g. the state of the economy, climate change). It will generally be easier to monitor and evaluate MFish's particular contribution towards desired outcomes for lower levels of the framework but it is important to assess performance at all levels.



12. This section provides more information on the aspirational components of the OMF and standards. Subsequent sections provide more information on the development and implementation of the strategies to deliver on the Vision, and the necessary monitoring and evaluation processes.

Vision

13. The Vision is to be a statement of aspirations describing a desired future for 20 years' time. It is important that the Vision has a high level of stakeholder support. Therefore stakeholders must be involved in developing the Vision.

14. The development of the Vision, outcomes and high level strategy needs to be informed, while not constrained, by the existing high level government policy and legislative framework.

Outcomes

15. Outcomes translate the Vision into more specific result areas for fisheries management. They describe the results desired by society (including tangata whenua and fisheries stakeholder groups) from fisheries management at a national level and are not specific to particular fisheries. For effective implementation the OMF suggests two layers of high-level outcomes: main outcomes, and supporting outcomes.

16. **Main outcomes** are high-level aspirations about what needs to be achieved if the Vision is to be achieved. Main outcomes are relatively generic and are difficult to monitor due to their lack of specificity. It is likely that there will be relatively few main outcomes. Main outcomes are unlikely to change in the medium term.
17. **Supporting outcomes** describe high-level aspirations as a range of ‘desired results’ across the social and physical environment which must be achieved if main outcomes are to be met. Supporting outcomes need to be defined tightly enough to allow monitoring and evaluation; to guide standards development; and to support realistic objective setting and implementation. Supporting outcomes should be reviewed periodically to test whether they are still relevant to achieving the Fisheries Vision.

Standards

18. Standards link the aspirational elements of the OMF with the operational aspects of fisheries management. Standards will be a key guide for developing objectives and operational strategies as they specify minimum levels of performance required to achieve outcomes. The development of all objectives and operational strategies will be required to meet relevant established standards.
19. Standards will be established for all matters identified as essential for achieving outcomes. Standards will generally have a national focus, and will apply to both operational performance (ends) and process (means).
20. The standard setting process will be very influenced by existing legislative requirements. However, the standard setting process also encompasses the range of policy work that occurs through different business units within MFish (Policy, International, Operations, etc) that can ultimately amend, or provide clarity around, legislative requirements and, consequently, standard setting. The policy work supporting standards development is the first step in moving from the aspirational to the operational component of the OMF.
21. However, even this policy work, including standards development itself, is likely to be governed by some process standards (e.g. consultation standards, decision-making standards, etc).

Specificity of Standards

22. Standards must be set within any relevant legal requirements. That is, where there are already relevant legal minimum requirements established, these must be “bottom line” for setting standards. However, standards can also be set;
 - Where the law provides discretion within which a decision-maker can operate; and/or
 - Where a higher level of performance than the legal minimum is required to meet agreed outcomes.

In both cases the standard will reflect a specific policy position intended to align with the supporting outcomes, outcomes, and, ultimately, the Vision established under the OMF.

23. It is critical that standards are set at an appropriate level of specificity. Standards should provide the flexibility for MFish and stakeholders to identify and pursue strategies which allow them to achieve their own objectives while also achieving

the shared outcomes for New Zealand's fisheries. If standards are too prescriptive they are likely to unnecessarily stifle the innovation that creates alternative management options to address changes in fishery performance. However, if not prescriptive enough, they may fail to adequately constrain objectives which, while meeting some stakeholders' desires, may undermine achievement of the Vision.

Approval of standards

24. Standards will be set by the Minister of Fisheries after consultation with fisheries stakeholders. Given the influence that standards are intended to have, it is important that the process of developing and setting them generates a significant degree of public and stakeholder acceptance. Having a good process for standard setting may increase public support for fisheries management and reduce the level of opposition from fishers. However, because standards will constrain fishing behaviour, it is unrealistic to expect all standards to be widely supported by fishers.
25. Standards will either reflect legislative requirements or are levels of performance that MFish believes cannot be breached without compromising achievement of outcomes. Given the importance of standards, consideration needs to be given as to whether standards need to be specifically recognised in legislation. Without such recognition, there may be a risk that stakeholders could challenge any management decisions that have been based on meeting standards on the grounds that established standards have no legal standing.
26. Beneath standards may be other requirements that reflect current management (i.e. existing rules, regulations, etc). While they remain in force, these requirements will restrict fishing activity. However, if not explicitly recognised as a standard by MFish, these requirements must be considered as subject to change. Therefore, provided appropriate process standards are met, it would be open for these requirements to be amended as part of an operational strategy to better achieve defined objectives and fisheries outcomes.
27. MFish is likely to continue to develop organisational procedures alongside standards. Organisational procedures will outline the approach MFish plans to use to meet specific standards.

Process for Implementing and reviewing standards

28. Ideally, standards should be developed once the Fisheries Vision, main outcomes and supporting outcomes have been determined. However, MFish has already developed some standards. These standards are consistent with the current main outcomes and current national goal.
29. Standards will be reviewed on a five yearly basis as part of the wider OMF monitoring and evaluation process. The existing standards will need to be reviewed once new outcomes are developed. Review at this time will also ensure standards are set at an appropriate level of specificity, as described above.

The Outcomes Management Framework: Key processes for delivery

30. There are 3 key processes involved in developing and implementing an OMF:
 - Vision and outcomes development
 - Delivering the Fisheries Vision

- Monitoring and evaluation

A) Vision and Outcomes development

31. The OMF exists in a wider socio-political context. This context both enables and constrains the development of objectives-based fisheries management. This context is influenced by the following factors:

- **Government policy, priorities and strategies** that set out the government of the day's desired high-level outcomes for NZ society.

While fundamental policy settings can potentially change with each change in government, the reality is that such change occurs less frequently. Most political change involves changes to the emphasis of activities rather than a wholesale philosophical shift. In the absence of such shift, the policy framework guiding day-to-day management remains largely consistent over political administrations.

- **Legislative Context** - Legislation implements government policy. This hierarchal relationship between policy and legislation becomes more significant when Government makes a fundamental philosophical shift. While the process for developing a Fisheries Vision will need to be cognizant of existing legislation, the long-term nature of visioning means that the potential for significant legislative change should not be precluded if such change could better deliver the vision for New Zealand's fisheries.

Although the primary legislation governing a specific area of activity (in this case the Fisheries Act 1996) will be the major legislative driver at this level of vision formulation, the wider legislative framework (and international obligations) also need to be considered.

- **Stakeholders** - MFish believes that the aspirational components of the OMF should be shared by all who have an interest in New Zealand's fisheries management. It is therefore vital that all stakeholders can be involved in developing the vision and outcomes and that there is a good level of stakeholder support for the final product.

Stakeholders include:

- MFish. Although a government agency it is important to recognise MFish's role in policy formulation, relationship management, monitoring performance, and in essence being the guardian of New Zealand's fisheries resources over time.
- Other government agencies including the Department of Conservation, the Ministry for the Environment, the Ministry of Economic Development, the Treasury, Ministry for Research Science and Technology, Biosecurity New Zealand, local government, the Parliamentary Commissioner for the Environment, and the Office of the Auditor General.
- Tangata whenua who have a special relationship with fisheries resources that is recognised in the Treaty of Waitangi (Fisheries Claims) Settlement Act and the Fisheries Deed of Settlement.
- Groups who harvest fisheries resources: tangata whenua, commercial fishers (and related industries) and recreational fishers. Marine

farmers and those involved in fishing related tourism activities will also have an interest.

- Environmental non-government organisations have a range of interests, including ensuring fishing is sustainable, biodiversity is protected and the needs of future generations are provided for.
- Research organisations with an interest in fisheries resources
- International organisations with an interest in New Zealand's fisheries management regime (e.g. OECD the Organisation for Economic Co-operation and Development)
- Parliament, Ministers, foreign states, and all individuals with an interest in fisheries resources.

B) Delivering the Fisheries Vision

32. The operational aspects of the OMF map out how MFish and stakeholders will develop and implement the Fisheries Vision and how MFish will deliver on its obligations and responsibilities.
33. The OMF is based on the assumption that there will always need to be a government management agency with responsibility for fisheries. That agency will have final responsibility for setting and achieving the established vision and outcomes. Nonetheless, the OMF operates with the clear understanding that stakeholders will play an important role throughout this process. This includes not only involvement in setting the vision and outcomes but also setting objectives to meet defined outcomes and in establishing the operational strategies to achieve those objectives.

Organisational Planning Framework

34. Once outcomes have been determined, it is necessary to develop an organisational planning framework to coordinate and implement the various operational strategies to achieve outcomes, and, ultimately, the Fisheries Vision.
35. The organisational planning framework defines the management processes necessary to enable the setting, monitoring, and amendment of outcomes and objectives at all levels. It will also define the planning processes to be used in setting MFish priorities when allocating limited Government resources.
36. The Organisational Development Programme (ODP) work, which includes a governance work stream, is well underway and appears the most appropriate mechanism to use to develop the planning framework. A key contributor to this process is the work going on to develop a risk management planning framework for the organisation.
37. The ODP will require MFish to assess the practicalities of how to deliver the Fisheries Vision and also assist MFish in priority setting. Prioritisation requires identification and agreement on where, when and how resources can be best deployed to achieve outcomes and ultimately the Fisheries Vision. Prioritisation will involve tempering objectives and adjusting timeframes etc to reflect the capacity of MFish and other stakeholders to deliver on them. Prioritisation should also help identify areas where MFish needs to build capacity.

38. In the short-term there is a need to fit the operational strategies to MFish's existing processes, systems and organisational structure. Implementation anomalies can be managed through identifying and ensuring effective cross business group communication mechanisms are in place. However; in the medium to long-term it may be most productive to more fundamentally re-align MFish's systems and processes, and potentially the organisational structure, to better facilitate operational strategies that can best achieve outcomes.
39. The design of the planning framework needs to incorporate the following:
- An appreciation of scale – The planning framework must be able to consider issues at varying scales. Any management framework that attempts to coordinate all management activities to achieve outcomes, must identify the range and type of objectives that need to be provided for and appreciate that these objectives will vary across different spatial and temporal scales. The planning framework needs to be designed around specific management units that focus the delivery of management activity to achieve specific objectives. Management units will be the lowest level at which specific issues will be addressed.
 - An appreciation of cost – Theoretically there is no limit to the number of intermediate management units created to address issues at varying scales. However, the planning framework needs to appreciate that with increased specificity of management comes increased cost. The Public Finance Act requires consideration of the effectiveness and efficiency of agency expenditure.
 - An appreciation of sequencing – Throughout the planning framework the differing scales of desired results and their interdependence requires management decisions to be sequenced appropriately. For effective planning it is crucial that there is a clear description of each decision maker's discretion in order to avoid inconsistent decision-making that would undermine effective integration of management to achieve outcomes. It is likely that the most appropriate sequencing of decision making establishes the broadest objectives first to establish boundaries within which lower-level objectives and management decisions can take place.
 - An appreciation of risk - Risk assessment is needed to find out the extent of the risk that current management settings will not achieve desired outcomes. Further analysis is required to identify the risk criterion. It may be open to MFish to manage risk at relatively high levels if mitigating these risks would not contribute to the Fisheries Vision being achieved.

Objectives

40. Objectives guide development of the operational strategies required to deliver the Fisheries Vision. The objectives need to be aspirational enough to enable the Fisheries Vision to be achieved but realistic enough so that they do not go beyond MFish's management responsibilities.
41. Objectives need to be SMART (ie specific, measurable, agreed, realistic & time bound) and set to meet relevant standards and achieve supporting outcomes.

42. It has already been noted above, that the differing scale of objectives and their interdependence requires management decisions to be sequenced appropriately. At the highest level, certain business units will be working directly from supporting outcomes to establish high level operational strategies and standards. In these instances, the supporting outcomes can be considered the “objectives” that these groups will be working towards under the objectives-based management approach. This high level work is likely to establish the boundaries within which management decisions to address smaller-scale objectives can be made.
43. Planning processes need to be established to coordinate objectives at different levels so that they meet the requirements established by standards.

Operational Strategies

44. The term ‘operational strategies’ covers the range of strategies that MFish and Stakeholders will develop to achieve outcomes. Operational strategies will be required to meet relevant standards, achieve objectives, and thus contribute towards the Fisheries Vision being achieved.
45. As with objectives, operational strategies exist across a range of scales. MFish’s Fish Plan process is an example of a high scale operational strategy for delivering objectives-based management. This strategy sets the boundaries for how lower scale management will occur to achieve outcomes.
46. Further down the process, individual fish plans will include their own objectives and operational strategies. Identification and development of the objectives and operational strategies in individual Fish Plans will still be driven by outcomes. This process will be assisted by MFish development of standards, which will help ensure these smaller-scale objectives and strategies are consistent with outcomes and that individual fish plans are contributing towards the overall desired result of fisheries management.

Implementation Issues

47. The planning framework will need to include the development of 3-5 year work programmes by MFish business groups. These work programmes will identify business groups’ objectives and the operational strategies necessary to achieve these objectives. Work programmes will also address prioritisation and resource allocation issues identified by the planning process. The 3-5 year work programmes will need to incorporate the development of detailed indicators and performance measures for evaluating progress towards outcomes being achieved.
48. Annual work programmes can then be initiated at the business or sub-business group level. Annual work programmes will need to align appropriately with higher level objectives and outcomes reflected in the 3-5 year work programme. Work programs will also need to be flexible enough to be able to respond to monitoring and incorporate adjustments as needed.
49. Stakeholders will have the opportunity to be involved in development of work programmes through the Statement of Intent and annual planning processes. Involvement of stakeholders in the implementation of work programmes will occur through processes such as the fisheries plans that are being developed to cover all New Zealand fisheries; the national plans that are being developed to manage environmental issues; the development of standards; and on-going policy and operational reviews.

C) Monitoring and Evaluation

50. The successful operation of objectives-based management requires a comprehensive and robust monitoring system, and decision-making processes that effectively use information flowing from that system. Consequently, establishing an effective monitoring and evaluation system is a crucial part of developing the OMF.
51. Monitoring tests the assumptions in the intervention logic that binds the OMF together. Regular assessment of the validity of the intervention logic is necessary to allow the continuous improvement of fisheries management.
52. Monitoring and evaluation will provide an important tool for measuring and ensuring MFish and stakeholders' performance are contributing towards outcomes being achieved. Monitoring and evaluation will inform stakeholders about the state of the OMF at any given time. When outcomes are not being met, monitoring will allow MFish to evaluate whether that problem stems from the policy setting (ie an objective and/or a standard) or is primarily an issue of implementation, and then make the required adjustments.
53. MFish cannot be held fully accountable for the higher level objectives in the OMF. Factors beyond MFish's control (e.g. climate, exchange rates, marine incursions, fuel prices) may impact on achievement of higher level objectives. Achievement of objectives will also depend on behaviour of stakeholders, including other government agencies. However, it is important to gather this information to inform policy settings and documents such as the State of Intent and annual report. Achievement of lower level objectives is more directly influenced by MFish and therefore MFish can be held more accountable.

Implementing a monitoring and evaluation regime

54. The monitoring framework needs to be comprehensive enough to incorporate feedback from every level of management. When establishing a monitoring framework an important first step is to determine how each level of the OMF will be targeted for monitoring purposes, and by whom and how this monitoring will be carried out.
55. The monitoring and evaluation system requires appropriate performance and output measures and indicators to be developed at each level of the OMF. Identifying indicators and performance measures to monitor and evaluate progress towards objectives should be considered when these objectives are being designed and implemented.
56. Implementation of the monitoring and evaluation process operates in the reverse direction to objective setting in the OMF (see Diagram 1). Information gathering on progress towards achieving the identified objectives starts at the lowest level of activity and output and information is aggregated up and across the OMF to build a hierarchal picture of progress towards objectives being achieved. At the lowest level of management activity performance should be the most the most specific and the easiest to measure whereas measures for the largest scale objectives should be less and less specific.