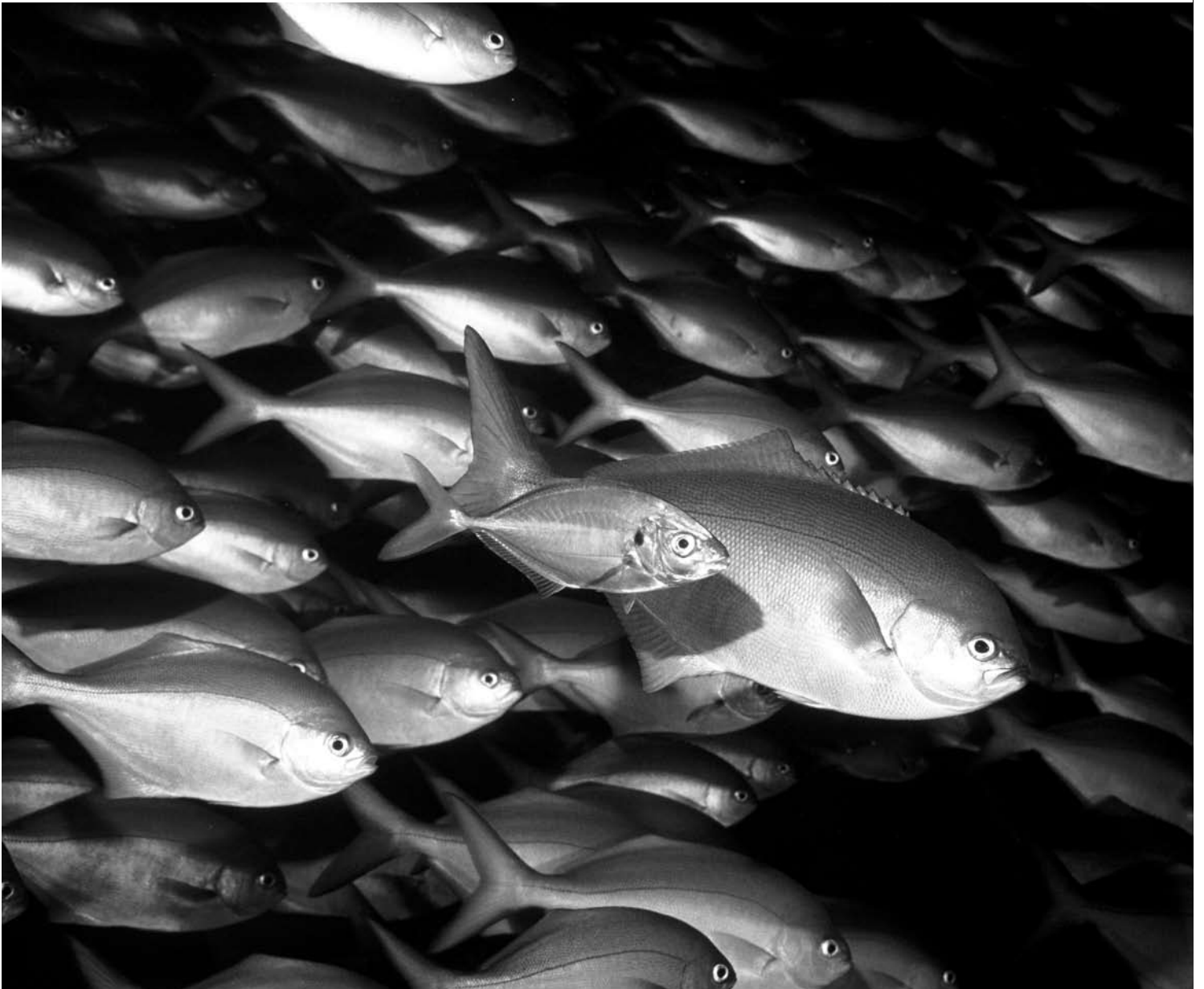




# Statement of Intent

For the period 1 July 2009 to 30 June 2014

*Presented to the House of Representatives pursuant to section 39 of the Public Finance Act 1989*



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## ■ Foreword from the Minister of Fisheries

New Zealand has vibrant and efficient fishing and aquaculture sectors, supports the gathering of kaimoana for customary fishers and provides a high quality fishing experience for amateur fishers. To enable us to maintain and build on our world class fisheries management and obtain the best value from these resources, we need to enhance the health of our fish stocks and the marine environment in which they live.

New Zealand, along with the rest of the world, currently faces very difficult economic conditions. Today, we are responding to those conditions and will seek to grow the New Zealand economy to deliver greater prosperity, security and opportunities for all New Zealanders. It is important we demonstrate fiscal constraint, which is necessary and appropriate in the current economic circumstances. Now more than ever, we must reflect on our activities and services to ensure we are providing value for money in all that we do. We need to consider the range of tools that will most effectively and efficiently achieve our key deliverables.

Improving the efficiency of service delivery from the Ministry of Fisheries will improve the experience of commercial, customary and amateur fishers, and marine farmers, and at the same time

help to reduce the fisheries management costs to industry, and the taxpayer. We also need to find ways to most effectively deliver our fisheries obligations to Māori. Legislative reform may be required to support further improvements in performance of the sector over time. Certainly, in the immediate future, reform to accelerate development of aquaculture is required, to both increase export revenues and provide domestic jobs.

Fundamental to ensuring the health of our fish stocks is to understand the state of those stocks; we need therefore to focus on and improve our stock assessment research. We have to protect our stocks from illegal activities by augmenting frontline compliance efforts. It is also important we enhance our understanding of amateur catch levels to measure their needs.

Engagement with stakeholders is essential, but it should be refocused to ensure that constructive results are achieved. We need clarity of direction and purpose across stakeholder groups, and I look forward to the development and confirmation of Fisheries 2030, a long-term vision and strategic direction for the fisheries and aquaculture sectors.

## ■ Ministerial Statement of Responsibility

I am satisfied that the information on future operating intentions provided by my department in this Statement of Intent is in accordance with sections 38, 40 and 41 of the Public Finance Act 1989 and is consistent with the policies and performance expectations of the Government.



**Hon Phil Heatley**

Responsible Minister for the Ministry of Fisheries

April 2009

## ■ Introduction from the Chief Executive

Our fisheries are a national taonga – fishing and fisheries contribute to New Zealand’s cultural, social, economic and environmental wellbeing and way of life. A critical part of my role as Chief Executive of the Ministry of Fisheries is to provide leadership for the Ministry and New Zealand’s fisheries and aquaculture sectors. By leading the development of Fisheries 2030, we will establish a clear direction and the actions necessary to unlock the future economic potential of those sectors. The fundamentals of our fisheries are sound; now is the time to build on them for the future.

We are committed to delivering quality services and improving the value provided to all for the resources allocated. We will look for all opportunities to reduce costs, improve efficiency and effectiveness and to support the economic development of the fishing industry. We will do this through Ministry/industry initiatives to jointly review specific services and by supporting innovation and collaboration across the sector. In the aquaculture sector we will ensure progress by driving the legislative reform process with the Ministry for the Environment, so that we can help enable industry to meet its target of \$1 billion sales by 2025. Internationally, we will continue to support development opportunities for New Zealand operators and support the establishment of Regional Fisheries Management Organisations with management integrity.

Fish stock health provides the fundamental platform for economic development, and for the enjoyment of amateur and customary fishers, divers and others who value our fish stocks. We intend

to focus on improving our information base, particularly on catch levels in the amateur, commercial and customary sectors, and on improving our understanding of stock status. The development of our Harvest Strategy Standard is an important milestone that will help the sector to improve the management of stocks. Additional standards will be developed to further secure fish stock health and the health of the wider marine environment.

Our relationship with Māori is central for the Ministry, and delivery of the Crown’s obligations to tangata whenua is a key issue. We will work to complete the review of the Treaty Strategy, to progress the implementation of the Deed of Settlement and to address any findings.

Our organisation design review will ensure we can deliver on the Government’s strategic intent, and achieve the resource flexibility and productivity needed to meet changing demands in a time of real budget constraint. The strategic performance framework project and monitoring and reporting on progress will help ensure accountability for results. Ministry services will be delivered with a clear emphasis on value for money. Fisheries 2030 and the strategic performance framework and organisation design projects will be finalised over 2009/10. This current Statement of Intent makes reference to those projects and is designed to deliver on Government priorities over the next 12 months.

I look forward to leading the sector and the Ministry to establish and move towards achievement of the sector’s vision for the future.

## ■ Chief Executive Statement of Responsibility

In signing this statement, I acknowledge that I am responsible for the information contained in the Statement of Intent for the Ministry of Fisheries. This information has been prepared in accordance with the Public Finance Act 1989. It is also consistent with the proposed appropriations set out in the Appropriations (2009/10 Estimates) Bill, as presented to the House of Representatives in accordance with section 13 of the Public Finance Act 1989, and with existing appropriations and financial authorities.



**Wayne McNee**  
Chief Executive



**Paul Laplanche**  
Chief Financial Officer

## ■ Nature and scope of functions

### Role and scope of operations

The role of the Ministry of Fisheries is to:

1. Be the Government's principal adviser on fisheries management.  
In this role, we provide advice on policy and statutory decisions about New Zealand fisheries management and aquaculture, and in relation to New Zealand's position on international fisheries management.
2. Provide or purchase services to maintain the integrity of New Zealand's fisheries. In this role we:
  - provide compliance services, including education, enforcement and prosecution
  - provide observer services
  - purchase research and registry services
  - provide oversight and quality assurance of scientific research
  - collect catch effort, area, method and other information
  - monitor delivery of contracted and devolved fisheries registry services.
3. Discharge the Crown's obligations under the 2004 Māori Aquaculture Settlement and the Treaty of Waitangi (Fisheries Claims) Settlement Act 1992.

The Ministry administers the following legislation:

- Treaty of Waitangi (Fisheries Claims) Settlement Act 1992
- Fisheries Act 1996 (and residual parts of the Fisheries Act 1983)
- Fisheries (Quota Operations Validation) Act 1997
- Māori Fisheries Act 2004
- Māori Commercial Aquaculture Claims Settlement Act 2004.

We also administer many regulations related to managing fisheries within New Zealand and managing New Zealand fishing outside our Exclusive Economic Zone (EEZ).

### Limits or constraints

In performing its functions, the Ministry faces a number of significant limits or constraints. The main ones are listed below.

- Management decisions may need to be taken without full information on the state of fisheries or the consequences of management actions, due to inherent difficulties and costs of research. There are also gaps in the Ministry's catch information base.
- The legal framework is fundamentally sound but there are issues that need to be addressed, including poor integration with other aquatic resource legislation, barriers to managing for best value, means to improve environmental performance, and inadequate incentives for stakeholders to invest in cooperative approaches to manage fisheries.
- The Crown has a range of obligations to Māori; however there is currently a gap between the expectations tangata whenua have of the Crown in respect of delivering on these obligations, and the resources the Ministry has for this work.
- Iwi have a range of interests in the marine environment and within amateur, customary, and commercial fishing – interests that can conflict with each other. If the Ministry does not support the creation of processes to allow iwi to internally reconcile their range of interests, then they are left for the Crown to resolve.

## ■ Strategic direction

### Contribution to Government priorities

Government's priority is to "grow the New Zealand economy in order to deliver greater prosperity, security and opportunities for all New Zealanders". The fisheries and aquaculture sector offers significant economic growth opportunities that will directly contribute to this priority. Aquaculture is New Zealand's fastest growing seafood sector, with significant potential to help boost New Zealand's economic growth. Government is committed to enabling that growth. Government's focus for fisheries management is on:

- reform to support improved performance of aquaculture and commercial fisheries
- front-line compliance, including increasing the number of fishery officers
- research into fish stock status
- implementation of the Deed of Settlement
- addressing information shortcomings, including those necessary to better recognise the interests of amateur fishers.

Government has also called for a focus on efficiency gains and a removal of unnecessary barriers and costs of doing business.

To support economic growth, we will manage New Zealand fisheries and aquaculture to support a globally-competitive, sustainable seafood sector. To deliver this we will:

- implement an improved organisation design structure, including processes and services to ensure the Ministry is well positioned to deliver on the strategic intent in a way that supports more effective operation and delivers value for money. Particular services we will focus on are compliance, research and observers, and the way fisheries are managed
- obtain agreement to Fisheries 2030, a long-term strategy and action plan to unlock the potential of the New Zealand fisheries sector and begin implementation of priority actions
- ensure accountability and value for money by continuing to develop standards and monitoring performance to support objectives-based fisheries management
- lead, with the Ministry for the Environment, the reform of the aquaculture regulatory regime to enable the aquaculture industry to achieve its economic potential
- review and enhance delivery of the Crown's fisheries and aquaculture obligations to Māori

- improve our understanding of and recognise the full range of benefits of fisheries, including a particular focus on the amateur sector
- seek improved international market access for New Zealand seafood through reduction of trade barriers and encouraging certification of products from sustainable fisheries and aquaculture
- monitor and seek to maintain or improve environmental quality and fish stock abundance.

### Strategic goal and outcomes

The Ministry's current goal is to:

**Maximise the value New Zealanders obtain through the sustainable use of fisheries resources and protection of the aquatic environment.**

"Value" covers the full range of values derived from the use of fisheries resources, including economic, social and cultural values. To ensure the greatest value is obtained for New Zealand – both now and in the future – the use of fisheries resources should take place within established and enforced environmental limits, and the uses of fisheries and the needs of different stakeholders should recognise where best value can be derived.

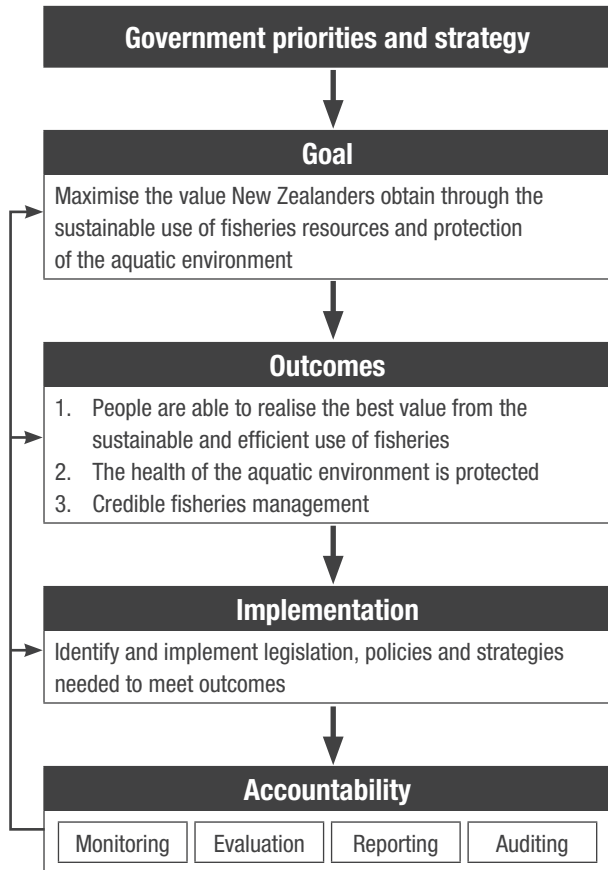
The goal involves achievement of three outcomes:

- People are able to realise the best value from the sustainable and efficient use of fisheries.
- The health of the aquatic environment is protected.
- Credible fisheries management.

To achieve these outcomes and ensure accountability we need to:

- determine how fisheries management systems and processes can best operate to achieve the Fisheries vision
- set priorities, allocate resources and monitor progress against outcomes.

The following diagram illustrates our approach.



The section on Operating Intentions provides more detail on what we are doing to achieve these outcomes.

## Fisheries 2030

The Ministry is currently working with tangata whenua and stakeholders to finalise a direction and strategy for our fisheries for the next twenty years. This builds on the findings of an independent report (Fisheries 2030) by PriceWaterhouseCoopers (PwC), released in March 2009, that proposes a package of actions to unlock the potential of the fisheries sector, which includes aquaculture, commercial, amateur and customary fishing.

Improved specification of results to be achieved will be supported by a comprehensive monitoring and evaluation regime that will reflect our progress in delivering the action plan and ensure accountability of New Zealand fisheries management into the future.

The goal proposed in Fisheries 2030 is:

**New Zealanders maximising benefits from the use of fisheries within environmental limits.**

Fisheries 2030 describes a vision for the future. By 2030, New Zealand's fisheries will be:

- world-leading and recognised for achieving a track record of environmental and commercial leadership and success, both domestically and internationally
- a sector that New Zealanders are proud of, in that they understand that a precious but limited national resource is being responsibly managed, in the interests of all, for both the present and the future
- based on healthy and abundant aquatic environments that are ecologically sustainable, about which we have reliable and dynamic information
- a sector in which there are positive Crown–Māori partnerships, balancing and optimising cultural and commercial value
- profitable and efficient, with a strong focus on long-term economic value
- characterised by high trust and high accountability relationships amongst both use and non-extractive use interests and between stakeholder and rights holder entities and Government
- a dynamic system in which transparent and robust decisions about allocation and trading-off are being made by stakeholders and rights holders themselves, within a more enabling legislative and regulatory framework.

Fisheries 2030 also identifies the following pre-conditions that will need to be in place if the vision is to be achieved:

- all stakeholders having a stake/rights, and associated responsibilities, that are understood and for which people can be held accountable
- clarity around the reciprocal roles and responsibilities of the various stakeholders in the fisheries sector
- a more enabling approach to the creation of economic value from the fisheries sector
- a dynamic, transparent and responsive system of management and harvesting that takes account of wider aquatic ecosystems
- meaningful co-management relationships with Māori within the context of the Fisheries Settlement
- greater confidence and trust between the participants/ stakeholders in the fisheries sector (and between the public and the sector)
- decisions being made on the best available information irrespective of source.

Outcomes and measures that support the proposed goal and vision will also be identified. Subject to Cabinet consideration and approval, the Ministry intends to begin implementing Fisheries 2030 in 2009/10 and expects to have in place a monitoring and evaluation regime to assess delivery against revised and more comprehensive outcomes and our strategic direction by June 2010. Our next Statement of Intent (SOI) will reflect the resulting changes.

## ■ Operating intentions

All of the Ministry's operations contribute towards one of our current three high-level outcomes. Taken together, all of the actions we take towards achieving these outcomes will bring us towards attainment of our goal. Our outcomes will be reviewed during 2009/10 to align them with Fisheries 2030. In the meantime this SOI reports against our existing outcomes.

### **Outcome 1: People are able to realise the best value from the sustainable and efficient use of fisheries**

#### **What are we seeking to achieve?**

Fisheries are valued for a wide range of uses, including customary, amateur, and commercial harvesting, as well as non-extractive uses, such as viewing a healthy aquatic environment. We need to understand the range and extent of those uses and values and enable allocation across different uses so that best value for New Zealand can be realised, now and in the future.

#### **How will we demonstrate success?**

It is difficult to measure best value across the whole fisheries sector. A range of factors that are beyond the Ministry's influence affect value generation. These include the decisions made by individuals to participate in each sector, the state of our economy, and the effects of climate change. While the Ministry cannot control value creation, we can help enable value creation in each sector and across sectors.

We will demonstrate success in our efforts to ensure people are able to realise the best value from the sustainable and efficient use of fisheries by achieving the following performance measures.

- Quota value increases by an estimated \$400 million in real terms by 2014 from the current value of \$3.97 billion.
- Aquaculture revenue is increasing and on track to reach the government goal of \$1 billion by 2025<sup>1</sup>.
- By 2014, stocks comprising 75 per cent by value in the quota management system (QMS) have identified management objectives, and target and limit biological reference points.
- The level and security of access to international fisheries is maintained or increasing.
- Information on amateur and customary catch is improving.

Measures listed under the other outcomes will also help to indicate success for this outcome, and vice versa. For example, measures under outcome 2 are also relevant to this outcome; to ensure best value, we need to maintain the health of the aquatic environment. The third measure under outcome 2, in particular, also supports non-extractive uses and values. Compliance activities also contribute to this outcome (see measures of voluntary compliance under outcome 3).

#### **What will we do to achieve this?**

##### **Understand the full range of values**

The development of Fisheries 2030 will help us understand value across all stakeholders and tangata whenua. It is intended that the direction and actions identified will reflect the range of their values.

Amateur catch information will be improved by implementing charter boat reporting and research to improve catch estimation. Information on customary catch is improving as customary regulations are taken up by iwi. We will gain a better understanding of the values and aspirations of tangata whenua as we help to develop rohe moana<sup>2</sup> plans, which represent the full range of interests for tangata whenua. The issue of unreported commercial catch is being addressed through a joint initiative between the Ministry and industry.

To add to our understanding of value across all sectors, we will measure Ministry expenditure on each activity in relation to the outcomes we're trying to achieve. This will help us ensure we are delivering value for money, and identify areas where a greater effort may be needed to drive toward outcomes.

##### **Achieve best value across fishing sectors**

Rules and regulations protect the value individuals obtain from their use of fisheries. We will continue to carry out education and compliance activities to help ensure that fishers act legally and we will increase frontline activity to provide a greater focus on compliance with fisheries rules and combating poaching.

A review of our policies, legislation and regulations will help us identify areas where we can reduce the legislative and regulatory burden as well as compliance costs, and support improved performance of the sector over time.

The monitoring and evaluation framework is intended to ensure progress is occurring, and the Ministry's organisation design review will result in more effective and efficient delivery.

<sup>1</sup> This supports industry's goal: The aquaculture sector has set a sales target of \$1 billion (2006 dollars) by 2025.

<sup>2</sup> Coastal areas where authorised individuals representing the area are appointed to manage customary food gathering.

### **Achieve best value within each fishing sector**

Fisheries plans provide opportunities to increase value from fisheries and help ensure management services support the achievement of that aim.

We will focus on aquaculture law reform to ensure the sustainable growth opportunities of the sector can be realised, so that aquaculture can make a valuable contribution to New Zealand's economy. We will also work with the industry to help them achieve best value within current and future aquaculture space, through initiatives such as environmental certification and work on regional implementation.

The Ministry wants each sector to be able to get the greatest value from their share of a fishery.

From a commercial perspective, quota value reflects the quality of the management of the fishery, the price of fish and the cost of fishing. While the Ministry cannot really influence the former, we can have an effect on the cost of fishing.

Improving the effectiveness of the Ministry's activities and services, reducing the costs of those services, and reducing business compliance costs will provide greater value to the commercial fishing industry, since they pay for services provided to them through cost recovery. Those costs flow through to quota value.

The Ministry is carrying out collaborative reviews with industry of observer and research services and discarding at sea. Any changes from the review of observer services will be considered, and if changes are recommended, consultation will be held with stakeholders. The review of research services is expected to result in initial improvements by 30 August 2009, with system reform options prepared by 30 November 2009 for consideration. Recommendations on a replacement policy framework resulting from the review of discarding at sea will be provided to the Ministry's Chief Executive during 2009/2010.

The Ministry will also contribute to maintaining the value of quota by ensuring the sustainability of stocks and protection of the aquatic environment as described under outcome 2. Compliance activities will help to protect the value of rights.

To support the export of fish products, particularly to the EU, catch certification procedures for all seafood will need to be implemented. Environmental certification will support greater commercial access to more environmentally particular markets. Negotiations in international forums will help to increase New Zealand's access to international fisheries.

The Ministry will establish "amateur only" fishing areas to enhance the quality of the amateur fishing experience.

To help maximise value for tangata whenua, consultation is underway on the Treaty Strategy. The completed strategy will help identify ways to best deliver on the Deed of Settlement. It will support tangata whenua to realise the diversity of their interests in fisheries – commercial, amateur, and non-commercial customary interests – in an integrated way.

## **Outcome 2: The health of the aquatic environment is protected**

### **What are we seeking to achieve?**

New Zealand's aquatic environment is valuable for many reasons. The Ministry has a legal obligation to ensure sustainability, both through maintaining fish stock levels and managing the adverse effects of fishing on the aquatic environment. The Ministry also strives to promote sustainable fishing internationally, and works with other agencies to address impacts on the marine environment not caused by fishing.

### **How will we demonstrate success in achieving this?**

We will demonstrate success in our efforts to protect the health of the aquatic environment by achieving the following performance measures.

- The percentage of stocks in the quota management system that are near or above target level is maintained or increasing.
- The percentage of stocks that are below the biological limits as defined in the Harvest Strategy Standard is decreasing.
- Fishing-related mortality of protected species – including sea lions, fur seals, seabirds, and dolphins – is within agreed limits.
- A representative range of New Zealand's marine habitats within New Zealand's Exclusive Economic Zone and Territorial Sea ecosystems is protected from adverse impacts of fishing.

### **What will we do to achieve this?**

#### **Use a range of tools to improve the environmental performance of fisheries in a cost-effective way**

We will ensure that fisheries are managed within environmental limits in the most efficient and effective manner, using a variety of tools, including legislation, regulation, standards and incentives (such as education, certification, and research). We will work to address adverse environmental impacts with a minimum of regulation to minimise compliance costs. Setting objectives for individual fisheries (or a group of fisheries) and standards that must be met, gives stakeholders and tangata whenua clarity and direction to develop innovative and cost-effective ways to meet the objectives within those standards.

The Ministry also collaborates with other public service agencies. This includes the Natural Resource Management Network through which we ensure coordinated and more effective and efficient progress towards our utilisation and environmental performance priorities and wider Government priorities in the natural resource sector.

Beyond the Exclusive Economic Zone, the Ministry promotes policy and governance arrangements to ensure sustainable management of high-seas fisheries, consistent with New Zealand's economic interests, and works within international forums to eliminate subsidies that lead to over-capacity.

**Develop environmental standards for fishing and monitor performance**

We set standards to ensure the adverse impact of fishing on the environment and the sustainability of fish stocks are kept at an acceptable level of risk. In the past 12 months, a Harvest Strategy Standard has been developed to guide the sustainable harvest of New Zealand's fisheries. We have in place measures to control sea lion and Hector's and Maui's dolphin mortality. We will develop a standard for incidental seabird capture by the end of 2009. Work is progressing on other environmental standards. We are also implementing a monitoring regime to assess performance against standards, so that changes can be made if new information comes to light or if the standard is not having the expected result.

**Ensure environmental rules are met**

We will use educational and promotional activities to encourage voluntary compliance. Monitoring and inspections, enforcement, and prosecutions are used when necessary, to ensure rules are met and the health of the aquatic environment is maintained.

**Contribute to processes that reduce impacts not caused by fishing**

The Ministry works with other agencies – principally the Department of Conservation, the Ministry for the Environment, and regional councils, and through the Natural Resource Management Network – to influence other departments to take actions to reduce adverse impacts on the marine environment and protected species caused by activities other than fishing, such as sedimentation and pollution.

**Outcome 3: Credible fisheries management**

**What are we seeking to achieve?**

The Ministry's aim is to ensure New Zealanders have confidence in our fisheries management system. Credibility is important for effective management of fisheries, especially when encouraging voluntary compliance with fisheries rules.

Transparency of information and processes is essential for credibility. Tangata whenua and stakeholders need to know that scientific and other information on which fisheries decisions are made is robust. Monitoring against objectives and standards and public reporting on progress ensures accountability for results. Transparency about whether and how we are meeting objectives also provides evidence that the Ministry is achieving value for money.

**How will we demonstrate success?**

Credible fisheries management is a cornerstone to the success of our fisheries management regime. Therefore, achievement in this outcome will be most clearly demonstrated through accomplishments in our other two outcomes.

In addition, the following performance measures more directly signal whether we have succeeded in achieving credible management.

1. Voluntary compliance is increasing, as measured by compliance levels, such as, the ratio of inspections to the number of offences detected. The following are our specific targets.

<b>Commercial fisheries</b>	<b>Compliance level</b>
Vessel inspections (in port, at sea, landings)	≥ 80%
Licensed Fish Receiver inspections	≥ 85%
Monthly Harvest returns monitored, and unfurnished and late returns followed up	100%
<b>Non-commercial fisheries</b>	
Inspections (vessels, vehicles and persons)	≥ 85%
<b>Poaching and black market activities</b>	
Dealer in fish inspections	≥85%

2. Public confidence in New Zealand fisheries management is increasing, as measured by independent surveys.
3. The Ministry has agreed arrangements with an increasing number of iwi for their integrated participation in fisheries management, that is, participation that brings together their iwi and hapū, commercial and non-commercial interests.
4. The Ministry is providing tangata whenua, stakeholders, and other interested parties with high quality, relevant information about our fisheries and about our performance as fisheries managers, in a cost-effective way.

## **What will we do to achieve this?**

### **Develop a long-term strategy in conjunction with stakeholders**

Fisheries 2030 is intended to be a strategy for everyone with a stake in our fisheries. Development of a plan of action that is transparent, shared and supported by stakeholders, tangata whenua and government will provide credibility and act as the driver required to move the sector forward over the next three to five years.

### **Act in accordance with Treaty Principles and the Deed of Settlement**

The Ministry must act in accordance with Treaty principles: the principle of partnership; the principle of active protection; the principle of redress. We must act reasonably, honourably, and in good faith, and make informed decisions.

The Government has committed to specific obligations with tangata whenua, including their input and participation in fisheries management, particularly regarding sustainability decisions that affect their fishing interests. Our Treaty Strategy aims to build better working relationships with tangata whenua and improve the delivery of settlement obligations. The Ministry will also continue to work on reaching Treaty of Waitangi settlements and on implementing the Crown's obligations under the Māori Commercial Aquaculture Claims Settlement Act 2004. Ministry participation in these settlement processes will seek to address Māori aspirations for management of fisheries in a manner consistent with the Deed and wider fisheries management, but also recognising the resources available.

### **Stakeholder involvement and outreach**

The Ministry strives to engage effectively and efficiently with stakeholders to ensure our fisheries management decisions are credible.

We will make use of various tools, such as our website, publications, correspondence, workshops and meetings, to inform and engage with targeted stakeholders on specific issues in a cost-effective way.

### **Development of standards**

The Ministry will progress the development of standards to support transparent and efficient delivery of its services. These standards will underpin accountability and will provide a basis for the development of innovative and effective ways of achieving objectives. Priority will be given to developing those standards required for services.

### **Monitor and report on performance**

The Ministry is currently developing a monitoring and evaluation regime to assess and report on performance. We are concentrating our efforts on the monitoring of outcomes, standards, and fisheries plan objectives. This work will provide the basis for improved accountability and transparency. It will tell us that progress is occurring against our outcomes and our services are delivering value for money.

Departmental output expense	Fisheries policy	Fisheries information	Fisheries operation	Fisheries compliance	Aquaculture settlement
<b>Outcome 1</b> <b>People are able to realise the best value from the sustainable and efficient use of fisheries</b>					
Understand the full range of values	•	•	•	•	
Achieve best value across fishing sectors	•		•	•	
Achieve best value within each fishing sector	•		•	•	
<b>Outcome 2</b> <b>The health of the aquatic environment is protected</b>					
Use a range of tools to improve the environmental performance of fisheries	•	•	•	•	
Develop environmental standards for fishing and monitor performance	•	•	•	•	
Ensure environmental rules are met			•	•	
Contribute to processes that reduce impacts not caused by fishing	•	•	•		
<b>Outcome 3</b> <b>Credible fisheries management</b>					
Develop a long-term strategy in conjunction with stakeholders	•	•			
Act in accordance with Treaty principles and the Deed of Settlement	•		•	•	•
Stakeholder involvement and outreach	•	•	•	•	
Development of standards	•	•	•	•	
Monitor and report on performance	•	•	•	•	•

## ■ Managing in a changeable environment

### Strategic risk management

Strategic decision making involves balancing strategic risks. The Ministry defines strategic risk as:

**The current and prospective risk to fisheries outcomes, the Ministry's reputation and the Ministry's operating capability, arising from strategic choices, improper implementation of strategic choices, or changes to the environment.**

To improve strategic and operational planning the Ministry is implementing an organisation strategic and operational risk management framework, based on ANZS 4360 and identified best practice for linking the strategic and operational risks to the strategic planning process.

The Ministry has established a Risk Assurance Advisory Group (RAAG) as part of its governance arrangements.

The RAAG will monitor and provide advice to the Chief Executive on the Ministry's risk management framework, policies, and procedures.

In 2008/09 a series of workshops identified *strategic* risks for the Ministry. These included risks arising from the Ministry's strategic planning assumptions, a lack of common/shared understanding of fisheries outcomes, and the organisation's ability to respond to change. Ownership of the strategic risks has been assigned to a member of the Strategic Leadership Team, who will lead a process to develop actions to mitigate the risks. The status of the risks and related mitigation actions will be reported to, and monitored by, the RAAG.

The *operational* risk management framework is being piloted in four diverse Ministry operating units. Once finalised, the operational risk framework will be rolled out across the Ministry. The status of operational risks, and related mitigation actions, will also be reported to the RAAG.

### Environmental scan

New Zealand is not immune to global trends. A number of political/legal, economic, sociological and environmental factors, such as climate change, trade barriers, and the lack of an integrated approach to managing ocean resources, have an impact on the Ministry and its services. These are taken into account when the Ministry undertakes its annual planning process. They have also been included in the development of the Fisheries 2030 Strategy. The major influences are discussed in the following paragraphs.

Delivering government services efficiently and effectively, and ensuring they represent value for money is critical to the achievement of Government priorities to grow the New Zealand economy and deliver greater prosperity, security and opportunity for all New Zealanders.

Minimising government costs will mean a reduced impact on the commercial fishing sector, creating the potential for the sector to improve its earnings, employment prospects, and its value to New Zealand. A Ministry delivering effective and efficient services, and with decisions being made on the best information available, will also promote value for the amateur sector.

Fisheries are a significant export earner for New Zealand and it is important that fisheries continue to be managed in a sustainable manner. Sustainability is, and will remain, a key issue, with markets and environmental groups increasingly demanding proof that fisheries are being managed sustainably and that catches are not having a negative effect on future viability.

Increases in population in the developing world and changes in eating habits in the developed world mean that fish is becoming a more valuable food source. The desire to harvest increasing quantities needs to be balanced against the need to set and enforce limits to ensure sustainability. New Zealand's fisheries are well managed and we need to ensure that this highly valued commodity is not overfished or subject to illegal fishing activity. This may require innovative approaches from the sector.

Climate change has the potential to pose challenges for fisheries management and fishing activity. Changes in coastal waters may also have an effect on marine aquaculture.

There is increasing pressure for transparency in fisheries management decision making, but also increasing complexity around the legal framework in which fisheries management is required to operate.

The Ministry already interacts with its stakeholder groups and also with a number of government agencies who have an involvement in fisheries-related issues. These interactions are a key source of information and feedback on fisheries issues and become key inputs into the planning process.

## ■ Organisational health and capability

To fulfil our roles, the Ministry must be efficient and continually improving. The focus of the Ministry's capability development initiatives originates from the Organisational Development Plan (ODP) started in 2006. The objective of the ODP is to ensure that the outcomes in the Statement of Intent are reflected in, and drive, the organisation's structure, systems and processes, priorities, capability development and investment decisions. The ODP represents a significant opportunity to improve the way we operate and is entering its final year.

The major strategies to maintain organisational health and capability are set out below. The tables at the end of the section show the linkages between the strategies and the State Sector Goals.

### Improving stakeholder engagement

The Ministry intends to tighten its focus on the range and nature of engagement with tangata whenua and stakeholders, to ensure that all engagement activity is effective, efficient and provides value for money. We will periodically assess the relative importance and status of our strategic relationships, and ensure that these provide a sound basis for effective and efficient engagement on specific issues.

The Fisheries Act (1996) obliges the Crown to provide for input and participation by tangata whenua. Following formal consultation completed in March 2009, the Ministry will undertake further work to make its processes more effective.

### Organisation design

In early 2009 the Ministry conducted an Organisation Design Review to ensure that it is positioned to play an effective role in fisheries management over the next few years. The Ministry will implement changes as a result of this review over the course of 2009/10, and will also review the outcome to ensure that the benefits expected are being realised.

### Providing value for money

#### Reviewing expenditure

Each year, as part of the development of its output plan, the Ministry reviews its services and the costs of delivering the services. The review is aimed at providing value for money by ensuring the services are relevant to government priorities and are being delivered in an efficient and effective manner, and that the Ministry is able to provide the services from within the approved appropriation.

More recently, the Ministry has undertaken the line by line expenditure review required of all government departments and agencies. Savings of around 7 per cent of Crown revenue were achieved – a significant portion of the Ministry's baseline.

Within this value-for-money review process, the Ministry has indicated to Government reviews of other services that could assist in improving the performance of the seafood sector, and also provide benefit to amateur and customary fishers.

The review of Observer Services Strategy will consider the level of demand for these services and identify cost-effective delivery options. The review commenced in 2008/09, with the aim of having improved arrangements in place by 1 July 2010.

The review of Research Services Strategy will consider opportunities for alternative provision of stock assessments, as well as research planning, tendering and contract management processes and will identify cost-effective options for delivery of research services. Options for reform will be identified by the end of 2009.

### Governance

Appropriate organisational governance is important to achieve good outcomes and efficiently use the resources made available to the Ministry. The repositioning of the Strategic Leadership Team (SLT) in late 2007 provided a new platform of governance in the Ministry. The SLT's objectives are to ensure:

- Clear objectives, performance standards and accountabilities for delivery of the agreed outcomes, outputs and services are in place.
- Maximum value is obtained from taxpayer funds.
- Core operating infrastructure and capability is maintained and developed.
- Appropriate risk identification and management processes are established.
- Governance mechanisms are continually reviewed and adapted to meet emerging needs.

## **Information management and technology**

the priorities for 2009/2010 include collecting better information describing fishing by amateur charter vessels, measuring catch and assessing the interests of amateur fishers, and enabling the New Zealand fishing industry to achieve cost savings as a consequence of being able to submit returns electronically. The Ministry will implement computer systems that will allow it to pull together information from previously separate sources (for example, the commercial fishing industry, fisheries observers, and contracted research), and use the Internet to provide stakeholders, tangata whenua and the public with greater access to fisheries information.

In subsequent years, the Ministry anticipates a continued focus on using the Internet to both gather and provide greater access to information, collecting better information on customary fishing and aquaculture, and migrating half of its older systems onto a more modern technology platform.

## **Competency and capability improvement**

To fulfil our roles, the Ministry must be efficient and continually improving. The Ministry's current capability development initiatives are being refocused to align with the Ministry's Fisheries 2030 project and the Organisation Design Review which began in 2009.

The overarching goal of our People Strategy is to attract, engage and keep good people. In support of continual learning and improvement, competency-based capability development has been adopted throughout the Ministry. Organisational management and leadership development programmes, designed in association with the Leadership Development Centre, are progressing to ensure the Ministry maintains a critical mass of management and leadership capability. Following the development of leadership skills and knowledge in the 2008/09 foundation year, the focus in 2009/10 will be on the establishment of a mentoring programme, Māori skills development activities, and making online development tools available through the Performance and Development module of our Human Resources Information System (HRIS).

The Ministry started using its new HRIS in 2009 to enable improved resource management and utilisation. The roll-out began with reporting tools and the Performance and Development module (including integrated Lominger and in-house resources). Providing managers with up-to-date tools and information will support our focus on building capability and the required competency within the Ministry. This will also help us with succession planning and workforce planning.

All Ministry staff are expected to make an ongoing investment in their skill development and capability growth and they each have a target of at least five days formal training per year. In 2007/08 this investment totalled an average of twelve days per staff member.

The Ministry completed its first Gallup Q12 Engagement Survey with staff in 2008, which has proven to be a useful vehicle for identifying and addressing fundamental issues at the team level. Information from this State Services Development Goal initiative has also been used to improve the level of staff engagement, as defined by Gallup, within the Ministry and the wider public services. The Ministry is scheduled to undertake its second Gallup Survey in September 2009.

Improved internal communications with staff across the wide range of services and locations is a priority and technology solutions will be used that are cost effective and efficient. The Ministry has given transparent communication with staff a high priority in its 2009 Organisation Design Review.

## **Equal Employment Opportunities**

The Ministry completed its Pay and Employment Equity Review in 2008. The review initiated the development of policies on flexible work arrangements and bullying which are scheduled for completion in 2009. The Ministry continues to address issues around disability on the basis of individual needs and actively promotes Māori participation.

### How will we demonstrate success?

During 2009/10 the Ministry will continue to monitor its performance in achieving State Sector development goals through the use of the following indicators.

Goal and goal description	Employer of Choice
	Ensure the State Services is an employer of choice attractive to high performers, who are committed to service and the achievement of results
Indicators	Ministry Intention
Reputation: Perceptions of the State Services as a place to work	Improved internal staff communications, fair and equitable terms and conditions of employment maintained, enhanced induction processes and investment in infrastructure, work tools and staff development.
Staff engagement: Engagement levels of staff in State Services agencies, including perceptions about the effectiveness of development plans, processes and opportunities	Gallup engagement survey work, performance and development processes supported by an HRIS, a leadership development programme emphasising visible leadership and communication, development of capability to meet obligations to Māori.
Chief executive/agency: The extent to which agencies are specifying the competencies they require of their people to meet current and future organisational needs	Extensive use of competency frameworks and competencies in performance and development, and recruitment processes. The Ministry is providing greater clarity of role to staff and increasing the accountability requirements of managers.
Sector: The extent to which a learning and development framework is used across the sector to improve agencies performance	Competency frameworks, needs analysis-driven competency selection, common performance and development processes, leadership and management development programmes to be applied across the Ministry.
Goal and goal description	Value-for-Money State Services
	Uses resources and powers in efficient, appropriate and effective ways
Indicators	Ministry Intention
The extent to which decision makers are taking account of longer-term economic and fiscal impacts of government activities	Maintain the current annual expenditure review approach as part of the development of the Ministry's annual fisheries services plan. Develop strategies for engaging with tangata whenua and stakeholders with an emphasis on ensuring value for money for all New Zealanders. Complete the Observer Services Strategy and Research Services Strategy reviews to deliver cost-effective services in each of these areas.
The extent to which agencies use and publish value-for-money indicators and benchmarks	The Ministry is developing value-for-money indicators and benchmarks.

Goal and goal description	Trusted State Services Strengthen trust in the State Services, and reinforce the spirit of service	
Indicators	Ministry Intention	
Trustworthiness exhibited by State servants	Continue to promote the Ministry values, including integrity, pervasively.	
<p>The extent of New Zealanders' confidence in the integrity of State servants when delivering services. The six elements are:</p> <ul style="list-style-type: none"> <li>• agencies of the State Services have standards of integrity and conduct that meet the State Services Commissioner's minimum standards</li> </ul>	Ensure the updated Code of Conduct is promoted to staff on a regular basis so that all are aware of its requirements.	
<ul style="list-style-type: none"> <li>• agencies of the State Services promote their standards of integrity and conduct</li> </ul>	Promote standards of integrity and conduct through employment-offer material, regular inductions and Fishery Officer training.	
<ul style="list-style-type: none"> <li>• standards of integrity and conduct are integrated into the behaviour of State Servants</li> </ul>	Set clear expectations on appropriate behaviours around integrity and conduct.	
<ul style="list-style-type: none"> <li>• managers model the standards of integrity and conduct in their behaviour</li> </ul>	Set clear expectations for managers on modelling appropriate behaviours around integrity and conduct.	
<ul style="list-style-type: none"> <li>• consequences for behaviour that breaches the standards of integrity and conduct are known by State Servants</li> </ul>	Ensure the consequences for breaches of the Code of Conduct are plainly explained.	
<ul style="list-style-type: none"> <li>• agencies act decisively when breaches occur</li> </ul>	Ensure suspected breaches are investigated and dealt with promptly.	

<b>Goal and goal description</b>	<b>Networked State Services</b> Use technology to transform the provision of services for New Zealanders	
<b>Indicators</b>	<b>Ministry Intention</b>	
<p>Grouping of services/transactions that apply technology to allow an individual – from one place at the same time – to access multiple programmes</p> <p>Channel synchronisation of government transactions – within an agency or across government</p> <p>The extent to which technology supports a user having to give the same information to government only once</p>	<p>The Ministry has a project underway to amalgamate data from multiple sources and make this available, via the Internet, using a wide range of user-selectable viewing tools. A simple concept demonstrator is currently operational, and it is anticipated that the production system will become operational in late 2010.</p>	
<b>Goal and goal description</b>	<b>Coordinated State Agencies</b> Ensure the total contribution of government agencies is greater than the sum of its parts	
<b>Indicators</b>	<b>Ministry Intention</b>	
<p>The extent to which the three dimensions of successful coordination – mandate, systems and behaviours – are present and their use is impacting on results</p>	<p>The Ministry will continue to achieve this through its work with:</p> <ul style="list-style-type: none"> <li>a) the Department of Conservation on a range of fisheries-related issues such as observer coverage, marine reserves, marine protected areas and protection of marine mammals and seabirds</li> <li>b) the Ministry of Foreign Affairs and Trade on international fisheries issues and access to international markets</li> <li>c) the National Maritime Coordination Centre for fisheries compliance activities</li> <li>d) the Natural Resource Management Network to reduce adverse impacts on the marine environment and protected species caused by activities other than fishing.</li> </ul>	
<b>Goal and goal description</b>	<b>Accessible State Services</b> Enhance access, responsiveness and effectiveness, and improve New Zealanders' experience of State Services	
<b>Indicators</b>	<b>Ministry Intention</b>	
<p>Uptake of services</p> <p>Service user's individual circumstances are taken into account</p> <p>User's experience and expectations inform service design and improvement</p>	<p>The Ministry is developing websites with improved interface design and navigation that will more readily enable users to access Ministry information.</p> <p>The Ministry's online web mapping system incorporates options which allow the user to customise the display to meet their needs.</p>	

## Capital Intentions

The Ministry's capital intentions over the five year period from 2009 to 2014 are shown below. The capital expenditure programme covers the routine replacement of motor vehicles and the replacement of vessels for fisheries compliance duties. In addition, there is provision for the building and upgrade of new and replacement information systems, including associated hardware, and replacement of minor plant and equipment necessary to maintain the Ministry's operating environment.

<b>\$000</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/2014</b>
Buildings and leasehold improvements	566	494	0	0	0	0
Office plant and equipment including computer equipment	3,145	2,872	1,787	2,058	1,730	1,730
Motor vehicles	995	1,055	709	661	554	554
Vessels	373	130	0	0	0	0
<b>Total</b>	<b>5,079</b>	<b>4,551</b>	<b>2,496</b>	<b>2,719</b>	<b>2,284</b>	<b>2,284</b>

## ■ New Zealand fisheries at a glance

### Environment

NZ Marine Fisheries Waters (EEZ and Territorial Sea)	4.4 million km <sup>2</sup>
NZ Coastline	15,000 km
Marine species identified <sup>1</sup>	16,000
Species commercially fished	130
Area closed to bottom trawling (fisheries restrictions)	
Territorial Sea	15%
Exclusive Economic Zone	32%
Primary productivity	Moderate with some high
Ecosystems	Diverse
Climate	Sub-tropical to sub-Antarctic

### Quota Management System (QMS) stocks

Species/species complexes in QMS	96
Individual stocks in QMS	628
Proportion of catch (by weight) from assessed stocks <sup>2</sup>	66%
Assessed stocks at or near target level <sup>3</sup>	71%
Allowable commercial take (TACC) <sup>4</sup>	585,685 tonnes
Actual catch	434,327 tonnes

### Commercial Fisheries and Aquaculture

Total seafood export value, 2008 (FOB) <sup>5</sup>	\$1.35 billion
Aquaculture exports <sup>6</sup>	\$263 million
Total seafood exports, 2008 <sup>7</sup>	296,250 tonnes
Total quota value <sup>8</sup>	\$3.97 billion
Persons with quota holding	1,592
Commercial fishing vessels	1,360
Processors and Licensed Fish Receivers	229
Direct employment (full time equivalents) <sup>9</sup>	7,155
Cost recovery levies (fisheries services) and user fees, 2009/2010 (planned)	\$35 million

### Customary Fisheries

Tangata Tiaki appointed (South Island)	112
Tangata Kaitiaki appointed (North Island)	234
Temporary closures	6
Taiapure-local fisheries	8
Mātaítai reserves	10
Customary take provided for within the TAC	4,802 tonnes

### Recreational Fisheries

Estimated participation (as a % of the total NZ population) <sup>10</sup>	31%
Estimated annual take <sup>11</sup>	25,000 tonnes

### Ministry of Fisheries

Budget 2009/2010 (excl GST)	\$99.6 million
Net assets	\$13.3 million
Staff (March 2009) (FTEs)	446
Honorary Fishery Officers (March 2009)	185
Observers (March 2009)	48

- 1 Environment New Zealand 2007, Ministry for the Environment.
- 2 Percentage of stocks calculated by weight and value, excluding squid.
- 3 Remaining stocks are subject to rebuilding strategies.
- 4 Latest complete fishing years (October fishing year 2007/08, April fishing year 2007/08, February fishing year 2008/09). Excludes 14.95 million individual oysters, which are not measured in tonnes.
- 5 Seafood Export Summary Report, SeaFIC, based on export data supplied by Statistics New Zealand.
- 6 Mussel, salmon and oyster exports for the calendar year 2008.
- 7 This includes all product forms (processed and unprocessed).
- 8 Statistics New Zealand. Fish monetary stock accounts, 1996-2008.
- 9 Census 2006.
- 10 Andrew Fletcher Consulting Survey, November 2007. Prepared for Ministry of Fisheries.
- 11 1999/2000 Survey of Recreational Fishing.

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