



Statement of Intent

For the period 1 July 2010 to 30 June 2015

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



New Zealand Fisheries at a Glance

Environment

NZ Marine Fisheries Waters (EEZ and Territorial Sea)	4.4 million km ²
NZ Coastline	15,000 km
Marine species identified ¹	16,000
Species commercially fished ²	130
Area closed to bottom trawling (fisheries restrictions)	
Territorial Sea	17%
Exclusive Economic Zone	31%
Primary productivity	Moderate with some high
Ecosystems	Diverse
Climate	Sub-tropical to sub-Antarctic

Quota Management System (QMS) stocks

Species/species complexes in QMS	97
Individual stocks in QMS	633
Proportion of catch (by weight) from assessed stocks ³	72%
Assessed stocks near or above target level	67.5%
Allowable commercial take (TACC) ⁴	599,126 tonnes
Actual commercial catch	409,449 tonnes

Commercial Fisheries and Aquaculture

Total seafood export value, 2009 (FOB) ⁵	\$1.42 billion
Aquaculture exports ⁶	\$279 million
Total seafood exports, 2009	287,508 tonnes
Total quota value ⁷	\$4.017 billion
Quota holders	1,556
Commercial fishing vessels	1,278
Processors and Licensed Fish Receivers	220
Direct employment (full time equivalents)	5,680

Customary Fisheries

Tangata Tiaki appointed (South Island)	142
Tangata Kaitiaki appointed (North Island)	307
Temporary closures (s186)	6
Taiāpure-local fisheries	8
Mātaihai reserves	10
Customary take provided for within the TAC	4,813 tonnes

Recreational Fisheries

Estimated participation (as a % of the total NZ population) ⁸	19.5%
Estimated annual take	25,000 tonnes

Ministry of Fisheries

Budget 2010/11 (excl GST)	\$103.7 million
Net assets	\$13.3 million
Staff (March 2010) (FTEs)	431.3
Honorary Fishery Officers (March 2010)	208
Observers (March 2010)	51

1. Environment New Zealand 2007, Ministry for the Environment.
2. All species commercially fished, including those outside of the QMS.
3. Percentage of stocks calculated by weight and value, excluding squid.
4. Latest complete fishing year, excludes OYU5, which are recorded as individuals.
5. Seafood Export Summary Report, SeaFIC 2009 calendar year.
6. Mussel, salmon and oyster exports from Seafood Export Summary Report, SeaFIC, 2009 calendar year.
7. Statistics New Zealand. Fish monetary stock accounts, 1996–2009.
8. Sport and Recreation Profile: Fishing, SPARC 2007/08 Active NZ Survey, 2009.

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■ FOREWORD FROM THE MINISTER OF FISHERIES AND AQUACULTURE

New Zealand's fisheries are an important natural resource that contribute billions to our economy every year, provide kaimoana to customary fishers and provide world-class fishing opportunities for amateur fishers. New Zealand's fisheries management is internationally recognised as being world class but there are new and ongoing challenges that must be met to ensure we have healthy fisheries into the future.

The good health of our fish stocks, and the aquatic environment of which they are a part, are critical to maximising the benefits from the use of our fisheries over the long term. Protecting our aquatic environment by setting environmental standards and fostering good fishing practices results in sustainable fisheries and increases that recognition in overseas markets.

Recent years have seen a difficult economic climate that has had a marked impact on New Zealand households and businesses. This reinforces the importance of growing the New Zealand economy so that we can all enjoy greater prosperity, security and opportunity.

A major focus as Minister is on reducing costs to the fishing industry and working with the industry to support further development of the resources we have to maximise the benefits all New Zealanders receive from the use of our fisheries resources. Collaboration with industry on improving the services we provide, through projects such as reviewing research services, contributes to achieving greater efficiency.

We are focused on improving our understanding of amateur catch levels to provide more robust information for management decisions. We are also continuing to increase the frontline Fishery Officer and Honorary Fishery Officer capacity over the next two years.

Cabinet's endorsement of Fisheries 2030, which sets out Government's goal and desired outcomes for the sector, and the related five-year plan of action, provides clear direction and gives certainty to stakeholders about the Government's priorities.

Aquaculture has significant potential for sustainable growth. The Government is committed to helping unlock this potential and supporting the industry in achieving its goal of becoming a \$1 billion a year industry by 2025. The completion of the aquaculture reforms will increase the contribution aquaculture can make to New Zealand's economy through a more coordinated and efficient process to aquaculture planning and development.

Honouring the Crown's fisheries obligations to Māori continues to be a priority and includes supporting iwi in the management of fisheries. We will continue to strengthen our ability to deliver on our fisheries settlement obligations and complete aquaculture settlements.

Fish stocks, especially tuna and billfish, are critical natural resources for Pacific Island countries. The Ministry is increasing its engagement and cooperation with Pacific Island countries as part of a wider Government initiative to maximise the economic and developmental benefits to Pacific Island countries and New Zealand. The sustainable management of the Pacific's fisheries will play an important role and bring lasting benefits to the people of the Pacific.

We have made great progress over the past year and I look forward to our continuing achievements in 2010.

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
Minister of Fisheries and Aquaculture

■ INTRODUCTION FROM THE CHIEF EXECUTIVE

New Zealand's fisheries and aquatic environment contribute to the economic, cultural and social wellbeing of New Zealanders. Our fisheries have been a national taonga for many generations. Fishing is also one of New Zealand's most popular recreational activities, with one in five of us fishing for recreation each year. And in 2009, the value of New Zealand's commercial fish stock quota passed the \$4 billion mark.

The Ministry of Fisheries is responsible for ensuring that while the benefits we get from using fisheries are maximised, we stay within environmental limits so they can be used and enjoyed by generations to come.

We will continue this year to develop standards to set benchmarks for the maximum acceptable level of environmental impact.

We have made progress over the past year in improving the efficiency and effectiveness of our operations. The 2009 organisational re-design better aligned the Ministry to achieve our operational goals and deliver on the outcomes in Fisheries 2030. Those outcomes have been endorsed by Cabinet, and provide strategic direction and desired outcomes for the entire fisheries sector.

As part of our commitment to greater efficiency and effectiveness in the Ministry's operations, we will establish a performance monitoring and evaluation framework that will tell us if we are achieving our outcomes and contributing to the achievement of wider fisheries sector outcomes.

The Research Services Strategy and Research Standard will be finalised, aiming to deliver clear, focused, quality scientific research for fisheries management in an efficient way.

The aquaculture regime is being reformed to increase the contribution that marine farming makes to the New Zealand economy. These reforms will streamline the regulatory processes surrounding aquaculture and prioritise resources across Government to support aquaculture development.

Amateur fishing is also a focus for the Ministry. Facilitation of negotiations for non-commercial fishing areas is being undertaken. Non-commercial fishing areas would enhance the quality of the fishing experience for amateur fishers. Research on amateur catch and the introduction of charter boat catch reporting will increase the information base on which we provide management advice.

Education and enforcement remain key compliance tools to ensuring sustainable use of the fisheries resource.

We will continue to work towards fulfilling the Crown's fisheries obligations to tangata whenua through delivery of the Treaty Strategy and Treaty Settlements process. Development of Fisheries Plans and Iwi Fisheries Plans will also assist in achieving well-defined and transparent fisheries management.

As Chief Executive, I look forward to leading the Ministry as we work to "maximise the benefits from the use of fisheries within environmental limits."

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 (2010/11 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

■ NATURE AND SCOPE OF FUNCTIONS

Role

The role of the Ministry of Fisheries is to:

- > Be the Government's principal adviser on fisheries management.
In this role, the Ministry provides advice on policy and statutory decisions about New Zealand fisheries management and aquaculture, and advice in relation to New Zealand's position on international fisheries management.
- > Provide or purchase services to maintain the effective management of New Zealand's fisheries.

In this role, the Ministry:

- > provides compliance services, including education, enforcement and prosecution
- > provides observer services
- > purchases research and registry services
- > provides oversight and quality assurance of scientific research
- > collects catch effort, area, method and other fisheries information
- > monitors delivery of contracted and devolved fisheries registry services.
- > Discharge the Crown's obligations under the Treaty of Waitangi (Fisheries Claims) Settlement Act 1992, the Māori Fisheries Act 2004 and the Māori Commercial Aquaculture Claims Settlement Act 2004.

An aquaculture business unit, to be established within the Ministry of Fisheries, will be the Government's principal adviser on marine and land-based aquaculture.

Scope of operations

The Ministry administers the following legislation:

- > Fisheries Act 1996 (and residual parts of the Fisheries Act 1983)
- > Treaty of Waitangi (Fisheries Claims) Settlement Act 1992
- > Fisheries (Quota Operations Validation) Act 1997
- > Māori Fisheries Act 2004
- > Māori Commercial Aquaculture Claims Settlement Act 2004
- > Aquaculture Reform (Repeals and Transitional Provisions) Act 2004
- > Driftnet Prohibition Act 1991
- > The Antarctic Marine Living Resources Act 1981.

The Ministry also administers many regulations related to managing fisheries within New Zealand's Exclusive Economic Zone (EEZ) and managing New Zealand's fishing activity internationally.

STRATEGIC DIRECTION

Contribution to Government priorities

The goal and outcomes for the Ministry in this Statement of Intent support and reflect the Government priorities.

The Government's main priority continues to be to grow New Zealand's economy. Fisheries can contribute directly to this goal through greater efficiencies and by gaining greater benefit from the fish we catch and farm. We can support this by enabling economic value creation and reducing costs to industry, while acting to maintain the integrity of the marine environment on which fisheries resources depend.

The Government recognises the importance of New Zealand's natural resources to the economy and the complex nature of natural resource management issues. The interagency Natural Resource Sector Network¹ has been established to ensure that "an integrated, aligned and strategic approach is taken to natural resources development and management across Government agencies".

The Ministry will work constructively with other agencies in the network to provide high quality advice to Government on natural resource issues. The network has developed a shared outcome for freshwater. It states "New Zealand's fresh water is well governed and sustainably managed to realise the maximum benefit possible for present and future environmental, cultural, social and economic values". The Ministry will advise on relevant aspects of freshwater management. This includes the impacts of land-based activities on freshwater quality, which in turn impact on fresh water, coastal and marine fisheries and biodiversity.

Strategic goals and outcomes

The Government's overall goal for the fisheries sector, as stated in Fisheries 2030, is:

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

This goal recognises the different benefits New Zealanders gain through the various uses of fisheries resources but reminds us that ultimately we are constrained by the environmental impact of our activities.

The two fisheries sector outcomes and their supporting outcomes are:

- > **Use outcome** – fisheries resources are used in a manner that provides greatest overall economic, social and cultural benefit:
 - > an internationally competitive and profitable seafood industry that makes a significant contribution to our economy
 - > high-quality amateur fisheries that contribute to the social, cultural, and economic well-being of all New Zealanders
 - > thriving customary fisheries, managed in accordance with kaitiakitanga, supporting the cultural well-being of iwi and hapū
 - > healthy fisheries resources in their aquatic environment that reflect and provide for intrinsic and amenity value.
- > **Environment outcome** – the capacity and integrity of the aquatic environment, habitats and species are sustained at levels that provide for current and future use:
 - > biodiversity and the function of ecological systems, including trophic linkages, are conserved
 - > habitats of special significance to fisheries are protected
 - > adverse effects on protected species are reduced or avoided
 - > impacts, including cumulative impacts, of activities on land, air or water on aquatic ecosystems are addressed.

Sound governance arrangements that are well specified, transparent, and which support cost-effective and accountable decision-making are necessary conditions to delivering on the strategy and achieving these outcomes. The key governance conditions are:

- > The Treaty partnership is realised through the Crown and Māori clearly defining their respective rights and responsibilities in terms of governance and management of fisheries resources.
- > The public have trust and confidence in the effectiveness and integrity of the fisheries and aquaculture management regimes.
- > All stakeholders have rights and responsibilities related to the use and management of fisheries resources that are understood and for which people can be held individually and collectively accountable.
- > We have an enabling framework that allows stakeholders to create optimal economic, social, and cultural value from their rights and interests.
- > We have an accountable, responsive, dynamic, and transparent system of management.

¹ The other agencies involved are the Ministry for the Environment (chair), Department of Conservation, Ministry of Agriculture and Forestry, Ministry of Economic Development, Te Puni Kōkiri, Land Information New Zealand, together with Treasury, State Services Commission and Department of the Prime Minister and Cabinet.

Ministry Outcomes

The Fisheries 2030 goal and outcomes guide our approach to fisheries management and provide more certainty to tangata whenua and stakeholders as they make decisions about investments and activities. The range and extent of the differing fisheries interests, uses, and values mean that all stakeholders, whether commercial, amateur, or customary fishers, or those with primarily environmental interests, have a role to play in achieving the sector outcomes, and ultimately, the fisheries goal.

We have identified the principal areas in which our activities contribute to the Fisheries 2030 goal and outcomes. The Ministry's contribution to each of the fisheries sector supporting outcomes is as the Government's principal adviser on fisheries management and provider of services to maintain effective management of New Zealand's fisheries.

The inter-related Ministry outcomes are:

- > **Maximise current benefits from the use of fisheries.**
- > **Maximise future benefits from the use of fisheries.**
- > **Better manage the adverse impacts of fishing on the aquatic environment.**
- > **Deliver the Government's fisheries and aquaculture obligations to Māori more effectively.**
- > **Build increasingly trusted and effective fisheries management.**

All the Ministry outcomes are of high importance. There are close connections between each of the outcomes, which have their own particular focus but which must also be balanced against one another to meet the overall sector goal. A balance is required between:

- > short-term and long-term use
- > different forms of use – commercial, amateur, customary, and
- > use and adverse effects on the environment.

The delivery of the five Ministry outcomes as a whole will ensure the Ministry is contributing to achieving the overall goal for the fisheries sector.

The Ministry will strive to achieve these outcomes and be accountable for the activities we contribute to them.

Table 1 sets out the Ministry outcomes with the closely linked fisheries sector supporting outcomes.

Ministry Strategic Priorities

The Ministry has identified its strategic priorities for the next 12 to 18 months which, together with core business activities such as fish stock sustainability rounds, will enable us to make significant progress towards achieving the Government's goal and outcomes for the sector. These priorities include supporting the Government's reform of the aquaculture regulatory framework, development of environmental standards for seabirds and benthic impacts, development of national fisheries plans, improvements in frontline compliance capacity, and implementation of a performance monitoring and evaluation framework.

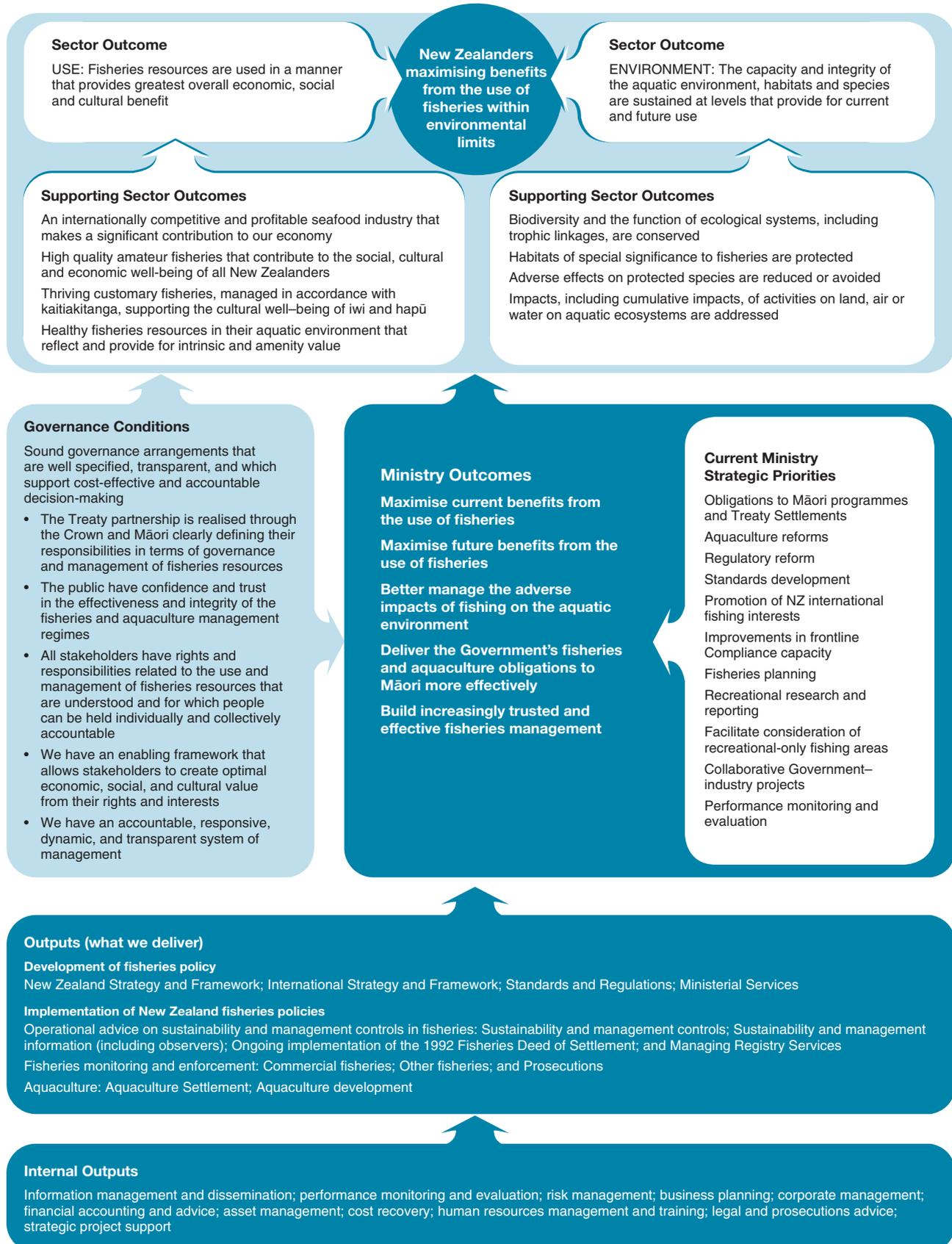
Table 1: Main links between Ministry outcomes and supporting sector outcomes

Ministry Outcome	Fisheries Sector Supporting Outcome
Maximise current benefits from the use of fisheries	<ul style="list-style-type: none"> > An internationally competitive and profitable seafood industry that makes a significant contribution to our economy > High quality amateur fisheries that contribute to the social, cultural and economic well-being of all New Zealanders > Thriving customary fisheries, managed in accordance with kaitiakitanga, supporting the cultural well-being of iwi and hapū > Healthy fisheries resources in their aquatic environment that reflect and provide for intrinsic and amenity value
Maximise future benefits from the use of fisheries	<ul style="list-style-type: none"> > An internationally competitive and profitable seafood industry that makes a significant contribution to our economy > High quality amateur fisheries that contribute to the social, cultural and economic well-being of all New Zealanders > Thriving customary fisheries, managed in accordance with kaitiakitanga, supporting the cultural well-being of iwi and hapū > Healthy fisheries resources in their aquatic environment that reflect and provide for intrinsic and amenity value > Biodiversity and the function of the ecological systems, including trophic linkages, are conserved > Habitats of special significance to fisheries are protected > Impacts, including cumulative impacts, of activities on land, air or water on aquatic ecosystems are addressed
Better manage the adverse impacts of fishing on the aquatic environment	<ul style="list-style-type: none"> > Healthy fisheries resources in their aquatic environment that reflect and provide for intrinsic and amenity value > Biodiversity and the function of the ecological systems, including trophic linkages, are conserved > Habitats of special significance to fisheries are protected > Adverse effects on protected species are reduced or avoided
Deliver the Government's fisheries and aquaculture obligations to Māori more effectively	<ul style="list-style-type: none"> > An internationally competitive and profitable seafood industry that makes a significant contribution to our economy > Thriving customary fisheries, managed in accordance with kaitiakitanga, supporting the cultural well-being of hapū and iwi > The Treaty partnership is realised through the Crown and Māori clearly defining their responsibilities in terms of governance and management of fisheries resources²
Build increasingly trusted and effective fisheries management ³	<ul style="list-style-type: none"> > An internationally competitive and profitable seafood industry that makes a significant contribution to our economy > High quality amateur fisheries that contribute to the social, cultural and economic well-being of all New Zealanders > Thriving customary fisheries, managed in accordance with kaitiakitanga, supporting the cultural well-being of iwi and hapū > Healthy fisheries resources in their aquatic environment that reflect and provide for intrinsic and amenity value > Biodiversity and the function of the ecological systems, including trophic linkages, are conserved > Habitats of special significance to fisheries are protected > Adverse effects on protected species are reduced or avoided > Impacts, including cumulative impacts, of activities on land, air or water on aquatic ecosystems are addressed

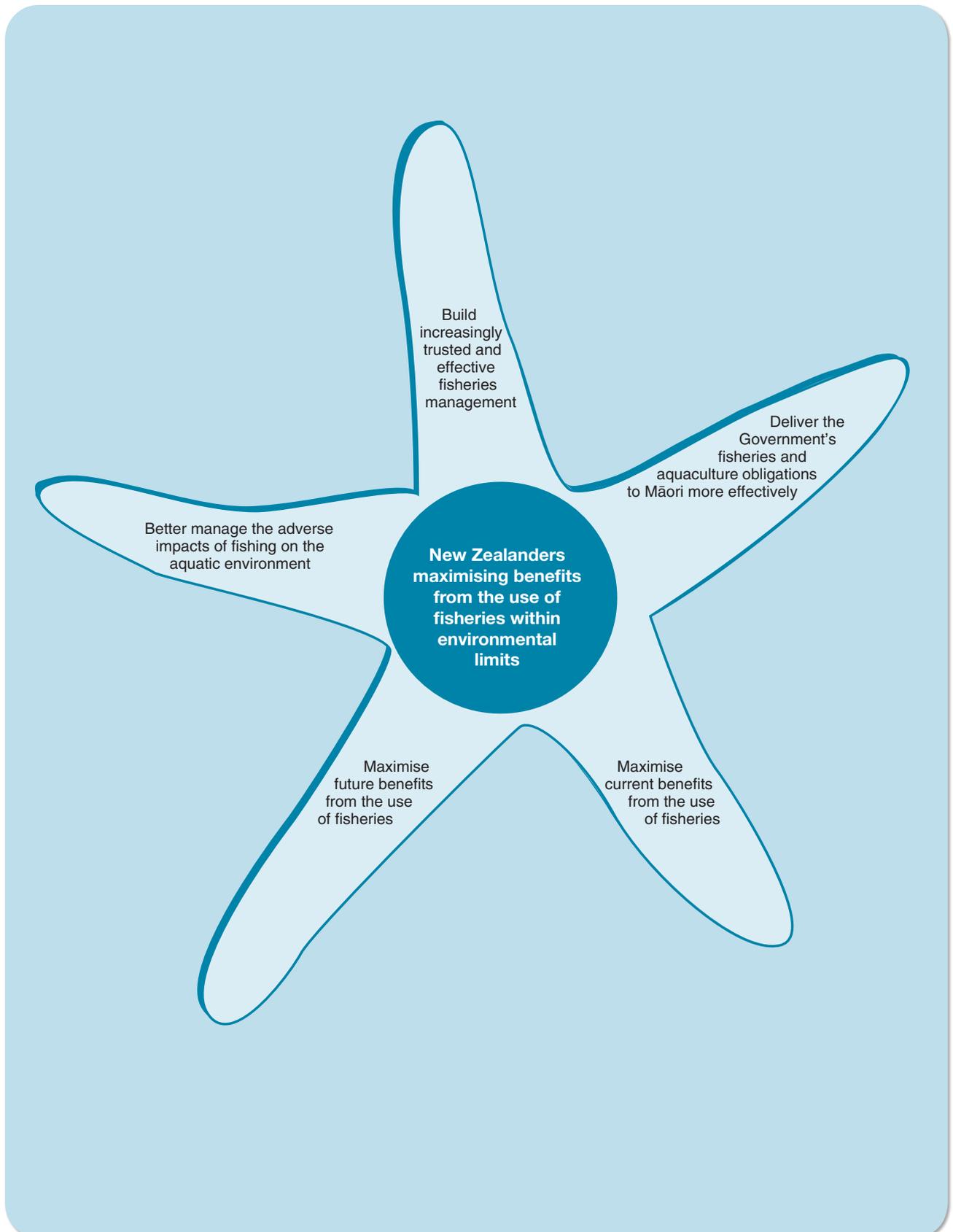
² Fisheries 2030 governance condition.

³ Delivery of activities linking to all of the supporting sector outcomes and governance conditions identified in Fisheries 2030 [see Ministry Contribution to Sector Outcomes diagram overleaf] are key for this Ministry outcome.

Ministry Contribution to Sector Outcomes



Ministry Outcomes



■ OPERATING INTENTIONS

Maximise current benefits from the use of fisheries

What are we seeking to achieve?

Fisheries provide a range of benefits from a variety of uses, including customary, amateur, and commercial catch as well as non-extractive uses, such as viewing a healthy aquatic environment. This Ministry outcome focuses on how we can maximise benefits now, without compromising future benefits. It contributes directly to the four fisheries sector supporting outcomes for use, but also requires a balance to be reached with the environmental supporting outcomes, which relate to sustaining the capacity and integrity of the environment.

How will we demonstrate success in achieving this?

It is difficult to measure benefits across the whole of the fisheries sector because not all benefits are necessarily economic and therefore may be qualitative rather than quantitative. A range of factors that are beyond the Ministry's influence also affect the benefits that can be gained from fisheries. These include the decisions made by individuals participating in each sector, the state of our economy, and the effects of climate change. While the Ministry may not be able to control these factors, we can help enable increased benefits in each sector and across sectors.

The Ministry's success in contributing to maximising the benefits from the use of fisheries can be indicated by:

- > increases in export returns
- > real quota value increases (taking into account other influences such as fuel prices)
- > the increase in value of aquaculture (both overall and by weight)
- > the number of fish stocks that are near or above specified/agreed target levels.

Public perception surveys, such as the biannual Lincoln University study on public perceptions of the state of New Zealand's environment, will also assist in identifying satisfaction with the fisheries management regime more generally and the qualitative benefits New Zealanders are gaining from the use of fisheries. The benefits achieved in customary fisheries are discussed in the following Ministry outcome relating to delivery of Government's fisheries and aquaculture obligations to Māori.

What will we do to achieve this?

The Ministry will continue to provide advice to the Minister on sustainability and regulatory measures that is based on robust information and analysis.

We will develop National Fisheries Plans and assist iwi in developing Iwi Fisheries Plans for the start of the 2011/12 year. The National Fisheries Plans will identify management objectives for fisheries which take into consideration all user groups and which aim to maximise benefits from use of fisheries within environmental limits. The Ministry will effectively prioritise the services we provide to achieve those management objectives. For the year to 30 June 2011, five fisheries plans and annual operating plans will be developed.

To increase the information base on which our advice and management decisions are made, we will continue to facilitate fish stock assessments and undertake other initiatives to gather information. By 30 June 2011, the Ministry expects to have formal stock assessments for 117 fish stocks. In the next 12 months we will improve our understanding of amateur catch levels by developing and implementing charter boat reporting and research. In 2011/12, the Ministry will also pilot and then implement a methodology to improve amateur catch estimation.

If appropriate, more stocks may be introduced to the quota management system, and the Ministry will promote improved environmental performance. We will encourage environmental certification to enable the New Zealand seafood industry to respond to growing pressure for environmental sustainability.

The Ministry will use spatial allocation tools to deliver benefits for different stakeholders within the fisheries sector. These mechanisms include the formation of mātaihai reserves to recognise use and management practices of Māori in the exercise of non-commercial fishing rights. The Ministry will also facilitate recreational, customary, and commercial agreements on the location of significant "recreation-only" fishing reserves as a way of recognising recreational fishing needs.

We will continue to inform New Zealanders of their fishing rights and responsibilities, and enforce the rules and regulations when necessary to ensure the integrity of the fisheries management regime.

The Ministry represents New Zealand in international, regional and bilateral fisheries negotiations in order to advance New Zealand's fisheries objectives, including access to both fisheries and markets. This supports the fisheries sector outcomes of being an internationally competitive and profitable seafood industry. We will continue our cooperation and capacity building work with Pacific Island countries to improve governance over fisheries at a national and sub-regional level in the Pacific for management purposes relating to fisheries access and allocation, and sustainability of the aquatic environment.

The New Zealand Institute of Economic Research has recently assessed policy advice prepared by the Ministry against established criteria. This included an overall assessment and a relative assessment against other agencies as well as recommendations for change. The Ministry will implement these recommendations, which include a capability development programme, ensuring effective quality assessment and assurance processes across the organisation.

Maximise future benefits from the use of fisheries

What are we seeking to achieve?

The Ministry seeks to maximise the future benefits from the use of fisheries. This requires us to consider how fisheries resources might be used in the future, and how to enable maximum future benefits. Two key components of this outcome are supporting long-term economic development and ensuring the ongoing health of fish stocks. The sustainable management of fish stocks underpins all uses of fisheries, today and in the future, and this outcome contributes to the four fisheries sector supporting outcomes for use, while also requiring that the impacts on aquatic ecosystems are addressed, ecological systems are conserved, and habitats of special significance to fisheries are protected.

How will we demonstrate success in achieving this?

Future benefits are not possible to measure today. If we can demonstrate success in delivering maximum benefits within environmental limits over time, we will be achieving this outcome. This requires us to invest in ongoing monitoring and evaluation of those measures indicated under the outcome described above. In particular, we will evaluate performance before and after particular interventions have been implemented, to ascertain the success of those interventions.

One example of this is the current aquaculture reforms. The performance of the aquaculture sector will be monitored to ascertain whether the reforms have resulted in increased benefits.

What will we do to achieve this?

Achieving this outcome is highly dependent on our current management regime. Many of the mechanisms and actions used to maximise current benefits will also affect, and be used to maximise, future benefits. These actions and mechanisms include policy development and fisheries planning, improving information, education and enforcement, international representation, and spatial allocation of fisheries areas. Ongoing regulatory review will also reduce unintended impediments.

Better understanding of the different uses of fisheries resources, and what different groups' aspirations are, will enable the Ministry to do a better job of maximising benefits for each use, and across the different uses. Developing a means for obtaining better estimates of amateur catch and the development and inclusion of Iwi Fisheries Plans into the fisheries management frameworks will assist us in achieving this outcome.

Aquaculture is a key growth area. To support sustainable aquaculture growth the Ministry will provide advice and support for the passage of the Aquaculture Bill. We will complete and implement the national Aquaculture Strategy and the actions identified.

We are working collaboratively with the fishing industry on a number of projects to deliver greater efficiency and effectiveness of service delivery and policy. Three such projects the Ministry will be completing through to implementation over the next 12 months include the Observer Services Strategy Review, Research Services Strategy, and Discarding at Sea.

The Ministry will act to increase the role it plays in public education, not only with regard to people's rights and responsibilities, but also on consumer issues such as the sustainability of particular stocks and species, and the use of particular fishing techniques.

The Ministry will also continue to work with other Pacific states to improve their fisheries management capabilities.

Better manage the adverse impacts of fishing on the aquatic environment

What are we seeking to achieve?

The Ministry seeks to ensure that fishing activity occurs within environmental limits, in New Zealand and internationally. This includes ensuring the sustainability of aquatic ecosystems, including biodiversity, while providing for use and working to protect threatened marine species.

This outcome underpins the creation of greater benefits for all New Zealanders, and will not only ensure fisheries resources and a quality environment are available for all stakeholders, but will also advance New Zealand's fisheries management reputation as being environmentally responsible and sustainable. It contributes directly to the four fisheries sector environment supporting outcomes.

How will we demonstrate success in achieving this?

Success will be gauged by the level of international and domestic recognition of the good management of New Zealand's fisheries and aquatic environment. Quota owners achieving an increasing number of independently environmentally certified fisheries will contribute to that recognition.

Fish stock status will continue to be monitored, as will our performance against any relevant environmental standards. We will also consider the threat status of protected species and the estimated fishing-related mortality of those species.

What will we do to achieve this?

The development of environmental standards is a strategic priority of the Ministry. Specific projects include the development of a Seabird Standard to address the adverse effects of fishing on seabirds, and the development of a Benthic Impact Standard. The Ministry aims to have the Seabird Standard approved by the Minister with implementation occurring within the next 12 months. The Benthic Impact Standard is expected to be completed and approved for implementation in 2011. The Ministry is also developing a Research Standard which seeks to improve and assure the quality of fisheries research. It is expected that the Research Standard will be finalised and released later this year. Performance monitoring will enable us to adjust our activities as needed to ensure we can deliver on this important outcome.

Deliver the Government's fisheries and aquaculture obligations to Māori more effectively

What are we seeking to achieve?

The Crown and iwi have negotiated and agreed specific rights and obligations relating to fisheries and aquaculture in accordance with the Treaty of Waitangi. These agreements are captured in the legislation set out on page 4. This outcome particularly contributes to enabling Māori to participate more fully in the governance and management of fisheries resources, and better realise their economic, social, and cultural aspirations from and for the use of fisheries resources.

The Ministry will provide effective input into the Treaty settlement process and facilitate greater engagement with Māori. This Ministry outcome is a particular priority as it is fundamental to the Government of New Zealand and links to the Government's priority to settle "all historical Treaty of Waitangi claims by 2014".

How will we demonstrate success in achieving this?

One indicator of the Ministry's success in this area will be attaining full delivery, in the specified timeframe, of the relevant settlements that are part of the Office of Treaty Settlements' work programme.

Other indicators will reflect progress in working through the Ministry's Treaty Strategy Obligations to Māori work programme, which will improve input and participation of Māori in fisheries management. The development of an Iwi Fisheries Plan framework, the number of Iwi Fisheries Plans completed and the establishment and representation of iwi within regional and national forums are all measures of success for this programme and in achieving the outcome.

Evidence that kaitiakitanga flows into fisheries management decision making will be an appropriate indicator for the increased input and participation of Māori that we aim to achieve as well as being a clear measure of performance against the Crown's settlement obligations.

Feedback from Māori on the engagement process may also provide an indication of how effectively the Ministry is engaging with Māori on fisheries management.

What will we do to achieve this?

The Ministry will provide advice and input into the Treaty negotiations as required by the Office of Treaty Settlements and wider involvement in other government agency obligations to Māori.

The Ministry's Treaty Strategy, on which the Obligations to Māori work programme is based, outlines key pieces of work within the Ministry to more effectively fulfil our obligations.

The development of the Iwi Fisheries Plans framework and assistance in the development of Iwi Fisheries Plans will help to set fisheries objectives in National Fisheries Plans that reflect the aspirations of iwi, including the regard for kaitiakitanga. By 30 June 2011, the framework for developing Iwi Fisheries Plans will be completed and up to 10 plans developed.

To enable more effective input and participation by Māori in regional fisheries management processes the Ministry is realigning its regular iwi forums to operate within Fisheries Management Areas.

The 2009 Service Delivery Review of the Ministry's obligations to Māori has aligned services to provide a more effective and efficient method for delivery of those services. The service delivery decisions will continue to be implemented over the coming year.

Build increasingly trusted and effective fisheries management

What are we seeking to achieve?

The Ministry is seeking to achieve internationally recognised, world-leading fisheries management. Ensuring that New Zealanders understand their rights and responsibilities and act accordingly requires a trusted and effective fisheries management regime. This involves demonstrating integrity and transparency of decision making, being cost-effective in the services delivered, reducing unnecessary regulatory burdens, and ensuring that all activities align with Government priorities and Fisheries 2030. This outcome contributes directly to all the fisheries sector supporting outcomes.

The Ministry is part of the Natural Resources Sector Network and is committed to taking an integrated approach to natural resources development across Government agencies. This outcome strongly links to the Government's priorities of "removing red tape and improving regulation" and "lifting productivity and improving services in the public sector."

How will we demonstrate success in achieving this?

The Ministry, informed by stakeholders, will develop sector outcome indicators that will be monitored and evaluated along with our performance against Ministry outcomes. Together these indicators will allow us to identify progress in ensuring the fisheries management regime is effective.

The use of public perception surveys, such as the biannual Lincoln University study on public perceptions of the state of New Zealand's environment, can provide a basis for an assessment of the Ministry's performance. Surveys like this, along with monitoring the number of multiple-agency initiatives that the Ministry is involved in, and the membership of New Zealand in international and regional forums, can provide an indication of our success in this area.

Success in the Natural Resources Sector Network will be measured by Ministers' reports that joined-up advice is delivered to them in priority areas of water, aquaculture, environmental governance, climate change and Treaty of Waitangi issues. The quality and level of integration of policy advice should also show improvement over time. The Economy and Environment Principles developed by the Network should also be reflected in advice on key policy issues.

Indicators of the Ministry's success in improving stakeholder understanding of rights and responsibilities will be the number of education sessions held at schools, shows (for example boating and fishing shows) and other venues, the quantity of educational material distributed, and the number of offences committed by people who have previously received a warning from compliance officers. This final indicator will be based on the records of frontline enforcement staff and indicates the proportion of offending that persists after the perpetrator has been informed of their responsibilities.

What will we do to achieve this?

The Ministry is currently undertaking a regulatory review aimed at improving cost-effectiveness and delivering better value for money for service delivery. The Ministry also facilitates the development of Fisheries Assessment Plenaries that are released each year (November and May) containing stock assessment information.

The Ministry is developing indicators for the Fisheries 2030 sector outcomes and governance conditions. These indicators will allow the Ministry to monitor the performance of the sector and identify specific areas which may need to be the focus of further attention for the sector in general, and more specifically, the Ministry. It is intended that the performance management system is fully operational by the end of 2010. Information will be made publicly available, as much as possible, to encourage transparency and trust.

The Ministry will develop a comprehensive set of management objectives to guide fisheries management decisions and the services that the Ministry and others provide. These management objectives will be incorporated into the National Fisheries Plans, which will be publicly available.

As a result of decisions arising from the Organisational Design Review, the Ministry will undertake more effective engagement with stakeholders by focused consultation on specific issues, using ongoing advisory groups, workshops and forums.

The Ministry plays a strong international role in regional forums and the development of international agreements that affect the fisheries sector. This involvement enhances and maintains New Zealand's reputation as a responsible fishing nation.

The Ministry interacts with many agencies and is looking to further increase the consistency of its work with that of other public service agencies. The Ministry will participate in the work of the Natural Resources Sector Network, focusing on forming a common understanding of strategic issues and goals and delivery of those shared goals. This will include participation in the development of a joint discussion paper on marine issues by November 2010.

The Ministry will act to educate stakeholders of their rights and responsibilities. The continued implementation of the "informed and assisted" delivery model seeks to increase the understanding of New Zealanders of their rights and responsibilities before resorting to enforcement actions. Improvements in frontline compliance capacity through an increase in the number of Honorary Fishery Officers and Field Operations staff will help to deliver improved voluntary compliance with the fisheries management framework. By 30 June 2011, there will be 225 Honorary Fishery Officers and 160 Fishery Officers in place to enable more coastline to be patrolled and increase visibility in the community.

■ MANAGING IN A CHANGEABLE OPERATING 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, which arise from strategic choices, improper implementation of strategic choices, or changes to the environment.

A dedicated risk management resource has been established within the Evaluation and Risk Team. The Evaluation and Risk team is updating the Ministry strategic risk policy to incorporate the new international risk management standard, ISO31000. The strategic risk policy will be part of the performance management framework, which will integrate strategic risk management with Ministry performance and planning.

The effectiveness of the strategic risk policy is overseen by the Risk Assurance Advisory Group (RAAG), an internal governance committee. The RAAG monitors and provides advice to the Chief Executive on the Ministry's risk management framework, policies, and procedures.

Environmental scan

A number of global factors – climate change, trade barriers, and the lack of an integrated approach to managing ocean resources – have an impact on New Zealand. In addition there is the clear pressure on the economy as we seek to manage through what has been the most severe world-wide recession in the past fifty years.

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 the resources continue to be managed in a sustainable manner. Sustainability remains 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

The Ministry undertook a major business transformation in 2009 which involved improving public value through two major initiatives: Fisheries 2030 and the Organisation Design Review. Our capability development in 2009 was driven by these initiatives and will continue to align with them.

The development process for Fisheries 2030 identified that while New Zealand fisheries management is amongst the world's best, there is further significant potential to create economic, cultural, social and environmental value through the development of new institutional arrangements and tools. This potential will help to drive a primary sector-led strengthening of the New Zealand economy.

The Fisheries 2030 goal, outcomes and action plans for the sector, change the way fisheries are managed in New Zealand and the way the Ministry operates. The organisation redesign aligned the Ministry with Fisheries 2030 and positioned the Ministry to deliver on Government priorities and improve agency performance both now and in the future.

The Ministry is actively encouraging and supporting staff to engage with the new direction, including a better understanding of their personal contribution to Fisheries 2030. The new way of working emphasises delivering against expectations, measuring delivery, and working together to achieve Government priorities and Ministry outcomes.

Features of the organisation design include:

- > Greater clarity of purpose and direction for the sector and the Ministry with the development of a long-term goal and a five-year action plan, both endorsed by Cabinet.
- > The creation of a strategically aligned and more functionally integrated organisation to deliver better, more targeted, services to tangata whenua and stakeholders at lower cost to all parties. This includes new approaches to engagement and fisheries management systems.
- > A greater focus on outcomes rather than processes.
- > A more agile organisation, with the ability to deploy resources more flexibly and quickly within a reduced baseline to where they are most needed.
- > The Strategic Leadership Team focused on whole-of-Ministry outcomes.
- > Fisheries management as the axis of the Ministry's business model. The new model requires a full commitment to objectives-based fisheries management, with the fishery managers becoming the budget-holders for scientific research, compliance and observer services.
- > Streamlined fisheries planning processes to deliver objectives-based management. Five National Fisheries Plans are now

being created with chapters for specific fisheries or locations as required. The new framework will take full effect from 1 July 2011 for the start of the next fishing year, and will inform the specification of Fisheries Services.

- > The creation of a Deputy Chief Executive Treaty Partnership and Obligations to Māori role to support the Strategic Leadership Team in meeting obligations to Māori as a Treaty partner.

The organisation design review, effective from 1 October 2009, saw the creation of approximately 70 new roles and the disestablishment of approximately 90 roles. It set in motion the clarification of accountabilities and responsibilities for the majority of roles in the Ministry. New position descriptions were prepared for approximately 50 percent of the Ministry's roles and this figure will reach 80 percent of the Ministry's roles by 2011. The position descriptions are helping the Ministry identify future competency requirements that can be targeted in recruitment and development.

Staff Numbers and Turnover

As at 31 March 2010 the Ministry had 441 permanent and fixed-term staff, totalling 431.3 FTEs. Annualised core unplanned turnover was 6.9 percent as at 31 March 2010. For the year ending 30 June 2009 the core unplanned turnover rate for the core Public Service was 11 percent; for the Ministry the comparable figure was 6 percent.

An active recruitment programme is under way to ensure staffing levels are at or near the establishment level.

Value for Money

Providing value for money is a key consideration for the Ministry. Our annual expenditure review forms an integral part of the Ministry's annual planning and budgeting cycle for both the Statement of Intent and the Fisheries Services Plan. The revised fisheries plans model includes an amended approach to engagement and a focus on delivering objectives.

The Ministry has reviewed how to allocate resources to deliver on its obligations to Māori consistent with organisation design decisions. The Obligations to Māori Service Delivery Review has created a new model for cost-effective delivery of fisheries services to iwi. The new organisational arrangements will be effective from 1 April 2010.

The Ministry is following up on the 2009 organisation design review with a targeted review of Organisation Services, which will focus on ensuring effectiveness, efficiency and value for money in the services delivered to the organisation. A final decision from this review will be made before 30 June 2010.

The Observer Services Strategy and Research Services Strategy reviews are designed to deliver cost-effective services in each of these areas. The reports on these reviews are nearing completion and will result in better value for money in the delivery of services in the 2010/11 year and onwards.

Information

The Ministry developed an Information Systems Strategic Plan in early 2010 as the first stage of its review of Organisation Services. The plan describes the Ministry's current and desired future states, and contains a strategy to reach the desired future state over the next three years.

Work on amalgamating data from multiple sources has continued and has concentrated on integrating the catch data supplied by commercial fishers. The first version of the production system was released to selected Ministry staff in December 2009. The project is on track to deliver aggregated data to the public (via the Internet) in late 2010.

Accommodation Changes

The Ministry has rearranged the floor plan in its ASB Head Office to align with the new organisation design and take the opportunity to reduce the number of floors used. We have also refurbished our Napier office and relocated offices in Dunedin.

Capital Intentions

The Ministry's capital intentions over the five-year period from 2010 to 2015 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.

\$000	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Buildings and leasehold improvements	915	80	50	50	50	50
Office plant and equipment including computer equipment	2,658	2,082	2,143	1,788	2,188	2,413
Motor vehicles	305	1,568	642	692	412	412
Vessels	622	70	65	370	250	25
Total	4,500	3,800	2,900	2,900	2,900	2,900

Staff Development and Achievement

The Ministry is committed to investing in staff development and expects staff to play their part in this. Our Performance and Development Policy provides for every staff member to have a performance agreement and a personal development plan, including access to Lominger and in-house competency frameworks.

The Ministry undertook the Gallup Q12 Engagement Survey, which is widely used in the New Zealand Public Service, in March 2010. The Gallup survey provides a simple team-based tool to improve staff engagement levels, make the Ministry a better place to work and improve performance. The Gallup Survey, our performance and development processes, and our desktop HR Information System are vehicles for providing practical support to help staff achieve competencies required to improve their performance in their current role and progress their career aspirations.

The Ministry's Management and Leadership Development Programmes are designed to ensure we have an ongoing critical mass of leadership and managerial capability. The Ministry introduced a mentoring programme in 2009 as part of the Leadership Development Programme and in 2010 will focus on workshops to support managerial responsibilities for engaging and motivating staff.

Code of Conduct

The Ministry has opted in to the 2010 State Services Commission Integrity and Conduct Survey to obtain benchmarked feedback from staff to inform our approach to maintaining awareness and standards within the organisation.

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