



NEW ZEALAND FISH AND GAME COUNCIL MEETING AGENDA

One hundred and fifty fifth meeting
to be held via Zoom February 18 2022

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Move out of public excluded

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Welcome by Chair

New Zealand Fish and Game Council Meeting February 2022

Apologies

New Zealand Fish and Game Council Meeting February 2022

Recommendation

- 1. Agree that apologies from ... be received.***

Declaration of Interest

New Zealand Fish and Game Council Meeting February 2022

Councilors are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

Recommendation

1. Note any conflicts

REGISTER OF COUNCILLORS INTEREST FOR FISH & GAME NEW ZEALAND

Interests that should be declared in order for potential conflicts to be considered are:

- Directorships, including non-executive directorships held in companies or organisations.
- Ownership or part-ownership of private companies, businesses or consultancies likely or possibly seeking to do business with the Fish & Game NZ.
- Any interest in any company/organisation that provides or may provide services or support to Fish & Game NZ.
- Any interest where a contract in which he/she or any person connected with him/her has any pecuniary interest, direct or indirect, the Board member shall declare his/her interest by giving notice in writing of such fact to the Trust as soon as practicable.

NAME	POSITION	DETAILS OF INTEREST AND NATURE OF BUSINESS	DATE DECLARED
Rainsford J Grubb	Chair	F&G NZ Ministerial Review Implementation Committee	4/12/21
Rainsford J Grubb		Haunt Digital, Software Developers	4/12/21
Rainsford J Grubb	Chief Ombudsman	Personal friendship	4/12/21
Rainsford J Grubb	Consultant	Ngāi Tahu	4/12/21
Rainsford J Grubb	FIG Member	Freshwater Implementation Group Advisory	4/12/21
Rainsford J Grubb	Chair	F&G NZ Council	4/12/21
Darryl Reardon	F&G NZ Council Member	Nothing to Declare	10/12/21
Dave Harris	F&G NZ Council Member	Nothing to declare	4/12/21
Gerard Karalus	Member	Tongariro & Lake Taupo Anglers Club	4/12/21
Gerard Karalus	Owner/occupier	Misty Creek Trust (small beef farmer)	4/12/21
Gerard Karalus	Independent Contractor	Dairy Trust Taranaki	4/12/21
Gerard Karalus	Independent Contractor	Land base training ltd	4/12/21
Dave Coll	F&G NZ Council Member	Nothing to declare	4/12/21
Debbie Oakley	Director/shareholder	Several horticultural companies/entities (Kiwifruit growers)	4/12/21
Debbie Oakley	Chair	Seeka Growers Ltd (Kiwifruit)	4/12/21

NAME	POSITION	DETAILS OF INTEREST AND NATURE OF BUSINESS	DATE DECLARED
Richard McIntyre	Dairy Vice Chair	Federated Farmers	4/12/21
Richard McIntyre	Trustee	NZ Dairy Industry awards	4/12/21
Richard McIntyre	Owner/occupier	McIntyre Dairy Ltd (dairy & dry stock farming)	4/12/21
Dean Phibbs	General Manager Finance	Buller Holdings Ltd	7/12/21
Dean Phibbs	Trustee	Buller Electric Power Trust	7/12/21
Dean Phibbs	Member	NZ Whitebait Stakeholder Governance Group	7/12/21
Grey Duley	NZ Hunter	Magazine and TV Show	4/12/21
Linn Koevoet	Committee Member	Lower Waitaki River Management Society	4/12/21
Linn Koevoet	Administration and committee member	Waitaki River Volunteer Salmon Hatchery	4/12/21
Linn Koevoet	Section Co Ordination	civil defence	4/12/21

Health and Safety Report

New Zealand Fish and Game Council Meeting February 2022

As part of its commitment to Health and Safety and providing a safe workplace, the New Zealand Fish and Game Council requires a report at each meeting.

1.	Implementation and adherence to the Health & Safety policy/manual
	Yes.
2.	Risk Management (identification and treatment)
	Continued protocols in place for covid-19 track and trace. Updated for Red traffic flight
3.	Training and awareness raising
	Fire Drill in Office on 21 December.
4.	H&S incidents
	None to report
5.	Near misses and/or injuries
	No injuries reported.

Approve Minutes for Meeting #155

New Zealand Fish and Game Council Meeting February 2022

Recommendation:

1. **Agree** that the minutes of meeting #155 be approved.

One hundred and fifty fifth meeting of the
New Zealand Fish and Game Council
4th December 2021
New Zealand Fish and Game Council, Victoria Street

PRESENT

NZ Councillors:

Ray Grubb (Chair), Debbie Oakley, Dave Harris, Richard McIntyre, Dave Coll, Gerard Karalus, Greg Duley, Linn Koevoet, Barrie Barnes (zoom), Dean Phibbs (zoom), Darryl Reardon (zoom), Tom Kroos (zoom from 2:30pm).

NZC Staff:

Di Taylor, Acting Chief Executive, Carmel Veitch CFO, Brian Anderton GM, Jack Kós Senior Policy Advisor,

Guests:

Ngaire Best, DOC, Bryce Johnson

-

1. Welcome and CE's Introduction

- Meeting started 8:35am
- Acting CE and staff briefed Crs on their obligations under relevant legislation and standing orders.
- Crs. and staff introduced themselves

2. Apologies

- Cr. Kroos apologised for his absence/interrupted attendance.
- 1. Agree that apologies from Cr. Kroos be received.*

Moved: Crs. Coll/Harris

Carried

3. Declaration of Interest & Oath of Office

- Declarations of interest forms and oaths of office were passed around the council and completed.
 - No Declarations for items for this meeting were noted
- 1. Note any conflicts*

Moved: Crs. Oakley/Karalus

Carried

4. Election of Chairperson

- Crs debated the system of election that would be used.
- That NZC adopt System B
- **Moved: Crs. Harris/Oakley**
- **Carried.**
- Cr. Oakley nominated Cr. Grubb, seconded by Cr. Harris.
- **No further nominations received.**

1. Agree that Ray Grubb be elected Chairperson of the New Zealand Fish and Game Council

Moved: Crs. Oakley/Harris

Carried

Ngaira Best arrived at 8:55am and spoke to her role and relationship with Fish and Game.

- NB stated that wanted to see Fish and Game strong for the next 150 years.
- Her unit's role is to provide the Minister with the advice of statutory entities, not necessarily the interests of the Department of Conservation.
- Oversee 70 entities, ranging from NZCA through to conservation boards through to Predator Free and QEII Trust.
- Not planning to attend every meeting, perhaps every 3, but happy to attend whenever required and is happy to take discuss any area of her role further.

Chair:

- Welcomed new members to NZC.
- Chair outlined that meetings will be run relatively informally, while complying with our governance rules.
- Principle in chairing Fish and Game is that we follow the law as set out in the Conservation Act. That is our first and primary responsibility. We have Governance rules established by gazette in 2017.
- Chair outlined that relationship with staff should be via Chair and will be raised with Di at weekly meetings.
- Chair outlined that board operates at a high level, and that we should start this year with effective communication with regions, particularly chairs, and going to initiate in February a formal meeting with chairs. As a board we should think 5 years ahead – look at decisions we make and what it'll look like in five years. Want to put in place modern planning and financial management systems, three year budget cycles, will provide greater autonomy to regions in running their business.
- Operate on the basis of clear objectives and identifying and managing risks.
- Chair outlined personal conflicts:
 - HCAG
 - Freshwater Implementation Group
 - Landcare Trust
 - Personal conflict in relation to chief ombudsman
 - Implementation Review Group

CE:

- Housekeeping – fire/earthquake processes, toilets etc.

5. Appointment of the Executive Committee

- Chair spoke to executive and wants two members appointed now and reserve a position for the February meeting so that new members in particular can ensure involvement.
- Chair nominated Crs McIntyre and Oakley as two members.
-

1. *Agree that Richard McIntyre/Debbie Oakley be appointed to the Executive Committee*

Moved: Crs. Grubb/Duley

Carried

2. *Agree the fourth member of the Executive Committee be appointed in February 2022 NZ Council meeting.*

Moved: Crs. Barnes/Harris

Carried

6. Subcommittees of Council

- Chair asked whether any Crs. Wished to raise comment on staff views for subcommittees.
 - Clarified that all subcommittees cease to exist on election of new council.
 - Chair clarified what the role of the remuneration subcommittee is and who its current composition is. Confirmed work is confidential and will remain that way.
 - Call for volunteers to be an NZC member on subcommittee.
 - Cr. Duley nominated Cr. Oakley. D. Harris seconded.
 - Confirmed most of the work has been done and that the requisite information is currently being divulged.
 - Cr. Oakley confirmed this is not a strict pay scale, but collating what is around NZ and seeking to put in place some consistency. Not binding, but a guide.
 - Staff noted that subcommittees of Council must follow the LOGMIA and Standing Orders. They must be public, unless a motion for exclude the public is passed consistent with the OIA. All subcommittees must also keep minutes and that reports back to NZC
1. *Note the current NZC subcommittees are deemed to be discharged on the coming into office of the members of the council at, or following, the triennial election of members.*
 2. *Note that the chairperson is a member of every committee of the council.*
 3. *Agree to re-establish the National Remuneration Sub-Committee.*
 4. *Approve the Terms of Reference for the National Remuneration Sub-committee subject to amendment of para 6 of one NZC councillor plus the NZC chair, and three suitably qualified regional representatives.*
 5. *Agree to appoint NZ Councillor Oakley to the National Remuneration Sub-committee and Colin Weatherall, Phil Teal and Andy Garrick as co-opted members. Cr Oakley will be the Chair of the National Remuneration Sub-committee.*
 6. *Agree to consider further subcommittees of the NZ Council in the February 2022 NZ Council meeting and invite the Acting Chief Executive to present a proposal of subcommittee options for Council consideration.*

Moved: Crs. McIntyre/Phibbs

Carried

7. Approve Minutes for Meeting #154

- Matters arising from minutes:
 - Health and Safety Report – confirm mover was A. Harris.
 - Clarifying meeting recommenced following day.
1. *Agree that the minutes of meeting #154 be approved.*

Moved: Crs. Duley/Coll – Crs. Koevoett, Barnes, Reardon and Phibbs abstained.

Carried

8. Performance Report for the New Zealand Fish and Game Council

- CFO confirmed that copy that went with Agenda didn't have final auditors approval stamp, so have provided physical copy of that now.

- CFO spoke to report and noted that due to high domestic sales against a conservative licence sales forecast and that NZC covers licencing costs, regions are up against budget.
 - Confirmed that doubtful debt provision for North Canterbury was confirmed as a grant and is nil on budget.
 - Various other line items marginally ahead of budget.
 - Expenses over budget:
 - Licencing
 - Magazine
 - Payments to regions:
 - Grant to NC and top up of reserves.
 - Personnel costs:
 - Significant recruitment and change in this financial year.
 - Expenses under budget:
 - Coordination – no audit undertaken in last financial year.
 - Website – had \$200,000 budget with 80k unspent, but will be transferred to next year.
 - Research – accrues each year and currently over but will be spent next year.
 - CFO spoke to restricted and dedicated reserves. We have money in reserve, but it is committed to a specific subject area.
 - Last statement is a Statement of Service Performance. Is becoming as important or even more important. Effectively is what we do, why we do it. Outcome/impact reporting. Hoping to rejig this for next financial year and make it more aspirational.
 - Auditor confirmed accounts to be a true reflection of the actions of the Council this year.
 - Cr. McIntyre commented that there has to be a better way to work out Fish and Game's finances, particularly in light of amalgamations. Need to review how we distribute revenue.
 - Cr. Phibbs:
 - Can the report be changed at all? Significant error on p68 in the receivables. Need to go back to auditors and change before submission to Minister.
 - P. 69 Nelson misspelt.
 - Needs to be sent in colour too for traffic lights.
 - Chair thanked Carmel for her effort.
 - Chair:
 - In February will come to you for a review of SSP. Need to report more specifically and will be looking for objectives and reports on achievement.
 - In the past we have done punitive audits, what we would hope to do are management audits where regional managers can assist other regions to compare methods of doing work to become more efficient in the ways we operate.
 - In terms of budget, we achieved something a bit over a million over budget in terms of licence sales. At the moment the increases stay with the regions they occur, and one of the things we need to look at is the way that this occurs.
 - Success in coordinating the RMA group has been exceptional. Nigel on NBEA, Mischa on wetlands, Jacob on IWG.
1. *That NZC thanks Carmel Veitch for her work as CFO this year.*

2. *Agree that Council approve the Audited Performance Report of the New Zealand Fish and Game Council for the year ended 31 August 2021, subject to the changes to Note 17, and endorse report Chair wrote.*

Moved: Crs. McIntyre/Oakley

Carried

9. Annual meeting and budget timetable 2021-22

- Chair opened floor to discussion.
- 1. *Approve the following dates for meetings for the 2021-22 year:*
 - *December 4th 2021 in Wellington*
 - *February 18th and 20th 2022 in Wellington*
 - *April 29th and 30th 2022 in Wellington*
 - *June 16th 2022 by Zoom at 7.00-9.00pm*
 - *August 23rd & 25th 2022 by Zoom at 7.00pm- 9.00pm*
 - *November 25th & 26th 2022 in Wellington*
- 2. *Agree that a Governors forum be held: February 19th in Wellington – (NZC & Chairs)*
- 3. *Note that a managers meeting will be held 28th April 2022*
- 4. *Agree to a joint meeting with Managers Friday 29th April*
- 5. *Note these dates may be subject to change due to the Review.*

Moved: Crs. Karalus/Barnes

Carried

CE

- Asked if Council wanted all meetings sent as a calendar invite?
- Confirmed this will be sent out but can be declined if you don't want this in your personal calendar.

10. Advocacy update

- Cr. McIntyre: noted that in NPS etc duck hunters are not as well represented.
 - Chair: Have approached MfE directly and have opened up direct negotiation with head of that unit for Mischa and RMA group to engage. Wetland provisions were simply unacceptable to us.
 - Cr. McIntyre: many farmers wanting to build wetlands but unable to.
 - BA: Having discussions with DairyNZ and did joint submission on wetlands. Met with MfE policy team earlier this week – Beck Reed, Nigel Paragreen, Mischa, Ben and David from AW. Next step is for MfE to give advice to Minister on next steps.
- Cr. Karalus: Queried whether Valued Introduced Species had made it into final bill?
 - Chair: confirmed it had not but would be one of the advocacy focuses. Very unlikely to get same protection in NBEA as in RMA. The EDS proposal will be of material benefit to the perception of valued introduced species.
- Chair: Spoke of the Rangatiratanga claim of Ngāi Tahu. We have opened up discussions on this claim with NT at their invitation.
 - Cr. McIntyre queried what NT's perspective of trout and salmon are?
 - Confirmed this is what we are going to continue discussions around.
- Cr. Phibbs: question around the role of advocacy. How do you go about your advocacy? Do you have a plan around this to best direct advocacy?

- BA confirmed that we do have a strategy and work closely with regions on this. But that the last 5 months has probably seen the most consultation documents the Government have released in the past 5 years.
- CE: Wanted to make this a broader update just for new members.
- Cr. Phibbs: Clarification around point 39.
 - Chair noted they prepared a think piece that didn't portray relationship between introduced and indigenous species in a positive light. Doesn't affect that we work with them daily on issues very well and receive good support from them.
- Chair: Every time we get involved in an advocacy proceeding we do what is in Fish and Game's best interests. All of the consultation documents recently have been critical to our statutory mandate and will shape freshwater for the next twenty years
- **ACTION: Send out NBEA submission (Beck).**
- Chair:
 - Gives congratulations to Southland for the appeal of their land and water plan. Environment Court determined that their plan wasn't adequate and the RC has come back with proposals that are exceptional in protecting freshwater.
 - Rakaia Conservation Order: Media article stating that Ecan not enforcing WCO. Integrating work with North Canterbury FGC and NZFFA and working with lawyer that did initial work.
- Confirmed that supporting EDS Advocacy Proposal will cost \$25,000.
- Cr. McIntyre: Strong support for Native Forest Coalition both from Fish and Game perspective and perspective as a farmer. Huge win win for a lot of different industry groups.
 - Cr. Barnes: Remember there was a paper done on pines as related to native forest and that after a period of time native forest carbon sequestration exceeded pines.
 - Cr Phibbs: No financial cost? Just time cost?
 - Confirmed.
 - Cr. Phibbs: Question around whether it's better for Fish and Game to allocate our resources elsewhere?
 - Confirmed this doesn't have significant time consequences.

1. *Note the contents of this report*

Moved: Crs. Grubb/Duley

Carried.

2. *Agree*

2.1 *to support the EDS advocacy proposal and fund the \$25,000 from the advocacy budget.*

Moved: Crs. Grubb/Barnes

Carried

3. *Agree*

3.1.1 *to support the Native Forest Coalition proposal*

Moved: Crs. McIntyre/Coll

Carried

Meeting adjourned for morning tea at 10:36am

Meeting recommenced at 11am

11. Identification of fish spawning areas and designation of process

- Staff spoke to the paper.
- Chair commented that all of us can think of places where spawning is under threat from stock, or planting of pines etc. This is an opportunity for those areas that deserve protection to have it progressively over time. Initial examples will be uncontroversial. This is a tool that we can use to significantly enhance one of our prime objectives under the act.

1. *Agree to the process proposed for the designation of spawning areas*
2. *Request NZC staff to report back to NZC after the first spawning area has been recommended to the Director-General.*

Moved: Crs. Phibbs/Barnes

Carried

12. Public relations and communication strategy development

- Chair spoke to paper and need for a communications strategy that sets out our aspirations and achievements and communicates this externally.
 - CE: This it not to say we have formally engaged with a company – we have simply done a scoping exercise with them. Noted the engagement with regional staff in this process. Outlined proposed composition of group.
 - Cr. Phibbs: Think this is a no brainer to get a good approach to comms and PR.
 - Chair: Blackland have comprehensive knowledge of the messages we need to put across and will be able to reflect what we need as a result.
 - CE: Confirmed we haven't selected them, but will go through process with working group as to who we engage.
 - Chair: Do any councillors want to have a role in this group?
 - Cr. Barnes: Can you clarify the regional comms reps?
 - CE: we have regional staff with significant comms experience, and we want to make sure that we are bringing their perspectives in to this project. I have engaged with managers to discuss availability of staff.
 - Chair: Certain sensitivity in the regions – two attempts to develop a comms strategy in last 18 months, both of which have been rejected. Please communicate to your councillors that this strategy will be integrated with regional aspirations. It will not be imposed.
 - Cr. Duley: confirmed has an interest but not time.
 - Cr. Grubb: like to involve Cr. McIntyre in this (voluntold).
 - Supported.
1. *Agree to establish a working group comprising:*
 - *2 x regional communication representatives*
 - *NZ Council representative (Cr. McIntyre)*
 - *NZ Council Acting CE*
 - *NZ Council GM Strategic Engagements*
 - *NZC Communication and Marketing Manager*
 2. *Authorise the Acting Chief Executive to contract with an external provider for a fee not exceeding \$20,000 (excluding GST), with the contract to be circulated to NZC via email prior to engagement.*

Moved: Crs. Grubb/Oakley

Carried

ACTION: CE to engage with comms providers and managers on regional representatives (Di).

13. NZ Game Bird Habitat Trust Board in 2021

- CFO spoke to paper and provided outline on operations of GBHT and their outputs.
- Cr. Coll: Noted there is no justification for licence fee contribution increase.
 - Justification is that the more money received, the more money that can be given out in grants. Similarly decreased interest has reduced revenue.
- Cr. Phibbs: Concern that 20% increase and we are in challenging times for funds anyway, and that this is a difficult one. Would like to see further justification.
- Cr. McIntyre: To give a comparable example, DairyNZ takes portions out of levy to allocate to specific features. Most GB hunter won't have the problem with the extra dollar but may think that it's us receiving the extra dollar. Want GB hunters to know what they are getting.
- Chair: Suggest, if approved, need budget explanation of where money should be used, and need to communicate with hunters that this extra dollar is to GBHT.
- Cr. Duley: Not a single hunter won't buy a licence because another dollar is getting to GBHT.
- CE: We will use magazine to get this out.
- Cr. Reardon: Confusing that we have two entities – F&G and GBHT – just know that there's a great number of licence purchases who only see the sum total cost of the licence. Need to do something to differentiate between cost of licence and contribution to habitat. And market in that way. Be clear that \$5 is for habitat creation/protection.
- Chair: Spoke to further opportunities we have to communicate with licence holders via 3 minutes with Fish and Game licence holders.
- Cr. Phibbs: Would like to know that we are getting the best bang for our buck and see what the direct benefit of these contributions are.
 - CFO noted that the annual report that has performance objectives in it will be sent out to councillors.
 - Cr. Phibbs: More selling it to licence holders. The whole story.

Action: increase communication of the split in licence fee and GBHT contribution to licence holders (Steve).

1. *Agree to the hunter licence fee contribution for the Habitat Stamp being increased to \$5.00 for the 2023 game season.*
2. *Agree the game bird or other wildlife species to be depicted on the 2024 habitat stamp be open to any game bird species.*
3. *Agree to a photographic competition to select an artist to produce the artwork of the 2024 stamp.*
4. *Note the Trust Board's 2022 meeting will be held in Christchurch on 23 September 2022.*

**Moved: Crs. Duley/Barnes
Carried**

14. Public Records Act Disposal Authority

- CE Spoke to paper and noted that this is a start of the process. We are looking to include in scope the regions so they also see the same benefit (as are subject to same audit requirements).

- Cr. Phibbs: Disposal authority is the statutory one that you want to comply with. Be careful not to get sucked into the consultant treadmill.
1. *Note the Public Records Act Audit Report and letter from Chief Archivist.*
 2. *Agree to contract with IM Consulting to create a Disposal Authority for Fish and Game New Zealand.*
 3. *Agree for the Acting-CE to sign this contract.*
 4. *Agree for NZC to put in a contestable fund bid for the April contestable fund round for \$12,000 for this project.*

**Moved: Crs. McIntyre/Coll
Carried**

Action: Contestable fund bid for April. Prepare letter to Chief Archivist on action plan (Jack/Brian/Di).

15. Public excluded motion

Recommendation:

1. *That the New Zealand Fish and Game Council:*
 - (a) *pursuant to the provisions of the Local Government Official Information and Meetings Act 1987 exclude the public from the following part of the proceedings of this meeting, namely:*

GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED	REASON FOR PASSING THIS RESOLUTION IN RELATION TO EACH MATTER	GROUND(S) UNDER SECTION 48(1) FOR THE PASSING OF THIS RESOLUTION
Confirm Public Excluded minutes for meeting 154	As per PE motion in Public Minutes 154	Section 48(1)(a)(ii) That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.

Licence System Update	Section 9(2)(i) OIA The withholding of information is necessary to enable a Minister of the Crown or any department or organisation holding the information to carry out, without prejudice or disadvantage, commercial activities.	Section 48(1)(a)(ii) That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.
Active legal proceedings	Section 9(2)(i) OIA The withholding of information is necessary to Maintain legal professional privilege	Section 48(1)(a)(ii) That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.

(b) And that staff remain to provide advice to the Council on all items

Moved: Crs. Karalus/Phibbs
Carried

1. That NZC move out of public excluded.

Crs. Harris/Koevoet
Carried

18. Chief Executive Report

- CE spoke to her report, in particular outlining the magazine RFP and disability licence.

- Cr. Oakley: Feel like this [disability licence] could open a can of worms, particularly around what constitutes disabled.
 - CE: Would be looking at using an external like Mobility Services.
- Cr. McIntyre: Is the issue access or cost relative to access?
 - Both
- Staff: Spoke
- Cr. Barnes: Again, what constitutes disabled?
- Cr. McIntyre: We don't price licence based on access or hours fished etc.
- Cr. Koevoet: was approached by a disabled individual who was horrified by this.
- Cr. Duley: Fish and Game shouldn't be entering into decisions around what is or isn't disabled, but should go to disability commission for that. Needs to be applied consistently across all regions.
- Cr. Phibbs: once you start making a decision around who gets a licence you open a PR can of worms. Potentially not worth it. Need to weigh up that side of it.
- CE to go out for consultation to regions and note NZC's reservations.
- CE also outlined two further topics:
 - Received late paper from LWP who have been having conversations around updates to licences. This will be sent to NZC by email and they will be looking for feedback.
 - Cawthron Fish Futures – noted strong regional consultation through this process and outlined that Cawthron is seeking F&G's involvement rather than surprising us at the end of 5 years.

1. Note the report of the Acting Chief Executive

Moved: Crs. Grubb/Duley

Carried

Meeting broke for lunch at 12:40pm.

Meeting recommenced at 1pm.

19. Fish & Game Review

- Chair outlined that he is Chair of the ISG and that Brian Anderton sits on this group. Fish and Game have a majority in this group.
- Views of Cr. Barnes canvassed as to why Auckland/Waikato have refused to engage in this project.
 - Cr Barnes requested a moment to prepare his response.
- Cr. Oakley: Because of COVID there have been some issues with meetings and I'm not sure that this Eastern's views have been incorporated adequately.
- BA: Can we pick this up when David Hunt arrives?
- Cr. Barnes: From what I understand, the AW Council hasn't met in person with this group and by one meeting recently introducing the new councils to this process, this is part of the reason why they haven't engaged. Not unfair for them to say that and down the track things may change, just take a little bit to get there.
- BA: Para 18 – Ray and I will become back involved at the end of the process at which point there will be formal consultation on an options paper with all 13 councils. This is the informal process to inform options. Looking to get buy in from all councils.
- Cr. Koevoet: Do we have a timeline?
 - Chair: Final report from amalgamation meeting available late march for the April meeting.

- Cr. Oakley: How do you know where our governance shortfalls are to target the governance training?
 - CE: We will do a self-evaluation during this process so we understand the skills that we have around the table and know how to distribute roles around the table.
- BA: Because I sit on the review group separate to my role with F&G please feel free to contact me directly about this.

Strategic Priority Setting Process

- CE spoke to paper.

Budget Setting Overview

- CFO provided briefing to all councillors on how Fish and Game's budget setting process works.
- Cr. Harris: Are we proposing to stick with this or to move to a modern budget program?
- Broad consensus across council.
- Cr. Oakley: If changing budget process couldn't do it till financial year after next right?
 - Chair: yes, but need to socialise this through February and April
 - CE: But not implemented until following year.
 - Cr. Oakley: need to ensure that all councils bring forward a budget in order to make sure that all regions are able to receive the money they need to operate.
- Chair: Need to identify what we need to do for the year and what it's going to cost, then commit our finance according to those priorities. Some clear errors in the system. For instance revenue gained ahead of budget going to reserves and not available for redistribution. Those that do not have increase in licence sales don't have the opportunity to change the way in which they work, whereas a region that does can apply to use it out of reserves or reset overall budget. Two areas of CF –
 - ongoing or specific project. If you have overhead in your reserves you have greater opportunity to put forward case. Concentrating activities in smaller and smaller areas of the country. Wonder if this is because our budget system doesn't let us reallocate money around the country to provide the resource/distribution of effort. Lots of Q's about how we run our budget system. As a council we need to look 5y ahead to achieve the best results for our organisation.
- Cr. Harris: You mentioned that the major selling regions do very well when we have a licence sales increase, but equally they do poorly when we have a decrease. The reserves to survive this comes from the good years.
- Chair: 3y budget cycle will let us average this out substantially more.
- Cr. McIntyre: Is the elephant in the room not whether all the money should go to a national fund for reallocation if it's a national licence?
- Chair: Absolutely right – we need to change our mindset and think as Fish and Game Inc. each region needs to identify the money it needs to achieve its results out of a national pool. At the moment I would accept that NC needs a reset, but we don't have the capacity to do this in our current system.
- Cr. Oakley: agree with Richard but there is more than one way to skin a cat. Doesn't mean NZC gets all the income. Need to think about how we function given that there are destinations for angling and places licences are bought.
- Chair: This likely signals the biggest body of work for the next year across NZC.

- Cr. Karalus: as part of the review process this is one of the biggest issues that has been raised.
- Chair: We did the Resource Allocation Project, but looking at results felt we needed the financial system in place in order to action it.
- Cr. Coll: NC see RAP as one of the most important pieces of work for Fish and Game.

20. NZC Finance Report

- CFO opened floor to questions.
- Minor queries around aspects of the finance report.
- Chair noted two significant projects – review of publications and the website redevelopment projects.
- Clarified that rangers is ahead of budget simply because of triennial ranger renewal.
- CFO clarified that Legal/RMA fund is now in finance report to streamline reporting.
- Cr. Barnes: Clarified whether there was scope to revise historic applications?
 - CFO: there is a sunset clause now, but historically was not. But is reviewed by Managers as a working document and some aspects are removed.
- *1. NZC to take up with Ministers compensation for the public good work of fish and game.*

Moved: Crs. Harris/Koevoet

Carried

- Queries around the status of some historic research fund items. Noted that NZC staff do chase up these but often they are in place for publication fees etc.
 - Staff noted too that a paper will be brought to council on the future of research
- 1. Accept the NZC Finance Report for October 2021*

Moved: Crs. Phibbs/Karalus

Carried

21. National Finance Report to 31 August 2021

- CFO noted this report is only to the 31st of august so it can be an annual report against budget rather than just 2 months of the year. Just giving you a brief update. All regions are in a better position than they were at the beginning.
- All regions now on Xero. Confirmed that CFO doesn't have unfettered access – needs permission from regions to access.
- Cr. Oakley: Going forward, is there scope for Carmel to have access without need to get permission? As it will be logged in xero.
 - CFO: No, regions are autonomous and that would not be appropriate.
- CFO: There are some regions that use external accountants, but this really isn't necessary. Think we can do this internally.
 - Chair: Should this be flagged for discussion around strategic budgeting?
 - CE: Will be discussed in February with governors.
- CFO: Ideally would also like to ensure that regional financial reporting to councils is consistent and standardised.
- Cr. Phibbs: Bigger question is when looking at financial systems of NZC we look at how we benefit regions by doing things better organisationally.
 - Chair: Agreed.

1. Accept the National Financial report as at 31 August 2021.

Moved: Crs. Harris/Coll

Carried

Invited member of the public, Bryce Johnson, to speak. Mr. Johnson highlighted a number of points:

- Creeping indigenous fundamentalism that's insidious in law making.
- DOC's absence in freshwater advocacy.
- Importance of long-term briefings paper in State Sector Act.
- Strategic use of quick response PRs.

Chair:

- On PR's we have done recently where we have had a great deal more coverage than EDS did. Commanding space in the media.
- On DOC advocacy, ever since became chair I have been hammering this. Raised twice with Minister. Being raised again with the Minister on the 8th where it is a lead item. Have a formal meeting with the DOC team to go over this.
- Aware of insights program and have been having extensive discussion around planning for the future and this is partly related to the insights briefings. Have also made submission to LINZ and DOC on development of insights briefings.

Meeting broke at 2:20

Meeting resumed 2:30 with presentation from David Hunt on preliminary options for regional amalgamations. This is a summary document of the work to date and is not a final document or recommendation paper. There was board discussion on this presentation. It was noted that this will be sent to all Fish & Game Councils for feedback. Next steps are a report is due in February and final report in March.

Chair thanked those in attendance for their time and contributions to this meeting.

Meeting closed at 3:10

Subcommittee Minutes and ratification of email decisions

New Zealand Fish and Game Council Meeting February 2022

Subcommittee Minutes

Attached

Recommendation:

1. **Note** the executive minutes.

Ratification of email decisions

On Wednesday, December 22, the Chair send the below email to NZ Council:

Good afternoon

Thank you for your feedback. There is an overwhelming consensus

This decision is one for NZ Council only (although what other Statutory bodies are doing is of interest to us)

We will therefore from now on only have fully vaccinated persons attend in person at NZ Council meetings. NZ Council members will not need to be asked, we acknowledge that each member's attendance is a declaration of full vaccination. Any visitors will be asked beforehand and if they refuse to declare their status they will not be allowed to attend

If we need to we will have that written on tablets of stone as a formal policy

Kind regards

*Ray
Chair,
NZ Fish and Game Council*

Recommendation:

1. **Confirm** this decision.

**DRAFT Executive Sub Committee
of the
New Zealand Fish and Game Council
Wellington**

10th December 2021

Commencing 10:00am

1. Present

Ray Grubb (RG), Richard McIntrye (RM), Debbie Oakley (DO) & Di Taylor (DT)

2. Apologies

None

3. Minutes of the last meeting

Confirmed

4. Matters arising

None

5. Advocacy update from the chair

- i. Co-ordination of the RPS response, assumed that Otago would be first cab off the rank however Southland are, they have rejected the Regional Policy statement and are off to court in 2 weeks' time. Brian and Beck to be across this and coordinate nationally to ensure all Regions are kept abreast of developments.
 - ii. Shift in focus 'freshwater forum' make high level policy decisions and the ability to relate on individual sticking points.
 - iii. DT to go out to the regions and seek feedback about any current issue the Chair should be aware of and let them know about the forum being established.
 - iv. RG requested that the RMA group provide feedback about land and water plans. RM said this was already underway – no further action required at this time.
- b. RG was going to talk to Andy Garrick about access issues in timberlands, PF Olsen, Maōri land ownership and treaty settlements.
 - c. RG update the Exec about the 3 mins with Ray videos that Richie has done
 - d. He waka eke noa – no further action required

- e. RG noted that as part of the Ministerial review finding we need improve our engagement with Iwi, including at a governance level, it was suggested that NZ Maori council may be able to assist. General discussion followed and RG took the action to write to Marie to request advice about how to commence an engagement.

6. Employment update

- a. Senior Policy Advisor has been recruited, ½ of Brian's salary is being paid for by DOC as he spends ½ his time working on ISG, we will also use the CEO underspent salary to cover the remainder of the costs.
- b. RG covered off the current OIA which has now gone to the Ombudsman who has ruled against our response. RG to send all correspondence to DT.

7. Regional review

- a. Regional amalgamation proposals, DO provided an update from Eastern Council and raised concerns about timeframes and Council's ability to provide fully thought through/considered responses. RG encouraged responses to consider the following criteria: Resources, Career progression, budgets, pooling of staff and levy system

8. Correspondence

- a. RG to send out letter to the rest of the Exec from Allan Simmons to Minister Allan

9. Research

- a. RG talked about current research he was across:
 - i. Ian Hadland's social impact research,
 - ii. Angus & Associates research work,
 - iii. Guides licences and
 - iv. Pressure sensitive fisheries.
 - v. RG requested that Council form a Research Group and DT to develop TOR & send a note out to all NZC to request membership
 - vi. Lindis case, Hamish Carnachan is preparing a brief for Ray in a couple of weeks' time. Key themes that will be covered off are we need to recoup legal costs, undermine the ruling, it needs to come from a national policy perspective

10. Upcoming

- a. RG off to Australia next Monday due back mid-January
- b. SOP – LINZ Crown pastoral lease Jack/Elana working on this
- c. RG has requested a meeting with Penny Nelson in the new year
- d. Agree to approach Strategic Pay and ask for an estimate on researching the impact of these variables on the job sizing and the remuneration banding ranges.

Meeting Closed at 11.15 pm

**DRAFT Executive Sub Committee
of the
New Zealand Fish and Game Council
Wellington**

25th January 2022
Commencing 12:30pm

1. Present

Ray Grubb (RG), Richard McIntrye (RM), Debbie Oakley (DO) & Di Taylor (DT)

2. Apologies

None

3. Minutes of the last meeting

Confirmed

4. Matters arising

None

5. Advocacy update from the chair

- a. Co-ordination of the RPS response, assumed that Otago would be first cab off the rank however Southland are, they have rejected the Regional Policy statement and are off to court in 2 weeks' time. Brian and Beck to be across this and coordinate nationally to ensure all Regions are kept abreast of developments.
- b. RG provided a brief update regarding HCAG and the SOP as there was a meeting scheduled for later the same day.
- c. RG commented on the MFE standard farm plans update.

6. COVID Omicron F&G response

- a. DT covered off that NZC had been asked by 3 regions to provide a national position, however she was clear that NZC doesn't have the remit to do so, instead she organised a Regional Managers meeting the later the same day to discuss approaches and strategies to support our staff through and ensure safe working conditions for all during the uncertainty of the current scenario.

7. Ray's future financial management paper

- a. RG had circulated a paper for discussion at the February NZC meeting however after discussion it was decided that the paper needed further work and there wasn't urgency to have it included

in the February papers. It was suggested that a workshop to discuss the way forward with the full NZC should be scheduled for 2 weeks post the February meeting, DT to action.

8. Draft agenda for February NZC meeting

- a. DT covered off the proposed draft agenda for the February NZC meeting (2 x 2 hour zoom meetings) and took the Executive through all the NZC contestable fund (CF) applications.
- b. RG to send out letter to the rest of the Exec from Allan Simmons to Minister Allan

9. Regional Engagement

- a. RG about his desire to get the regional chair engaged as a priority to ensure they are across the strategic objectives of F&G and can provide some input. First meeting scheduled for April.
- b. DT mentioned that she was attending the Central South Island (CSI) council meeting on the 3rd February and had been requested to attend others. The Exec supported this request and DO provided feedback that attendance at the Eastern meeting had been well received and valuable.
- c. DT talked about the Governance training proposed approach for rollout and support for the regions. RM suggested that DT contact David Tweed as a possible person to support developing the content and rolling out the regions.
- d. RG requested the DT explore with the regional managers the need to have standard performance reviews and templates. DT will table at the next meeting in February.
- e. RG wanted DO to review and update the TOR for the REM subcommittee and include deliverables and timeframes.
- f. RG requested that Carmel Veitch prepare a budgeting regional guidance asap providing scenarios i.e., no overseas anglers for another 12 months etc to go out to all regions.

10. Upcoming

- a. Nothing noted

Meeting Closed at 1:25pm

Elections Review

To	Councillors
From	Jack Kós, Senior Policy Advisor

1. Purpose

To present the New Zealand Fish and Game Council with the 2021 Fish & Game Elections returning officer report and to propose a workstream for NZC staff to review the electoral processes and regulations.

2. The Council is asked to

Note the returning officer's report for the 2021 Fish & Game elections.

Agree for NZC staff to commence a workstream reviewing Fish & Game's electoral processes and regulations.

Elections Review

New Zealand Fish and Game Council Meeting February 2022

Prepared by: Jack Kós, Senior Policy Advisor, NZ Fish and Game Council

Purpose

- 1 The purpose of this paper is to:
 - 1.1 present the returning officer's report from the 2021 Fish & Game elections; and
 - 1.2 propose a workstream for NZC staff to review the electoral processes and regulations and report back to NZC prior to actioning any changes in time for the 2024 elections.

Background

- 2 In late 2021 the triennial Fish and Game elections were held.
- 3 Electionz.com were contracted to undertake the elections and were appointed the returning officer for all regions excluding Otago where they were the deputy returning officer.

Analysis

- 4 The report from Electionz.com highlights a number of recommended changes, many of which are recurrent recommendations that they have made at the conclusion of prior elections.
- 5 This paper proposes that NZC staff commence a workstream to prepare a full review of the electoral process and options for amendments to current process.
- 6 This would then be brought back to NZC for decisions.
- 7 Although it seems very far in advance of the 2024 elections, some changes to our electoral processes may require amendment of the Fish and Game Council Elections Regulations 1990. This in turn requires Cabinet approval, which necessitates substantially longer timeframes.
- 8 The proposed timeline for the workstream is as follows:
 - 8.1 February 2022: workstream established.

- 8.2 August 2022: Report back to NZC with options for electoral process amendments.
- 8.3 September 2022: Consult with Fish & Game regions on proposed amendments.
- 8.4 February 2023: NZC finalises decision on amendments to electoral processes.
- 8.5 March 2023: NZC staff action amendments that can be done without legislative change and prepare policy proposal for Minister for amendments to regulations.
- 8.6 Approx Mar 2024: Electoral regulations amended in time for October F&G elections.

Financial Implications

- 9 N/A at this stage.

Legislative Implications

- 10 The workstream this paper proposes commencing may result in amendments to the Fish and Game Council Elections Regulations 1990, however not before NZC has considered and finalised the recommended amendments.

Section 4 Treaty Responsibilities

- 11 No direct s4 responsibilities identified, however if we progress with recommending amendments to the electoral process there may be a need to consult with iwi partners.

Policy Implications

- 12 There are no policy implications at this stage, but as this workstream progresses it may amend NZC/National Policy around elections.

Consultation

- 13 As part of the proposed workstream there will be a need to engage with regions. If material amendments are proposed there will also be a need to undertake public and regional consultation.

Recommendations

- 1 *Note the returning officer's report for the 2021 Fish & Game elections.*
- 2 *Agree for NZC staff to commence a workstream reviewing Fish & Game's electoral processes and regulations and for this project to report back to the NZ Council for decisions in August 2022.*

FISH AND GAME NEW ZEALAND 2021 REGIONAL COUNCIL ELECTIONS

RETURNING OFFICER REPORT

1.0 Introduction

In July 2021, Fish and Game NZ (F&G) contracted *electionz.com* Ltd, and appointed Warwick Lampp as returning officer (RO) for the 2021 triennial council elections for all regions except Otago. For the Otago region, Warwick Lampp was appointed deputy returning officer, with Ian Hadland appointed as returning officer by the Otago Council. As was the case for previous elections, Ian Hadland then delegated back to *electionz.com* most of the tasks for running the Otago election, i.e. preparation of public notices, calling for and dealing with nominations, printing the voter packs, counting the votes and advising the result to him. Although this arrangement worked well again in 2021, it is my preference to have the same role for all regions to ensure consistency across the project.

The intent of the contract was for *electionz.com* to carry out the election management as an independent 3rd party contractor, with the minimum of involvement from F&G staff and resources.

Elections were to be called across the twelve regional councils with the number of councillors required for each council to be confirmed following the completion of a constitutional review.

As with the previous four elections, postal and internet voting were the agreed voting options to be used where elections were required with the elections to be carried out in accordance with the Fish and Game NZ Elections Regulations 1990. The voting papers for all contested regions were to be posted back to the returning officer in Christchurch for progressive processing throughout the voting period.

2.0 Pre-election Planning

A schedule of the expected returning officer tasks for the election was prepared which included an RO fee to carry out those tasks, plus 3rd party costs. The proposal was calculated on the basis that all management of the election would be carried out primarily from our offices in Christchurch, with some co-ordination provided centrally by Jack Kos, and locally by the F&G regional managers. The RO fee was split into four components, a fee up to the close of nominations, then separate fees for contested regions plus public notice costs, vote processing and candidate management and third-party voter pack preparation costs i.e. printing and posting.

The timing of the constitutional review restricted our ability to do as much planning and engagement with F&G as was hoped and when a timeframe was eventually confirmed in mid-July, it was agreed that with less than three weeks until the nomination period was due to commence, the best approach was to largely keep with the format and content of forms and notices used for the 2018 election process. Happily, Covid-19 alert level restrictions did not impact greatly on the initial design work for the nomination forms and public notices, but was noted as a potential risk for the voting period and the voter pack compilation work required for that. When nominations opened, NZ was at alert level 1, with the whole country moving to alert level 4 at 11.59pm on 17 August 2021.

2.1 Election Tasks

Procedures were put in place for communication systems between F&G, the regional offices, and *electionz.com*, including the toll free 0800 666 040 phone number and a dedicated nominations email account. The following tasks were completed:

- *electionz.com* staff reviewed all election files from previous elections
- appointment of Warwick Lampp as RO for eleven regions and DRO for Otago was formalised
- a list of F&G regional offices and *electionz.com* email contacts setup
- a nomination handbook, candidacy forms and first public notices prepared for all regions

- RO and staff declarations made
- election timetable confirmed and distributed to staff, F&G, and contractors
- contracts put in place with Marketing Impact Ltd and NZ Post for voter pack compilation and distribution
- arrangements made with NeonLogic for the publication of public notices in each region, after confirmation of placements with each regional manager (using the All of Government discount for public notices)
- an enrolment form was prepared
- existing legislative requirements reviewed and confirmed
- website set up for internet voting
- website set up for daily return statistics

As was the case in 2018, once approved the nomination documents were to be made available from an electionz.com resource page, accessible from a link off the F&G website. This was used to host links to all the main election documents, ie candidacy forms, candidate handbook, a list of the final confirmed nominations and election results. I believe this worked well as everything was in the same place in a consistent format. I recommend this is continued for the 2024 election.

3.0 Nominations and Electoral Roll Preparation

The design, content, and format of the candidacy forms, candidate handbook, public notices and advertising requirements were reviewed. The conflict of interest categories on the candidacy forms, introduced in 2018, were continued with as was the removal of the area for a hand-written candidate profile. This year, only 6 candidate profiles were supplied in a format that would have required re-typing and most of those were for regions that didn't go to election. With less profiles to manually prepare, the opportunity for errors reduced significantly and happily I received no reports of errors in the published profiles when they were eventually distributed.

New versions of all documents were prepared by our in-house designer, Dion Holswich, and distributed for review and sign off in July/August to Jack Kos and each regional manager. As part of that process the regional managers were asked to confirm the number of vacancies in their region. The documents were then updated as those details were confirmed. The table at the end of this section lists the vacancies for each region, which had changed for six regions since 2018.

Nomination ads were placed in the agreed regional daily newspapers from Saturday 7 August. These followed a similar format and content to previous elections. The candidacy applications were to be directed to the RO office, and any new applications for the electoral roll enrolment were to be directed to the respective regional office as listed on the enrolment form.

Regional electoral roll files were requested in early August to cover the nomination process. Kate Thompson from the Eastern office again coordinated this and circulated details of the report to be supplied and who and when to send it to. This again worked well, but did not cover all applications, with approximately 20 further referrals being required to verify nominations. Those referrals were generally made via Kate Thompson or the regional office concerned. The most common reason for referral was where the default region assigned to the licence did not match where a candidate duly wanted to stand for election. We should be able to reduce the number of referrals for future elections by loading the individual F&G files into a centralised database.

As nominations were received, licence eligibility was checked in-house in the first instance. Where the in-house files were inadequate, further checks were made. Acceptance of nominations was then confirmed with each candidate either by email or phone. As per usual, nominations were slow to begin with, with most coming in the last week.

About half-way through the nomination period we received a request from F&G to investigate creating an online candidacy form to remove the need for candidates to print off the form to then add a signature. This followed a number of candidates indicating that with the Covid 19 restrictions now in place they did not have a personal printer and that they were not able to visit worksites etc to use an alternative one. As RO, I was not keen on introducing this process part way through the nomination period as this had not been covered in either the candidate handbook or the public notices, but as an alternative we made the candidacy form more digitally editable and included a note that if they could not add a digital signature, they could type in their name as confirmation that they accepted the candidacy conditions. This is something we can look at further, with a view to providing an online nomination form at the start of the nomination period.

For past elections, numbers of confirmed nominations were circulated to regional managers over the last week of the nomination period. No candidate names were included with those updates. That update process was repeated from 20 August 2021 but given the accessibility constraints caused by the Covid 19 lockdowns it was decided to change that format to that more commonly used for local body election nominations, where candidate details are publicly available with most councils making them available online. From 24 August we released our standard candidate contact file to the regional managers at the end of each day. This file included name and contact details for the confirmed candidates so allowed the regional managers to see who had submitted nominations and follow up with any that had indicated an intention to do so that weren't yet listed. We did not receive any complaints from the regional managers about the increased level of information released to them during the election process but have subsequently received feedback that the release of candidate names to regional managers only was not preferred as it could give the perception that regional managers could influence who might stand. I think the regional managers concerns are valid but equally feel a more transparent process should be considered as a risk management practice to cover future situations where normal processes and resources may not be available. I therefore recommend that F&G consider making the confirmed candidate names available from their election website during the course of the nomination period. That information to be candidate names only and to exclude contact details and nominated sub-regions etc.

Nominations closed at 5 pm on Thursday 26 August 2021. The candidate numbers are summarised in the following table:

Region	Number of Vacancies	Number of Candidates
Northland	12	8
Auckland/Waikato	12	12
Eastern	12	12
Hawke's Bay	12	11
Taranaki	8	10
Wellington	12	15
Nelson/Marlborough	12	10
West Coast	12	9
North Canterbury	8	18
Central South Island	8	10
Otago	9	13
Southland	9	13
Totals	126	141

At the close of nominations, elections were required in six regions. There were no late withdrawal requests from candidates this year.

Several applications were received after the close of nominations to have late nominations accepted. In all cases these were rejected but where that region did not have enough candidates, their details were passed on to the relevant regional manager.

Following the close of nominations, the list of confirmed candidates per region was posted on the election page of the F&G website. Having processed applications for licence holders to be added to their electoral rolls, the regions requiring elections then forwarded their electoral roll files to electionz.com. Each elector in the contested regions was assigned a unique PIN and password identifier to allow them to vote online if they preferred. Data files for the contested regions were then postal sorted and provided to Marketing Impact Ltd for printing and lodgement of the voter packs.

Preparation of the profile statements continued in the week following close of nominations. Once completed the candidate profiles were checked and then compiled into DLE duplex candidate profile booklets and signed off by each regional manager. The profile documents were printed and included in the voter pack along with the voting papers, which had also been signed off by each regional manager. The general layout of the voter pack documents was similar in format to 2018 and was consistent for all regions.

At the same time the internet voting site was setup for the six contested elections, with the pdf of the candidate profile booklets linked off that site. The PINs were targeted to the specific contested regions so when the licence holder logged into the internet voting site they were presented with the voting option for their region only. The internet voting site was tested by Jack Kos and then livened on Wednesday 15 September.

4.0 Lodgement of Voter Packs and Database Updates

The voter packs were printed by Marketing Impact Ltd in Wellington and lodged with NZ Post on Thursday 16 September 2021.

As in previous years we received a small number of requests throughout the election period from licence holders wanting to vote who were not enrolled. In these cases checks were made with the regional offices to see if any error had been made with the roll compilation. In most cases that was found not to be the case. There were only 2 confirmed instances where additions to the roll were required and this was easily sorted via the issue of special votes.

5.0 Voting

Voting opened on Thursday 16 September. The first internet votes were received on Saturday 18 September with the first postal voting papers returned on Wednesday 22 September. Progressive processing of the returned postal voting papers started immediately.

Three sets of reminder emails were sent throughout the voting period to those electors that hadn't voted. In all cases, these emails resulted in notable lifts in the online voting numbers and I'd recommend continuing with those for future elections.

The final overall voting return rate was 24.60% of those on the electoral roll, which is very close to the 25.53% overall return rate for the 2018 election. See individual region details below:

Region	Number Enrolled	Number Returned Undelivered (GNA)	Number Voted	2021 Return %	2018 Return %
Taranaki	328	53	125	38.11	42.86
Wellington	2,033	247	594	29.22	25.16
North Canterbury	3,106	329	862	27.55	27.82
Central South Island	2,769	392	680	24.56	27.62
Otago	4,726	451	941	19.91	19.88
Southland	3,363	452	814	21.20	23.66

6.0 Results and Summary

Voting closed at 5pm on Friday 8 October 2021. The statutory 4-day postal acceptance period then applied with all votes finally processed by mid-morning on Tuesday 12 October 2021.

Returned postal votes were captured by high speed scanning. Each voting paper was processed twice by two different operators, and the two files compared and checked to ensure that all votes were recorded accurately. The cumulative internet voting file was imported into the election management system and reports run to ensure no instances of duplicate voting had occurred. At the same time the informal votes were physically checked to ensure their validity. Once the post-election reconciliation checks had been carried out the election results were produced and checked.

Drafts of the regional result documents were emailed to the respective regional managers for sensibility checks late on the morning of Tuesday 12 October 2021. Once confirmed by the regional managers, the results were then emailed to the candidates early in the afternoon that day, with the last region completed just prior to 2pm. F&G then made the result documents available off their elections website later that day.

The official results were then publicly advertised for all regions (including the uncontested regions) during the week 16 to 23 October 2021.

The number of electors voting online continues to grow, with 52.09% doing so this year, up from 41.15% in 2018, 34.78% in 2015 and 29% in 2012. By comparison most of our clients average about a 35% online return. As with previous elections we had good feedback from those that voted online, and it is very beneficial for those needing a last minute voting option. I again recommend that an internet voting option be retained for future elections.

7.0 Election Queries and Conclusion

As with previous elections, we received a number of complaints about campaigning activities, particularly via social media. On investigation, none were confirmed as breaching any election rules so no action was taken other than confirming this to those raising the complaints.

The other common issue raised was the validity of the sub-region factor on the election process. We noted to these callers that the sub regions were optional for each region to apply.

Overall, I believe the 2021 election project was very successful given the prevailing Covid 19 restrictions in place at key times. I believe all licence holders were given the opportunity to stand for election if they wished and for those enrolled to duly participate in the voting process, in accordance with the requirements of the electoral regulations.

8.0 Suggested Changes:

I make the following recommendations for the 2024 election process.

1. The same independent returning officer should be appointed for all twelve regions.
2. Make online options available for the candidacy appointment and enrolment processes (in addition to the current form options).
3. Continue to encourage licence holders to record their email address wherever possible.
4. Continue to provide an internet voting option and use email reminders to improve voter participation.
5. Consider making confirmed candidate name details publicly available from a website over the course of the nomination period.

I take this opportunity to thank Fish and Game NZ for engaging the services of *electionz.com* and myself as RO or DRO to carry out the elections. I would also like to record my appreciation to Jack Kos, Richard Cosgrove and Kate Thompson and all the regional managers and their staff who assisted with the election process, and to our contractors who worked through the various social distancing alert level restrictions to enable us to satisfactorily conclude the 2021 project.

We look forward to being of assistance for the next election in 2024. I would be pleased to answer any questions regarding the conduct of the election.

Yours faithfully



Warwick Lapp
Returning Officer
FISH AND GAME NZ ELECTIONS 2021

26 January 2022

Future of Research Funding Review

To	NZC
From	Rebecca Reed, Senior Environmental Advisor

1. Purpose

To present the New Zealand Fish and Game Council with the draft review of the Future of Research Funding review process.

A review has been conducted of the current timeline and operations regarding the two streams of work relating to research funding; 1. Research Funding Application Process, and 2. Research Strategy development and governance.

2. The Council is asked to

Approve the outlined Research Fund process.

Agree to establish a Research Strategy Sub-Committee with one NZC councillor as Chair, one NZC staff member and two regional representatives.

Agree to appoint XXX as the NZ Councillor to Chair the Research Strategy Sub-Committee.

Agree to seek nominations from regions for two regional representative positions.

Future of Research Funding Review

New Zealand Fish and Game Council Meeting February 2022

Prepared by: Rebecca Reed, Senior Environmental Advisor, NZ Fish and Game Council

Purpose

- 1 This paper proposes:
 - 1.1 a draft process for receiving and assessing applications to the Research Fund; and
 - 1.2 the establishment of a Research Strategy sub-committee of NZC.

Background

- 2 In the August 2021 NZ Council meeting and the December 2021 Managers meetings it was requested that a review of the process for applying to the Research Fund be conducted. This review was to include consideration of the overarching research strategy, operational applications, the assessment processes and the governance structure for all aspects.
- 3 The goal of this review was to ensure that there is a fit-for-purpose approach to managing and coordinating the applications for research project funding, the alignment of funded projects to established research priorities and the optimisation of the deliverables and outputs achieved through supported projects.
- 4 The National Budget for 2021-22 has allocated \$100,000 to Research. (Note an additional \$30k was allocated to the National Anglers Survey NAS which has now been separated out into a dedicated fund.)
- 5 The Research Fund is no longer split between Mallard and other Research going forward and all research needs to be assessed on the merits of the research and to the long-term research strategy for the good of Fish and Game.

Future of Research

- 6 There are two distinct workstreams associated with the Research Fund:
 - 6.1 The operational process by which applications are made and assessed; and

6.2 The Research Strategy against which research applications will be considered.

Workstream	Governance group	Timeline
1. Research Applications & Assessment	Research Fund Operations	Process reviewed as needed
2. Research Strategy	Research Strategy Sub-Committee	Research Plan reviewed every 3 years

Research Fund Process

7 Research funding applications will be undertaken with the following process and timeline annually.

TIME	ACTION	LEVEL OF ASSESSMENT
Open	A call for research project funding will be open for development of proposals throughout the year. However, applications (completed in templates) will be assessed in a multi-stage process as outlined below. The application and assessment process will be coordinated by the national office – Senior Environmental Advisor	NZC – national office Senior Environmental Advisor
Jan-March	Technical staff in regional offices to identify specific research needs in alignment with the Research Strategy and taking into account existing projects. Managers consider research proposals from within their regions and recommend those to be considered during the Managers Meeting.	Within Regional offices- Technical staff and Manager
Jan- Feb	Research proposals to be assessed against criteria and applications checked for completeness in preparation for Manager Meeting. Review of project alignment with the Research Strategy and the suite of previously funded project topics to be undertaken to ensure proposed projects offer essential research needs and consider any prior work completed in this subject area. Consideration of funds requested, and available research budget will also be conducted.	NZC – NZC office. Senior Environmental Advisor
Feb-April	Managers and CE to consider all research project proposals against assessment criteria and rank and agree on proposals to be assessed by NZ Councillors These recommendations are submitted to the NZ Council May meeting for assessment and funding decision.	Regional Managers
May	NZ Council to consider all project funding proposals and make funding decisions.	NZ Councillors and Fish & Game CE
Sept	Funds become available – projects begin. Funds disbursed to region of the project leader	NZC – National office. Chief Financial Officer

Ongoing	Project monitoring, evaluating against milestones and deliverables. Upon project completion – circulating / filing research results and reports. Active Projects Update report to be on the agenda of each NZC Council meeting.	NZC- Senior Environmental Advisor
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Research Strategy Sub-Committee

- 8 Currently NZC have identified research priorities (continuation of the National Angling Survey, licence price optimisation and biosecurity risk analysis), but we do not have a finalised overarching research strategy.
- 9 It is proposed that to develop a Research Strategy, NZC establishes a Research Strategy Sub Committee, chaired by one NZC Councillor and comprising an NZC staff member (who is not involved in providing advice to NZC on specific proposals) and two representatives from Regions.
- 10 Proposed Terms of Reference are attached with this paper.
- 11 This group would replace the Research Reference Group and the Research Reference Group would cease operation.
- 12 The Research Strategy will set Fish & Game' research priorities to identify and prioritise research requirements and develop an annual and long term (three year) research plan to action these priorities.
- 13 If established, the Research Strategy Sub-committee would assess NZC's identified research priorities and determine whether these remain the critical areas of research for Fish & Game in creating the research strategy.
- 14 It is recommended that the Research Strategy Sub-Committee does not play any role in the assessment of research funding applications (other than the NZC member having voting rights when NZC considers the application). The reason for this is to separate the strategic and operational aspects of the research programme.
- 15 The proposed process for developing a research strategy is as follows:
 - 15.1 Research Strategy Sub-Committee prepares draft research strategy.
 - 15.2 Draft strategy is sent to regions for consultation.
 - 15.3 Regional feedback is incorporated into the strategy.
 - 15.4 Research strategy is presented to NZC for final approval.
- 16 It should also be noted that s26C(1)(c) one of the functions of NZC is:

- 16.1 “to participate, with the Director-General and other interested parties, in the development of a research programme promoting the management of sports fish and game”

Accordingly thought should be given as to whether the Director-General of DOC, or their delegate, is invited to sit on the Research Strategy Sub-Committee.

Financial Implications

- 17 None. There is an established research project funding budget of \$100,000 per annum. All projects applying for funding must be considered against prior applications / financial investment in the topic area as well as the likely financial risks of the project, if any.

Legislative Implications

- 18 Per 26C of the Conservation Act, the functions of the New Zealand Fish and Game Council shall include participating with the Director-General of DOC and other interested parties in the development of a research programme promoting the management of sports fish and game.

Section 4 Treaty Responsibilities

- 19 There are no direct s4 responsibilities raised by this paper, but in assessing research applications in the future there will need to be consideration given to whether the specific application raises any responsibilities.

Policy Implications

- 20 There are no direct policy implications at this stage, although an approved research strategy will effectively constitute NZC’s research policy.

Consultation

- 21 Regions have been consulted with previously in regard to this review of the Research Fund via Managers Meetings and NZ Council meetings.
- 22 Ongoing consultation of this review process will be undertaken to ensure the resulting strategy, process and criteria for assessing research project applications have regional buy-in. .
- 23 The draft research strategy will go to regions for consultation.

Recommendations

- 1 **Approve** the outlined Research Fund process.
- 2 **Agree** to establish a Research Strategy Sub-Committee with one NZC councillor as Chair, one NZC staff member and two regional representatives.

- 2.1 **Agree** to appoint XXX as the NZ Councillor to Chair the Research Strategy Sub-Committee.
- 2.2 **Agree** to seek nominations from regions for two regional representative positions.

Terms of Reference for Research Strategy Sub-Committee

1. The name of the committee shall be the Research Strategy Sub-Committee.
2. The purpose of the committee is to develop and recommend to the New Zealand Fish and Game Council a Research Strategy that sets out the Fish & Game research priorities to identify and prioritise research requirements and develop an annual and long term (three year) research plan.
3. The committee shall be a sub-committee of the New Zealand Fish and Game Council and shall be chaired by a New Zealand Fish and Game Councilor.
4. The committee will consist of one New Zealand Fish and Game Council councilors, one NZ Council Staff member and two suitably qualified persons from the Regional Fish and Game Councils.
5. The committee shall be bound by the Governance Policies of the New Zealand Fish and Game Council, the Conservation Act, Local Government Official Information and Meetings Act 1987 and the Official Information Act.
6. The committee shall be funded by the National Budget as agreed by the New Zealand Fish and Game Council.
7. The committee shall report on activities to the New Zealand Fish and Game Council aligned with the meeting schedule of the New Zealand Fish and Game Council.
8. The committee will not play any role in the assessment of a research funding application.

Contestable Funding Applications for 2022 23

To	Councillors
From	Carmel Veitch

1. Purpose

To present the New Zealand Fish and Game Council with the projected contestable funding applications required for the NZC and National Budget in the 2022 23 year.

2. The Council is asked to

Approve the

Note

Contestable Funding Applications for 2022 23

New Zealand Fish and Game Council Meeting February 2022

Prepared by: Carmel Veitch, CFO, NZ Fish and Game Council

Purpose

- 1 To present the New Zealand Fish and Game Council with the projected contestable funding applications required for the NZC and National Budget in the 2022 23 year.

Background

- 2 The Fish and Game Budget process is an amalgamation of National and Regional needs.
- 3 In February/March each region puts forward their contestable funding requirements to their council for approval.
- 4 These contestable funding applications (CFA's) are then presented to the CFO by 23rd March.
- 5 In the April Managers Meeting the Regional Managers consider the CFA. They apply an agreed ranking criteria. Within this process regional reserves and prior years spending is taken in to consideration as whether the CFA could be funded within the current budgets, or it is added to the Licence fee or is taken from the regional Reserves. This is then provided to NZC as formal advice for when NZC consider the CFA applications in April.
- 6 In the NZC April meeting the NZC consider the regional managers rankings and approve the final CFA's and recommend to the Minister the Licence Fee.
- 7 In the 2020 year the NZC/National budget was cut by 27% as a response to Covid. All other regions cut by 5%. This has had an impact on how the NZC can function within its budget.
- 8 Administration in the 2021 year was 108% of Budget. And although our total budget spend was at 95.8% of budget – the unspent dollars were items such as RMA and Research that are committed for future years and hence become a liability going forward.
- 9 This paper identifies the CFA's that the NZC staff have identified as requiring consideration for the 2022 23 year.

Analysis

- 10 Attached is summary of the CFA's required in the 2022 23 budget round.
- 11 More Detailed Applications will be presented before the April meeting.

CFA #	Detail	NZC/National	\$ Requested
1	<p>CPI –each year the annual CPI in December is used for the inflation adjusted salaries CPI. For the last 2 years NZC has worked within its salaries budget and has not applied for a CPI adjustment. Least year due to recruitment and staff changes the NZC spent 112% of its salary budget. (over budget by \$104k) 5.9% is the December CPI figure and the NZC is seeking a CPI adjustment for the 2022/23 year(902k)</p> <p>It is likely that Each Fish and Game Council will make the same application for CPI salary adjustments in the upcoming CFA round.</p>	NZC - ongoing	\$53,250
2	<p>CE Recruitment and other costs – This figure is based on actual previous recruitment fees and travel costs for NZC. Executive Committee Members to attend the CEO interviews.</p>	NZC – one off	\$30,000
3	<p>Public Records Act Disposal Authority – In December 2021 NZC approved that a CF bid for \$12,000 be put forward into the CF round for the creation of a PRA disposal authority. This does not need to be approved now but is included for clarity.</p>	NZC – one off	\$12,000
4	<p>Co-funded Research - \$25k/y We have an opportunity to co-fund PhD research with the Cawthron Institute on the ecology, conservation and management of trout and trout fisheries in New Zealand. This has significant benefits both in terms of the research outputs itself, as well as supporting more of New Zealand’s future scientists to hold pro-trout perspectives. In exchange for our contribution Fish & Game</p>	National – ongoing	\$25,000

CFA #	Detail	NZC/National	\$ Requested
	<p>would work with Cawthron in determining prioritised research areas as well as sitting on the group that selected the successful candidate. It is proposed that, to allow this project to commence this financial year, that the first year is funded out of a research application (which will be advanced at the April meeting) and that the CF bid is put in as an ongoing budget line, to be reviewed every three years.</p>		
5	<p>Magazine Costs A new contract has been out for tender. Over the last 3 years the Magazine has budgeted a net cost of \$20k. Actual net costs have been \$56k. This new contract in conjunction with a forecast reduced income (due to advertising income being reduced) has meant the National Budget requires additional funding to meet the costs</p>	National – ongoing	\$98,000
6	<p>RMA Training Fund -Funding is sought to support Resource Management staff (the RMA team), representing the regional offices and NZC, to identify opportunities for targeted professional development to support the team’s skillsets required across all RMA roles. Examples could include technical skills development or securing experts to present on relevant topics.</p>	National - ongoing	\$10,000
7	<p>Licencing administration costs – Rising costs of distribution of licences – over the last 2 years this budget has been underfunded and overruns have come from NZC Reserves. As Licence sales increase to forecast, regions receive the additional income, however, the</p>	National - ongoing	\$50,000

CFA #	Detail	NZC/National	\$ Requested
	NZC/National budget have to carry the additional postage and production costs. (note postage has increased by XX% in last 3 years with no increase in this budget.)		
8	Instep continued funding This IAP service was contracted in 2020 when the Review was a first released to support all F & G staff. There was no budget for this and in the first year and present year is being drawn from NZC reserves. As good employees this is an essential service that needs to be continued.	National - ongoing	\$5,000
9	Maritime Position. With the imminent retirement of Rudi Hoetjes, Fish & Game needs to appoint another person to coordinate our relationship with Maritime NZ. No-one within NZC office holds the requisite certificates, and no-one within the organisation has expressed an interest. Thus it is probable we will need to contract with someone to provide this service.	National - ongoing	\$6,000
10	RMA Funding - Funding required for ongoing NPS and NES. This is an annual application.	National – one off	\$500,000
11	Staff Conference – last staff conference was held in Dunedin in 2017.	National – one off	\$75,000
	Governance/Implementation /Strategic planning Costs for 2022/23/24?		
	TOTAL		\$864,250.00

Financial Implications

13 There are a total of 11 applications that total \$864,250

13.1 NZC have 3 Applications: \$53,250 ongoing and \$42,000 one off

13.2 National Has 8 Applications: \$194,000 ongoing and \$575,000 one off.

Legislative Implications

14 Nil

Section 4 Treaty Obligations

15 Nil

Policy Implications

16 Nil

Consultation

17 These Contestable Funding applications will be considered by the managers in the April 2022 meeting and will be ranked and recommended to the NZC for approval.

Recommendations

1 *That the NZC approve that the above contestable funding applications be put forward to the Contestable funding round for 2022 23.*

Southland Legal/RMA Application

To	Councillors
From	Rebecca Reed, Senior Environmental Advisor, New Zealand Fish and Game

1. Purpose

To present the New Zealand Fish and Game Council with a Legal/RMA Fund application from Southland Fish and Game Council for the continued appeal process through the Environment Court for the Southland Water and Land Plan.

2. The Council is asked to

Approve the application for Legal/RMA funding.

Southland Legal/RMA Application

New Zealand Fish and Game Council Meeting February 2022

Prepared by: Rebecca Reed, Senior Environmental Advisor, NZ Fish and Game Council

Purpose

- 1 The purpose of this paper is to present a Legal/RMA Fund application from Southland Fish and Game Council for the continued appeal process through the Environment Court for the Southland Water and Land Plan.

Background

- 2 Southland Fish and Game Council have applied for \$74,360.50 + GST from the RMA Legal fund to support their continued appeal to the Environment Court on the Proposed Southland Water and Land Plan.
- 3 The application for funding includes the following expense breakdown for ongoing actions:
 - Legal representation by Sally Gepp, Barrister – \$36,781 + GST (estimate includes disbursements);
 - Expert planning witness services by Ben Farrell of Cue Environmental - \$12,962.50 + GST (estimate includes disbursements);
 - Expert water quality services by Kate McArthur of KM Water - \$14,617.50 + GST (estimate includes disbursements); and
 - Expert freshwater ecology rebuttal evidence by Dr Adam Canning of James Cook University, Australia - \$10,000 + GST (estimate excludes disbursements).
- 4 The above costs are based on an equal 50/50 cost sharing agreement with Forest & Bird, i.e., they represent Fish & Game's contribution, in relation to the engagement of legal representation and expert witnesses to continue its unresolved appeal points on the Proposed Plan.
- 5 The appeal encompasses significant environmental issues that are likely to have to be experienced in most other regions, including farm plans, intense winter grazing, cultivation on slopes and requisite setbacks, recognition of degraded waterbodies, Te Mana o Te Wai and Hauora, and nutrient limits to ensure the achievement of Hauora.

6 The outcome of this appeal is likely to create national precedent value. This is the first time the Environment Court is considering a region wide planning framework for managing diffuse discharges since the Court's decisions on the Horizons One Plan. Although Southland does have some unique issues, the generic parts of the appeal generate national interest for other plans that are seeking to deal with freshwater degradation due to land use activities.

7 The funding application and full regional feedback are attached.

Regional Feedback Summary

8 There has been broad support for this application from Regional Managers as summarised in the below table:

Region	Response	Comments
Northland	Support	Concur with the sentiments expressed by some of the other managers or CE's
Auckland/Waikato	Support	Happy to support this application. From your application, which I found informative, I believe it will certainly have national precedent especially in the Waikato where we're probably 6 months behind in a similar appeals process.
Eastern	Support	It's all been said and you have Eastern Fish & Game's support for your funding application
Hawkes Bay	Support	Likewise, Hawke's Bay supports this funding application.
Taranaki	Support	Taranaki supports the Southland RMA application for funding. There are important matters to resolve that have implications for other regions. It is clear that Southland staff have put a lot of work into this and sought to minimise external costs wherever possible. It would be a major loss of faith with F&B to pull out at this stage, given the cost sharing agreement. The Proposed Taranaki Regional Freshwater Plan is due for notification sometime in 2023 and we have similar issues with downstream degradation of water quality from the cumulative effects of diffuse discharges from intensive dairy.
Wellington	Support	This case is actively considering the principles and implementation of regional planning instruments under the most recent NPS FM 2020. This therefore has potentially wider implications for all other regions, given that the Minister for the Environment will be closing looking at the decisions made for this case in the Environment Court regarding these issues. Wellington Fish and Game Council therefore supports the funding proposal.
Nelson	Support	I agree with Nigel's perspective. It is also likely that most of this regions current approved legal funding will not be uplifted until the 22/23 financial year meaning NMFGC will very likely be substantially underspent in our existing approved legal pool funding
North Canterbury	Support	NCFG region support the RMA proposal submitted by Southland, on a similar basis as raised by other regions. Like several others we would like to emphasise the importance of involving and updating the national RMA group, as this helps spread the lessons learned quickly around the country.

		If that requires additional funding (as a standalone bid) it already has NCs support.
CSI	Support	The interpretation and ruling by the Environment Court on the NPSFM and its translation into the plan will be critical going forward and will set direction for the rest of the country. It is helpful that F&B is party to this case and expenses are being shared; this should be supported..... I recommend that CSI supports this application for funding based on what has been provided.
West Coast	Support	Full support from the mighty West Coast
Otago	Support	<p>The case has proved extremely useful to date in understanding Te Mana o te Wai as a policy concept and I expect this exploration will continue in Topic B. I think we can also expect to see an exploration of the practicalities of NPS-FM implementation, for example building farm plans into the plan framework. This will be of interest to all F&G Councils.</p> <p>I suspect that in writing the LWRP, the ORC will be looking over the fence to see how things go in Southland. If so, the issues raised there will have impacts on our lot.</p> <p>Given the local significance especially, please consider this email our support for the application.</p>

NZC Staff View

- 9 Having considered the funding application documentation and all feedback received from the regional councils, it is the NZC staff opinion that this application should be supported and funding approved.
- 10 The outcome of this appeal to the Environment Court has potential to influence all other Fish and Game regions, as well as representing honouring our ongoing relationships with our collaborators (Forest & Bird) and partnerships in working to protect and restore Aotearoa's natural resources.

Financial Implications

- 11 If approved, \$74,360.50 + GST will be deducted from the Legal/RMA fund.
- 12 There is currently \$380,000 unallocated in the Legal/RMA fund from the current budget and if approved the Legal/RMA fund

Legislative Implications

- 13 Nil.

Section 4 Treaty Responsibilities

- 14 No s4 responsibilities identified.

Policy Implications

15 Nil.

Recommendations

- 1 **Approve** the application for Legal/RMA Funding from Southland Regional Council.

Fish and Game Application Form for Legal/RMA Funding

Application From	Southland Fish & Game
Date	January 2022
Application Name	Proposed Southland Water & Land Plan
Total Amount	\$74,360.50 + GST
Owner	Zane Moss

Southland Fish & Game ('Fish & Game') is seeking **\$74,360.50 + GST** from the Legal / RMA fund to continue its appeal to the Environment Court on the Proposed Southland Water and Land Plan ('the Proposed Plan'). This includes the following costs:

1. Legal representation by Sally Gepp, Barrister – \$36,781 + GST (estimate includes disbursements);
2. Expert planning witness services by Ben Farrell of Cue Environmental - \$12,962.50 + GST (estimate includes disbursements);
3. Expert water quality services by Kate McArthur of KM Water - \$14,617.50 + GST (estimate includes disbursements); and
4. Expert freshwater ecology rebuttal evidence by Dr Adam Canning of James Cook University, Australia - \$10,000 + GST (estimate excludes disbursements). The amount sought in relation to Dr Canning is a placeholder pending further confirmation of the costs of him preparing expert rebuttal evidence and appearing at the Environment Court hearing (including disbursements). An explanation for this approach is set out at page 4 of this application.

The above costs are based on an equal 50/50 cost sharing agreement with Forest & Bird, i.e., they represent Fish & Game's contribution, in relation to the engagement of legal representation and expert witnesses to continue its unresolved appeal points on the Proposed Plan. To minimise costs incurred to date, Fish & Game staff have internally undertaken as much work associated with its appeal as possible, including attending Environment Court facilitate mediation without legal representation and / or expert witness, attending meetings, and drafting of updated documentation.

Background

The Proposed Plan is a second-generation regional water plan that was notified in mid-2016, principally due to failings of the incumbent Regional Water Plan for Southland, which was finalised in 2010, to address intensification of land use and deteriorating trends in water quality. Specifically, the Proposed Plan seeks to:

1. Create a framework for interim limit setting on sub-regional / catchment basis; and

2. Respond in the interim to deteriorating water quality / environmental trends by better managing activities contributing disproportionate amounts of contaminants (nutrients, sediment, and microbes) to ground and surface water, including:
 - a. Rural land use activities, including intensive winter grazing, cultivation, and intensification / establishment of new dairy farms; and
 - b. Point source discharges, including discharges of storm and wastewater.

Appeals on the Proposed Plan have been divided into two sections, namely:

1. Topic A relating to the state of the environment and overarching objectives / policies that create the framework for subsequent rules; and
2. Topic B relating to rules, including land use and discharge rules.

Land use activities are currently largely permitted and overly reliant on good management practices, which are loosely defined and not tied to any identifiable / measurable outcomes.

Progress to date – Topic A

To date:

1. Four interim decisions have been issued by the Environment Court in relation to Topic A; and
2. Fish & Game's involvement in Topic A was funded entirely out of regional reserves after funding from the Legal / RMA fund was declined, notwithstanding the significance of the environmental issues and their associated effects on fish and game resources of local, regional, and national significance.

Significantly, the Environment Court recognised in the above interim decisions that:

1. There must be improvement in land use and water management practices if further deterioration in water quality is to be avoided.
2. There are issues in relation to the architecture and construction of the Proposed Plan that require remedy. All provisions of the Proposed Plan should be interpreted and applied in a manner that considers and recognises Te Mana o te Wai and implements it in accordance with ki uta ki tai. This means that the health and wellbeing of water are to be placed at the forefront of all discussion and decision making. Users of water must acknowledge and protect the mauri of water to sustain the health of the environment, the health of the waterbody and the health of the people. Specifically:
 - a. This approach does not allow Council, particularly in its role as consent authority, to trade off these fundamentals to enable other approaches; and
 - b. The Proposed Plan's provisions are not to be read down and considered in isolation from the above principles.

This fundamental shift in perspective around management of water placed Fish & Game in a comparatively good position in terms of continuation of its appeals on Topic B, particularly in relation to:

1. Consideration of rules for agricultural land use shown to have a disproportionate effect on water quality and habitat through diffuse discharges of nutrients, sediment and microbes;
2. Requiring discharges, including diffuse discharges, to meet receiving water quality standards for the purpose of eco-system health; and
3. Strengthening regional wide objectives and policies to avoid re-litigation of these matters on a sub-regional / catchment by catchment basis during the subsequent interim limit setting process.

Continuation of the Appeal – Topic B

Mediation

Approximately three weeks of Environment Court facilitated mediations were held for Topics B1 (water takes), B2 (water quality / discharges (point source), B4 (bed disturbance), B5 (wetlands / indigenous biodiversity), B6 (infrastructure) and B7 (other matters – e.g., heritage, burning) through early – mid 2021. To minimise cost, the above mediations were attended exclusively by Fish & Game staff. Substantive progress was made with resolving Fish & Game appeal points on the above topics.

A week of scheduled mediation was not held for Topic B5 (farming) following two successive short notice cancellations in the mid-latter stages of 2021 due to weather (snow closures of roads and the airport) and Covid-19. Several Topic B5 meetings between parties, including Fish & Game, subsequently occurred, however, agreement resolving parties' interests in the appeals was not reached.

Unresolved matters

Unresolved appeals on Topic B, which principally relates to rules in the Proposed Plan concerning farming (Topics B2, B3, B4 and B5), infrastructure - Manapouri Power Scheme (Topic B6) and water quality (Topic B1) are scheduled for an Environment Court hearing of 4 – 6 weeks duration in Christchurch commencing in mid-March 2022. In anticipation of this:

1. Fish & Game is sharing the following costs with Forest & Bird:
 - a. Expert witness costs in relation to water quality and ecology (Kate McArthur) and planning (Ben Farrell); and
 - b. Legal representation costs (Sally Gepp).
2. Conferencing between expert witnesses for the appellants and Environment Southland was completed in the latter stages of 2021 in relation to water quality and ecology, farm systems, forestry, and planning. Expert witnesses reached agreement that:

- a. Large reductions in contaminant loss (nutrients, sediment, and microbial) are required for all rivers, lakes, and estuaries of Southland (except Fiordland and Stewart Island) to achieve national bottom lines;
- b. The Proposed Plan should spatially identify degraded sites (based on available monitoring and modelling data) in the Southland Region;
- c. Appendix N, which requires the implementation of Farm Environmental Management Plans for land use / farming activities, should require a rigorous requirement to reduce contaminant loss; and
- d. All activities in catchments upstream of degraded sites and / or waterbodies should be managed in a manner that considers cumulative impacts, contaminant loss risk, and amounts of contaminants lost

In response, Environment Southland proposed a suite of amendments to the proposed plan, principally focused on land use / farming rules, to address findings made by the Environment Court on Topic A (overarching objectives and policies). Further refinement and amendment are required to the Proposed Plan, particularly in relation to land use / farming rules, to address the large reductions in contaminant loss required to achieve national bottom lines.

3. In late December 2021, appellants were required to file updated relief and evidence-in-chief of expert witness in relation to the above unresolved topics. Expert witness costs in relation to water quality and ecology (Kate McArthur) and planning (Ben Farrell) was jointly filed on behalf of Fish & Game and Forest & Bird. A significant issue relates to how degraded catchments are identified in the Proposed Plan.
4. Evidence-in-chief from expert witnesses on behalf of Environment Southland is expected to be filed in late January / early February 2022. Appellant witnesses can file rebuttal evidence in response.

Additional matters arising

Dairy NZ and Fonterra participated in expert conferencing on water quality and ecology through their witness, Justin Kitto, through October – late November 2021 - this involved several 'concessions' being made on their behalf, particularly in relation to the identification of degraded catchments in Southland. In mid-late December 2021, Dairy NZ and Fonterra subsequently applied to the Environment Court to substitute Mr Kitto as a witness and call an alternative water quality / ecology witness, Dr Craig Depree. On 20 December 2021, Dr Depree filed evidence-in-chief providing that degradation with respect to eco-system health and human health values should focus solely on MCI and E. coli values, i.e., other contaminants of concern (including nutrient (N & P) and sediment exceedances should not be separately considered as indicators of degradation. This approach appears questionable, at best, from an ecological point of view and if successful, has the potential to be precedent setting for other regions in the future. In response to this late change in position Fish & Game has approached Dr Adam Canning of James Cook University, Australia (previously employed by Fish & Game) to provide rebuttal evidence on the appropriate contaminant criteria to determine the location(s) of degraded water quality in Southland. Dr Canning has agreed to provide this evidence; however, Fish & Game is currently awaiting further confirmation of the costs of him preparing expert rebuttal evidence and appearing at the Environment Court hearing (including disbursements).

Primary Criteria			
	Question	Weighting	Supporting Material
1	Is there national precedent value in the proposed legal action?	1 <i>none</i> , 2 <i>low</i> , 3 <i>possibly</i> , 4 <i>probably</i> , 5 <i>yes</i>	<p>5. - Yes.</p> <p>This is the first time the Environment Court is considering a region wide planning framework for managing diffuse discharges since the Court's decisions on the Horizons One Plan. The Court will also be required to rule on important matters of interpretation of the NPSFM, and the use of tailored 'physiographic' zones to manage land uses in different areas – a (good) alternative building on the equitable 'LUC approach' used in the Horizons One Plan (as distinct from grandparenting). Although Southland does have some unique issues, the generic parts of the appeal generate national interest for other plans that are seeking to deal with freshwater degradation due to land use activities.</p> <p>It is acknowledged that the national environmental standards for various farming activities cover several matters that are relevant to appeals on Topic B matters, e.g., permitted activity standards for intensive winter grazing. However:</p> <p>a.) The appeals are likely to be progressed in relation to Topic B matters prior to finalisation of the Government 'action for healthy waterways'; and</p> <p>b.) Fish & Game at a national and regional levels sought substantial amendments sought to the NPSFM and national environmental standards for farming activities. For example, at a regional level Fish & Game is seeking substantial amendment to the proposed national environmental standard for intensive winter grazing.</p> <p>As such, Fish & Game cannot simply 'park' its appeal on the Proposed Plan on the assumption that the Government 'Action for healthy waterways'</p>

			will adequately address all matters set out in its appeal.
2	Is there regional significance in the issue for which legal action is being contemplated?	1 <i>none</i> , 2 <i>low</i> , 3 <i>possibly</i> , 4 <i>probably</i> , 5 <i>yes</i>	5. - Yes
3	What would be the consequences of doing nothing?	1 <i>none</i> , 2 <i>low</i> , 3 <i>moderate</i> , 4 <i>high</i> , 5 <i>very high</i> .	5. – Very high Continued significant deterioration of Southland’s smaller fisheries and deterioration in our lowlands, our mainstems and estuaries, causing reduced angling opportunity, use & recruitment/retention.
4	What are the prospects of a negotiated settlement?	1 <i>none</i> , 2 <i>low</i> , 3 <i>possibly</i> , 4 <i>probably</i> , 5 <i>yes</i> .	2. – Low in relation to outstanding Topic B matters, which are currently time tabled for an Environment Court hearing commencing on 14 March 2022. Fish & Game has previously attended mediation and auxiliary meetings in relation to unresolved Topic B issues. Prospects are low for unresolved significant Topic B issues, particularly in relation to indicators and numerics of freshwater degradation, identification of degraded areas, and standards in relation to intensive land use.
5	What are the prospects of an appeal to a higher court?	1 <i>none</i> , 2 <i>low</i> , 3 <i>possibly</i> , 4 <i>probably</i> , 5 <i>yes</i> .	3. – Possible. Possible, but if so, it will likely be for issues that are of national significance (involving points of law) e.g. relationship between current NPSFM and maintaining water quality, interpretation of the NPSFM against the requirements of the RMA.

Comments

Secondary Criteria		
	Question	Answer
1	What is the significance to Fish & Game of the resource under challenge, including its current benefits and potential use and value? For example: a. How many angler/hunter days does the resource support?	Southland was internationally known for its small-medium sized river fisheries, such as tributaries of the Mataura River like the Mimihau, Mokoreta and Otamita, or Otapiri in the Oreti. Due to inappropriate hill-country development and the loss of fine sediment from the use of fodder crops (brassica / root crops) for ‘intensive

	<p>b. Is it an important recruitment habitat?</p> <p>c. What benefit could it have in the future?</p>	<p>winter grazing' of sheep, cattle, and deer these fisheries have very significantly deteriorated over the last 20 years. For example, there's been approximately a 90% decline in <i>Delatidium</i>, trout numbers and angler use in the Otapiri, which is largely attributable to the effects of deposited fine sediment in the stream bed.</p> <p>Over the last four national angler surveys Southland's lowland rivers have gone from receiving approximately 22,000 angler visits annually down to approximately 8,000 angler visits annually. While angling effort in Southland headwaters has increased, this shows the opportunity for improvement, and risks of further decline.</p>
2	<p>What is the risk to that resource of the proposed action being taken without Fish & Game contesting/supporting the proposed action? For example:</p> <p>a. What will be lost in terms of the resource?</p> <p>b. Would it affect license sales?</p> <p>c. Who uses the resource?</p>	<p>a.) Southland still has reasonable fishing opportunities in our lowland and tributary streams and reasonable recruitment to our headwater fisheries. However, further deterioration through sedimentation and excessive nutrient, will degrade these fisheries to such an extent that these fisheries will lose all value, and recruitment to our headwater fisheries will also be compromised. Otolith studies completed on the Oreti show that our large headwater fish attain their size in our lowland river systems, therefore further degradation may also endanger our iconic headwater resources.</p> <p>b.) Yes, undoubtedly as anglers consider they must travel further to quality fishing rivers that are becoming increasingly crowded.</p> <p>c.) Primarily resident anglers (both from the Southland region and elsewhere in New Zealand), however, previously non-resident anglers too.</p>
3	<p>What is the likelihood of Fish & Game succeeding in contesting/supporting the proposed action?</p> <p>a. To answer this question supporting advice needs to be supplied from legal and or RMAS planning sources.</p>	<p>Although difficult to predict, legal advice is that Fish & Game has a good chance of success - both on legal points and evidential matters (if witnesses are adequately resourced to support Fish & Game's case). A number of concessions have already been made by Environment Court in terms of amended relief, however, these continue to fall short of adequately addressing the current state of degradation and</p>

		<p>appropriately managing land use activities contributing to degradation.</p> <p>The Proposed Plan was substantially weakened between the notified version and the Council-level decisions version. It no longer provides for the objective of ‘holding the line’ pending the collaborative processes. Legal advice is that its Objectives are no longer aligned with Proposed Plan’s methods, such as the over-reliance on the implementation of good management practices (‘GMP’s), which are undefined nor tied to any identifiable and measurable outcomes. GMP’s were rejected by the Environment Court in the Horizons One Plan decisions as the primary means of managing diffuse discharges.</p>
4	<p>What are the other alliances could be considered in contesting/supporting the proposed action?</p> <p>a. To answer this question supply any approaches that have been made to other entities.</p>	<p>Fish & Game convened a meeting in Christchurch in early August 2018 involving legal counsel and staff from DOC, Forest & Bird and Ngāi Tahu to look to align our cases. This resulted in Fish & Game 50/50 sharing with Forest & Bird the cost of a planning witness (Ben Farrell) for the Topic A hearings.</p> <p>In relation to Topic B, Fish & Game has reached agreement with Forest & Bird to 50/50 share:</p> <p>a.) The cost of legal representation – Sally Gepp</p> <p>b.) Expert witnesses in relation to freshwater quality – Kate McArthur and planning – Ben Farrell.</p> <p>In addition, Fish & Game staff have undertaken significant internal work to minimise external expenditure on its appeal.</p>
5	<p>What is the likely dollar cost of any action by Fish & Game to first hearing/court level with a breakdown of costs for lawyers, expert witnesses and scientific support? Indicate the timeframe over which the costs will span.</p> <p>a. To answer this question supporting advice needs to be supplied from legal and or RMA planning sources.</p>	<p>Fish & Game staff previously managed the entire Proposed Plan hearing at Council internally with no external costs.</p> <p>Managers previously accepted provisional costs of ten thousand towards lodging our Appeal with the Environment Court. Drafting of Fish & Game’s Notice of Appeal and s 274 Notices was largely undertaken internally with some external planning oversight to minimise external costs as far as possible</p>

		<p>The following approach has been adopted by Fish & Game to reduce costs in relation to Topic B:</p> <ul style="list-style-type: none"> a.) Fish & Game staff attended all mediations without legal presentation and expert witnesses (retaining legal counsel for matters not settled, and for background advice during mediations); b.) Fish & Game and Forest & Bird is sharing 50/50 the cost of legal representation; and c.) Fish & Game and Forest & Bird has sought to minimise its witness requirements and is sharing 50/50 the cost of the two expert witnesses engaged.
6	<p>What is the likelihood of it being resolved at a particular level e.g. Council hearing, Environment Court, High Court, Appeal Court, i.e. the risk of it going to subsequent higher courts and the likely subsequent costs involved?</p> <ul style="list-style-type: none"> a. To answer this question supporting advice needs to be supplied from legal and or RMA planning sources. 	<p>While some issues may be resolved, the history of the Horizons One Plan proceedings shows that these matters are very contentious, with vested interests involved. At this stage, it is unknown whether other parties may seek to use these proceedings to obtain a 'precedent' from the Environment Court or higher appeal court for other parts of the country. If they do, or (for example) if farming interests in Southland join, it is considered the matter could proceed to the High Court.</p>
7	<p>Are there any alternative options (to court proceedings) to achieve the same outcome?</p> <ul style="list-style-type: none"> a. To answer this question supporting advice could be supplied from legal and or RMA planning sources. 	<p>Other options include:</p> <ul style="list-style-type: none"> a.) Efforts at a national level i.e. on the policy around managing diffuse discharges (NPSFM) and intensive land use activities (NPSFM and NES's); and b.) Directing efforts at limit setting processes for FMU's that will occur under the auspices of the plan (up until 2025). <p>In relation to the first option, those efforts are already occurring.</p> <p>In relation to the second option, this would be resource-intensive as compared to getting the right planning response in the overarching planning framework.</p> <p>Legal advice is that Fish & Game's 'grievances' are more appropriately pursued through these proceedings. If Fish & Game withdraws, or does not resource, its</p>

		appeal then it could be disadvantaged in later processes.
8	Are there any alternative funding opportunities including shared costs?	As mentioned, Fish & Game's approach has and continues to be to minimise cost (where possible) through sharing legal representation and some witness costs with Forest & Bird.
9	What is the region's ability to generate external funding to help cover financial costs?	Minimal, if any, realistic opportunities.

NZC		
	Question	Answer
1	Which Regions have not supported the application and why?	To be confirmed prior to MM
2	Has advice been sought by the NZC Office, and if so from whom, and what was that advice?	

NZC Decision

Approved/Declined

Reasons:

Staff Development Grant Application

To	Councillors
From	Rebecca Reed, Senior Environmental Advisor, New Zealand Fish and Game

1. Purpose

To present the New Zealand Fish and Game Council with an application to the Staff Development Grant for professional development and training for Fish & Game's RMA team.

2. The Council is asked to

Approve the application to the Staff Development Grant for \$5,000 for training and professional development for Fish and Game's RMA team.

Staff Development Grant Application

New Zealand Fish and Game Council Meeting February 2022

Prepared by: Rebecca Reed, Senior Environmental Advisor, NZ Fish and Game Council

Purpose

- 1 The purpose of this paper is to present an application to the Staff Development Grant for professional development and training for Fish & Game's RMA team.

Background

- 2 Fish & Game as an organisation has approximately 10 staff in both regional and national offices working in the resource management advisory sphere, which comprises the RMA team. This team meets on a monthly basis to discuss areas they are working on and opportunities for collaboration and support. The team also collaborates on environmental policy and regulation submissions requiring their skills.
- 3 The past two years has seen an almost fundamental overhaul of environmental freshwater policy, and this is set to expand into the wider Resource Management Act sphere with the planned replacement of the RMA with the Natural and Built Environments Act.

Analysis

- 4 In order to ensure staff have the requisite skills and knowledge of a rapidly shifting landscape it is recommended that Fish and Game budgets for professional development and training for its RMA team.
- 5 Historically there has been a fund for bringing the RMA team together, however this was removed from the NZC budget during the COVID-19 budget cuts.
- 6 A prospective Contestable Fund application for future financial years is included at agenda item 9. However, in order for this training and professional development to commence this year NZC staff are making an application on behalf of the RMA team for \$5,000 from the Staff Development Grant.
- 7 This will allow us to contract with technical and subject matter experts in order to develop the RMA team's skillset and knowledge of recent developments. If possible, this would occur in person however this is dependent on travel restrictions etc.

- 8 Previous examples of presenters to Fish and Game's RMA team have included Jane Kitson and Ailsa Cain, who presented on the interpretation of Te Mana o te Wai, and Maree Baker-Galloway, who presented on the implications of the Natural and Built Environments Act.
- 9 No specific presenter/training opportunity has been identified, however if approved it is proposed that the RMA team is canvassed to determine where the greatest value would be.
- 10 There have been no applications for this year's Staff Development Grant.

Financial Implications

- 11 If approved, \$5,000 will be allocated from the Staff Development fund.
- 12 The Staff Development fund for this financial year is currently at \$14,128 and if approved will be at \$9,128.

Legislative Implications

- 13 Nil.

Section 4 Treaty Responsibilities

- 14 No direct s4 responsibilities identified, although it is probable that training will include aspects of Fish & Game s4 responsibilities as well as wider mātauranga Māori concepts.

Policy Implications

- 15 Nil.

Consultation

- 16 Regional Managers will be consulted at the Managers Meeting on the 3rd of February and this will be provided to NZC ahead of the February meeting.

Recommendations

1. **Approve** the application to the Staff Development Grant for \$5,000 for training and professional development for Fish and Game's RMA team.

Pressure Sensitive Fisheries Management

To	Councillors
From	Jack Kós, Senior Policy Advisor

1. Purpose

To present the New Zealand Fish and Game Council with a draft options paper on the management of pressure sensitive fisheries and to seek draft approval of the paper to proceed to regional consultation.

2. The Council is asked to

Approve the attached options paper to be circulated to regional Fish and Game Councils for feedback.

Pressure Sensitive Fisheries Management

New Zealand Fish and Game Council Meeting February 2022

Prepared by: Jack Kós, Senior Policy Advisor, NZ Fish and Game Council

Purpose

- 1 The purpose of this paper is to seek draft approval of the attached pressure sensitive fisheries options paper to proceed to regional consultation.

Background

- 2 Since the late 1990s/early 2000s Fish and Game have been investigating mechanisms to manage angling pressure and the displacement of resident anglers. This resulted in the instigation of the backcountry licence scheme in 2003, and the Greenstone Controlled Fishery in 2004.
- 3 This proposal seeks to build upon existing mechanisms and expand the range of options available to Fish and Game Councils to manage angling pressure and resident displacement.
- 4 In November 2020 NZC approved an early draft of the attached options paper to proceed to regional consultation, however in discussions with regional staff it was clear that there were a number of amendments that needed to be made to the paper.
- 5 In May 2021 a meeting of staff working in this space was convened in Dunedin, and as a result of the discussions at this meeting the options paper was substantially rewritten to incorporate regional feedback.

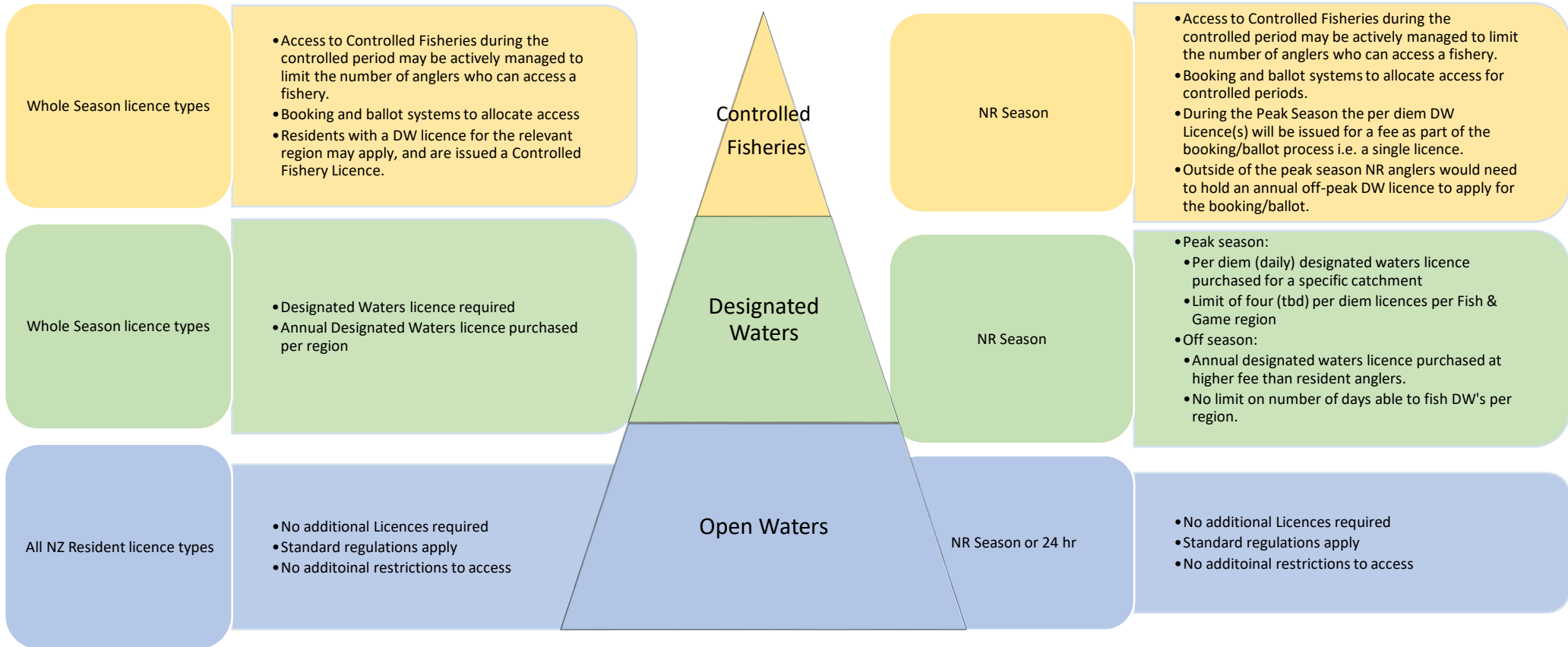
Analysis

- 6 Substantive details are found in the attached proposal however this analysis will provide a brief overview of the proposed system. Reasoning for the proposed management options is contained in the proposal.
- 7 This proposal seeks to build on the existing backcountry and controlled fishery regime, whilst renaming the overall system to a name that is more fit for purpose (as backcountry does not adequately cover rivers such as the Maitai, which is subject to high levels of angling pressure).
- 8 The intention is to create a nationally consistent framework, which could be applied by individual Fish & Game regions as and when required in order to spatially and temporally redistribute angling effort from pressure sensitive localities.

- 9 It is proposed that there would be three tiers of waters (consistent with the status quo), which would have differing levels of restrictions:
 - 9.1 Open Waters
 - 9.2 Designated Waters
 - 9.3 Controlled Fisheries
- 10 The below table sets out a broad overview of these categories and the restrictions:

Resident Anglers

Non-Resident Anglers



- 11 Open Waters:
- 11.1 Would be general waters subject to no restrictions other than the conditions of the Anglers Notice. There would be no difference for non-resident or resident anglers, other than existing licence fee differences.
- 12 Designated Waters:
- 12.1 Would be akin to those waters currently listed as Backcountry Fisheries, however it is likely that there would be the addition of several fisheries that whilst subject to pressure do not meet the definition of 'backcountry'.
- 12.2 In order to fish these fisheries it would be necessary to hold a Designated Waters licence:
- 12.2.1 For resident anglers it is proposed that this would be a season licence (per region) that covers the entire season (as Backcountry licences currently operate).
- 12.2.2 For non-resident anglers it is proposed that the Designated Waters programme operates in two periods; off-season (approximately Oct-Nov + April) and high-season (approximately Dec-Mar).
- 12.2.2.1 In the off-season, non-resident anglers would need to hold an off-season Designated Waters licence, which covered them for the entire off-season period. There would be no limit to the number of days that non-resident anglers could fish on designated waters during the off-season.
- 12.2.2.2 In the peak season, non-resident anglers would need to purchase a per-diem (daily) designated waters licence for a specified catchment. There would be a limit to the number of per-diem designated waters licences (circa four) that a non-resident angler could purchase per Fish and Game region.
- 13 Controlled Fisheries:
- 13.1 Would operate virtually as current controlled fisheries operate and represent the highest level of management intervention. Fisheries/beats would be 'reserved' for specific anglers following a booking or ballot process. To apply for a controlled fishery licence resident anglers would be required to hold a season Designated Waters licence. Non-resident anglers would be required to purchase a per-diem (daily) Designated Waters licence (as for non-controlled

Designated Waters), which would be integrated into the booking/ballot process.

- 14 Note: There are a number of specifics, such as the quantity of Designated Waters per diem licences an angler can purchase in a region, the cost of these licences etc that will be refined through the regional consultation process if approved.
- 15 Note: The attached options paper intentionally does not address guided angling, as until we have a guides licence it is difficult to factor guided anglers into a pressure management strategy for a number of reasons. Focus is being put into the guides licence proposal, which is currently being preliminarily reviewed by government departments before being brought back to NZC for finalising.

Financial Implications

- 16 There are no direct financial implications at this stage.
- 17 At the point of implementation, the primary financial implication will be around systems infrastructure to facilitate the purchase of per-diem designated waters licences.
- 18 However, any costs in this sphere should be offset by the licence fees charged and it is estimated this system will be net positive.

Legislative Implications

- 19 The recommendations contained within the attached options paper do not require any legislative/regulatory change other than will be contained in the Sports Fish Licences Fees and Forms Notice and Anglers Notice.

Section 4 Treaty Responsibilities

- 20 There are no s4 Treaty responsibilities at this stage. However, if this progresses there may be a need to consult with iwi partners.

Policy Implications

- 21 The attached options paper, if approved as final following regional Fish and Game consultation, would set operational policy on the management of pressure sensitive fisheries.

Consultation

- 22 There has been significant consultation with regional staff both prior to writing this paper as well as on initial drafts of this paper.

- 23 Eight regions have provided direct staff feedback on the options paper and in almost all instances this feedback has been incorporated into the current version of the document.
- 24 Overall, there is broad support amongst regional staff for the attached options paper proceeding to regional consultation, although it was noted in feedback that there is refinement required on some of the specific details contained in the proposal.
- 25 Prior to submission to the Minister, it may also be necessary to undertake public consultation on the proposed changes, which can be done via a survey of licence holders.

Next steps

- 26 If approved, NZ Councils' policy for consultation requires a two meeting cycles time period. This means feedback will be due back from regions in late June or early August.
- 27 NZC staff will form a staff working group with regional staff to incorporate regional feedback and finalise the proposal before bringing a final proposal back to NZC for final approval and subsequent submission to the Minister.
- 28 It is expected that a final approval paper will happen in the August NZ Council meeting.
- 29 Submission to the Minister for policy approval will follow NZC's final approval.

Recommendations

- 1 *That the attached options paper is approved as draft and circulated to regions for formal consultation.*

Fish & Game Proposal for Pressure Sensitive Fisheries Management Regime

Summary

New Zealand's freshwater sports fishery is world renowned as a premier trout fishery and is highly valued by both local and visiting anglers. It provides substantial economic benefits through the commercial guiding industry, the associated retail industry and both domestic and international tourism. The fishery is managed by Fish and Game Councils and the Department of Conservation (solely in the Taupō region), with management supported entirely through sports fishing licence fees and volunteer effort.

New Zealand offers an internationally unique sports fishing experience through the ability to fish for very large trout in clear water amongst astonishing and often remote settings. The nature of the fishing is also uncommon in other parts of the world in that these fish can be first sighted in the water, and then fished for, which is seen by anglers as very desirable. The result is a world-class and unique fishery that is increasingly sought after by both local and visiting anglers.

Two problems have arisen regarding these highly sought-after parts of the New Zealand sports fishery:

- First, angling pressure in select parts of the fishery is exceeding the social and fishability capacity. These fisheries have been labelled by Fish & Game as pressure sensitive fisheries.
- Second, angling pressure in these pressure sensitive fisheries comes disproportionately from non-resident anglers and as a result of this resident anglers have been displaced from the resource

This analysis finds that the first problem can be addressed by the current mechanisms that Fish & Game have to manage pressure, but that the second problem requires additional targeted mechanisms to provide for an equitable division of angling pressure between resident and non-resident anglers and to mitigate the displacement of resident anglers.

Background

Freshwater sports fishery

New Zealand is one of the world's great trout fishing destinations. The modern success and popularity of the trout fishery is in part founded upon the ability to sight fish to large individual trout in clear water, often amidst beautiful scenery. To this extent it is unique on a world scale.

Trout fishing has been a popular leisure activity in New Zealand ever since the Otago Acclimatisation Society instituted the first trout fishing season in 1875, just eight years after brown trout were first introduced to this country. Before long the novelty of such an exotic fishing destination, combined with the size of the trout, meant that anglers were travelling internationally to fish for trout in New Zealand. The visit from American author Zane Grey in the 1920s, and his declaration of New Zealand as an 'anglers el dorado', continued to build our reputation as a destination fishery.

Throughout the latter half of the 20th century a strong industry of professional trout fishing guides arose, primarily catering to international angling tourists. The guiding industry was centred on higher density rivers akin to the Buller, Mataura and Tongariro with occasional forays into more remote destinations. As the use of helicopters as a means of access grew in popularity, more remote rivers began to be fished regularly. These rivers, deep in Kahurangi or the Ruahine Ranges, were advertised by guides to clients as pristine wilderness rivers that saw almost no angling pressure. These wilderness trips, however, did not constitute the basis of a guiding operation but were more typically the exception – the cherry on top of a week's guided fishing. The unguided usership of these rivers, from both domestic and non-resident anglers, is hard to calculate across this period but was substantially lower than current levels.

Across the past thirty years this has changed on a fundamental level. As the value of these fisheries, both from an angling and experiential perspective, became realised by New Zealanders and international anglers alike their angling effort began to increase. The increasing use of helicopters as a form of access in the late 1970s was the catalyst for significant numbers of anglers to suddenly be able to access these remote areas and word quickly spread. Most significant amongst this increase was unguided non-resident anglers. Ascribing any absolute reasons to this increase is difficult, but specific rivers increasingly began to develop a reputation through word of mouth, publication in angling guidebooks and more recently on the internet and in social media. More generally the rise in popularity of headwater fisheries is also linked to the decline in lowland fisheries as a result of environmental degradation. Rivers such as the Oreti, Greenstone and Rangitikei became world famous destination fisheries in their own right. Resultantly they became subjected to increasing levels of angler use, with very high proportions of non-resident usage. Over time the increasing usage of these rivers began to impact on both trout behaviour as well as the overall angling experience. The impacts, and need for regulatory change, were noted as early as 1994 and have been a recurrent theme in New Zealand fisheries management ever since.

Today Fish and Game face a situation where a small percentage of fragile fisheries are receiving an unsustainable amount of pressure that detrimentally impacts upon both angling experience and trout behaviour. These fisheries have been termed 'pressure sensitive fisheries'.

Pressure Sensitive Fisheries

Pressure sensitive fisheries are defined as fisheries where angling pressure is adversely affecting the angling experience. Components to the angling experience are twofold:

- Adverse effects on the fishery itself, such as the catchability, visibility and population dynamics of the fish.
- Adverse effects on the angler's experience independent of the fishing, such as a sense of wilderness and solitude.

The defining feature of these fisheries is that the angling experience they offer is impacted by the angling pressure they receive. There are, however, some characteristics that are common across many (although not all) pressure sensitive fisheries:

- Almost exclusively rivers.
- Clear water.
- Excellent sight fishing.
- High average size of fish.
- High scenic value.
- Often in a wilderness or backcountry setting.

Some of these fisheries are in remote areas with very limited access, whereas others have substantial road access across their length. Angler numbers are typically higher in fisheries with good road access, but the expectation of solitude and wilderness is lower. Conversely, where access is limited to walking or flying, angler numbers are often lower but the impact on the angling experience of each encounter is higher (depending on the perspective of the angler). While pressure sensitive fisheries exist in both islands, the South Island has a high proportion of New Zealand's total pressure sensitive fisheries.

These most-desirable trout fisheries are limited in number and provide a limited number of prime angling spots as the fish will often not reset from being disturbed by a preceding angler for several hours or even a day. To many anglers these are the most desirable trout fishing locations and are therefore sensitive to the amount of angling pressure they can sustain. New Zealand anglers, visitors from overseas, commercial fishing guides, and Fish and Game Councils are all very concerned about the ongoing sustainability of these "pressure-sensitive" trout fisheries. Many of these fisheries are now close to or at a tipping point. The increasing number of anglers and increasing fishing effort on a finite number of fish in a finite number of locations is threatening to destroy the fishing resource and experience.

A reality that also needs to be acknowledged is that there are waterways that provide an equal angling experience to pressure sensitive fisheries, but for some reason do not have the same reputation and accordingly do not receive the same pressure. In other words, the New Zealand angling resource as a whole can accommodate the angling pressure it receives provided that select concentrations of angling effort are redistributed.

Problem definitions

Fish & Game faces two interlinked problems surrounding the management of pressure sensitive fisheries. Because these problems require individual, but co-ordinated, solutions they are addressed separately.

The keystone issue is that a relatively small number of fisheries that, because of their innate characteristics, are sensitive to pressure are receiving an unsustainable amount of angling pressure (**Problem A**). This results in a potential risk to both the resource as well as Fish & Game licence holders' angling experience as rivers begin to exceed their fishability and social carrying capacity.

An associated issue is that a disproportionate amount of the angling pressure in these fisheries comes from non-resident anglers (**Problem B**). As outlined above, New Zealand's trout fishery is world-renowned and is a source of significant angling tourism. The average non-resident angler exhibits different behaviour patterns to the average domestic angler, showing a strong preference for fishing rivers and a very high rate of backcountry river usership. These patterns, in conjunction with the reputation of certain fisheries, has meant that non-resident angling effort can constitute as much as 79% of total angling effort during peak summer months.¹ As a result of this level of angling pressure New Zealand resident anglers are being displaced from these fisheries, either temporally (i.e. fishing the location at different times of the year), spatially (i.e. fishing different locations) or totally (i.e. not fishing).²

Problem A: Select fisheries are subject to an unsustainable amount of angling pressure.

New Zealand's headwater trout fisheries, as a result of the lower numbers of trout, the clear water and the response of the trout to disturbance, can only accommodate a relatively low number of anglers each day whilst maintaining the angling quality. The exact numbers are dependent upon the specific fishery (length, access opportunities and fishing characteristics), but overall the social carrying capacity of these waterways is relatively low. Angling success is only one component to the angling experience that is impacted by pressure and in fact often ranks below solitude, scenic and wilderness factors in many anglers' values. This view is echoed in a 1994 NIWA report 'Headwater Trout Fisheries in New Zealand', which suggested the '...possible need to restrict the numbers of anglers able to fish in some areas in order to maintain quality of fishing [in terms of both catch rates and the aesthetic features of peace and solitude].³ Accordingly, both the fish and the experiential aspects are vulnerable to pressure.

There are then two distinct threads to Problem A: the impact of angling pressure on the physical resource and angling success and the impact of angling pressure on the angling experience.

Problem A1: The impact of angling pressure on the physical resource and angling success

¹ Cohen Stewart, *Angler use of the upper Oreti trout fishery during the 2018/19 and 2020/21 fishing season*, Southland Fish and Game Council, 2021.

² Hayes & Lovelock, *Analysis of the recreational freshwater angling behaviours of overseas visitors to New Zealand*, Dunedin, New Zealand. Department of Tourism, University of Otago (2016).

³ Jellyman, D. J. & Graynoth, E., 'Headwater trout fisheries in New Zealand', New Zealand Freshwater Research Report No. 12, NIWA, Christchurch, 1994

New Zealand's backcountry fisheries typically feature relatively low numbers (<20 fish per/km) of large (>50cm) trout. Accordingly, the resource is far more susceptible to pressure than many of its international equivalents because of the low numbers of fish and the ability to fish to (and thus disturb) individual fish. Research has demonstrated a clear correlation between fishing pressure and probability of angling success in remote backcountry rivers, as naïve trout were the least likely to cease feeding and hide in reaction to angling attempts and were the most likely to take a fly.⁴ It has also been observed that trout caught and released in a remote river were rarely observed out feeding the following day. Given the relatively low numbers of fish, and the tendency of caught (or even displaced) fish to not be available to subsequent anglers for a period, angling pressure in New Zealand can, therefore, substantially alter fish behaviour in both a relatively short time and with relatively little angling effort.

Research does, however, conclude that a balance can be reached in fisheries subjected to sustained pressure where the impacts of pressure stabilise over time.⁵ On more heavily fished rivers fewer fish proportionate to the population of the river will be seen and caught than in a remote and unpressured fishery, but overall quality angling can still be experienced. There is, therefore, a balance that needs to be met by New Zealand's sports fisheries managers where angling pressure is kept to sustainable levels that ensures appropriate levels of angling success can be attained.

Problem A2: The impact of angling pressure on the angling experience

As noted above, the angling experience encompasses a number of themes beyond simply angling success. One of the key components of the angling experience for those anglers fishing backcountry fisheries is solitude, with the result that angling encounters (actual or otherwise – i.e. seeing boot prints) can be detrimental to the angling experience. In many international destinations angling encounters are expected, and the collegiality of the encounter can add to the angling experience. There are areas and fisheries in New Zealand where this is the case, however research demonstrates that with regard to pressure sensitive fisheries angling encounters are typically viewed negatively. In a 2002 Cawthron 'Backcountry River Fisheries' report it was determined that 36% of angler encounters were always considered to be negative, with just 12% always positive (49% thought it could be either).⁶ Non-residents, who comprise a significant proportion of backcountry anglers, showed the most negative opinions of angler encounters. The same study also demonstrated that as difficulty of access increases tolerance of encounters decrease. Given many pressure sensitive fisheries are remote and have difficult access it is a safe assumption that encounters on these waterways will be perceived more negatively than the average encounter in a more accessible locality. The survey results also demonstrated that angler encounter rates were, in 2002, within the tolerable limits but that they already exceeded the preferable encounter rate. Subsequent increases in non-resident licence sales

⁴ Roger Young & John Hayes, 'Angling Pressure and Trout Catchability: Behavioural Observations of Brown Trout in Two New Zealand Backcountry Rivers', *North American Journal of Fisheries Management*, 24:4, 1203-1213

⁵ John Hayes, 'Backcountry River Fisheries Seminar: Proceedings & Update of Research', Cawthron Report No. 727, Cawthron Institute, Nelson, 2002; It should be noted that this was 17 years ago, and that these statistics may well be very different today, particularly for New Zealand resident anglers that feel displaced from certain rivers.

⁶ John Hayes, 'Backcountry River Fisheries Seminar: Proceedings & Update of Research', Cawthron Report No. 727, Cawthron Institute, Nelson, 2002; It should be noted that this was 17 years ago, and that these statistics may well be very different today, particularly for New Zealand resident anglers that feel displaced from certain rivers.

combined with habitat loss in lowland fisheries⁷ have led to a further increase in backcountry angling and encounter rates.

Sports fisheries managers are, therefore, required to manage angling pressure in order to ensure that the high-quality angling experience that pressure sensitive fisheries are renowned for is retained going forwards, and require the mechanisms to address potential increases in angling pressure moving forwards.

Problem B: Angling pressure in pressure sensitive fisheries comes disproportionately from non-resident anglers, resulting in the displacement of resident anglers from the resource.

Non-resident anglers currently contribute a disproportionate percentage of total angling effort in pressure sensitive fisheries. In total, they comprised approximately 15% of total licence holders in the 2019/20 season. However, in peak summer periods on pressure sensitive fisheries, surveys undertaken by Fish & Game have shown non-resident usage percentages as high as 79%, and typically well in excess of 60%. There is clearly, therefore, a high focus on pressure sensitive fisheries amongst non-resident anglers. A likely reason for this is that certain rivers have an international reputation because they embody the aspects of New Zealand's trout fishery that are internationally unique, and these attract a disproportionate amount of the total non-resident angling effort as compared to resident angling effort. Currently the only management distinction made between resident and non-resident licence holders is that non-resident licence holders pay a licence fee of 1.35x the resident licence fee. For the 2020/21 angling season the resident fee was \$133, meaning the non-resident fee was \$180.

The issue of an unsustainable level of non-resident pressure on prized resources is not limited to sports fishing and is common to the wider tourism industry. A prime example of this is the Department of Conservation's trial of differential pricing for the premier Great Walk huts.⁸ This trial is motivated by similar considerations to those impacting on pressure sensitive fisheries, namely a disproportionate concentration of international attention in highly localised areas. Whilst Great Walk hut nights in peak periods are a finite resource (i.e. they are a bookable resource with a maximum number of possible bookings), as compared with pressure sensitive fisheries as a theoretically infinite resource, the implications on the angling experience from excessive usage means that there is a finite amount of high quality angling experiences that a pressure sensitive fishery can offer.

It is very important to note that there are a number of distinct categories of non-resident anglers, many of whom do not contribute to the pressure on pressure sensitive fisheries through significant angling effort.⁹ Non-resident day licence holders are the least likely to fish backcountry waters (only 20% of their effort is in backcountry waters) and show a much stronger preference for lakes than other categories. Accordingly, their impact on pressure

⁷ Jellyman, D. J., Unwin, M. J. and James, G. D., (2003). Anglers' perceptions of the status of New Zealand lowland rivers and their trout fisheries. NIWA Technical Report 122 ISSN 1174-2631 prepared for Fish & Game New Zealand.

⁸ Department of Conservation, *Great Walks Differential Pricing Trial 2018/19 Evaluation*, New Zealand.

⁹ Hayes & Lovelock, *Analysis of the recreational freshwater angling behaviours of overseas visitors to New Zealand*, Dunedin, New Zealand. Department of Tourism, University of Otago (2016).; The research distinguishes between those non-residents living outside of New Zealand and those providing New Zealand addresses. The statistics on whole season licence holders used here are for those non-residents living outside of New Zealand.

sensitive fisheries is small. Of non-resident whole season licence holders the vast majority are fly anglers, and their angling effort is concentrated in the South Island (40.1% fish Nelson Marlborough, 40.4% West Coast, 29.4% North Canterbury, 47.5% Central South Island, 53% Otago and 44.4% Southland). There is also a clear preference for river fishing, rather than lake fishing, with 80.8% of total non-resident angling effort taking place on rivers. Most anglers spent between one and two weeks fishing in New Zealand, although 7.8% fished for more than 30 days. Whilst overall lowland rivers were the most fished, there was still a very high backcountry river usership rate amongst non-residents (32% of total Australian angling effort, 50% of UK effort and 52% of USA effort). Over the total non-resident whole season licence holders the backcountry angling use rate is approximately 34%. There is also a very high rate of return non-resident anglers, with 50% of those surveyed visiting annually and 20% visiting more than once a year. Accordingly, there is a substantial amount of 'local knowledge' held by non-resident anglers, and this knowledge is often shared within international communities of anglers.

Fish & Game endeavours to include angling etiquette information in its regulation booklets and online. Concepts, such as not fishing the same pressure sensitive fishery on multiple consecutive days or allowing adequate amounts of water for other anglers, are well understood by resident anglers, but are less commonly understood by non-resident anglers (although return and regular visitors are aware of this etiquette). Currently, fisheries managers do not possess a mechanism to enforce etiquette such as this.

While non-resident anglers typically demonstrate some of the highest satisfaction ratings, there is also mounting concern amongst this group regarding the increasing pressure on New Zealand's waters (particularly in the backcountry) and that this is degrading from the unique and wild nature of the fishery. What constitutes crowding differs for different people, although non-resident anglers typically have a higher encounter tolerance rate than resident anglers.¹⁰ Similarly, a frequently noted reason for choosing New Zealand over other angling destinations was that it was not crowded (60% of non-resident whole season licence holders whose primary motivation for the trip is angling noted this). However, non-residents, as well as residents, have changed their angling patterns based on increasing encounter rates and those that currently visit are broadly tolerant of the current usage levels.

As a result of the increased angling pressure and, perhaps more pertinently, as a result of the perception of increased angling pressure on pressure sensitive fisheries, New Zealand anglers are being displaced from these fisheries.¹¹ Displacement can take multiple forms; temporal displacement is when an angler changes the time of the year that they fish a, spatial displacement is when an anglers chooses to fish a different river, and total displacement is where an angler chooses to cease fishing entirely. All three forms of displacement occur on New Zealand's pressure sensitive fisheries.

In 2002 15% of anglers surveyed for the Cawthron Backcountry Fisheries report stated that they avoided backcountry rivers because of perceived crowding. More recent analysis in 2019 by the University of Otago's Tourism Department has demonstrated that crowding continues to result in substantial levels of displacement.¹² For all 8 of the studied rivers, resident anglers have changed their fishing behaviour in response to crowding. In 6 of the 8

¹⁰ Rowan Strickland & John Hayes, *Angler Response to a Trial Permit System in the Greenstone and Caples Rivers*, Cawthron Institute, June 2005.

¹¹ Hayes & Lovelock, *Analysis of the recreational freshwater angling behaviours of overseas visitors to New Zealand*, Dunedin, New Zealand. Department of Tourism, University of Otago (2016).

¹² Stuart Hayes & Brent Lovelock, *Angler Displacement on and from pressure-sensitive rivers in Otago and Southland*, University of Otago, 2019

surveyed rivers, more than 25% of anglers now fish less often than they have previously because of crowding and for half of the rivers more than 20% of anglers that had historically fished them had stopped fishing them entirely because of crowding. Particularly significant are the statistics for the Upper Oreti River, which registered 79% non-resident usage in peak periods, where 45% of anglers fish it less often because of the crowding and 32% have ceased fishing it completely. This research demonstrates both the displacement of resident anglers and the correlation between the displacement of resident anglers and high levels of non-resident usage.

Displacement occurs, in this instance, because the angling experience (encompassing both angling success as well as less tangible qualities) is diminished as a result of angling pressure. Because resident anglers demonstrate a lower degree of encounter tolerance than non-resident anglers, as pressure sensitive fisheries become oversubscribed the first group to cease fishing them is typically resident anglers. This reduction in resident angling effort in pressure sensitive fisheries in turn feeds back into the disproportionate non-resident angling effort.

Displacement further occurs where there is a belief, even if not borne out by actual use rates, that the angling experience would be diminished by the perceived angling pressure. This has been labelled perception-displacement. As anglers are displaced through actual crowding this experience is communicated to other anglers, who are then displaced because of the reputation of crowding. Often this perception-displacement is of a more general nature than anglers not fishing specific rivers because they have experienced actual crowding and may prove an impediment to newer anglers experiencing aspects of the New Zealand freshwater angling resource.

It is worth noting that internationally the displacement of resident anglers from highly sought-after fisheries is not uncommon, and the same phenomenon also features frequently in the non-angling tourism sphere (including, as noted above, with DOC Great Walk huts). In British Columbia it motivated a management regime dubbed 'Quality Waters', which began in 1990 and has been through several iterations and fine-tuned at each step. The management steps undertaken there have resulted in increased resident satisfaction, whilst still providing excellent angling opportunities for non-resident anglers.

Current management mechanisms are unable to achieve parity between resident and non-resident anglers, nor mitigate displacement, and particularly perception-displacement, by providing specific opportunity for resident anglers.

Lessons from COVID-19

The recent border closures as a result of COVID-19 provide an interesting opportunity to consider the angling behaviour of resident anglers in the absence of non-resident anglers. For the 2020/21 sports fishing season and continuing into the 2021/22 season New Zealand's borders have been closed (with the brief exception of the trans-Tasman bubble that fell largely outside of the main sports fishing season), meaning that non-resident angling has been negligible in this period.

On a broad scale, resident licence sales for the 2020/21 season increased by 9% as compared with the season prior however this is believed to be more influenced by the increase in domestic tourism stemming from the inability to travel internationally than from the availability of pressure sensitive fisheries. Anecdotal evidence nationally has, however, suggested that in the absence of non-resident anglers there has been a major upswing in the number of resident anglers fishing pressure sensitive fisheries. This is supported by the substantial increase in resident Backcountry licences issued, with 3,506 issued for the

2020/21 season (where there were no non-resident anglers) compared with 2,163 issued for the 2019/20 season (where there were resident anglers). Although Backcountry licences cannot be directly equated to use of backcountry fisheries, they are strongly indicative as they are a prerequisite for use.

The one area in which Fish & Game has empirical evidence is for the Ōreti River in the Southland region, which has a well utilised beat system comprising 11 total beats. Annual surveys run on the same methodology in the 2018/19 and 2020/21 seasons demonstrated a 450% increase in resident anglers in the 2020/21 season in the absence of non-resident anglers.¹³ This can likely be attributed to two primary reasons; an increase in actual opportunity resulting from lower overall beat occupancy and an increase in perceived opportunity resulting from the knowledge that there will be no non-resident anglers. Overall, this evidence strongly suggests that where there is either increased opportunity for resident anglers, or the perception of increased opportunity, in an area which is typically subject to high non-resident angler use, there will be an increase in resident angler use.

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¹³ Cohen Stewart, *Angler use of the upper Oreti trout fishery during the 2018/19 and 2020/21 fishing season*, Southland Fish and Game Council, 2021.

Objectives and criteria for solutions

Objectives

- A. To spatially redistribute angling pressure from fisheries subject to unsustainable angling pressure towards fisheries that can sustain increased angling pressure.
- B. To temporally redistribute angling pressure from fisheries subject to periods of peak unsustainable angling pressure towards periods where angling pressure is lower.

Criteria for solutions

Any solution intended to meet **Objective A** needs to meet the following criteria:

1. Ensure that access restrictions do not have a detrimental impact on anglers not fishing pressure sensitive fisheries.
2. Management costs for pressure sensitive fisheries are met, where possible, by the users of these fisheries.
3. Be efficient and minimise the cost of enforcement.
4. Be flexible to reflect changing usage statistics
5. Efficiently and reliably provide data on the physical use of pressure-sensitive trout fisheries by anglers
6. Provide data on social pressures affecting pressure-sensitive trout fisheries
7. Provide data on fishery impacts of resident verses non-resident anglers.
8. Be part of a nationally consistent framework, whilst allowing for specific regional characteristics.

Any solution intended to meet **Objective B** needs to meet the following criteria:

1. Minimise restrictions on non-resident anglers not fishing pressure sensitive fisheries.
2. Seek spatial and temporal redistribution of non-resident angling effort.
3. Address the perception of crowding, as well as actual crowding.
4. Ensure that management mechanisms do not further deter resident anglers.

Options analysis

This section considers options for addressing each of the problems described above.

Options for Problem A: Select fisheries are subject to an unsustainable amount of angling pressure.

Reducing total angling pressure on pressure sensitive fisheries could be achieved by expanding Fish & Game's current pressure management mechanisms.

Expand current pressure management systems

Fish and Game currently have three primary mechanisms to manage pressure in pressure sensitive fisheries, which could be expanded to cover a wider range of waters.

Backcountry licences

The backcountry licence, although coming into fruition subsequent to both the beat system and controlled fisheries, has become the most widespread tool. Currently seven Fish and Game regions – Wellington, Nelson/Marlborough, West Coast, North Canterbury, Central South Island, Otago and Southland - have designated backcountry fisheries, which require an angler to hold a backcountry licence in order to fish them. 26 rivers are currently covered by this system. All beat system and controlled fisheries also require a backcountry licence. The backcountry licence is available as a free endorsement for all whole season (resident and non-resident) licences (previously the Rangitikei backcountry fishery had a fee to cover insurance, but this has been retracted). It can either be selected at the point of purchase, or at a later date. Endorsements apply on a per region basis, and an angler intending to fish backcountry fisheries on both the West Coast and in Otago would need to apply for each of these endorsements.

The primary purpose of the backcountry licence is to allow Fish and Game to survey users of these fisheries and generate information on encounter rates, success and overall experience. In that way it is a valuable tool to inform management strategies for pressure sensitive fisheries, although it does not itself manage pressure. The only limitation it imposes is the requirement to have a full season licence, which likely means a small number of anglers that only hold short-term licences either choose not to fish a backcountry water or fish it without the licence endorsement.

The backcountry licence allows Fish and Game to gather data on backcountry fisheries through surveys conducted on backcountry licence holders. However, it does not actually manage pressure or restrict/control access in any sense. There is further a degree of misalignment between the name of the licence 'Backcountry Licence' and pressure sensitive fisheries, in that not all pressure sensitive fisheries are backcountry fisheries (such as the upper Mataura River). Accordingly, while a backcountry licence will comprise a part of a pressure sensitive management scheme it does not singularly provide a solution to Problem A, nor Problem B.

Beat Systems

Official beat systems are currently in place on three fisheries: the Oreti River in Southland, the Wairau River in Nelson/Marlborough and the Nevis River in Otago. These function on a first come first served basis, where an angler parks their vehicle in a specified position marked by signage to demonstrate their intention to fish the beat. Beats are established lengths of river, again marked by signage. Anglers fishing a beat have confidence that they will not encounter another angler ahead of them on their beat, which allows them to pace

their angling at their discretion. Anglers arriving to find a beat occupied are welcome to fish in behind the other party. In general, the beat system, particularly the more established system on the Oreti, appear to be well-regarded by anglers and have improved angling opportunities. Likely the greatest benefit is that other anglers that arrive subsequently have clear information about where angling effort is located, and these anglers then can choose whether to fish in behind the other party or fish another location. The result is that this mitigates actual angler encounter rates by providing anglers the ability to avoid a probable encounter if they desire.

Beat systems, however, have limitations. Foremost is that it is a voluntary system that relies on the co-operation and understanding of anglers and cannot ultimately be enforced. Beat systems are also able to be subverted by parties leaving vehicles at the specified beat parking spot overnight, allowing them to arrive the following day at their leisure. Their application is also largely limited to areas with good road access, and as a result they can only be applied to certain pressure sensitive fisheries.

Whilst beat systems do provide a partial solution to Problem A, and it is recommended that they are expanded to a wider range of fisheries, they do not solve or assist with Problem B.

Controlled Fisheries

Controlled fisheries represent the most regulatory and restrictive approach Fish and Game has attempted to manage pressure in sensitive fisheries in that they actively limit the number of anglers that can fish a river in a set period. There are currently four controlled fisheries in operation: the Greenstone River in Otago and the Ettrick Burn in Southland which operate on a booking system, and the Clinton and Worsley Rivers in Southland that operate on a ballot system. For booked controlled fisheries a beat must be booked online, and the booking can be made up to five days in advance of the fishing date. Only one party may book a beat per day, although that party can comprise multiple anglers (two in the Greenstone, and up to four in the Ettrick Burn – all of whom must have a backcountry licence). For balloted controlled fisheries the angler applies to the Southland Fish and Game Council to be put into a ballot, with one party selected to fish each beat per available day.

For the Greenstone River the controlled period applies during the peak months of February and March and comprises three individually bookable beats. In contrast, the Ettrick burn controlled fishery applies across the course of the season as its primary function is to limit angling traffic to minimise disturbance to the population of Takahē in the valley. It comprises one beat and only two angling parties are permitted into the valley each week: one on Wednesday and the other on Saturday.

Controlled fisheries are an extremely effective tool for controlling angling pressure and mitigating encounter rates. They ensure anglers have unimpeded fishing for the day by allocating specific sections of a river to each party. They are also enforceable, unlike beat systems, and failure to comply with these restrictions may lead to prosecution. It also provides comprehensive and accurate data of angling effort throughout the controlled period. Controlled fisheries, therefore, represent an excellent solution to Problem A in that they are able to limit the total amount of angling effort.

They do not, however, offer a solution to Problem B in their current format because they cannot distinguish between resident and non-resident anglers. It is also probable that there would be a negative reaction from resident anglers if too many waterways were placed within such a heavily regulated system. This view is supported by research that demonstrates New Zealand anglers are more opposed to regulations than non-resident

anglers, meaning controlled fisheries may in fact be counter-productive to addressing displacement of resident anglers.

Expansion and steps moving forward

There is scope to expand aspects of Fish & Game's current pressure sensitive management system as a solution to addressing Problem A on a national basis, rather than simply in isolated areas.

It is appropriate for there to be an overarching licencing mechanism, as the backcountry licence currently operates. However, it is suggested that the name be changed to better reflect the range of waters this licence is intended to apply to. It is recommended that the terminology of this toolkit transitions away from managing 'backcountry' fisheries towards a more generic term to better reflect the diversity of waters subject to problematic angling pressure. This would mean that waters such as the upper Mataura River, which do not fit into the definition of a backcountry fishery but that receive heavy angling pressure and require special management attention, are covered. Discussions amongst Fish & Game staff at a 2021 pressure sensitive fisheries workshop demonstrated broad support from a transition away from 'backcountry' but identified several potential issues with terms such as 'pressure sensitive fisheries' or 'classified waters'. In particular, there was concern that publicly identifying rivers as pressure sensitive may result in a self-perpetuating narrative around the levels of pressure on these waterways and similarly that ascribing a title that suggested these rivers have an elevated status could counter-productively increase pressure. Ultimately staff preference was for a generic term such as 'Designated Waters'.

For the purpose of this paper where the specific licencing mechanism is being referred to, the term Designated Waters will be used. Where the general pressure sensitivity of a river is being referred to, the term pressure sensitive fisheries will be used.

As the concept of a Designated Waters licence becomes familiar to anglers across the country there is also scope to significantly expand the waters covered by this licencing regime to encompass all pressure sensitive waters in the country. Currently there is no cost associated with the backcountry licence, and the appropriateness of this will need to be considered moving forward in light of the infrastructure costs of a pressure sensitive management system and the cost of enforcement. Internationally the concept of a 'stamp' applied to the licence when fishing either an area that has a higher management cost, or when targeting a species that has a higher management cost, is well accepted. It is recommended that Fish & Game consider placing a fee on backcountry licences or any equivalent system that replaces it. This would be consistent with Objective A, as only those anglers using these fisheries would be required to purchase the licence meaning that the management cost was more closely met by the user base.

Beat systems have proven to be one of the most effective and least intrusive mechanisms to address angling pressure. They do not necessarily reduce total angling effort, but they do reduce some of the negative impacts of high angling effort by lowering encounter rates and accordingly improve the angler experience. This paper recommends the expansion of voluntary beat systems to all appropriate pressure sensitive waters with road access along their length, or pressure sensitive waters subject to day trip use where access is from a common and established point.

Finally, the expansion of controlled fisheries should be considered as an intensive step for rivers subject to the highest level of angling pressure and where the angling experience is being severely impacted as a result. However, it is recommended that caution is exercised in

expanding controlled fisheries too widely given the potential for resident anglers to find restrictions less palatable than non-residents.

Problem B: Angling pressure in pressure sensitive fisheries comes disproportionately from non-resident anglers, resulting in the displacement of resident anglers from the resource.

Reducing the proportion of non-resident angling pressure in pressure sensitive fisheries, and addressing the displacement of resident anglers, could be achieved through five options:

1. Non-resident licence fee increase
2. Fees for Designated Waters
3. Limiting number of Designated Waters days per month
4. Controlled fisheries with set residency quota
5. Resident only periods

Non-resident licence fee increase

One of the most commonly advocated for mechanisms to control the disproportionate non-resident usage of pressure sensitive fisheries amongst resident anglers is to increase the resident licence fee. Currently non-resident licence fees are set at 1.35x the resident licence fee rate for adult licences, and at varying rates for junior and child licences:

Licence Type	Resident	Non-resident
Wholeseason Adult	\$133	\$180
Day Adult	\$21	\$34
Wholeseason Junior	\$27	\$34
Day Junior	\$5	\$20
Wholeseason Child	Free	\$34
Day Child	Free	\$20

Certain licence categories are also only available to resident anglers, such as the Local Area, Loyal Senior, Family, Short Break, Long Break and Winter licences.

As a proportion of resident licence fees, New Zealand’s non-resident licence fees are quite cheap by international standards for fisheries of that quality as the following table demonstrates:

Country/State	Resident	Non-Resident	Non-resident Proportion
New Zealand (excl. Taupō)	\$133	\$180	1.35x resident
Taupō, New Zealand	\$99	\$129	1.3x resident
British Columbia, Canada (steelhead)	\$36 licence, \$25 steelhead stamp, \$15 classified waters licence = CA\$76 (NZ\$86)	\$80 licence, \$60 steelhead stamp, \$40/day Class 2 classified waters ticket or \$20/day Class 2 classified water ticket = CA\$140 (NZ\$157+per diem fee)	2.3x resident + per diem fee

Washington, USA (salmon/steelhead)	\$36 licence, \$8.75 Columbia Basin endorsement = US\$44.75 (NZ\$68)	\$84.5 licence, \$8.75 Columbia Basin endorsement = US\$93.25 (NZ\$141.5)	2.1x resident
Oregon, USA (salmon/steelhead)	\$41 licence, \$40.5 salmon/steelhead tag, \$9.75 Columbia Basin endorsement = US\$91.25 (NZ\$138.5)	\$103.5 licence, \$60.5 salmon/steelhead tag, \$9.75 Columbia Basin endorsement = US\$173.75 (NZ\$264)	1.9x resident
Alaska, USA (salmon/steelhead)	\$29 licence, \$10 salmon stamp = US\$39 (NZ\$59)	\$145 licence, \$100 salmon stamp = US\$245 (NZ\$372)	6.3x resident
Nova Scotia, Canada	CA\$42 (NZ\$47)	CA\$157.4 (NZ\$166)	3.7x resident
Quebec, Canada (salmon)	\$22.79 licence, \$50.99 salmon tag = CA\$73.79 (NZ\$83)	\$81.54 licence, \$163.30 salmon tag = CA\$244.93 (NZ\$276)	3.3x resident

Based upon this analysis, it would suggest that there is scope to increase the non-resident angling fee substantially to bring New Zealand's fees into line with international standards for fisheries of comparable quality. However, one of the key criteria for Objective B is that impacts on non-resident anglers not fishing pressure sensitive waters are minimised. In total only 34% of non-resident angling is undertaken on backcountry waters (which is indicative of time spent in waterways likely to be considered pressure sensitive). The majority of non-resident angling effort, especially amongst day licence holders, is in waters that are not likely to be pressure sensitive. At a certain point increasing fees will inevitably result in declining participation from non-resident anglers, including a decline in non-resident use of pressure sensitive fisheries, however it is probable that this user group, being typically the most passionate and committed category of visiting anglers will be the least price sensitive. As a result, the impact would be likely first felt amongst non-resident anglers that do not contribute to the pressure on pressure sensitive fisheries.

The consideration of a non-resident licence fee increase to make our fee scheme more closely aligned to international standards is a separate matter for Fish & Game to consider, however a blanket non-resident licence fee increase is not recommended as part of a pressure sensitive fisheries management system because it is inconsistent with the criteria of minimising the impact on anglers not fishing pressure sensitive fisheries.

Specific Fees for Designated Waters

1. Per-diem fees for non-resident anglers

Instituting a per diem fee for non-resident anglers fishing Designated Waters in peak periods would ensure that licence price increases exclusively impact those anglers that are contributing to the pressure in pressure sensitive fisheries. A Designated Waters licence would be supplemental to the standard Fish & Game licence, rather than instead of and would only be available for purchase by those anglers that can acquire a current

backcountry licence i.e. wholeseason licence holders. A per diem licence fee for select fisheries follows the same principle as the above section on general non-resident licence price increase but localises the impact to the resource rather than the broader user group of non-residents.

Whilst there is no domestic precedent for a per diem licence fee specific to certain rivers, internationally a similar system has been in force in British Columbia since 1990. The institution of the system was motivated by recurrent complaints that 'some waters in the Skeena River system have persistent steelhead angler-use issues – crowding, disproportionate numbers of non-resident anglers or guided anglers, lack of opportunities for resident anglers, illegal guiding, poor angler etiquette – all contributing to a degraded quality of angling experience.'¹⁴ This is effectively an identical issue pattern to what is confronting New Zealand's pressure sensitive fisheries.

British Columbia's 'Classified Waters' system today requires resident anglers to purchase an annual stamp at a cost of CA\$15, which allows them to fish the listed waters unrestricted throughout the season. In contrast, non-resident anglers are required to purchase a ticket for each day that they wish to spend on a classified water during the peak period (many waters remain unlisted and can be fished on a basic non-resident licence). These are priced at CA\$40/day for a Class I water and CA\$20/day for a Class II water. Tickets are purchased online via the general licence sales system and can be purchased on the day or in advance. Tickets do not grant an angler exclusive use of that section of water (as a controlled fishery booking would), but simply gives them the right to legally fish it.

This is analogous to the Department of Conservation's differential pricing trial for select Great Walk huts, which demonstrated that price was an effective mechanism to redistribute non-resident usership.¹⁵ Particularly pertinent to the current situation is that the proportion of New Zealand resident Great Walk bed nights increased from 40% in 2018 to 54% in 2020 amongst huts subject to the differential pricing, and the total number of New Zealand resident Great Walk bed nights increased by 18%. Across the four trial sites non-resident bed nights declined, but the non-resident contribution to the cost of managing these walks increased.

In New Zealand, given the fact that each specific water or section of water accommodates fewer backcountry trout anglers than the equivalent British Columbian steelhead river accommodates, the system would be required to provide flexibility in the event that another angler is already at the intended water. Accordingly, it is recommended that the per diem licence be applicable to a catchment, rather than specific river or stretch of river as it is in British Columbia. For instance, an angler in New Zealand would purchase a Karamea catchment Designated Waters licence, rather than a Leslie River – a Karamea tributary – licence).

It is suggested that this system may not need to operate for the entire angling season, but exclusively the peak summer period of December – March because surveys undertaken by Fish and Game have demonstrated that non-resident angling is heavily concentrated in this

¹⁴ Dolan, A, 'Recommendations of the Working Groups, Skeena Quality Waters Strategy Angling Management Plans', Alan Dolan and Associates, 2009, [Accessed online: <http://www.env.gov.bc.ca/skeena/qws/docs/WGRRecommendations.pdf>]

¹⁵ Department of Conservation, *Great Walks Differential Pricing Trial 2018/19 Evaluation*, New Zealand.

period. Outside of this period an annual fee could apply. This would achieve the temporal redistribution of non-resident anglers.

It is also recommended that there is a limit on the number of consecutive days that a Designated Waters licence can be purchased for each catchment, which would be determined based on the regional Fish and Game Council's understanding of the number of days angling that a Designated Waters catchment provides. This would achieve the spatial redistribution of non-resident anglers. The British Columbia Classified Waters systems limits the number of consecutive days that a non-resident angler can fish the same section of water to eight (there is no limit for resident anglers). However, there are some resource differences between New Zealand and British Columbia that mean this would not be appropriate for New Zealand. The majority of British Columbia's Classified Waters pertain to anadromous fisheries, where the fish are running up a river to spawn and accordingly fishing the same stretch for a sustained period does not necessarily pressure the same fish as they are moving upstream. In contrast, the majority of New Zealand's pressure sensitive fisheries are based upon resident fisheries where the fish are static and where it is not considered appropriate for an angler to fish the same stretch of water for even two consecutive days. The impact of each individual angler on the fishery is likely greater in New Zealand than British Columbia, meaning that the number of consecutive Designated Waters licences that can be issued for the same catchment should be much lower. However, if the limit on the number of Designated Waters licences a non-resident angler can purchase in a season per Fish & Game region, which is set out in the subsequent section, is actioned then this would effectively function as the limit on the number of consecutive licences that can be purchased.

The system would operate on the following basis:

- Non-resident anglers are required to purchase a per diem licence when fishing Designated Waters in the peak angling period of December-March.
 - Outside of this period they would purchase an annual Designated Waters licence.
 - Per diem Designated Water licences are issued per catchment.
 - There is a limit on the number of consecutive licences that can be purchased per catchment.
- Or
- There is a limit on the number of Designated Waters licences a non resident angler can purchase in a season per Fish & Game region (as set out in the subsequent section)

This system would have an additional benefit of providing accurate and detailed data on non-resident angling effort in pressure sensitive fisheries down to catchment level per day across the peak angling periods. This would allow high quality analysis to be undertaken relatively automatically each year, which would then be fed into refinements of the system.

Instituting such a system would seek to use price as a mechanism during peak season to distribute non-resident angling effort to other fisheries less subject to pressure sensitivity (spatial distribution) and to other periods of the year (temporal distribution). The following effects, consistent with the criteria for Objectives A and B, would result from instituting a per diem licence fee for non-resident anglers:

- Only non-resident anglers seeking to fish pressure sensitive waters would be impacted.
- Per diem Designated Waters fees would result in users of pressure sensitive fisheries more directly contributing to the cost of their management.

- By using a per diem system extremely accurate and detailed data on angling frequency and effort would be generated, facilitating informed future management decisions.
- Non-resident anglers would be temporally and spatially redistributed by the additional fees required to fish pressure sensitive fisheries.
- As a result of the redistribution of non-resident angling pressure, resident displacement would be mitigated.

Currently there are two primary impediments to the establishment of this system. Firstly, it would be necessary to obtain policy approval from the Minister of Conservation in the form of the Sports Fish Licences, Fees and Forms Notice, which is the secondary legislation that would contain the per diem licencing regime. Secondly, there would need to be infrastructure upgrades made to Fish and Game's licence sales system to allow for the sale of per diem licences as well as the collection of the data from these sales. Neither of these should be seen as impossible hurdles and if this proposal progresses both of these will be addressed as a part of the project.

Overall, it is recommended that this option be advanced as part of a solution to Problem B, with the specifics around pricing and operations to be determined as this proposal progresses.

2. Annual Designated Waters fees for resident anglers

Fish & Game's current backcountry licence scheme operates on a zero-fee licence by endorsement system for non-resident and resident anglers alike. It is proposed that, along with per-diem licence fees for non-residents fishing Designated Waters, resident anglers should pay a nominal annual fee to fish Designated Waters.

This serves two primary purposes; it provides a contribution to management costs by the users of the resource and it will increase survey data accuracy. The reason for the increased accuracy in survey data is that if there is a fee (even a minimal fee) anglers will be more likely to endorse their licence only if and when they are actually going to fish a pressure sensitive fishery as opposed to selecting all backcountry regions at the start of the season on the potential that they might fish them. Accordingly, Fish & Game would have a more accurate estimate of the number of resident anglers using these fisheries.

In general, pressure sensitive fisheries are remote fisheries not located near population centres. As a result, there is significant cost and effort require to access them (as well as to manage them), meaning that the imposition of a small annual fee is unlikely to be a barrier to resident participation. However, there are exceptions to this and to mitigate any barriers to anglers being able to enjoy their home waters it is proposed that there is no fee for a pressure sensitive licence for the region in which you purchase your licence. For instance, an angler that purchased their wholeseason adult licence in North Canterbury could apply for a North Canterbury Designated Waters licence at no fee, but if they wanted to purchase a West Coast Designated Waters licence this would be available for a fee.

Preliminary internal discussions suggested that an annual fee of \$5-10 per region would be appropriate for resident anglers. However, further research on the specifics of the pricing scheme is required as well as an assessment of the social appetite for this fee amongst resident anglers.

Limits on Designated Waters licences

Currently no mechanism exists to regulate the number of days that non-resident anglers can spend on pressure sensitive waters in a set period during the peak summer period. Although not applicable to all non-resident anglers, there is a tendency amongst certain demographics of non-resident anglers to effectively cherry-pick the best of the best during a visit to New Zealand and spend the majority of a trip on pressure sensitive fisheries.

If the above per diem licence fee mechanism is instituted for peak periods, it is recommended that there is an additional restriction on the number of Designated Waters licences that a non-resident angler can purchase in peak periods per Fish & Game region per season. The exact number of days will be determined as this proposal progresses; however, it is suggested that approximately four designated waters licences per non-resident angler per Fish and Game region is adopted as a starting point. Whilst the per diem licence fee will redistribute some non-resident angling effort from pressure sensitive fisheries, price is not an absolute barrier to participation and a select group of anglers will be willing to pay increased daily fees (even substantially increased) for a sustained period. Accordingly, to ensure the equitable redistribution of non-resident anglers, to achieve parity between resident and non-resident anglers use of these fisheries and to increase the opportunities available to resident anglers to offset the displacement currently occurring it is necessary to put in place some absolute limitations on access.

As noted above, the British Columbia system limits the number of consecutive days on each piece of water to 8 days but places no limit on the total number of Quality Waters licences a non-resident angler can purchase in a season. However, as also noted above there are substantial resource differences between the two fisheries meaning that the impact of individual anglers on the New Zealand fishery is likely far higher and thus the number of days (both consecutive and total) that non-resident anglers should be able to fish pressure sensitive fisheries needs to be lower.

Permitting the purchase of four Designated Waters licences per region provides balance in that it offers ample opportunity for non-resident anglers to experience some of the premier fisheries that New Zealand has to offer, whilst precluding them from exclusively concentrating their angling effort on these fisheries in an unsustainable fashion that displaces resident anglers. Pressure sensitive fisheries comprise a relatively small part of the overall resource, and there would still be exceptional angling opportunities available to non-resident anglers that would not be subject to any additional regulations; i.e. when a non-resident angler reaches their limit they would not have to stop fishing entirely in that region but simply fish areas that are not deemed pressure sensitive and subject to the additional regulations. It also encourages anglers to visit multiple Fish and Game regions, rather than concentrating angling effort in just one locality.

It further has the benefit of not negatively impacting the majority of non-resident anglers, or even the majority of non-resident anglers that fish pressure sensitive fisheries, as the average non-resident angler stays in New Zealand for between one and two weeks and will not fish more than four days in pressure sensitive fisheries. Similarly, because survey data demonstrates that there is a disproportionate concentration of non-resident angling between December and March (the peak period), it is not recommended that limits would need to apply during off-peak periods as currently there is not an issue with pressure in these periods. However, if a region wished to extend the period during which limits on per diem licences applied because of specific angling pressure outside of the peak period this could be accommodated within the system.

Its restrictions are, therefore, almost exclusively targeted to non-resident anglers that are unsustainably focusing on pressure sensitive fisheries in peak periods. Resultantly it's consistent with the criteria set out for Objectives A and B.

Limiting the total number of days that each non-resident angler can fish pressure sensitive fisheries in peak periods will materially reduce the proportion of non-resident angler usage of these fisheries and will assist in mitigating the displacement of resident anglers. As such it provides a partial solution to Problem B.

Resident only periods

The last remaining option to directly address the displacement of resident anglers is to allocate certain periods on pressure sensitive fisheries for the exclusive use of resident anglers. This provides a defined opportunity for resident anglers thus addressing absolute displacement, but perhaps more importantly it will address perception-displacement. Where an exclusive opportunity for resident anglers exists that is not available to non-resident anglers it offsets the ability for resident anglers to believe they are displaced from the resource. Accordingly, this option would provide a solution to Problem B.

This option does, however, pose a risk of concentrating non-resident angling on pressure sensitive fisheries in to the remaining five days available to them; i.e. the same total angling effort is concentrated into 5 days, as opposed to 7, subjecting the fishery to a greater intensity of pressure. Given the sensitivity of the fisheries themselves (independent of the angling experience) to angling pressure this may result in a poorer angling experience for resident anglers during the resident only periods. This pattern of higher concentrations during the week has been shown to be the case in British Columbia, although as a result of resource differences the impact that this has on resident anglers in British Columbia is much less severe.

The feasibility of this option is also, to a certain extent, dependent on the implementation of the per diem licencing scheme for pressure sensitive fisheries. This system would provide the mechanism to restrict non-resident angling effort on weekends, by simply not issuing Designated Waters licences on Saturday and Sunday. Accordingly, this option would not require any further infrastructure development. It would, as with several of the options contained in this section, require policy approval from the Minister of Conservation as its regulatory foundation would be the Sports Fish Licences, Fees and Forms Notice. As restrictions are increased (i.e. total preclusion of a category of anglers for set periods), the policy approval may be progressively more difficult to obtain and a stronger case with data to substantiate will be necessary. There is also further work to undertake on the legal grounds for precluding non-resident access to a public resource as this may be viewed as unjustifiably discriminatory if not supported with strong data.

One non-regulatory option that could be done currently would be for Fish & Game to advocate that non-residents voluntarily choose to avoid pressure sensitive fisheries on weekends. Many non-resident anglers already do so out of respect for resident anglers, and there is scope for Fish & Game to communicate more directly with non-resident anglers on etiquette questions such as this.

Overall, it is recommended that this option is not implemented currently, and that the success of the alternative solutions to Problem B proposed in this paper are assessed. Across this period more accurate data on pressure sensitive fisheries use will be collected and, if it is shown that the additional measures are not sufficient to address resident

displacement or that perception-displacement remains a substantial factor, a data-based case for resident only weekends can be made.

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Conclusion

New Zealand's pressure sensitive fisheries are at a social and fishability tipping point, and action is required to ensure that the quality angling experience that is cherished by resident and non-resident anglers alike remains into the future.

This analysis finds that Fish & Game's current mechanisms in an expanded form are sufficient to address the total angling pressure that pressure sensitive fisheries are subject to (Problem A), but that they are not sufficient to achieve usage parity between non-resident and resident anglers on pressure sensitive fisheries or to address the displacement of New Zealand anglers from the resource (Problem B). Accordingly, it is recommended that Fish & Game takes two distinct steps in response to the issues currently facing pressure sensitive fisheries.

1. Expand the use of the current toolkit

The current management mechanisms (backcountry licence, ballot systems and controlled fisheries) should be expanded to cover a significantly greater number of fisheries subject to intensive angling pressure.

It is recommended that the terminology of this toolkit transitions away from managing 'backcountry' fisheries towards a more generic term such as 'Designated Waters' to better reflect the diversity of waters subject to problematic angling pressure. It is also suggested that a small annual fee is charged for the resident Designated Waters licence endorsements so that management costs are met as closely as possible by the users of these fisheries.

It is recommended that the beat system is expanded to a wider range of waters. In instances where there is road access along a length of the river, or where there is a single point of access from which multiple sections of a river can be accessed in a day, beat systems provide clarity and certainty to anglers and offset the likelihood of encounters. Whilst not enforceable, an extremely high voluntary compliance rate can be expected as it is typically in all parties' (those already at the river and those arriving to find a beat occupied) interest to not cohabit a beat.

Finally, controlled fisheries represent the most intensive and regulated option for managing fisheries subject to the highest level of angling pressure or where the impact of encountering an angler is greatest (perhaps because of the effort expended to reach the area). In these situations, they are a very successful and valuable tool to control pressure. It is, however, suggested that caution be exercised in rolling these out too widely given the potential for strong regulations to disproportionately disincentivise resident anglers from fishing these locations. However, in a limited number of localities, where alternative mechanisms are not proving successful in redistributing angling pressure, controlled fisheries should be used.

The above steps will result in a system that more accurately reflects the resource that is being managed, which more closely aligns management costs with use, and which has the potential to manage both total pressure and angling encounters. However, it will not significantly adjust the balance of resident and non-resident anglers fishing pressure sensitive fisheries, nor will it mitigate the displacement of resident anglers.

2. Achieving parity and addressing displacement

In order to achieve parity between resident and non-resident angler effort on pressure sensitive fisheries and to mitigate the displacement of resident anglers it is necessary to implement a new set of targeted management mechanisms that directly address this problem.

Because only a relatively small proportion of the total non-resident angling effort is on pressure sensitive fisheries it is not recommended that there be any increase made to the overall non-resident licence price. However, it is recommended that a per diem Designated Waters licence fee is required for non-resident anglers wanting to fish pressure sensitive fisheries in peak summer to spatially and temporally redistribute non-resident angling effort. Based on Department of Conservation trials price has been an effective tool to increase opportunity for residents and achieve usage parity. This further ensures that only those non-resident anglers fishing pressure sensitive fisheries are impacted.

In conjunction with this it is recommended that there be a limit of four pressure sensitive per diem licences that non-resident anglers can purchase per Fish & Game region. Price is not an absolute barrier to participation and providing an absolute limit to the number of days that can be spent on pressure sensitive fisheries will mandate the redistribution of non-resident angling effort. This ensures that all non-resident anglers can experience some of the premier fisheries in New Zealand while precluding exclusive or unsustainable focus on such fisheries. Because of the average length of stay of non-resident anglers this will not impact the majority of non-residents, but only those that are substantially contributing to the pressure in these fisheries.

It is not recommended that resident only periods are instituted at this stage, however it is proposed that angling data be collected and the success of the recommended mechanisms assessed. If resident only periods prove necessary it will be substantially easier to build a case in favour of them if we have strong and accurate data to support it.

Recommendations:

- Expand current pressure management mechanisms to a wider range of waters as appropriate.
- Charge for a Designated Waters licence; residents at a small annual fee, non-residents on a per diem basis.
- Put in place a limit of (circa four) Designated Waters per diem licences per Fish & Game region for non-resident anglers.

Identified Knowledge Gaps:

- Research will need to be undertaken on the pricing schemes for resident and non-resident anglers alike to determine the appropriate fees for Designated Waters licences.
- Research will need to be done to determine the appropriate number of per diem Designated Waters licences that non-resident anglers can purchase per region.

Controlling Sensitive Expenditure Policy

To	Councillors
From	Carmel Veitch

1. Purpose

To present the New Zealand Fish and Game Council for approval the Controlling Sensitive Expenditure Policy.

The Council is asked to

Approve The Controlling Sensitive Expenditure Policy – February 2022

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Controlling Sensitive Expenditure Policy

New Zealand Fish and Game Council Meeting February 2022

Prepared by: Carmel Veitch, CFO, NZ Fish and Game Council

Purpose

- 1 To present for approval to the New Zealand Council the Controlling Sensitive Expenditure Policy

Background

- 2 At the last Audit of New Zealand Council the Auditors requested our Sensitive Expenditure Policy
- 3 NZC currently do not have such a policy
- 4 The Office of the Auditor General published a guideline for public organisations in October 2020 “Controlling sensitive expenditure: Guide for public organisations– see attached
- 5 These guidelines have been used in the Policy attached.

Analysis

- 6 Sensitive expenditure is any spending by an organisation that could be seen to be giving private benefit to a staff member, councillor or their family or friends. Even a small amount can raise concerns if it appears to be improper.
- 7 Public organisations need to manage sensitive expenditure deliberately and diligently and, as with all spending, be able to justify it.
- 8 Leader actions, inaction, and behaviours set the standards of an organisation more than a policy or procedure ever will.
- 9 The expenditure should be:
 - Subject to the standards of probity and financial prudence expected of a public organisation: and
 - Able to withstand parliamentary and public scrutiny.
- 10 The principles that underpin decision making about sensitive expenditure:
 - Have a justifiable business purpose
 - Preserve impartiality

- Be made with integrity
- Be moderate and conservative
- Be made transparently
- Be made with proper authority

Financial Implications

11 N/A

Legislative Implications

12 N/A

Section 4 Treaty Obligations

13 N/A

Policy Implications

14 If approved, would become NZC policy,

Consultation

15 N/A

Recommendations

- 1 *New Zealand Council approve the Controlling Sensitive Expenditure Policy February 2022.*



Controlling Sensitive Expenditure Policy

Policy Owner:	Chief Executive
Date approved:	February 2022
Next review Date:	February 2025
Engagement required:	N/A

Introduction

1. The Council agrees that it has a responsibility to ensure that **sensitive expenditure** incurred by the New Zealand Fish and Game Council must clearly be linked to the business of the Council. The Council has agreed on the fundamental principles of this Policy, and has delegated responsibility for the implementation and monitoring of this Policy to the Chief Executive Officer CEO.
2. The Council requires the CEO, as the chief executive and the Council's most senior employee, to implement and manage this Policy. The CEO may, from time to time, further delegate some of their responsibilities, and all such delegations must be attached as appendices to this Policy.
3. This Policy must be read in conjunction with other Council Policies, and the exercising of all authority and may not exceed an individual's established level of delegated authority.
4. Sub Policies directly linked to this policy include:
 - Travel Policy – Appendix I
 - Entertainment Policy –Appendix II
 - Gift Policy – Appendix III
 - Credit Card Policy – Appendix IV
 - Private use of organisational supplies – Appendix V
 - Payments to Councillors Policy – Appendix VI
5. New Zealand Fish and Game Council spends licence holder's money, and all such spending must meet standards of probity that will enable it to withstand Parliamentary and licence holder scrutiny.

6. This policy outlines the Council's procedures for dealing with **sensitive expenditure**, to ensure payments for goods and services are subject to proper authorisation and controls.

What is Sensitive Expenditure?

7. "**Sensitive Expenditure**" is expenditure within New Zealand Fish and Game Council that could be seen as giving some private benefit to an individual staff member or council member that is additional to the business benefit. Travel, accommodation, and hospitality spending are examples of areas where problems often arise. It also includes expenditure that could be considered unusual for the purpose/or function of the Council, for example purchasing gifts to acknowledge someone that provides a service free of charge.

Principles applicable to sensitive expenditure

8. Expenditure decisions need to:
 - have a justifiable business purpose;
 - preserve impartiality;
 - are made with integrity;
 - are moderate and conservative, having regard to circumstances;
 - are made transparently; and
 - are appropriate in all respects.
9. Approval of items that are considered to be **sensitive expenditure** should be:
 - given only when the person approving the expenditure is satisfied that a justified business purpose and other principles have been adequately met;
 - given before the expenditure is incurred, where practical;
 - made within the statutory limits of Fish and Game Council's delegations;
 - made only when budgetary provision and delegated authority exist; and
 - given by a person senior to the person who will benefit or who might be perceived to benefit for the sensitive expenditure, where possible. Where this is not possible, this fact should be recorded, and any such expenditure should be subject to some form of monitoring.
 - Authorised by the CEO prior to the expenditure taking place.

Spending limits

10. Expenditure over the value of \$50 that might be considered **sensitive expenditure** must be approved by the CEO. Note any spending should be approved by a person that is more senior to the person who will benefit or might be perceived to benefit.
11. Expenditure over the value of \$1,500 that might be considered **sensitive expenditure** must also be approved by the Council. This should occur at an ordinary meeting, where possible. However, if a decision needs to be made prior to the next ordinary meeting the Chair must get written approval from fellow Councillors that they agree and accept the **sensitive expenditure** before the **sensitive expenditure** is incurred or have it retrospectively ratified by the Council.

Monitoring and reporting

12. Any expenditure which is considered to be sensitive by type or nature shall be reported to the Council at an ordinary meeting within the financial reports.
13. A schedule of sensitive expenditure will be held and reported to the Council.

Approval

14. When the Council approved this Policy it agreed that no variations of this Policy or amendments to it can be made except with the unanimous approval of the Council.
15. As part of its approval the Council requires the CEO to circulate this Policy to all staff, and for a copy to be included in the New Zealand Fish and Game Council Policy Manual, copies of which shall be available to all staff. The Council requires that the CEO arrange for all new staff to be made familiar with this Policy and other policies approved by the Council

Signed
Rainsford Grubb
Council Chairperson

On behalf of, and with the authority of the New Zealand Council on

Reference:

“Controlling Sensitive Expenditure – Guide for Public Organisations” By the Office of the Auditor General October 2020

Appendix I to Policies on Controlling Sensitive Expenditure

SUB POLICY - TRAVEL

Principles

1. The Council agrees to ensure that:
 - the travel expenditure is on the Council's business, and the New Zealand Fish and Game Council obtains an acceptable benefit from the travel when considered against the cost;
 - expenses are reimbursed on an actual and reasonable basis; and
 - staff and/or councillors that are required to travel on business do not suffer any negative financial effect.

Process for Making Travel Arrangements

2. All booking for international and domestic travel is to be conducted through the New Zealand Region Fish and Game Council's normal purchase procedures. This includes the booking of accommodation, flights and rental cars when appropriate.
3. In order to secure the most cost effective bookings the use of the internet to book, accommodation, flights and rental cars will be accepted.

Travel within New Zealand

4. It is to be transparent and must relate to an New Zealand Fish and Game Council need.
5. All domestic air travel is to be economy class.
6. Under Covid times it is deemed appropriate to book fully flexible flights.

International Travel

7. Prior to international travel being undertaken, the traveller must be given a copy of this policy and be required to sign it off to signify that they have read and understood it.
8. All international travel should be authorised by the Council before it is commenced. A proposal must be put to the Council detailing the purpose of the trip, the expected benefit to the Council which will arise from the trip and an estimate of the costs of the trip. The Council will approve the travel via the normal Council meetings.
9. At the end of the trip overseas, the traveller must prepare a trip report, which details the costs incurred during the trip, activities which took place during the trip and the benefits to the Council and the New Zealand Fish and Game Council of the trip.
10. All international air travel is to be economy class.
11. If a staff member has a travel time without a stopover in excess of 20 hours, a rest period of 24 hours before commencing work is permitted.

Accommodation

12. Staff and councillors requiring accommodation on Fish and Game Council business should opt for cost effective but not superior accommodation and must be prepared to justify exceptions to this rule to the Council.
13. Staff and councillors who stay privately will be reimbursed on production of receipts, for koha or for the cost of a gift given to the people they have stayed with. Prior to travel the staff member should receive authorisation for the value of the intended koha/gift. (Refer to Gift Policy)

Vehicles

14. When using rental cars, staff should opt for good but not superior model vehicles and should be prepared to justify any exceptions to this rule to the Council.
15. Staff use of private vehicles for work related activities is to be approved by the CEO and reimbursement will be at the rate specified by the Council.
16. If taxis are used, then staff should pay for the taxis out of their own pocket, obtain a receipt and seek reimbursement through petty cash or as part of an expense claim.

Reimbursement of Expenses

17. The reimbursement for business related travel expenses is on the basis of actual and reasonable costs. Actual and reasonable expenditure is defined as “the actual cost incurred in the particular circumstance, provided that it is a reasonable minimum charge”.
18. For travel within New Zealand, actual and reasonable expenses are those incurred above the normal day to day costs. For example, a staff member would normally incur personal expenditure for lunch on a daily basis and the cost of lunch when travelling should not be reimbursed unless the costs are greater than that normally incurred.
19. All personal expenditure is to be met by the staff member. Examples of this are mini bar purchases, in house movies, laundry and private phone call charges are to be paid separately by the travelling staff member.
20. All receipts must be retained and attached to the travel claim. The claim is to be authorised on a one-up basis.
21. For expenditure incurred in New Zealand of value greater than \$50 (including GST) there should also be a GST invoice to ensure that GST can be reclaimed by the New Zealand Region Fish and Game Council.
22. Authorisation can still be given for expenditure less than \$50 where there is no receipt, for example if it is not practical to obtain a receipt or if the receipt is lost. The expenditure can be reimbursed provided there is no doubt about its nature or the reasons for it.

Discretionary Travel Benefits

23. Travel benefits, including airpoints and loyalty scheme rewards/points (Flybuys, Global, etc), accrued from official travel are able to be redeemed for personal use.
24. Staff must travel by the most direct route unless scheduling dictates otherwise.
25. The New Zealand Fish and Game Council will not meet expenses incurred on behalf of a spouse or travelling companion. In the event of a person travelling with an employee, a reconciliation of expenses should clearly demonstrate that the New Zealand Fish and Game Council did in no way incur additional expenditure.

Appendix II to Policies on Controlling Sensitive Expenditure

SUB POLICY - ENTERTAINMENT

Purposes of Entertainment

1. Entertainment expenditure in general will be for the following purposes:
 - Building relationships and goodwill
 - Representation of the New Zealand Fish and Game Council in a social situation
 - Hospitality provided in the course of New Zealand Fish and Game Council business to external parties
 - Internal social functions or functions to develop internal organisational efficiencies
2. The purpose of all purchases should be transparent and the amount expended able to be demonstrated as reasonable and appropriate.

New Zealand Fish and Game Council Events and Staff Meetings

3. This includes conferences, seminars, workshops, training courses and meetings.
4. When deciding upon a venue, staff should take into account location, accommodation standard and tariff rates. They should give due consideration to the nature of the event, total cost, expectations of participants and their home location.
5. When deciding upon catering, staff should take into account the nature of the event and the quality of food required. Lunch should only be provided for staff meetings where it is not possible to arrange the meeting for a period which avoids the lunch break.

Alcohol Purchases

6. The New Zealand Fish and Game Council should only purchase alcohol for entertainment purposes.
7. Purchases are usually for the consumption by councillors, staff and guests at New Zealand Fish and Game Council hosted events. The amount expended needs to be demonstrably reasonable and appropriate for the event and should be sufficient for moderate consumption only.

Appendix III to Policies on Controlling Sensitive Expenditure

SUB POLICY - GIFTS

Giving Gifts

1. The Council accepts that there may be rare occasions when it is appropriate to give gifts to persons or organisations that offer significant services to Fish and Game without charging for these services.
2. The cost of a gift should be modest, reasonable and appropriate for the circumstances.
3. All gifts should be purchased through the New Zealand Fish and Game Council's normal purchase procedures.
4. Gifts must not be given in lieu of remuneration or remunerative benefits for employment; nor should they conflict with the terms of contract agreements for employees
5. A full register must be maintained of all gifts given, including why the gift was given, what the gift was, what the gift cost (or what the gift was worth, if it was acquired at less than full value) and who it was given to. The Council will review this register periodically.
6. If the gift is to be given during international travel, then the staff member should receive authorisation for the value of the intended gift before the travel. If the need to purchase a gift arises unexpectedly during international travel, then a full record of the gift should be added to the gift register. The cost of such a gift should be justifiable to the Council.

Receiving Gifts

7. Gifts should not be accepted if there is possibility or concern that their acceptance could be seen by others as an inducement or a reward that might place the recipient under an obligation or alter a recipients decision making.
8. Staff can receive and retain gifts that are inexpensive and openly distributed by suppliers or clients (eg pens, badges, confectionary, calendars etc)
9. If the gift is more valuable then the recipient must disclose the gift to the CEO. The gift should remain the property of the Council to use unless the Council agrees to an exception.
10. A formal register of gifts must be kept if the gift is in excess of \$50 in value or is attractive in nature. Gifts regarded as attractive in nature include jewellery, watches and electronic items.

Appendix IV to Policies on Controlling Sensitive Expenditure

SUB POLICY - CREDIT CARDS

Process for Issue of Credit Cards

1. Credit cards should only be issued to staff members after being authorised by the CEO.
2. A register of cardholders should be maintained.
3. The limits set for credit card use must be set by the CEO.
4. Prior to the card being issued, the recipient must be given a copy of this policy and be required to sign it off to signify that they have read and understood it.

Procedures to be Followed when Using the Card

5. The credit card is not to be used for any personal expenditure.
6. The credit card will only be used for:
 - payment of actual and reasonable travel, accommodation and meal expenses incurred on New Zealand Fish and Game Council business.
 - Approved online purchases where it is efficient and convenient to do so (such as Road User Charges and software purchases)
7. All expenditure charged to the credit card should be supported by:
 - A detailed invoice or receipt to confirm that the expenses are properly incurred on New Zealand Fish and Game Council business
 - For expenditure incurred in New Zealand of value greater than \$50 (including GST) there should also be a GST invoice to support the GST input credit
8. All staff and council credit card transactions must be approved by the CEO.
9. All purchases should be accounted for within 5 working days of receiving a credit card statement.
10. The CEO credit card expenditure must be approved by the CFO and the Statement must be signed off by the Chair.

Cash Advances

11. Cash advances are not permitted except in an emergency.
12. Where cash advances are taken, the cardholder must provide a full reconciliation, with receipts wherever possible, of how the cash was used. Any unspent monies must be returned to the New Zealand Fish and Game Council.

Discretionary Benefits

13. Any benefits of the credit card such as a membership awards programme are only to be used for the benefit of the New Zealand Fish and Game Council. They should not be redeemed for personal use.

Cardholder Responsibilities

14. The cardholder should never allow another person to use the card.
15. The cardholder must protect the pin number of the card.
16. The cardholder must only purchase within the credit limit applicable to the card.
17. The cardholder must notify the credit card company and the New Zealand Fish and Game Council immediately if the card is lost or stolen.

18. The cardholder must return the credit card to the New Zealand Fish and Game Council upon ceasing employment there or at any time upon request by the Council.

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Appendix V to Policies on Controlling Sensitive Expenditure

SUB POLICY – PRIVATE USE OF AN ORGANISATIONS SUPPLIERS

Principles

1. The New Zealand Fish and Game Council has access to a number of suppliers which offer discounts for goods and services. Staff have access to these on a limited basis subject to the arrangements below.
2. The supply of goods and services to the organisation and/or its staff for a discounted rate should not influence the organisation's choice of suppliers or give those suppliers a preferential position.

Process for purchasing private items from the organisations suppliers

3. A private purchase order must be obtained from the administration officer or CE before good or services are acquired via supplier accounts for private use.
4. Cost of the goods should not exceed \$500 in a single purchase.
5. Staff should pay in full within 7 days and must not use the organisation as a source of credit.

Other conditions related to private purchases from suppliers

6. Staff must not use purchasing privileges on behalf of any third party, such as family members or friends.
7. Resources of the New Zealand Fish and Game Council, including staff time, should not be used to procure goods or services for employees' personal benefit.

Appendix VI to Policies on Controlling Sensitive Expenditure

SUB POLICY – PAYMENTS TO COUNCILLORS FOR REIMBURSEMENT OF EXPENSES

Principles

1. Under section 26M of the Conservation Act – No remuneration is payable to members of the Council
2. Councilors should be appropriately reimbursed for expenses incurred whilst carrying out their function of a Councilor.

Types of Reimbursements

3. Travel expenses incurred in travelling to and from meetings. These include but are not limited to; parking costs, flights, accommodation, meals and reimbursement for personal use of vehicle.
4. Vehicle reimbursement rates are determined annually by the IRD reimbursement rates for Diesel, petrol and electric powered vehicles.
5. The Chair shall be reimbursed for the personal use of their telephone. The rate determined for reimbursement is equivalent to the NZC current cell phone plan.
6. The Chair may be reimbursed for stationary, postage and other reasonable costs incurred for New Zealand Fish and Game business.

Process for reimbursing expenses

7. All Councillors must fill in a reimbursement form with attached receipts. These must be sent to accounts for payment.



Controlling
sensitive
expenditure:
Guide for public
organisations



Photo acknowledgement:
Chris Tse

Controlling sensitive expenditure: Guide for public organisations

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Foreword from the Public Service Commissioner

I often say the Public Service cannot operate without the trust and confidence of the people we serve.

New Zealand has a high degree of public trust and confidence in our system of government, but we can't take this for granted. It's something we need to work hard every day to maintain.

Many public agencies exercise special powers or influence over people's lives, and with this power comes responsibility. A responsibility to perform our duties in a manner that upholds the trust that New Zealanders have in us.

We must always be accountable and transparent.

I welcome these updated guidelines from the Controller and Auditor-General. The principles, guidelines, and examples contained in this document provide further guidance for senior managers and staff across the public sector, reinforcing the importance of ensuring that we perform at all times in a manner that stands up to rigorous parliamentary and public scrutiny.

The guidelines complement the Chief Executive Gifts, Benefits and Expenses model standards I have issued. Senior public servants need to model the behaviour that they want to see from their agencies. I expect that those public servants will continue to make their decisions based on the good judgement they have exhibited to date and informed by the principles outlined here.

The public's trust and confidence is our licence to operate.



Peter Hughes
Public Service Commissioner

27 October 2020

Auditor-General's overview

E ngā mana, e ngā reo, e ngā karangarangatanga maha o te motu, tēnā koutou.

Trust and confidence in public organisations is driven by competence, reliability, and integrity. Where there is any question about any one of those things, real or perceived, trust and confidence can be eroded. It is important that organisations and their staff are adhering to the highest standards of integrity and are seen to be doing so.

Sensitive expenditure is any spending by an organisation that could be seen to be giving private benefit to a staff member, their family, or friends. It risks harming an organisation's reputation and the public sector more generally – for example, if the expenditure could lead to concerns that the spending is inappropriate or lacks a legitimate business reason. Issues concerning sensitive expenditure arise regardless of how much money is spent. Even a small amount can raise concerns if it appears to be improper.

Public organisations therefore need to manage sensitive expenditure deliberately and diligently and, as with all spending, be able to justify it.

Public organisations' sensitive expenditure decisions have featured in a number of my Office's reports over recent years, as well as in the many queries my Office receives. I intend for this guide to help board members, chief executives, and senior management to take a best-practice approach to their organisation's handling of sensitive expenditure and to make decisions that will stand up to scrutiny.

This guide provides practical guidance on specific types of sensitive expenditure and outlines the principles for making decisions about sensitive expenditure. It also emphasises the importance of setting "the tone from the top", along with having suitable policies and procedures in place. Leaders' actions, inactions, and behaviours set the standards of an organisation more than a policy or procedure ever will. Leaders need to be seen to be consistently doing the right thing.

The guide is based on general public sector norms, and my Office might refer to the principles in the guide when carrying out performance audits, inquiries, annual audits, or our other assurance work.

A great deal of trust is placed in the public sector and the spending of public money. Therefore, a high level of integrity is expected. Strong controls and careful judgement should mean that sensitive expenditure in public organisations can withstand parliamentary and public scrutiny.

What is considered sensitive expenditure changes over time, and this guide will not cover every situation. Managing sensitive expenditure requires good judgement and consideration of the principles described in this guide. Appropriately identifying and managing sensitive expenditure is a critical skill expected of all public officials.

Nāku noa, nā,

A handwritten signature in black ink, appearing to read 'J.M. Ryan', with a stylized flourish at the end.

John Ryan
Controller and Auditor-General

27 October 2020

1

Introduction

- 1.1 Public organisations spend public money. Their spending must meet standards of probity and financial prudence¹ so it can withstand parliamentary and public scrutiny and support trust and confidence in the public sector.
- 1.2 All public organisations will incur expenditure, including sensitive expenditure, as they work to achieve their objectives. The public expects that all expenditure decisions will be subject to proper authorisation and controls.
- 1.3 Sensitive expenditure is any spending by an organisation that could be seen to be giving private benefit to staff additional to the business benefit to the organisation. Problems can arise with expenditure related to travel, accommodation, and hospitality, and particular care needs to be taken with these. Problems can also arise from expenditure that is unusual or is not closely related to an organisation's purpose and/or functions.
- 1.4 There is heightened public sensitivity when public sector employees are perceived to benefit – or do benefit – personally from sensitive expenditure incurred during the conduct of a public organisation's business.
- 1.5 The Public Audit Act 2001 gives the Auditor-General authority to examine and report on any act or omission that shows, or appears to show, waste or a lack of probity or financial prudence by a public organisation or one or more of its members, office holders, or employees. Appendix 1 lists our reports that discuss poor sensitive expenditure practices. We also draw attention to sensitive expenditure matters in our reporting as part of our annual audits.
- 1.6 From these reports, and the questions that public organisations ask us, we have identified some recurring issues in relation to sensitive expenditure. The most frequent issues that can cause public organisations difficulty or concern are:
 - the level of expenditure that is, or could be regarded as, extravagant or immoderate for the public sector;
 - expenditure incurred without a justifiable and adequately documented business purpose that has a clear link to the organisation's objectives;
 - poorly defined sensitive expenditure policy and procedures;
 - expenditure that is not adequately substantiated by invoices, receipts, or other relevant documentation to support claims or payments;
 - expenditure that is made before appropriate authority has been obtained; and
 - expenditure that is made without proper scrutiny to ensure that it complies with an organisation's policy and procedures.

¹ In this guide, we define "financial prudence" as a public organisation using its resources carefully and not committing to a course of action beyond its means. We define "probity" as Parliament and the public's expectations of public organisations to act appropriately and ethically.

Purpose of this guide

- 1.7 This guide is to help public organisations improve, where necessary, their organisational approach to, and control of, sensitive expenditure. The aim is to assist anyone who might deal with sensitive expenditure, including board members, chief executives, and managers responsible for sensitive expenditure policies, procedures, and controls. The guide is also designed to help all employees dealing with sensitive expenditure.
- 1.8 In Part 2, we discuss the basic principles (based on general public sector norms and principles) that apply to sensitive expenditure.
- 1.9 In Part 3, we discuss how a good-practice approach to managing sensitive expenditure should be reflected in a public organisation's policies and procedures.
- 1.10 In Parts 4-9, we describe specific types of sensitive expenditure.

Using this guide

- 1.11 This guide provides our view of good practice for controlling sensitive expenditure. We will use it when carrying out our work, including our annual audits. We intend to review this guide from time to time and publish additional and updated advice on our website.
- 1.12 This guide is intended to complement, and not repeat, advice that has already been published elsewhere. Appendix 2 provides a list of resources and guidance on sensitive expenditure from other organisations.
- 1.13 We expect public organisations to implement the principles discussed in this guide into their sensitive expenditure policies and procedures. We also expect public organisations to carry out regular reviews, monitor compliance, consider high-risk areas, and make changes to policies and procedures as necessary. Public organisations should carefully consider the advice in Parts 4-9 and the underlying principles listed in paragraph 2.4 before taking a different approach.
- 1.14 Public organisations are responsible for deciding whether sensitive expenditure is appropriate in the particular circumstances and for ensuring that their sensitive expenditure policies, procedures, and decisions are fit for purpose and will withstand parliamentary and public scrutiny.

- 1.15 This guide does not affect any legislative requirements² that relate to sensitive expenditure – for example, any relevant tax requirements.
- 1.16 For those agencies within the remit of Te Kawa Mataaho Public Service Commission, this guide should be read alongside the Commission’s guidance listed in Appendix 2.

2 For instance, the remuneration, expenses, and allowances payable to elected members of city, district, and regional councils are set out in the Local Government Members (2020/21) Determination 2020, and actual and reasonable expenses are outlined in council policies that have been formally approved by the Remuneration Authority (but subject to the provisions in the Determinations).

Principles applicable to sensitive expenditure

2

Taking a principles-based approach

- 2.1 Public organisations should take a principles-based approach to making sensitive expenditure decisions. Although a principles-based approach requires careful judgement, it is also flexible and more enduring and practical to administer than a large number of rules. In this Part, we describe the relevant principles for public organisations to consider when making decisions about sensitive expenditure.
- 2.2 We recognise that, for valid reasons, public organisations make their own decisions about what is appropriate sensitive expenditure. For example, a state-owned enterprise might make different judgements from a central government department or a local authority. However, all public organisations need to take into account the same principles when determining their approach (or attitude) to sensitive expenditure decisions.
- 2.3 All public organisations spend public money. Public money is not the property of people in the organisation (including members, office holders, managers, and employees) to do with as they please. Consequently, the expenditure should be:
 - subject to the standards of probity and financial prudence expected of a public organisation; and
 - able to withstand parliamentary and public scrutiny.
- 2.4 There are principles that underpin decision-making about sensitive expenditure. Expenditure decisions should:
 - **have a justifiable business purpose** that is consistent with the public organisation's objectives. A justifiable business purpose means a reason that would make clear sense, supported by evidence of the need for the spending and evidence that a range of options have been considered;
 - **preserve impartiality.** Impartiality means decisions based on objective criteria, rather than based on any sort of bias, preference, or improper reason;
 - **be made with integrity.** Integrity is about exercising power in a way that is true to the values, purposes, and duties for which that power is entrusted to, or held by, someone. It is about consistently behaving in keeping with agreed or accepted moral and ethical principles;
 - **be moderate and conservative** when viewed from the standpoint of the public and given the circumstances of the spending. It includes considering whether the justifiable business purpose could be achieved at a lower cost;
 - **be made transparently.** Transparency in this context means being open about the spending, and willing to explain any spending decisions or have them reviewed; and

- **be made with proper authority.** This means that the person approving the spending has the appropriate financial delegation to do so, for the type and amount of spending and follows correct procedures.

- 2.5 These principles should be applied together. None should be applied alone, and no principle should be treated as more important than any other.
- 2.6 For example, an employee asks to take annual leave in conjunction with business travel. The request might raise issues of what the primary purpose of the trip is, as well as issues about impartiality and transparency. If it were to approve the leave, the organisation would need to be satisfied that the primary purpose of the trip was for business, that no additional cost to the organisation would be incurred, and that the arrangement could not be reasonably perceived as inappropriate.
- 2.7 In practice, a properly authorised individual will make the decision for each instance of sensitive expenditure. Each individual making such decisions will need to use careful judgement in accordance with the principles and within the particular context of the circumstance. The organisation should have appropriate policies in place to guide that decision-making, including training to build awareness and develop good judgement (see Part 3).

Deciding when sensitive expenditure is appropriate

- 2.8 Each decision about sensitive expenditure is important, even if the amount of money spent is small compared to the organisation's total expenditure. Improper expenditure could harm the reputation of, and trust in, the organisation, as well as the public sector generally.
- 2.9 The decisions that public organisations make to determine "appropriate" types and amounts of sensitive expenditure are likely to differ, to some degree, between organisations. This is because of the broad range of public organisations and the varying nature of their functions and activities. For example, public organisations that are involved in commercial activities might spend money on sponsorship, marketing, and hospitality for its most important customers (which allow them to compete in their particular market). This would not be usual in a government department or a school.
- 2.10 However, we expect all public organisations to behave in a way that supports the public's trust in government generally and in public organisations in particular.
- 2.11 A public organisation deciding on what is appropriate sensitive expenditure needs to consider both individual transactions and the total amount of sensitive expenditure.

- 2.12 Even when sensitive expenditure decisions can be justifiable at the individual transaction level, the combined amount spent on a category of expenditure might be significant and the organisation could be criticised for extravagance and waste. In other words, the organisation has failed to ensure that the expenditure of public money is proper and prudent. For example, a gift valued at \$150 for an individual to mark a significant achievement or contribution might be acceptable. However, if that gift will be given to all employees of an organisation, then the total amount is likely to be considered extravagant.

Responsibilities of board members, chief executives, and managers

Setting the tone at the top

- 2.13 To maintain the public's trust and confidence in the public sector, board members, chief executives, and senior management need to ensure that their public organisations operate with a high level of integrity. The necessary behaviours of public servants to maintain the integrity of the public sector includes:³
- impartiality – to treat all people fairly, without personal favour or bias;
 - accountability – to take responsibility and answer for their work, actions, and decisions;
 - trustworthiness – to act with integrity and be open and transparent;
 - respect – to treat all people with dignity and compassion and act with humility; and
 - responsiveness – to understand and meet people's needs and aspirations.
- 2.14 In our view, responsibility rests with those “at the top” – that is, board members, chief executives, and senior management. They need to set the highest standard for what is and is not acceptable sensitive expenditure. All leaders should actively promote ethical behaviours, through role modelling, reinforcement, and communication.⁴ They need to have clear policies and processes that apply to all staff, including the chief executive, senior management, and the board, and to actively model their own and others compliance with those policies. As with other aspects of organisational performance, they also need to ensure that policy and processes are regularly and independently reviewed. That review will provide assurance they are operating appropriately and provide an additional line of defence against inappropriate sensitive expenditure being incurred.

³ Public Service Act 2020, www.legislation.govt.nz.

⁴ For more on ethical leadership, see: Brian Picot Chair in Ethical Leadership, Victoria University of Wellington (2019), *Opportunities and challenges for Aotearoa New Zealand*, Wellington. www.wgtn.ac.nz.

- 2.15 We also expect that all leaders of public organisations should ensure that staff are trained on those policies and procedures and on developing awareness and good judgement, that adequate monitoring is carried out, and that the public organisation has a view on whether it is delivering appropriate outcomes on sensitive expenditure.
- 2.16 Policies and procedures support an organisation's culture by clarifying what is and what is not acceptable behaviour. To be effective, sensitive expenditure policies, procedures, and other controls should link to and reinforce the organisation's values, rather than be viewed or practised as a separate activity. When these are embedded into an organisation's culture, all staff become involved in the proper and prudent management of sensitive expenditure.⁵

Controls and judgement

- 2.17 Although having strong controls will help people make good sensitive expenditure decisions, careful judgement is also needed. This is because it is not possible or desirable to set rules for every possible situation. If there are no specific rules for a specific situation, we expect those incurring and approving sensitive expenditure to use careful judgement by applying the principles listed in paragraph 2.4. In more high-risk matters, an organisation might want to be more prescriptive.
- 2.18 Board members, chief executives, and senior management have a particular responsibility to ensure that sensitive expenditure is appropriate for their organisation.
- 2.19 We expect board members, chief executives, and senior management to ensure that there is transparency in both sensitive expenditure and remuneration systems, and to avoid any trade-offs between the two.

⁵ For the sorts of behaviours that support public trust and confidence in the integrity of government, see: Te Kawa Mataaho Public Service Commission (2007), *Standards of Integrity and Conduct*, Wellington, publicservice.govt.nz.

Preparing suitable policies and procedures

- 3.1 Parliament and the public should be able to have confidence that public organisations can make sensitive expenditure decisions properly and prudently. This requires:
- a principles-based approach;
 - leading proper and prudent practices by example;
 - approving and putting in place suitable policies and procedures;
 - procedures that consistently support all staff (at all levels and roles in the organisation) to follow proper and prudent practices;
 - appropriate training;
 - monitoring of activities to ensure effective control of sensitive expenditure;
 - carrying out regular reviews to ensure that there is compliance with policies and that the overall principles are being achieved; and
 - taking corrective action on failures and learning from them.
- 3.2 In this Part, we describe how to take a good-practice approach to:
- sensitive expenditure policies;
 - procedures for approving sensitive expenditure; and
 - requirements to maintain proper supporting records for sensitive expenditure incurred.
- 3.3 Where public organisations diverge from the broad approach outlined in this Part, we expect them to justify their decisions with respect to the principles listed in paragraph 2.4.

Sensitive expenditure policies

- 3.4 Sensitive expenditure policies need to:
- make clear what types of expenditure are and are not allowed;
 - outline clear approval processes that are specific about who approves what (including that expenditure should generally be approved before it is incurred) and any exceptions to that;
 - set spending limits or boundaries and specify dollar limits and defined boundaries, where practicable. Otherwise, the policies need to be clear about when people are expected to exercise careful judgement as to what is actual and reasonable;
 - allow a manager discretion to grant an exception (management override) to a policy or procedure only in exceptional circumstances;
 - specify the monitoring and reporting regime (including when exceptions to policies have been granted) and, where applicable, controls or checks that may be applied; and
 - specify the requirements for review of the policies and procedures.

- 3.5 As well as a general sensitive expenditure policy, public organisations should also have more specific policies for common types of sensitive expenditure, such as travel, hospitality, and gifts. Further guidance on specific types of sensitive expenditure is provided in Parts 4-9.

Procedures for approving sensitive expenditure

- 3.6 Sensitive expenditure should be approved only when:
- the person approving the expenditure is satisfied that it is for a justifiable business purpose that is consistent with the public organisation's objectives, and all of the principles discussed in Part 2 have been adequately met;
 - approval is given before the expenditure is incurred, unless it is for small amounts (for example, taxi fares) and allowed in the organisation's policies;
 - the expenditure will be within budget and where delegated authority exists; and
 - approval is given by a person who is senior to the person who will benefit (or might be perceived to benefit) from the sensitive expenditure. Where that is not possible, this should be recorded, and any such expenditure should be subject to some form of monitoring.
- 3.7 For people in senior positions, the good practice of approval by a more senior person should be applied to the maximum extent possible. However, where there is no more senior person to approve the expenditure, an alternative approach will be needed.
- 3.8 In such instances, it is essential that there should be no reciprocal arrangement for approving sensitive expenditure (that is, with a person approving expenditure having their own expenditure approved by the person whose expenditure they are approving). An arrangement involving three people is one way to avoid this problem (for example, person A approves person B's expenditure, person B approves person C's expenditure, and person C approves person A's expenditure). Another way, where practical, is to have the whole management team approve the expenses.
- 3.9 The principle of **transparency** is particularly relevant to the approval of senior personnel expenses. It is worth considering having senior personnel expenses reviewed by an audit and risk committee and/or making the expenses publicly available. Publishing clear and detailed disclosures helps build and maintain the public's trust and confidence. Te Kawa Mataaho Public Service Commission has published model standards for chief executives' expenses⁶, guidance on expense disclosure process, and information on the type of expenses that should be disclosed.⁷

6 Te Kawa Mataaho Public Service Commission (2018), *Acting in the spirit of service: Chief Executive Gifts, Benefits and Expenses*, Wellington, publicservice.govt.nz.

7 Te Kawa Mataaho Public Service Commission (2018), *Chief Executive gifts, benefits and expenses disclosures: A guide for agency staff*, Wellington, publicservice.govt.nz.

- 3.10 Where public organisations incur significant sensitive expenditure (for example, on international travel) there should be a clear documented process for gaining approval for that expenditure. This process should include preparing a clear business case that describes how the expenditure is linked to what is expected to be achieved through the travel and a budget of expected expenditure, which should be reported against when the expenditure has been incurred.
- 3.11 Using credit cards and purchasing cards creates the risk that expenditure, including sensitive expenditure, is incurred before it is approved. If the public organisation does not have strong controls for card expenditure, there is a risk that cards can be used for inappropriate spending. We provide guidance on using credit cards and purchasing cards in Part 4.

Supporting records for expenditure incurred

- 3.12 Public organisations need to retain proper supporting records (invoices and receipts) for all expenditure incurred. These supporting records need to:
- clearly state the business purpose of the expenditure. If the supplier documentation supporting a claim for reimbursement does not clearly state the business purpose, a written statement of the purpose should be included as part of the claim;
 - be the original document (such as tax invoices) or electronic copies that are retained in a way that preserves the integrity and completeness of the document. Credit card statements are not adequate documentation to support reimbursement;
 - document the date, amount, description, and purpose of small expenditure when receipts are unavailable (for example, tips or vending machines);
 - be separate claims for each person wherever possible. Where a claim relates to more than one person, it should be made by the most senior person and list the other individuals to whom the expenditure relates. For example, when colleagues travel together for business reasons, the most senior person should pay;
 - be submitted promptly after the expenditure is incurred; and
 - be in English or Te Reo Māori (or independently translated before payment).
- 3.13 Where a business case and budget was required before the expenditure was authorised, an explanation should be provided for any incurred expenditure that is more than the agreed budget. This should be incorporated into the organisation's reporting mechanisms.

4

Using credit cards and purchasing cards

- 4.1 Using credit cards and purchasing cards⁸ is a common way to pay for sensitive expenditure and is more transparent than using cash. However, specific policies and procedures are needed for using cards to manage the associated risks. These risks include cards being used:
- for inappropriate business-related expenditure (in both the type of expenditure and how much);
 - to obtain cash for a business purpose, with subsequent expenditure being poorly documented or justified; and
 - for personal benefit, by obtaining cash or paying for personal items.
- 4.2 Organisations that allow credit cards and purchasing cards should have suitable policies and requirements governing use of the cards. They should also have controls to ensure that those policies and instructions are observed.
- 4.3 Policies for credit cards and other purchasing cards need to set out:
- who is eligible for a business credit card/purchasing card;
 - the person or people responsible for authorising card issue, managing the acquisition of cards, and monitoring and reporting on their use;
 - the process for cancelling and destroying cards;
 - credit limits (set by the public organisation and not by the card holder). The limit should be the minimum necessary to enable the card holder to carry out their duties for the public organisation;
 - that using cards for private expenditure or credit is prohibited;
 - the need to have acceptable original documentation to explain and corroborate transactions;
 - how credit card and purchasing card transactions are to be reviewed and approved by a person senior to the card holder (the one-up rule); and
 - the consequences of unauthorised use.

⁸ These include credit cards, vehicle fleet cards, purchasing cards, and equivalent cards used to obtain goods and services before payment is made.

Credit card cash advances

- 4.4 Credit cards should not be used to obtain cash advances unless cash is required:
- in an emergency (usually related to travel); or
 - for official purposes (in rare circumstances).
- 4.5 If an organisation would like to allow cash advances, they would need to be specifically provided for in the organisation's policy and should be properly documented and accounted for and reconciled to actual expenses.

Internet purchases using credit cards

- 4.6 Credit card payments made on the internet need to reflect good security practice, such as purchasing only from reputable companies known to the public organisation. The card holder needs to keep a copy of any online order forms completed when making purchases. The practice also needs to be consistent with the public organisation's normal purchasing controls.

5

Expenses when travelling

- 5.1 Public sector staff might need to incur travel and accommodation costs while travelling in New Zealand or overseas for work.

Issues and principles

- 5.2 Issues about expenditure on travel and accommodation, especially by governors, chief executives, and managers, are often brought to our attention. The principles of a **justifiable business purpose** and **moderate and conservative** expenditure are particularly relevant here.
- 5.3 Travel and accommodation expenditure should be economical and efficient, having regard to purpose, distance, time, urgency, personal health, security, and safety considerations.
- 5.4 Public organisations should have travel policies and procedures that:
- consider technology-enabled solutions as opposed to travel in person;
 - cover domestic and international travel;
 - require written approval before travel;
 - provide guidance on taking annual leave, staying away over weekends, stopovers, travelling with spouses or partners, and class of travel; and
 - outline the monitoring and reporting arrangements.

Cash advances

- 5.5 Where a staff member is required to travel overseas for work, it might be necessary to provide them with a cash advance. The public organisation's policies and procedures should allow for this. In these instances, the cash advance should be set at an appropriate level having regard to the circumstance, properly documented and accounted for, and reconciled to actual expenses on return.

Air travel

- 5.6 Public organisations should ensure that:
- air travel is booked to achieve the most cost-effective fare;
 - when deciding what class of ticket to purchase, cost is balanced with other considerations, such as purpose of travel, distance, time, urgency, security, and safety considerations. One option organisations can consider, if time allows, is whether it would be considerably cheaper to fly long distance in economy class, arriving earlier to allow rest;
 - there is a clearly explained rationale whenever a premium economy or business class ticket is purchased – business class is the exception, not the norm; and
 - they have policies on membership of airline clubs, with any membership of such clubs supported by a clear business purpose.

Air points and other travel-related loyalty schemes

- 5.7 Accruing air points⁹ from business-related travel can have significant personal benefit and potentially incentivise wasteful travel. Public organisations need policies to manage this risk.
- 5.8 We expect public organisations, to the extent that it is practically possible within the requirements of the law, to:
- treat air points that staff accrue when travelling for work as the property of the organisation;
 - use business air point rewards to benefit only the organisation (this could include using the air points for personal reasons and reimbursing the organisation);
 - ensure that staff keep a record of business air points accrued, air points used to benefit the organisation, and the balance of air points remaining, and regularly supply the organisation with a report of this record;
 - ensure that processes are in place to identify if staff are accruing a large number of business air points; and
 - ensure that business air points are used for travel where possible.
- 5.9 There are complexities to managing air points and the personal benefit that might come from them. Some airlines are aware of these issues and might offer schemes that assist public organisations to manage them.

Meals, accommodation, and transport while travelling

Meals

- 5.10 With reference to meals while travelling,¹⁰ we expect organisations to:
- give guidance to staff that describes what is appropriate and reasonable to spend on meals; and
 - state in their policies that separate meal expenses cannot be claimed if a meal is provided as part of another package paid for by the organisation – for example, when lunches and dinner are included in conference registration.
- 5.11 Increasingly, the expectation is that public organisations should not allow for reimbursement of alcohol purchases through travel or accommodation expenses.

⁹ Rental companies and hotel chains often have similar schemes.

¹⁰ There are two main ways that public organisations can cover expenses (in particular, meals) of their staff while travelling – having a daily allowance or individuals claiming back expenses on return. Where an organisation is using daily allowances, the standard rate should be linked to being appropriate and reasonable. For guidance on rates for international travel, public organisations can refer to the New Zealand Foreign Affairs and Trade Schedule of Per Diem Rates to cover the costs of meals, accommodation, and incidentals while overseas. See www.mfat.govt.nz.

The public expect prudence. Alcohol consumption is seen as a personal choice that public servants should pay for themselves.

Accommodation

- 5.12 We expect organisations to:
- ensure that accommodation is cost-effective;
 - take account of the accommodation's location relative to where staff are working;
 - check the standard and type of accommodation and safety and security issues; and
 - have a policy relating to costs/koha that might be paid, if any, for when staff stay with a friend or relative rather than in paid accommodation.

Transport

- 5.13 With reference to transport while travelling, we expect organisations to:
- ensure that the most economical type and size of rental car to be used is consistent with the requirements (including the distance, terrain, weather, and number of people) of the trip;
 - have a policy that the driver, not the organisation, will pay fines (parking or traffic offences) incurred while using a rental vehicle on business;
 - ensure that any private use of a rental car incurs no additional cost to the organisation and is reasonable in the circumstances; and
 - consider other cost-effective travel, such as public transport and rideshare.

Motor vehicles

- 5.14 We expect the use of taxis to be moderate, conservative, and cost-effective relative to other forms of transport. Public organisations are starting to use alternative forms of transport, such as those mentioned in paragraph 5.13.
- 5.15 Rideshare options are most often charged through an application (app) linked to a credit card. In these instances, see Part 4 for guidance on making credit card purchases. If the app is set up to use a personal credit card, the public organisation will need processes to distinguish legitimate work expenses from personal expenses, including enough evidence to support the business reason for the work expenses and documentation to support the payment.
- 5.16 Organisation-funded transport should not be used for travel between home and work, unless the reason for the travel is due to work commitments requiring work beyond a reasonable hour, a safety concern, or similar justification. Approval for the travel should be given where practicable.

- 5.17 We expect all taxi cards to be issued in an individual's name to support transparency about who used a taxi card and for what purpose. See Part 4 on using credit cards and purchasing cards for additional guidance.

Corporate vehicles

- 5.18 Corporate vehicles (provided outside remuneration arrangements) should not be used for private purposes. We expect the driver, not the organisation, to pay any fines (parking or traffic offences) incurred while using a corporate vehicle unless the fines relate to an aspect of the condition of the vehicle outside the driver's control.

Private vehicles

- 5.19 We expect public organisations to ensure that they do not pay for travel by private vehicle if travel by other means is more practical and cost-effective. Generally, pre-approval to use a private vehicle for work must be obtained. We expect the driver, not the organisation, to pay any fines (parking or traffic offences) incurred while using a private vehicle on business.
- 5.20 We expect public organisations to require a completed and signed claim based on distance travelled when reimbursing staff for using a private vehicle. The rates of reimbursement for a private vehicle should also be in line with the allowable expense for using a private vehicle for business purposes recommended by the Inland Revenue Department or an appropriate rate set by the organisation. Any claim should clearly state the business reason for the travel.

Tipping

- 5.21 The probity issue associated with tipping is that it is discretionary, and usually undocumented, expenditure. Tipping should not in any circumstance be extravagant. The principle of **moderate and conservative** expenditure is particularly relevant.
- 5.22 We expect staff of public organisations not to tip while they are travelling for work in New Zealand. We expect organisations to allow tipping expenses in countries where it is local practice and where it is appropriate in the circumstances. In these cases, organisations can provide staff members a daily allowance before travel to allow for this. This should be documented in the organisation's policies, and any unused funds are to be accounted for.

Other travel issues

Using telecommunications equipment

- 5.23 We expect guidance on the use of telecommunications equipment while travelling for work to be consistent with the guidance on information communications technology resources in Part 9.

Private travel combined with work travel

- 5.24 Staff members can go on private travel before, during, or at the end of travel paid by their organisation, provided there is no additional cost to the organisation and the private travel is only incidental to the business purpose of the travel. The organisation should have a clear process in place, set out in its policy, to ensure that any additional costs (for example, travel insurance) are identifiable and reimbursed as soon as is practicable after they have been incurred.

Spouses, partners, or other family members accompanying travel

- 5.25 A public organisation should not usually pay for travel costs of accompanying spouses, partners, or other family members. In the rare circumstances that involvement of a spouse directly contributes to a clear business purpose, we expect the spouse's travel to be pre-approved in accordance with the organisation's policy and delegations. The travelling staff member should discuss with their manager if they intend any family member to accompany them on work-related travel regardless of whether the organisation contributes to costs. This is to ensure that there is proper consideration of any perceived personal benefit. Public organisations should consider matters such as insurance as well as cost when approving family members' accompanying travel.

Stopovers

- 5.26 We expect the cost of any stopover that the organisation pays for to have a clear business purpose, be moderate and conservative, and be pre-approved. This could include a staff member flying long distance in economy class requiring a short (24-hour) stopover to aid their recovery when they arrive at their final destination.

Entertainment and hospitality expenditure

- 6.1 Entertainment and hospitality can range from tea, coffee, and biscuits to organisation-funded hosting at a sporting or cultural event.

Issues and principles

- 6.2 Expenditure on entertainment and hospitality is sensitive because of the range of purposes it can serve, the opportunities for private benefit, and the uncertainty as to what is appropriate.
- 6.3 The Institute of Internal Auditors New Zealand identified the following five business purposes for entertainment and hospitality expenditure for private and public organisations:¹¹
- building relationships;
 - representing the organisation;
 - reciprocity of hospitality where this has a clear business purpose and is within normal bounds – acceptance of hospitality is expected to be consistent with the principles and guidance for provision of hospitality;
 - recognising significant business achievement; and
 - building revenue.
- 6.4 The principles of a **justifiable business purpose** and **moderate and conservative** expenditure are particularly relevant here. Some public organisations might pay for hospitality to raise funds. We expect expenditure to be subject to controls for monitoring and reporting.

Guidance

- 6.5 We expect entertainment and hospitality expenditure to be:
- subject to policies that provide clear guidance about what is an acceptable level and type of expenditure and appropriate venues (for example, on seasonal occasions, such as a Christmas function);
 - provided only when it is cost-effective and appropriate for the occasion;
 - subject to policies that include a general prohibition on organisations paying for alcohol, except in specific circumstances and within prescribed limits;¹² and
 - supported by appropriate documentation that includes receipts, names of parties entertained, and the reasons for the entertainment and hospitality.

11 Institute of Internal Auditors New Zealand Incorporated (1996), *A Management Guide to Discretionary Expenditure*, Auckland.

12 As noted earlier, there is increasingly an expectation that public organisations not allow the use of public money to purchase alcohol. Where public organisations are still meeting the cost of alcohol, they will need to have a clear justification.

Recognising achievements

- 6.6 Organisations often spend money on events to recognise milestones, such as farewells, retirements, and staff achievements. This can include spending on functions, gifts, and other items.
- 6.7 Expenditure on farewells and retirements should not be extravagant or inappropriate. The principle of **moderate and conservative** expenditure is particularly relevant.
- 6.8 We expect any expenditure on recognising achievements or other milestones to be pre-approved at an appropriate level of management, and to be moderate, conservative, and appropriate for the number of years of service in the case of service milestones.

Receiving hospitality

- 6.9 We recognise that receiving hospitality is not strictly sensitive expenditure. This is because it does not involve expenditure on the part of the organisation. However, it is still a sensitive issue that organisations need to manage carefully. It is important that receiving hospitality does not affect an organisation's or an individual's decision-making because this could be perceived as acting without impartiality or integrity.¹³

13 Office of the Auditor-General (2020), *Managing conflicts of interest: A guide for the public sector*, Wellington, oag.parliament.nz.

Goods and services expenditure

- 7.1 In this Part, we discuss obtaining, disposing of, or using goods and services that are not covered by terms and conditions of employment.

Loyalty reward scheme benefits

- 7.2 Loyalty reward schemes benefit customers who continue to use a particular supplier.
- 7.3 It is important to preserve impartiality and integrity. We expect that staff making procurement decisions would not personally receive any loyalty rewards as a result of those decisions.¹⁴ There should be controls and clear guidance about expectations for all involved so that, to the maximum extent possible, the public organisation benefits from any rewards.
- 7.4 As with accruing air points, there are complexities to managing personal loyalty reward schemes. One option is for the public organisation to ask the supplier not to provide loyalty rewards for business purposes. Otherwise, where the rewards accrue to the individual who obtains the goods or service, we expect public organisations to follow the same advice relevant to air points in Part 5, regardless of who has paid for them.

Private use of public organisations' assets

- 7.5 Any physical item a public organisation owns, leases, or borrows is considered an asset for the purpose of this guide. This includes photocopiers, mobile devices, computer equipment, laptops, office furniture, uniforms, and stationery.
- 7.6 The principles of **transparency** and **moderate and conservative expenditure** are particularly relevant here. Personal use of these assets might be permitted in defined circumstances.
- 7.7 We expect public organisations to have policies that identify what, if any, private use of an organisation's assets is acceptable, the level of use (defined in terms of quantity), and the circumstances under which costs will be recovered. Generally, costs of private use should be recovered, unless it is impractical or uneconomic to separately identify those costs.¹⁵ We expect public organisations to prohibit an employee's use of an organisation's assets for their private business.

¹⁴ Refer to the government procurement rules, charter, and principles that set out clear expectations for staff involved in procurement – for example, government procurement principle five: Play by the Rules, procurement.govt.nz.

¹⁵ For further information in relation to directors of Crown companies, see: Crown Company Monitoring Advisory Unit (2004), *Crown Company Directors' Fees and Remuneration Guidelines*.

Public organisations' use of private assets

- 7.8 Sometimes a public organisation decides that reimbursing staff for using private assets is appropriate for reasons such as cost, convenience, or availability. An organisation might decide to do this for an asset that it would not regularly use if it acquired it directly, such as motor vehicles and mobile devices.
- 7.9 The main issue with an organisation using private assets is the risk that they then pay or reimburse the provider of those assets an amount that benefits the provider inappropriately.
- 7.10 The principles of **a justifiable business purpose, preserving impartiality, and integrity** are particularly relevant here.
- 7.11 Staff members must not approve or administer payments to themselves for the organisation's use of their private assets. We expect public organisations to have policies and processes in place, as well as monitoring and reporting, to ensure that this is the case.

Private use of a public organisation's suppliers

- 7.12 If a public organisation allows staff to obtain goods or services from a supplier on the same or a similar basis to the organisation, and staff are then able to obtain the goods or services at a discounted price not otherwise available to them, this is private use of an organisation's official procurement processes.
- 7.13 If staff have access to an organisation's suppliers on the same basis as the organisation, they might receive preferential access to goods or services at a preferential price not available to the public. The risk is that the availability of the discount to staff will influence the choice of suppliers to the organisation. Public organisations must not take preferential access to goods and services for staff into account when choosing suppliers.
- 7.14 In our view, it is inappropriate for public-sector staff to personally benefit from the purchasing power of their organisation. We expect it to be unusual and rare for a public organisation to give staff access to its suppliers on the same basis as the organisation. However, where this is allowed, staff should be moderate in their use of any preferential access to goods or services. These situations risk creating the perception that staff are privately benefiting from this access, which would need to be managed.
- 7.15 We expect public organisations to have a policy regarding staff use of preferential purchasing. Public organisations should ensure that the selection of suppliers is in their interest and not affected by the availability or possibility of purchasing privileges for staff.

- 7.16 Public organisations that allow staff to purchase directly from suppliers should set limits on the value and quantity of purchase. Public organisations should also monitor staff use to avoid any risks to future procurement decisions involving that supplier.
- 7.17 Public organisations' policies should state that staff cannot use purchasing privileges on behalf of any third party, such as family members or friends, and staff should pay in full and must not use the organisation as a source of credit. Resources of the public organisation, including staff time, should not be used to procure goods or services for employees' personal benefit.

Sale of surplus assets to staff

- 7.18 As part of their normal business, public organisations will occasionally dispose of their assets. Typically, this is when the assets become obsolete, worn out, or surplus to requirements. The procedures that public organisations follow when disposing of the assets need to be transparent and fair.
- 7.19 Public organisations should not sell assets at a discounted rate to staff if they can make more money through another method of disposal.
- 7.20 The principles of **preserving impartiality** and **integrity** are particularly relevant here. We expect that the staff disposing of the assets will not benefit from the disposal.
- 7.21 We expect public organisations to:
- recognise the value of the asset and any potential for actual or perceived undue benefit by staff;
 - maximise the return to the organisation if disposing assets, including to staff; and be able to justify that amount (for example, market value); and
 - ensure that all assets identified for disposal to staff are valued and subject to a tender or other process that is appropriate to the value of the asset.
- 7.22 Maximising return to the public organisation can include considering non-financial benefits like sustainability. If the organisation is unable to sell or find an alternative use for its assets, it might be better that the assets are offered to staff rather than being taken to a landfill.

8

Staff support and well-being expenditure

- 8.1 Public organisations can provide for staff support and well-being in various ways. The resulting benefits should be to both the organisation and the staff.
- 8.2 A public organisation can decide to make payments to meet its “good employer” obligations – for example, well-being payments for preventative health screenings, eye tests, and prescription glasses. An organisation can decide to meet costs for less specific purposes that generally contribute to a good relationship between it and its workforce or among its workforce. For example, an organisation can contribute to a social club or a sports team representing the organisation.
- 8.3 However, a public organisation also needs to be aware that payments for staff support and well-being could be seen as paying for what are ordinarily a staff member’s personal and private expenses. This could be seen as additional remuneration for the staff member. In those circumstances, the organisation needs to consider the implications for such matters as tax liability and relevant employment agreements.

Financing the activities of a social club

- 8.4 Public organisations may sometimes make a monetary contribution to a social club, either in the form of an all-purpose grant towards the club’s annual budget or as a grant or subsidy for a specific event.
- 8.5 It is important that there is a **justifiable business purpose** for any contributions to a social club. This purpose would typically be connected with organisational development and staff well-being.
- 8.6 We expect contributions to social clubs to be prudent and reasonable in terms of the benefit obtained by the organisation. The social club activities for which the subsidy is given should align with the principles listed in paragraph 2.4.

Sponsorship of staff

- 8.7 Staff taking part in an activity that is not part of their job, such as a sporting event, may be sponsored by their organisation through the provision of, or payment for, goods or services (for example, a t-shirt or an entry fee).
- 8.8 Sponsorship should have a **justifiable business purpose**, which could include publicity for the organisation and its objectives or organisational development. The cost to the organisation should be moderate and conservative. We expect sponsorship to be transparent and supported by a robust policy.

Other types of expenditure

Donations

- 9.1 A donation is a payment (in money, goods, or services) made voluntarily and without expecting reciprocation.
- 9.2 We expect public organisations to ensure that:
- the purpose of the donation is consistent with the business purpose of the organisation; and
 - the cost of the donation is appropriate in the circumstances.
- 9.3 The principles of **preserving impartiality, integrity**, and being **moderate and conservative** are particularly relevant here. Making a donation should not result in any obligation on individuals or organisations, other than to apply the donation to the purposes of the recipient.
- 9.4 We expect donations to be:
- lawful in all respects, including complying with parliamentary appropriations;
 - disclosed in aggregate (where required);
 - appropriately documented;
 - made to a recognised organisation by normal commercial means – not to an individual and not in cash;
 - non-political;
 - covered by a clear policy including delegations and authorisation; and
 - consistent with the objectives of the organisation making the payment.

Gifts

Giving gifts

- 9.5 Public organisations can give gifts – such as a thank you for a speech or presentation, or when giving gifts is customary (for koha, refer to the additional guidance below).
- 9.6 Gifts usually take the form of a tangible object, but might also be in the form of, for example, free use of a corporate box at a sporting event or privileged access to goods or services.
- 9.7 Giving gifts presents significant risks, including that:
- the value or nature of a gift is inappropriate or excessive to the occasion or the reason for giving it;

- the gift is given in explicit or implicit expectation of favour in return; and
- the gift is given in substitution for legitimate payment or remuneration.

9.8 The principles of a **justifiable business purpose**, being **moderate and conservative**, **acting with integrity**, and **preserving impartiality** are particularly relevant here.

9.9 Public organisations should have a policy on giving gifts, including specifying the purposes and occasions for when it is acceptable and the nature and value of gifts that are appropriate for particular occasions. An organisation might consider factors such as the staff member's service, the event the organisation is recognising, and the cost of the gift. See Part 6 for guidance on recognising achievements.

Receiving gifts

9.10 We recognise that receiving a gift is not strictly sensitive expenditure. This is because it does not involve expenditure on the part of the organisation or individual receiving a gift. However, it is still a sensitive issue that organisations need to manage carefully. It is important that receiving a gift does not affect an organisation's or an individual's decision-making because this could be perceived as acting without impartiality or integrity.¹⁶ Prizes received from a free competition entry obtained while carrying out an organisation's business are also considered to be receiving a gift for the purposes of this guide.

9.11 Cash gifts are unacceptable in any circumstances.

9.12 We expect public organisations to:

- carefully consider whether it is appropriate for the organisation to accept a gift;
- record the acceptance of all gifts, except for inexpensive gifts that are openly distributed by suppliers and clients, in a gifts register;
- treat all gifts that are accepted as the property of the organisation, to be used for either the organisation's or the public's direct benefit;
- consider recording in the gift register those gifts that were offered but turned down;
- limit the gifts that staff are allowed to personally acquire to infrequent, inexpensive gifts that are openly distributed by suppliers and clients (for example, pens, badges, and calendars); and
- have policies defining "infrequent" and "inexpensive" in relation to receiving gifts.

16 Office of the Auditor-General (2020), *Managing conflicts of interest: A guide for the public sector*, Wellington. oag.parliament.nz.

Koha

- 9.13 Koha is a gift, token, or contribution given on appropriate occasions including:
- tangihanga;
 - attendance at an event/meeting;
 - for use on or for a marae; and
 - kaumātua support for pōwhiri, mihi whakatau meetings, or other events.
- 9.14 The probity issue associated with koha is that it is discretionary and usually un-receipted expenditure.
- 9.15 Public organisations should have a policy on, and controls over, giving koha that specifies the means of determining the cost of any koha, and requires all koha made to:
- reflect the occasion;
 - be approved in advance at an appropriate level of authority; and
 - be clearly documented with the date, amount, description, and purpose.

Information communications technology resources

- 9.16 Information communications technology (ICT) resources¹⁷ are widely used in the workplace and some level of personal use of this technology is reasonable.
- 9.17 We expect organisations to have policies on personal use of ICT resources, including on reimbursement of costs, and to ensure that staff are well informed about them. We suggest that ICT personal use policies state that personal use of the organisation's ICT resources should be consistent with the organisation's values and policies and that usage must not:
- include unlawful, offensive, or improper activities;
 - affect the business use of the ICT;
 - affect how people perform their duties;
 - be commercial in nature;
 - involve unreasonable use of resources (such as network bandwidth); and
 - include installation of communications technology to be used exclusively or predominantly for personal use.
- 9.18 See guidance on private use of a public organisation's assets, and an organisation's use of private assets, in Part 7.

¹⁷ ICT resources include email and web browsing on a desktop or laptop computer, a smartphone, or a tablet.

Appendix 1

Our reports covering aspects of sensitive expenditure

- (2000) *Waitakere City Council: Payments and associated issues relating to certain staff redundancies*
- (2002) *Cambridge High School's management of conflicts of interest in relation to Cambridge International College (NZ) Limited*
- (2002) *Certain matters arising from allegations of impropriety at Transend Worldwide Limited*
- (2003) *Inquiry into expenses incurred by Dr Ross Armstrong as Chairperson of three public entities*
- (2003) *Inquiry into public funding of organisations associated with Donna Awatere Huata MP*
- (2004) *New Zealand Trade and Enterprise: Administration of the Visitor Investing Programme*
- (2005) *Central Government: Results of the 2003-04 Audits, Part 6 – Board chairpersons' expenses*
- (2005) *Inquiry into certain aspects of Te Wānanga o Aotearoa*
- (2010) *How the Department of Internal Affairs manages spending that could give personal benefit to Ministers*
- (2010) *Auditor-General's inquiry into certain types of expenditure in Vote Ministerial Services – Part 1*
- (2019) *Inquiry into Alpine Energy Limited's decision to install solar equipment at a senior executive's house*
- (2019) *Report to the [Waikato Institute of Technology] Council: Additional assurance work on travel expenses, redundancy and severance payments*
- (2019) *Severance payments: A guide for the public sector*
- (2020) *Managing conflicts of interest: A guide for the public sector*

Appendix 2

Other sources of advice

- Te Kawa Mataaho Public Service Commission (2007), *Standards of Integrity and Conduct*, Wellington, available at publicservice.govt.nz.
- Te Kawa Mataaho Public Service Commission (2009), *Board Appointment and Induction Guidelines* (updated 2015), Wellington, available at publicservice.govt.nz.
- Te Kawa Mataaho Public Service Commission (2018), *Acting in the spirit of service: Chief Executive Gifts, Benefits and Expenses*, Wellington, available at publicservice.govt.nz.
- Te Kawa Mataaho Public Service Commission (2020), *Speaking up in the State services*, Wellington, available at publicservice.govt.nz.
- The Government Procurement Rules, available at procurement.govt.nz.
- *Cabinet Office Circular CO (19) 1, Revised Fees Framework for members appointed to bodies in which the Crown has an interest*, available at dpmc.govt.nz/publications.
 - The modified Framework covers all statutory bodies, non-statutory bodies, and committees in which the Crown has an interest. The purpose of the Framework is to provide a basis for judgement in setting fees that will ensure a consistent approach to remuneration across all statutory and other Crown bodies, contain expenditure of public funds within reasonable limits, and provide flexibility within clear criteria.
- Crown Company Monitoring Advisory Unit (2004), *Crown Company Directors' Fees and Reimbursement Guidelines*, Wellington, available at treasury.govt.nz.
 - This document sets out the shareholding Ministers' expectations for the payment of directors' fees and expenses. The advice is intended to be used by chairpersons, directors, and managers of Crown entity companies and State Owned Enterprises.
- Institute of Internal Auditors New Zealand Incorporated (1996), *A Management Guide to Discretionary Expenditure*, Auckland.
 - This document outlines areas of potential risk and provides ideas and examples of good discretionary expenditure practice.
- Ministry of Education (2018), *Financial Information for Schools Handbook*, Wellington, available at education.govt.nz.
 - This handbook is intended to be a single reference point for school trustees, principals, and administrators, and covers some aspects of sensitive expenditure.

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Office of the Auditor-General
PO Box 3928, Wellington 6140

Telephone: (04) 917 1500

Email: reports@oag.parliament.nz
Website: oag.parliament.nz

Motion to exclude the public

New Zealand Fish and Game Council Meeting February 2022

Recommendation:

1. *That the New Zealand Fish and Game Council:*

(a) pursuant to the provisions of the Local Government Official Information and Meetings Act 1987 exclude the public from the following part of the proceedings of this meeting, namely:

GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED	REASON FOR PASSING THIS RESOLUTION IN RELATION TO EACH MATTER	GROUND(S) UNDER SECTION 48(1) FOR THE PASSING OF THIS RESOLUTION
Confirm Public Excluded minutes for meeting 155	As per PE motion in Public Minutes 155	Section 48(1)(a)(ii) That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.

(b) And that staff remain to provide advice to the Council on all items

Chief Executive Report

To	Councillors
From	Di Taylor

1. Purpose

To update the NZ Council on the operations of Council

2. The Council is asked to note this report

Chief Executive Report

New Zealand Fish and Game Council Meeting February 2022

Prepared by: Di Taylor, Acting Chief Executive, NZ Fish and Game Council

Purpose

1. To update the NZ Council on the operations of Council.

NZC Staffing Update

1. On Tuesday 25th January 2022 Steve Doughty tendered his resignation, Steve is the NZC Marketing & Communications Manager, he has been with Fish & Game for over 4.5 years now in both contract and permanent employee roles. Steve has decided it is time for him to explore new opportunities outside Fish & Game.
2. Steve was instrumental in his early engagement to really influence the acceptance and implementation of R3, and most recently his time has been largely consumed with leading the website and licensing system redevelopments, Magazine RFP, Cookbook development and ensuring the ongoing operational delivery of the magazines just to name a few things.
3. Annual Leave liability is still under active management with staff taking time off over the Christmas period and also planning their leave in advance for 2022.

Ministerial Announcement

I was invited to attend a Ministerial announcement with Minister of Conservation Hon Kiritapu Allan on Friday 10th December, the purpose of the briefing was to talk about Conservation Law reform that has kicked off, the briefing was attended by all of the CEO's of environmental groups, the Minister acknowledged the existing challenges and then went into a high level outline of the legislative work that needs to take place over the next ~4 years.

The Government is committed to protecting, preserving, and restoring New Zealand's native plants and wildlife through the implementation of Te Mana o te Taiao – Aotearoa New Zealand Biodiversity Strategy 2020. We are at a defining moment for nature. Restoring the health of our declining biodiversity and preserving New Zealanders' unique connections with our lands, waters, and history requires that we get the system right.

We would like to thank you for your ongoing contribution and interest in conservation and look forward to engaging with you in the work ahead.

Fishing Licence Sales Update

1. Fishing licence sales have fallen back from 2021 figures but remain ahead of 2020 figures for numbers of licences sold. We experienced 9% growth in domestic licence sales from 2020 to 2021 as New Zealand took to the outdoors in huge numbers with international travel restrictions.
2. We are currently (as at 26/01/22) down 2.3% in licence sales numbers from 2021 indicating that there has been good retention of those that came to or back to fishing in the 2021 season.
3. Our biggest selling licences are as follows:
 4. Family – up 9% 2020-2021, down 3% 2021-2022, up 6% from 2020-2022
 5. Adult Season - up 11% 2020-2021, down 1% 2021-2022, up 10% from 2020-2022
Loyal Senior - up 14% 2020-2021, up 5% 2021-2022, up 19% from 2020-2022
Adult Day -- up 15% 2020-2021, down 2% 2021-2022, up 13% from 2020-2022
3. Revenue is up just under 1% based on the increased prices for licences for the 2022 season.

Summer Marketing Campaign

4. Following the success of last season's digital marketing campaign and the growth in domestic sales over that period, we ran another one from November 2021 to January 2022 encouraging people to add fishing to their summer holidays and the well-being benefits of fishing.
5. The campaign ran through Google AdWords, Instagram, Messenger, and Facebook. We reached an audience of 929,000 people which generated 24,773 individual interactions with our website to landing pages specifically targeted to "Making trout fishing easy", Fishing for your wellbeing" and "how to choose the best licence option for you".

ESL (Eyede Systems Ltd) licence system upgrade update

6. 18 months ago, we signed a new agreement with ESL that included the development and implementation of a new licence system. This project has been challenging for both parties but once complete will enable Fish and Game licence holders and agents' a much better experience. We are in the final stages with ESL to complete the development, testing and data migration prior

to go live with our new licence system. At this stage we are working towards a go live date in March 2022.

Fish & Game website update

4. Phase 1 (user journeys) of the website redevelopment is nearing completion. This included user analysis, user surveys, navigation structure and wireframes. Completion of this phase is reliant on the development of a Fish & Game branding and communications strategy to guide the next phase of content and information architecture. From there the phase 2 (the actual build) will commence which is estimated to take 3-5 months.
5. The timing of the start of phase 2 is dependent on the branding and comms strategy which is currently in the process of setting the terms of reference. Alignment with that strategy and the website build is essential and as such has caused a minor delay.

6. Fish & Game cookbook update

7. The cookbook is completed and currently being printed offshore. The launch will be in April ahead of the game bird season with a promotion set to run during the season and then a second promotion in mid-September for Father's Day and the beginning of the fishing season.
8. Currently a promotional strategy is being developed, the addition of a store front to our website and third party engaged to facilitate postage and packaging.
9. Fish & Game will sell 1,000 copies at a lower price directly to licence holders and a further 3,000 copies will be sold by the publisher through bookstores.

Cawthron Fish Futures

7. Managers and NZC met in early January to discuss the presentation made by Cawthron late last year. This group will be seeking to contribute to the project design in April. At this same April meeting it is proposed that Cawthron present the project to NZC and Regional Chairs.

Game Notice

8. The process for the Open Season for Game Notice has begun, and the Notice will be submitted to the Minister for approval in mid-late February.

Consultation and Correspondence Register

9. Please find these attached.

Recommendations

1. **Note** the report of the Acting Chief Executive

NZC Finance Report

To		Councillors
From		Carmel Veitch

1. Purpose

To present the New Zealand Fish and Game Council with NZC Finance report to 31 December 2021.

2. The Council is asked to

Note the NZC Finance Report as at 31 December 2021.

YTD a surplus of \$192,281 against a budget deficit of \$149,785.

NZC Finance Report

New Zealand Fish and Game Council Meeting 155th February 2022

Prepared by: Carmel Veitch, CFO, NZ Fish and Game Council

Purpose

- 1 The purpose of the paper is to update the NZC financial position to the 4 months ended 31 December 2021

Background

- 2 This section This report includes:
 - 2.1 Table 1: Income & Expenditure for the 4 months ended 31 December 2021
 - 2.2 Table 2: Balance Sheet as at 31 December 2021
 - 2.3 Table 3: Aged Receivables Summary as at 31 December 2021
 - 2.4 Table 4: Aged Payables Summary as at 31 December 2021
 - 2.5 Table 5: NZC Income & Expenditure for the 4 months ended 31 December 2021.
 - 2.6 Table 6: National Income & Expenditure for the 4 months ended 31 December 2021.
 - 2.7 Table 7: RMA Legal Fund as at 31 December 2021.
 - 2.8 Table 8: Research Fund as at 31 December 2021.
 - 2.9 Table 9 : National Anglers Survey Fund as at 31 December 2021.
 - 2.10 Table 10: Commitments
- 3 **The Budget deficit** of \$149,785 is made up of \$143,785 plus \$6,000. This was approved by the New Zealand Council at the 154th NZC meeting. The Deficit relates the \$80,000 for the Website development transferred from the previous year and the forecast deficit per the Budget round of 63,785 (2.37% of budget). Additionally, in the 154th meeting the NZC approved a further \$6,000 approved from Reserves for the Salmon Card.

Analysis

- 4 **Statement of Financial Performance** – refer Table 1. For the 4 months ended 31 December 2021 the NZC posts a surplus of \$190,281 against the total budget deficit of \$149,785.

- 4.1 **Income:** Levies make up the bulk of the income YTD. One quarterly levy has been received plus one region has been paying a monthly levy to assist their cashflow. Other income of \$24,076 is made up of GBHT administration contract plus other contract income.

Magazine Income has been budgeted at \$180k – this will not be achieved this year – a projection will be reduced by \$50 to 60k – due to a contract change.

- 4.2 **Grants to Regions:** Grants to regions YTD \$175,996 which is made up of one quarterly grant.

4.3 **Outputs:**

4.3.1 **Advocacy:** Total advocacy YTD \$16,333. The bulk of this relates to legal and Specialist advice.

4.3.2 **Research:** The research budget is made up of National Anglers Survey (\$30k) and the Research programme (\$100K). No significant spend YTD.

4.3.3 **Co-ordination:** This area represents national projects that the NZC undertake on behalf of the Regions. YTD \$270,475 – 28% of the budget. Areas that require explanation:

4.3.3.1 **Marketing** – 31% of budget spent – The majority of this relates to the Summer campaign.

4.3.3.2 **Elections** – Total cost of the 2021 election was \$92k. We accrue for this on a monthly basis. By the end of the year there will be approx. \$6,000 towards the next election.

4.3.3.3 **Youth Education Programme** - \$6,000 towards the Sponsorship of the Junior Clay target competitions – this is the main sponsorship.

4.3.3.4 **Ranger Co-ordination** – 64% of budget spent YTD – Cert training has been delivered in Hokitika, Christchurch, New Plymouth and Waikanae. Total cost \$12k. New ranger manuals were distributed \$3k and 2k on new ranger warrants.

4.3.3.5 **Licensing** – consistent YTD with sales.

4.3.4 **Governance** – only 9% of the Budget YTD. The Governance Forum to be held in April. There will be savings in the meeting expenses as the February meeting is now by zoom. Approval for these funds to be transferred to the Governance Advice & Performance for the work being undertaken with Strategic Pay regarding F & G staff remuneration. (no budget has been allocated to this project)

4.4 **Overheads** – total overheads \$318,964 – 30% of budget spent. Areas that need explanation:

4.4.1 **Office premises expenses** – At the beginning of the financial year NZC moved into their new office across the foyer. This office was a little cheaper than the previous office but had the added benefits of better natural light and direct access to our filing system. The move came with some additional cleaning and repairs and maintenance – a wall required painting in the old office to return it to its original form.

5 Statement of Financial Position: refer Table 2 for the Statement of Financial Positions as at 31 December 2021.

5.1 Cash and Cash equivalents \$443K.

5.2 Accounts Receivable – refer Table 3. All receivables are current \$69,565.

5.3 Term Investments \$1,645,252

5.4 Accounts Payable – refer Table 4. Amount outstanding \$51,917 There is an invoice for Hothouse that was an August invoice but not due for payment until the 20 January – this is now paid.

5.5 Employee entitlements \$71,988 – this relates to the accrual for Holiday pay as at 31/12/21. All bar 2 staff are within their annual allowance for leave. These balances have been reduced over the January month with staff taking leave. A workplan is in place to ensure staff take leave to reduce this liability.

5.6 **NZGBHT** – Stamp programme - \$539 this represents the money received YTD for the stamp program. This is transferred to the GBHT at year end.

5.7 **Reserves** – NZC have 5 reserves.

5.7.1 Asset replacement fund \$24,098. This represents the amount available to purchase assets.

5.7.2 National Anglers Survey - \$203,740 – this is amount that has been set aside for the NAS. The current survey is underway an much of this fund will be spent in this and the following year. \$30,000 pa is allocated to this project.

5.7.3 Research Reserve - \$179,070. This represents the commitment to Research – see table 8 which identifies the current research projects.

5.7.4 RMA/Legal Fund \$395,363. This represents the current committed funds to RMA with the regions. See Table 7 that outlines the current RMA projects.

5.7.5 Staff Development Grant \$14,128. This represents the commitment to staff development. At present these funds have not been allocated to any staff development.

6 NZC and National Budget Split. The New Zealand Budget is split between NZC and National. The National budget is the Budget that the NZC work with on behalf of the Regions. This includes Licencing, Magazine and other costs. Refer tables 5 & 6.

December 2021 Split NZC and National Budgets		
	Actual YTD	Budget
Table 5 - NZC	453,752	1,428,751
Table 6 - National	- 263,470	- 1,578,536
TOTAL As per Table 1	190,282	- 149,785
Table 1 - Combined	190,282	- 149,785

7 RMA Legal Fund. Refer Table 7 for the Current Commitment to RMA/Legal projects. The committed projects as at 31 December 2021 total \$395,363. These projects have been approved at previous NZC meetings.

8 The 2021 22 budget for RMA/Legal is \$500,000. From this budget \$120k has been committed to 3 projects: To Nth Canterbury \$8k, Otago \$60k and the NZC Lindis Appeal \$52k. There is currently \$380,000 available from the current year budget to be allocated.

9 There are currently 5 RMA projects that are being funded from regions reserves. Otago has 4 and Southland 1. Total funds committed to these projects are \$145,014. Note Southland have overspent their funding as at 31 December 2021 by \$20,033.

10 Research Fund. Refer Table 8 for the NZC commitment to research as at 31 December 2021. The current commitment to Research is \$179,071. This figure includes \$127,476 of uncommitted funds. There is an annual budget of \$100,000. \$500 is committed each year to the Game Harvest Survey – no other funds have been committed to a research project.

11 National Anglers Survey. (NAS) Refer Table 9. The National Anglers survey is the largest research undertaken by Fish and Game. In 2021 it was decided to split this funding from Research. \$30,000 is allocated each year towards this research. The Study is undertaken by NIWA. The current survey is projected to cost approx. \$176k. The Fund as at 31 December 2021 is \$203,741.

Financial Implications

12 A budget Deficit of \$149,785, however, there are many projects that can impact on this projection:

- 12.1 Income will be down for Magazine contributions - \$40-50k.
- 12.2 Savings within the NZC meeting budgets (due to Covid) will improve the deficit – however, there is no budget for the Strategic Pay work – hence a recommendation to transfer the savings from the February meeting to Governance Advice and performance.
- 12.3 Depending on the level of Licence sales our Budget for Licence Contract and Distribution may not be adequate.
- 12.4 Also note that the timing of RMA/legal, research and NAS costs will impact on the Deficit.

13 **Committed Funds Refer** Table 10 – Committed funds as at 31 December 2021.

Legislative Implications

14 N/A

Section 4 Treaty Obligations

15 N/A

Policy Implications

16 N/A

Consultation

17 N/A

Recommendations

- 1 *\$12,000 be transferred from NZC meeting budget to Governance Advice & performance for the Strategic Pay project currently being undertaken Nationally.*
- 2 *The that the NZC write to Southland asking them to notify of the future use of reserves for the SWALP.*
- 3 *The Finance report for 4 months ended 31 December 2021 be noted.*

Table 1: Statement of Financial Performance

New Zealand Fish and Game Council For the 4 months ended 31 December 2021

	YTD ACTUAL	2021 22 BUDGET	REMAINING BUDGET	% OF BUDGET SPENT
INCOME				
Levies	951,174	3,335,342	2,384,168	29%
Interest Income	195	5,911	5,716	3%
Other income				
Advertising & Merchandise	7,588	30,000	22,412	25%
Sundry Income	24,076	12,000	(12,076)	201%
Magazine Contributions	-	180,000	180,000	-
Total Other income	31,664	222,000	190,336	14%
Total INCOME	983,033	3,563,253	2,580,220	28%
GRANTS TO REGIONS				
Grants to Regions	175,996	703,984	527,988	25%
Total GRANTS TO REGIONS	175,996	703,984	527,988	25%
OUTPUTS				
ADVOCACY				
Advocacy - Legal & Specialist Advice	13,817	58,000	44,183	24%
National Public Awareness	1,426	17,000	15,574	8%
National Magazine	22	200,000	199,978	0%
RMA/Legal	1,068	500,000	498,933	0%
Total ADVOCACY	16,333	775,000	758,667	2%
RESEARCH	512	130,000	129,488	0%
CO-ORDINATION				
Business Development & R3	-	22,000	22,000	-
Marketing	18,537	60,000	41,463	31%
Co-ordination National - CEO Travel	1,030	6,000	4,970	17%
Elections	41,250	45,000	3,750	92%
Fish and Game Cookbook	35	26,086	26,051	0%
Regulations	74	72,000	71,926	0%
Information Technology- National	12,678	40,000	27,322	32%
Maritime NZ Compliance	-	3,000	3,000	-
Manager Meetings	-	12,000	12,000	-
Staff Development Grant	-	10,000	10,000	-
Youth Education Programme	6,000	7,000	1,000	86%
Website and Social Media	9,994	86,450	76,456	12%
Website Development	7,696	80,000	72,304	10%
Ranger Co-ordination	17,538	27,500	9,962	64%
Licencing	155,643	459,000	303,357	34%
Total CO-ORDINATION	270,475	956,036	685,561	28%
Total OUTPUTS	287,320	1,861,036	1,573,716	15%
GOVERNANCE				

Table 1: Statement of Financial Performance

	YTD ACTUAL	2021 22 BUDGET	REMAINING BUDGET	% OF BUDGET SPENT
New Zealand Council	8,208	45,000	36,792	18%
Governance Advice & Performance	-	20,000	20,000	-
Governors Forum	-	12,000	12,000	-
Regional Audit	-	10,000	10,000	-
Total GOVERNANCE	8,208	87,000	78,792	9%
OVERHEADS				
Salaries & Contractors	271,606	902,403	630,797	30%
Staff Expenses	5,241	18,100	12,859	29%
Office Premises	22,114	62,800	40,686	35%
Office Equipment	707	3,000	2,293	24%
Communications/Consumables	8,302	26,000	17,698	32%
General (inc Insurance)	2,389	11,000	8,611	22%
Financial Audit Fee	4,664	14,000	9,336	33%
Vehicle Expenses	1,864	9,000	7,136	21%
Depreciation	4,340	14,715	10,375	29%
Total OVERHEADS	321,227	1,061,018	739,791	30%
Total Expenses	792,751	3,713,038	2,920,287	21%
Net Surplus/(Deficit)	190,281	(149,785)	(340,066)	-127%

Table 2: Statement of Financial Position

New Zealand Fish and Game Council As at 31 December 2021

	31 DEC 2021	31 AUG 2021
Assets		
Current Assets		
Cash & Cash Equivalents		
NZ Fish and Game Council	158,269	367,054
NZ Fish and Game Council - Sav	32,539	102,934
Serious Saver	254,251	503,918
Credit Cards	(1,603)	(325)
Total Cash & Cash Equivalents	443,456	973,580
Receivables		
Accounts Receivable	69,565	264,802
Accounts Receivable - Other	2,459	11,946
Interest Receivable	4,916	5,218
GST	25,819	-
Total Receivables	102,759	281,966
Term Investments	1,645,252	1,445,252
Prepayments and Accrued Income	5,762	5,531
Total Current Assets	2,197,228	2,706,330
Non-current Assets		
Property, Plant & Equipment	47,621	44,015
Total Non-current Assets	47,621	44,015
Total Assets	2,244,849	2,750,344
Liabilities		
Payables		
Accounts Payable	51,917	461,432
Accruals and Prepaid Licences	40,289	154,085
GST	-	21,282
Total Payables	92,206	636,799
Employee Entitlements	71,988	79,580
Rounding	-	-
NZGBHT - Stamp Programme	539	144,132
Total Liabilities	164,733	860,510
Net Assets	2,080,116	1,889,834
Equity		
Accumulated Funds		
Accumulated Funds	1,102,115	1,538,380
Transfer (To)/From Reserves	(28,679)	112,330

Table 2: Statement of Financial Position

	31 DEC 2021	31 AUG 2021
Net Surplus/(Deficit)	190,281	(436,266)
Total Accumulated Funds	1,263,717	1,214,445
Reserves		
Asset Replacement Reserve	24,098	19,193
National Anglers Survey Reserve	203,740	176,000
Research Reserve	179,070	84,637
RMA/Legal Fund Reserve	395,363	391,432
Staff Development Grant Reserves	14,128	4,128
Total Reserves	816,398	675,389
Total Equity	2,080,116	1,889,834

Table 3 : Aged Receivables Summary

New Zealand Fish and Game Council

As at 31 December 2021

CONTACT	CURRENT	< 1 MONTH	1 MONTH	2 MONTHS	OLDER	TOTAL
Central South Island Fish and Game Council	69	-	-	-	-	69
Eyede Solutions Limited	25	-	-	-	-	25
Kilwell Sports Ltd	1,932	-	-	-	-	1,932
North Canterbury Fish and Game Council	67,538	-	-	-	-	67,539
Total	69,564	-	-	-	-	69,565

Table 4: Aged Payables Summary

New Zealand Fish and Game Council As at 31 December 2021

CONTACT	CURRENT	< 1 MONTH	1 MONTH	2 MONTHS	OLDER	TOTAL
Aged Payables						
Air New Zealand Travel Card	3,619	-	-	-	-	3,619
BP(DD)	81	-	-	-	-	81
Computer & Telephone Services Ltd	-	68	-	-	-	68
Department of Internal Affairs	-	14	-	-	-	14
Eastern Fish and Game Council	2,484	68	-	-	-	2,552
Elana Geddis Barrister	-	3,968	-	-	-	3,968
Empson Publishing Limited	-	1,839	-	-	-	1,839
Ferret Software Ltd	374	-	-	-	-	374
Forest & Bird Protection Society of NZ	-	500	-	-	-	500
Fuji Xerox New Zealand Limited	366	-	-	-	-	366
Gemtech Solutions Limited	519	-	-	-	-	519
Hothouse Communications Limited	483	7,011	-	-	17,480	24,974
Id Solutions 1993 Limited	-	85	-	-	-	85
New Zealand Clay Target Association	-	6,900	-	-	-	6,900
New Zealand Couriers- Wellington	11	69	-	-	-	80
NZ Transport Agency	-	199	-	-	-	199
Officemax New Zealand Limited	-	57	-	-	-	57
Redstripe Limited	-	2,972	-	-	-	2,972
Taxicharge New Zealand Limited	207	-	-	-	-	207
Vertia Procurement Limited	-	2,495	-	-	-	2,495
Windcave New Zealand Limited	50	-	-	-	-	50
Total Aged Payables	8,193	26,244	-	-	17,480	51,917
Total	8,193	26,244	-	-	17,480	51,917

Table 5: Statement of Financial Performance- NZC Budget only

New Zealand Fish and Game Council For the 4 months ended 31 December 2021

Region is NZC.

	YTD ACTUAL	2021 22 NZC BUDGET	REMAINING BUDGET	% OF BUDGET SPENT
INCOME				
Levies	951,174	3,335,342	2,384,168	29%
Interest Income	195	5,911	5,716	3%
Other income				
Sundry Income	24,076	12,000	(12,076)	201%
Total Other income	24,076	12,000	(12,076)	201%
Total INCOME	975,445	3,353,253	2,377,808	29%
GRANTS TO REGIONS				
Grants to Regions	175,996	703,984	527,988	25%
Total GRANTS TO REGIONS	175,996	703,984	527,988	25%
OUTPUTS				
ADVOCACY				
Advocacy - Legal & Specialist Advice	13,817	58,000	44,183	24%
National Public Awareness	1,415	8,500	7,085	17%
Total ADVOCACY	15,232	66,500	51,268	23%
CO-ORDINATION				
Co-ordination National - CEO Travel	1,030	6,000	4,970	17%
Total CO-ORDINATION	1,030	6,000	4,970	17%
Total OUTPUTS	16,262	72,500	56,238	22%
GOVERNANCE				
New Zealand Council	8,208	45,000	36,792	18%
Governance Advice & Performance	-	20,000	20,000	-
Governors Forum	-	12,000	12,000	-
Regional Audit	-	10,000	10,000	-
Total GOVERNANCE	8,208	87,000	78,792	9%
OVERHEADS				
Salaries & Contractors	271,606	902,403	630,797	30%
Staff Expenses	5,241	18,100	12,859	29%
Office Premises	22,114	62,800	40,686	35%
Office Equipment	707	3,000	2,293	24%
Communications/Consumables	8,302	26,000	17,698	32%
General (inc Insurance)	2,389	11,000	8,611	22%
Financial Audit Fee	4,664	14,000	9,336	33%
Vehicle Expenses	1,864	9,000	7,136	21%

Table 5: Statement of Financial Performance- NZC Budget only

	YTD ACTUAL	2021 22 NZC BUDGET	REMAINING BUDGET	% OF BUDGET SPENT
Depreciation	4,340	14,715	10,375	29%
Total OVERHEADS	321,227	1,061,018	739,791	30%
Total Expenses	521,693	1,924,502	1,402,809	27%
Net Surplus/(Deficit)	453,752	1,428,751	974,999	32%

Table 6: Income & Expenditure - National only

New Zealand Fish and Game Council For the 4 months ended 31 December 2021

Region is National.

	YTD NATIONAL	2022 NATIONAL BUDGET	% OF BUDGET	REMAINING BUDGET
INCOME				
Other income	7,588	210,000	4%	202,412
Total INCOME	7,588	210,000	4%	202,412
OUTPUTS				
ADVOCACY				
National Public Awareness	11	8,500	0%	8,489
National Magazine	22	200,000	0%	199,978
RMA/Legal	1,068	500,000	0%	498,933
Total ADVOCACY	1,101	708,500	0%	707,399
RESEARCH	170	100,000	0%	99,830
CO-ORDINATION				
Business Development & R3	-	22,000	-	22,000
Marketing	18,537	60,000	31%	41,463
Elections	41,250	45,000	92%	3,750
Regulations	74	72,000	0%	71,926
Information Technology- National	12,678	40,000	32%	27,322
Maritime NZ Compliance	-	3,000	-	3,000
Manager Meetings	-	12,000	-	12,000
Staff Development Grant	-	10,000	-	10,000
Youth Education Programme	6,000	7,000	86%	1,000
Website and Social Media	9,994	86,450	12%	76,456
Website Development	7,696	80,000	10%	72,304
Ranger Co-ordination	17,538	27,500	64%	9,962
Licensing				
Licence Contract	67,412	245,000	28%	177,589
Licence Working Party/CRM Database mgnt	2,215	10,000	22%	7,785
Licence Production	78,216	198,000	40%	119,784
Licence Audit	7,800	6,000	130%	(1,800)
Total Licensing	155,643	459,000	34%	303,357
Total CO-ORDINATION	269,410	923,950	29%	654,540
Total OUTPUTS	270,681	1,732,450	16%	1,461,769
OVERHEADS				
National Anglers Survey	342	30,000	1%	29,658
Fish and Game Cookbook	35	26,086	0%	26,051
Total OVERHEADS	377	56,086	1%	55,709

Table 6: Income & Expenditure - National only

	YTD NATIONAL	2022 NATIONAL BUDGET	% OF BUDGET	REMAINING BUDGET
Total Expenses	271,058	1,788,536	15%	1,517,478
Net Surplus/(Deficit)	(263,470)	(1,578,536)	17%	(1,315,066)

Table 7: RMA /Legal Fund Reserve

New Zealand Fish and Game Council									
As at 31 December 2021									
	Project Name	Date Approved	Total Approved	Source	Total Spent to Date	Withdrawn	Under/Over Spent to date	Committed Funds	Status Update
Auck/Wai	Healthy Rivers	22-Aug-20	\$110,000	NZC Fund	7,092.50	\$0	\$102,908	\$102,908	
Auck/Wai	Whangamarino Weir and Waikato Regional Council	11-Nov-17	\$50,000	NZC Fund	\$0	\$0	\$50,000	\$50,000	
Nel Mar	Tasman DC Plan Change 52	7/06/2019	\$7,000	NZC Fund	\$854	\$0	\$6,146	\$6,146	Ongoing - \$ required 2021
Nel Mar	Marl Envi Plan Appeal	22/11/2019	\$15,000	NZC Fund	\$9,284	\$0	\$5,716	\$5,716	Ongoing - \$ required 2021
Nel Mar	2 nd Generation Pol Stat	04-2015/16	\$96,404	NZC Fund	\$89,791	\$0	\$6,613	\$6,613	Ongoing - \$ required 2021
Nel Mar	Taman DC Plan Change from NPS \$ NZC	27/07/2021	\$40,000	NZC Fund	-	\$0	\$40,000	\$40,000	Transferred \$ from the NPS FM - Waiting on MDC to set date for mediation- Mid 2022?
North Canterbury	Selwyn District Council District plan hearings meeting 153	Jun-20	\$8,000	NZC Fund	-	\$0	\$8,000	\$8,000	
NZC	NPS FM	Aug-20	\$150,000	NZC Fund	\$89,855	\$0	\$60,145	\$60,145	\$50k to Otago, \$40k NM TOTAL committed \$90K
NZC	Lindis River Appeal	22/11/2019 & August 2020 & August 2021	\$252,000	NZC Fund	\$251,920	\$80	-\$0	\$0	Appeal Decision given Given Dec 2021 - unsuccessful appeal - costs being sort. Decision Pending
Otago	Transitional Mining Consents-Exceptional	11-Nov-17	\$150,000	Otago Reserves	\$132,463	0	\$17,537	\$17,537	
Otago	Priorty Consents		\$60,000	Otago Reserves	\$18,303	1	\$41,696	\$41,696	
Otago	RPS Land & Water - reserves	28-Aug-21	\$60,000	Otago Reserves	\$6,661		\$53,339	\$53,339	
Otago	RPS Land & Water	28-Aug-21	\$60,000	NZC Fund	-	0	\$60,000	\$60,000	
Otago	Priority Plan Change	16-Feb-20	\$120,000	Otago Reserves	\$87,558	0	\$32,442	\$32,442	
WGTV	Wairarapa Water Project	07-2016/17	\$20,000	NZC Fund	\$19,249	\$0	\$751	\$751	Will be withdrawn at next WFGC meeting
WGTV	GW Natural Resource Plan	24/11/2019	\$40,000	NZC Fund	\$19,616	\$0	\$20,384	\$20,384	Finishing up with follow up from mediation
WGTV	One Plan Change 2	23/11/2019	\$38,000	NZC Fund	\$3,300	\$0	\$34,700	\$34,700	Work in Progress
Southland	Southland Water & Land Plan appeal	23/Nov/18	84,000.00	Southland Reserves	\$104,033	\$0	-\$20,033	\$0	Need to Apply for use of reserves
Southland	Southland Water & Land Plan appeal - NZC meeting 147	21/Aug/20	\$55,000	NZC Fund	\$55,000	\$0	\$0	\$0	Transferred to SWALP

Table 7: RMA /Legal Fund Reserve

New Zealand Fish and Game Council									
As at 31 December 2021									
	Project Name	Date Approved	Total Approved	Source	Total Spent to Date	Withdrawn	Under/Over Spent to date	Committed Funds	Status Update

TOTAL ACROSS ORGANISATION									
			Live and Approved Applications		Spent to Date	Withdrawn	Under/Over Spent to date	Committed Funds	NZC Legal/RMA Fund 31/8/21
Totals								\$540,377	
Less RMA out of Regions Reserves								\$145,014	
Total Committed from National Budget								\$395,363	\$391,431

Movement in Reserves since 31/8/21

\$3,932

Recommendation: RMA/Legal report be accepted with committed funds of \$395,363 as at 31 December 2021

**Table 8: Research Fund
New Zealand Fish and Game Council
As at 31 December 2021**

Project Ref	Project Name	Coordinator	Council	Date Approved	Total Approved	Total Spent to Date	Withdrawn/ \$ not required	Commitment	Status/Comments
51	Grey Teal Monitoring	Phil Teal	Wellington	May-14	4,400	-	-	4,400	Funds needed for presentation for publication
56	Game Harvest Survey Analysis	Matthew Mc Doug	Eastern	May-13	3,500	2,538	-	962	Ongoing \$500 budget every yr
61	Mallard Research -Duck Management Units	Andy Garrick	Eastern	Sep-15	3,000	655	-	2,345	
67	Mallard Research General			May-16	19,700	4,724	-	14,976	UNCOMMITTED
67.2	Mallard Research -Cat GPS pilot study	Zane Moss	Southland	May-16	9,300	7,617	-	1,683	
68	Environmental DNA to identify spawning & establish protocols	Phil Teal/Adam Canning	Wellington	May-17	50,000	41,290	-	8,710	Massey Sequencing DNA, trial continues next spring spawning
70	Liminological variables on food web dynamics in Lake Tarawera	Matt Osborne	Eastern	May-17	15,000	6,065	-	8,936	Fieldwork progressing
72	Fighting for the public good (over 3 years 10k,12k,12k)	Jack	NZC	May-17	34,000	28,603	5,397	-	Report received 21/9/21
75	Native Fish/Sports interactions	Phil/Adam Canning	Wellington	Apr-18	50,000	29,050	-	20,950	Fieldwork progressing
76	Mallard Research - Brood Habitat selection and use	David Klee	Akld/Waik	Jul-18	21,000	17,391	-	3,609	Fieldwork progressing
76.1	Mallard Research -Uncommitted 18/19			Apr-18	13,000	-	-	13,000	UNCOMMITTED
77	Uncommitted Funds 21/22			Apr-21	99,500	-	-	99,500	UNCOMMITTED
	TOTALS							\$ 179,071	

Recommendation: Accept Research Fund of \$179,071 as at 31 December 2021

Summary of Uncommitted Funds

Total Mallard Research uncommitted Funds	27,976
Uncommitted funds for the 21/22 year	99,500
Total Uncommitted Funds	127,476
Net Committed Funds to Research	51,595

Table 9: New Zealand Fish and Game Council National Anglers Survey Fund As at 31 December 2021

Balance of Fund as at 31/8/21		176,000
Less Spending to 31/8/21	-	1,917
Plus Funding for the 21/22 year per Budget		30,000
Less Spent YTD	-	342
Balance of Fund as at 31/12/21		<u>203,741</u>
Balance per Fund		203,741
Difference		-
Movement in Fund to 31/8/21		27,741

Table 10: Committed Funds

New Zealand Fish and Game Council
For the 4 months ended 31 December 2021

	REMAINING BUDGET	Committed	Balance Available
Grants to Regions	527,988	527,988	0
Advocacy - Legal & Specialist Advice	44,183	0	44,183
National Public Awareness	15,574	7,000	8,574
National Magazine	199,978	199,978 -	0
RMA/Legal	498,933	120,000	378,933
RMA/Legal - Previous commitments	395,363	395,363	-
RESEARCH	129,488	31,000	98,488
Research -Fund	51,595	51,595	-
NAS	203,741	176,500	27,241
Business Development & R3	22,000	-	22,000
Marketing	41,463	10,000	31,463
Co-ordination National - CEO Travel	4,970	0	4,970
Elections	3,750	3,750	-
Fish and Game Cookbook	26,051	26,051	0
Regulations	71,926	71,926	0
Information Technology- National	27,322	27,322	0
Maritime NZ Compliance	3,000	3,000	-
Manager Meetings	12,000	-	12,000
Staff Development Grant	10,000	-	10,000
Youth Education Programme	1,000	-	1,000
Website and Social Media	76,456	76,456 -	0
Website Development	72,304	72,304 -	0
Ranger Co-ordination	9,962	9,962 -	0
Licencing	303,357	303,357	0
New Zealand Council	36,792	0	36,792
Governance Advice & Performance	20,000	-	20,000
Governors Forum	12,000	-	12,000
Regional Audit	10,000	-	10,000
Salaries & Contractors	630,797	630,797	0
Staff Expenses	12,859	12,859 -	0
Office Premises	40,686	40,686	0
Office Equipment	2,293	0	2,292
Communications/Consumables	17,698	17,000	698
General (inc Insurance)	8,611	8,600	11
Financial Audit Fee	9,336	9,336	-
Vehicle Expenses	7,136	7,000	136
Commitments	3,560,611	2,839,831	720,780

National Finance Report

To	NZC
From	Carmel Veitch, CEO

1. Purpose

To present the New Zealand Fish and Game Council with National Financial Report to 31 December 2021

2. The Council is asked to

Note the National Finance report as at 31 December 2021.

National Finance Report to 31 December 2021

New Zealand Fish and Game Council Meeting 156 , February 2021

Prepared by: Carmel Veitch, CFO, NZ Fish and Game Council

Purpose

- 1 The purpose of this paper is to update the New Zealand Council on the YTD expenditure by each Council against budget as at 31 December 2021.

Background

- 2 The New Zealand Council approved the 2021/22 Budgets/Levies and Grants on 18th April 2021. These Budgets also included each Council making a 2.37% loss for the year. Subsequently the NZC approved additional funding from reserves to North Canterbury, CSI and NZC relating to the Salmon Cards. Refer Table 1 for the Approved Budget/Levy/Grants and Budgeted Deficits for each Council for the 2021/22 year

Region	Forecast Total Licence Income	Approved base 2122	Approved use of reserves	Less use of Reserves %	Levy/ (Grant)	Forecast Surplus/(Deficit)	plus Salmon loss	Adjusted Approved
Northland	\$153,949	\$513,048	\$37,867	12,142	(\$346,957)	(\$50,009)		(\$50,009)
Auckland/Waikato	\$902,102	\$783,020	\$27,220	18,531	\$137,614	(\$45,751)		(\$45,751)
Eastern	\$1,192,669	\$1,083,357	\$57,702	25,639	\$134,951	(\$83,341)		(\$83,341)
Hawkes Bay	\$408,053	\$368,127	\$8,081	8,712	\$48,638	(\$16,793)		(\$16,793)
Taranaki	\$178,613	\$376,464	\$0	8,910	(\$188,941)	(\$8,910)		(\$8,910)
Wellington	\$607,711	\$689,199	\$7,000	16,311	(\$65,177)	(\$23,311)		(\$23,311)
Nelson-Marlb	\$448,955	\$462,773	\$4,045	10,952	(\$2,866)	(\$14,997)		(\$14,997)
Nth Canterbury	\$1,468,889	\$783,400	\$0	18,540	\$704,029	(\$18,540)	\$51,373	(\$69,913)
West Coast	\$238,206	\$346,448	\$0	8,199	(\$100,043)	(\$8,199)		(\$8,199)
Central SI	\$1,438,637	\$700,450	\$28,580	16,577	\$754,764	(\$45,157)	\$6,000	(\$51,157)
Otago	\$1,923,353	\$987,483	\$51,959	23,370	\$959,241	(\$75,329)		(\$75,329)
Southland	\$1,234,580	\$653,952	\$59,247	15,477	\$596,104	(\$74,724)		(\$74,724)
NZC	\$0	\$1,102,607	\$0	26,095	(\$1,076,512)	(\$26,095)		(\$26,095)
National inc RMA & Rese:	\$0	\$1,592,536	\$0	37,690	(\$1,554,846)	(\$37,690)	\$6,000	(\$43,690)
3 TOTAL	\$10,195,717	\$10,442,864	\$281,701	\$247,147	\$0	(\$528,848)	\$63,373	(\$592,221)

Analysis

- 4 Refer Table 2 for the YTD expenditure by region. With 4 months of the financial year covered we would expect expenditure to be around 33% of their budget.

Table 2: National Fish & Game Financial Report							
As at		31 December 2021					
Year to Date Expenditure against Total Approved Budget							
Council	Accounting Basis	Total Budget	Approved from Reserves	RMA/Legal Spend Approved from Reserves	Total Budget (inc from Reserves)	Net Expenditure	YTD %
Northland	Accrual - Xero	513,051	37,867	-	550,918	203,647	37%
Auckland/Waikato	Accrual - Xero	783,020	27,220	-	810,240	300,220	37%
Eastern	Accrual - Xero	1,083,357	57,702	-	1,141,059	303,273	27%
Hawkes' Bay	Accrual - Xero	368,127	8,081	-	376,208	158,885	42%
Taranaki	Accrual - Xero	376,464	-	-	376,464	119,587	32%
Wellington	Accrual - Xero	689,199	7,000	-	696,199	200,536	29%
Nelson/Marlborough	Accrual - Xero	462,773	4,045	-	466,818	137,578	29%
North Canterbury	Accrual - Xero	783,400	51,373	-	834,773	214,306	26%
West Coast	Accrual - Xero	346,448	-	-	346,448	93,236	27%
Central South Island	Accrual - Xero	700,450	34,580	-	735,030	213,653	29%
Otago	Accrual - Xero	987,483	51,959	-	1,039,442	378,949	36%
Southland	Accrual - Xero	653,952	59,247	-	713,199	229,269	32%
NZC	Accrual - Xero	1,202,607	6,000	-	1,208,607	321,991	27%
National inc RMA & Research	Accrual - Xero	1,492,536	-	-	1,492,536	263,470	18%
Total		10,442,867	345,074	-	10,787,941	3,138,602	29%
5 4 months of the year completed, which represents						33%	of the year

Financial Implications

- 6 All of fish and game is working at 29% of their budgets.
- 7 Outliers are National at 18% and Hawkes' Bay at 42%.
- 8 The National budget has \$500k in RMA not spent and a large portion of the Website development not spent along with Regulations, Research, NAS and National magazine. These budgets will be spent by Year end.
- 9 Hawkes Bay is at 42%. However, they repaid their 2020 wage subsidy in the period, which has skewed the spending. By excluding this payment the YTD spending reduces to 35%.

Recommendations

- 1 Accept the National Financial report as at 31 December 2021.

Variance reports for the year ended 31 August 2021

To	Councillors
From	Carmel Veitch

1. Purpose

To present the New Zealand Fish and Game Council with the year end Variance reports for 31 August 2021. This gives a snapshot of regions financial performance for the year.

2. The Council is asked to

Note the variance reports.

Variance reports for the year ended 31 August 2021

New Zealand Fish and Game Council Meeting February 2022

Prepared by: Carmel Veitch, CFO, NZ Fish and Game Council

Purpose

- 1 To present to the New Zealand Fish and Game Council with the year end Variance reports for 31 August 2021. This gives a snapshot of regions financial performance for the year.

Background

- 2 Fish and Game is made up from 13 independent legal entities.
- 3 Licence forecasts, Budgets, Grants and Levies are set at a national level in conjunction with all 13 regions.
- 4 The regional Budget is approved the NZC prior to the Financial year.
- 5 Variance reports are prepared by regions to give a financial summary of their performance against the approved budget.

Analysis

- 6 Refer to the Following Tables 1-9 for the variances in each category.
- 7 Table 1 compares each regions Financial Budgeted deficit with the Actual deficit of surplus that each region achieved.

TABLE 1: Variance to (Deficit)/Surplus

Region	Budget	Actual	Var
Northland	(53,495)	(18,768)	34,727
Auckland/Waikato	(103,619)	87,257	190,876
Eastern	(172,753)	46,170	218,923
Hawkes Bay	(51,572)	61,903	113,475
Taranaki	(19,258)	(19,567)	(309)
Wellington	(100,799)	76,166	176,965
Nelson-Marlb	(58,997)	24,854	83,851
Nth Canterbury	(197,154)	458,880	656,034
West Coast	(41,389)	22,823	64,212
Central SI	(106,047)	116,916	222,963
Otago	(162,730)	242,967	405,697
Southland	(67,758)	147,065	214,823
NZC & National	(486,938)	(436,265)	50,673
TOTAL	(1,622,509)	810,401	2,432,910

8

9 The forecast was for Fish & Game to make a Deficit of the year of \$1,622,509. However, due to a factors shown in the following tables the actual result was \$2,432,910 ahead of the forecast. All regions, apart from Taranaki, had a better result than budgeted. This is a combination of increase licence sales and having to reduce costs due to being unable to fulfil many activities as a result of Covid.

10 Table 2 Outlines the variance to the Approved Budgets or 2020 21

TABLE 2: Variance to Approved Budget

Region	Budget	Actual	Var	% Spent
Northland	508,203	510,603	2,400	100.5%
Auckland/Waikato	797,379	761,566	(35,813)	95.5%
Eastern	1,071,572	972,489	(99,083)	90.8%
Hawkes Bay	380,949	339,368	(41,581)	89.1%
Taranaki	358,754	358,001	(753)	99.8%
Wellington	762,501	667,249	(95,252)	87.5%
Nelson-Marlb	444,490	460,329	15,839	103.6%
Nth Canterbury	775,672	640,772	(134,900)	82.6%
West Coast	346,448	328,589	(17,859)	94.8%
Central SI	673,164	691,519	18,355	102.7%
Otago	961,612	941,298	(20,314)	97.9%
Southland	643,699	595,789	(47,910)	92.6%
NZC & National	2,529,797	2,414,956	(114,841)	95.5%
TOTAL	10,254,240	9,682,528	571,712	94.4%

11

12 With an overall budget of \$10,252,240, 94.4% of the Budget was spent. These variances are broken down in table 3 & 4.

13 Table 3: Variance to Net Outputs

TABLE 3: Variance to Net Outputs				
Region	Budget	Actual	Var	% Spent
Northland	54,670	51,119	(3,551)	93.5%
Auckland/Waikato	67,720	42,429	(25,291)	62.7%
Eastern	82,150	60,784	(21,366)	74.0%
Hawkes Bay	68,369	51,118	(17,251)	74.8%
Taranaki	62,077	57,278	(4,799)	92.3%
Wellington	67,955	92,330	24,375	135.9%
Nelson-Marl	39,323	50,122	10,799	127.5%
North Canterbury	86,296	15,190	(71,106)	17.6%
West Coast	26,665	21,629	(5,036)	81.1%
Central SI	23,450	29,487	6,037	125.7%
Otago	88,450	142,000	53,550	160.5%
Southland	23,051	(11,530)	(34,581)	-50.0%
NZC & National	1,581,140	1,399,437	(181,703)	88.5%
TOTAL	2,271,316	2,001,393	(269,923)	88.1%

14

15 This represent the projects that the Regions are participating. Southland & North Canterbury are an outliers her with -50% and 17.6% of budget spent. of budget. In Southlands situation they received un-budgeted funding for projects. These projects had been cancelled due to Covid but were reinstated during the year. The same applies for North Canterbury with the Winnemem Wintu project as well as a number of other projects being differed due to Covid or as a means od Cost savings.

16 A the other end of the spectrum Otago, CSI, Nelson Marl and Wellington have overspent their budgets.

17 Otago costs relate to the RMA projects from their reserves.

18 CSI relates to unexpected compliance costs from ECan. N Dollar terms this is not material.

19 Nelson Marl have overspent by \$10,799. The spending was more inline with the pre-covid budget and decided to use the increase in licence income to fund projects had been cut out due to the decreased budget.

20 Wellington over spend by \$24k. There are a number project areas that wer under and over in the region. However, the RMA costs were the biggest factor for this overspend.

21 Table 4: Variance to Net Overheads. 95 % of overheads were spent.

TABLE 4: Variance to Net Overheads				
Region	Budget	Actual	Var	% Spent
Northland	444,125	436,291	(7,834)	98.2%
Auckland\Waikato	705,120	682,549	(22,571)	96.8%
Eastern	964,501	848,033	(116,468)	87.9%
Hawkes Bay	297,623	273,268	(24,355)	91.8%
Taranaki	307,218	305,096	(2,122)	99.3%
Wellington	706,190	579,889	(126,301)	82.1%
Nelson-Marlb	408,344	411,868	3,524	100.9%
Nth Canterbury	649,376	591,248	(58,128)	91.0%
West Coast	317,124	290,978	(26,146)	91.8%
Central SI	665,163	665,803	640	100.1%
Otago	883,543	804,362	(79,181)	91.0%
Southland	638,604	619,366	(19,238)	97.0%
NZC & National	943,286	1,019,493	76,207	108.1%
TOTAL	7,930,217	7,528,244	(401,973)	95%

22 Wellington and Easter are at 82.1% and 87.9% of budget. In Wellingtons case the Salaries see table 9 was the amin factor here. For Eastern an Insurance pay out skewed the figures.

23 Table 5 – Variance to Interest Income. The reason I have added this figure in is to identify to NZC and the regions the impact that Interest rates can have to a region. And the need to discuss how to solve this moving forward.

TABLE 5: Variance of Interest Income				
Region	Budget	Actual	Var	% Spent
Northland	9,579	5,081	(4,498)	53.0%
Auckland\Waikato	5,936	11,281	5,345	190.0%
Eastern	8,200	8,280	80	101.0%
Hawkes Bay	7,133	6,335	(798)	88.8%
Taranaki	10,541	4,373	(6,168)	41.5%
Wellington	11,644	4,970	(6,674)	42.7%
Nelson-Marlb	3,177	1,661	(1,516)	52.3%
Nth Canterbury	0	5,666	5,666	0.0%
West Coast	3,484	2,608	(876)	74.9%
Central SI	15,449	3,771	(11,678)	24.4%
Otago	10,381	5,064	(5,317)	48.8%
Southland	17,956	12,047	(5,909)	67.1%
NZC & National	11,099	20,518	9,419	184.9%
TOTAL	114,579	91,655	(22,924)	80%

24

- 25 Table 6 – Variance to Licence Income. This is the area that regions improved their financial position. Overall Licence revenue was up \$1.5m or 117% of budget.

TABLE 6: Variance to Licence Income

Region	Budget	Actual	Var	% to Budget
Northland	159,411	164,760	5,349	103.4%
Auckland/Waikato	849,985	983,866	133,881	115.8%
Eastern	1,184,799	1,314,839	130,040	111.0%
Hawkes Bay	376,916	449,990	73,074	119.4%
Taranaki	156,158	191,874	35,716	122.9%
Wellington	570,071	651,766	81,695	114.3%
Nelson-Marlb	401,204	488,785	87,581	121.8%
Nth Canterbury	1,324,111	1,538,644	214,533	116.2%
West Coast	203,930	249,804	45,874	122.5%
Central SI	1,319,104	1,534,218	215,114	116.3%
Otago	1,646,268	2,031,103	384,835	123.4%
Southland	1,123,120	1,299,529	176,409	115.7%
NZC & National	0	0	0	
TOTAL	9,315,077	10,899,178	1,584,101	117.0%

26

- 27 Table 7: Variance to Commission. Commission is the commission paid to Agents as well as the transactions fees that are incurred for an online sale.

TABLE 7: Variance to Commission

Region	Budget	Actual	Var	% to Budget	% of Income
Northland	7,173	6,272	(901)	87.4%	3.81%
Auckland/Waikato	38,249	39,091	842	102.2%	3.97%
Eastern	53,316	50,685	(2,631)	95.1%	3.85%
Hawkes Bay	16,960	18,140	1,180	107.0%	4.03%
Taranaki	7,028	8,042	1,014	114.4%	4.19%
Wellington	25,653	26,433	780	103.0%	4.06%
Nelson-Marlb	18,054	19,146	1,092	106.0%	3.92%
Nth Canterbury	59,585	63,002	3,417	105.7%	4.09%
West Coast	9,177	8,698	(479)	94.8%	3.48%
Central SI	59,359	61,126	1,767	103.0%	3.98%
Otago	74,082	81,876	7,794	110.5%	4.03%
Southland	50,540	55,752	5,212	110.3%	4.29%
NZC & National	0	0	0		
TOTAL	419,176	438,263	19,087	104.6%	4.02%

28

- 29 It is interesting to note that on average the Commission has dropped to 4.02% of Licence Income – at present be budget at 4.5%.

30 Table 8: Variance to Net Licence Income. This is the Licence income less the commission.

Region	Budget	Actual	Var	% to Budget
Northland	152,238	158,488	6,250	104.1%
Auckland\Waikato	811,736	944,775	133,039	116.4%
Eastern	1,131,483	1,264,154	132,671	111.7%
Hawkes Bay	359,956	431,850	71,894	120.0%
Taranaki	149,130	183,832	34,702	123.3%
Wellington	544,418	625,333	80,915	114.9%
Nelson-Marlb	383,150	469,639	86,489	122.6%
Nth Canterbury	1,264,526	1,475,642	211,116	116.7%
West Coast	194,753	241,106	46,353	123.8%
Central SI	1,259,745	1,473,092	213,347	116.9%
Otago	1,572,186	1,949,227	377,041	124.0%
Southland	1,072,580	1,243,777	171,197	116.0%
NZC & National	0	0	0	
TOTAL	8,895,901	10,460,915	1,565,014	117.6%

31

32 Table 9: Variance to Salaries. Salaries make up 66% of the Total Fish and Game budget.

Region	Budget	Actual	Var	% to spent	% of TOTAL Actual Table 2
Northland	338,765	341,985	3,220	101.0%	67%
Auckland\Waikato	574,680	552,347	(22,333)	96.1%	73%
Eastern	867,476	801,319	(66,157)	92.4%	82%
Hawkes Bay	245,079	197,478	(47,601)	80.6%	58%
Taranaki	240,569	249,370	8,801	103.7%	70%
Wellington	569,109	456,632	(112,477)	80.2%	68%
Nelson-Marlb	351,483	349,726	(1,757)	99.5%	76%
Nth Canterbury	538,516	488,920	(49,596)	90.8%	76%
West Coast	257,909	228,960	(28,949)	88.8%	70%
Central SI	589,163	597,104	7,941	101.3%	86%
Otago	760,500	685,397	(75,103)	90.1%	73%
Southland	517,300	516,446	(854)	99.8%	87%
NZC & National	829,190	933,664	104,474		39%
TOTAL	6,679,739	6,399,348	(280,391)	95.8%	66.1%
% of Budget	65%	66%			

33

34 Region by region the Salaries has a more significant impact on the Budget. Wellington was underspent by \$112k or 80.20% of Budget. This is due to the

One staff member leaving. The Budget for this staff member was returned to the national pool in the 2021 22 budget round.

- 35 Hawkes Bay also have underspent the Salaries budget.
- 36 Eastern received additional contract income for the year that was not budgeted.
- 37 Otago had staff on maternity leave and movement in staff.

Financial Implications

- 38 Fish and Game is in a much sounder position from the 2020 21 year end than forecast.
- 39 Licence Revenue increases was a significant booster to the overall positions of regions. This has been the opposite for the NZC which has carried the higher National costs of licence production and distribution.
- 40 Covid, has still impacted on the Regons. In many cases they have been unable to undertake projects which have saved money in the financial year but many projects have been delayed rather than cancelled so the costs will be incurred in following years.

Legislative Implications

- 41 n/a

Section 4 Treaty Obligations

- 42 n/a

Policy Implications

- 43 n/a

Consultation

- 44 Regions have provided the CFO with the variance reports and where possible together we have discussed variances.
- 45 The Rm's will receive this report along with more detailed Variance reports.

Recommendations

- 1 *That the NZC accept this Variance report.*

Reserves as at 31 August 2021

To	Councillors
From	Carmel Veitch

1. Purpose

To present the New Zealand Fish and Game Council with the reserves position as at 31 August 2021

2. The Council is asked to

Note the reserves as at 31 August 2021

Reserves as at 31 August 2021

New Zealand Fish and Game Council Meeting February 2022

Prepared by: Carmel Veitch, CFO, NZ Fish and Game Council

Purpose

- 1 To outline to the NZC the reserves position for each region following the financial audit.

Background

- 2 The NZC had a policy that a region must have 30% of their budget held in reserves. When reserves fall below this the region may apply for a top up of reserves.
- 3 In 2020 this policy was changed to take into account the unknown impact of Covid.
- 4 The new reserves level was changed to 20%. If a regions reserves falls below 20% of budget then they would apply for a Contestable funding application to make up the difference.
- 5 What re reserves in Fish and Game?. This is the calculation of the funds each region has available. The calculation is:
 - 5.1 Working Capital less the Restricted reserves equals the Regions Reserves (or funds available)
 - 5.2 Working Capital is Current Assets + Investments less Liabilities
- 6 Regions have Dedicated and restricted reserves.
- 7 Dedicated reserves are reserves that the Council have set aside for projects e.g. Asset replacement fund and Habitat funding. These reserves are included in the calculation of Reserves for the Region.
- 8 Restricted reserves are funds that are set aside – but these funds have an external covenant/agreement on them – e.g. the Waikaremoana fund in Eastern that has a specified agreement of how the funds must be spent.

Analysis

- 9 Table 1 Summaries the reserves position for each region as at 31 August 2021.

10 Total Reserves as at 31 August 2021 \$7,791,603.

TABLE 1: Reserves Position - As at 31 August 2021

Region	Forecast Reserves 31/8/21	Actual Reserves 31/8/21	Approved Budget 2021/22	Reserves required 20% of Budget	Top up required 20% Reserves	% of Budget after top up	% of Licence Income Levy Regions	Reserves over 30%
Northland	\$311,556	\$316,989	\$550,918	110,184	0	58%		136,709
Auckland/Waikato	\$327,283	\$464,710	\$810,240	162,048	0	57%	52%	207,913
Eastern	\$466,283	\$698,451	\$1,141,059	228,212	0	61%	59%	331,130
Hawkes Bay	\$526,215	\$617,065	\$376,208	75,242	0	164%	151%	499,164
Taranaki	\$75,527	\$108,564	\$376,464	75,293	0	29%		(7,048)
Wellington	\$479,215	\$655,658	\$696,199	139,240	0	94%		439,805
Nelson-Marlborough	\$154,466	\$218,652	\$466,818	93,364	0	47%		74,107
North Canterbury	\$207,495	\$425,908	\$834,773	166,955	0	51%	29%	154,502
West Coast	\$218,400	\$293,170	\$346,448	69,290	0	85%		186,776
Central South Island	\$735,289	\$816,924	\$735,030	147,006	0	111%	57%	581,068
Otago	\$1,146,266	\$1,125,874	\$1,039,442	207,888	0	108%	59%	791,443
Southland	\$770,104	\$862,321	\$713,199	142,640	0	121%	70%	625,944
NZC & National	\$610,263	\$1,187,318	\$2,701,143	540,229	0	44%		356,040
TOTAL	\$6,028,360	\$7,791,603	\$10,787,941	\$2,157,588	\$0	72%		\$4,377,554

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12 Table 2 Summaries the forecast position for 31 August 2022. This takes into account the use of Reserves that regions are budgeted to use in this financial year.

TABLE 2: Forecast Reserves Position for year end 31 August 2022

Region	Actual Reserves 31/8/21	Adjustment for top of reserves from 20/21	Forecast Deficit for year ended 31/8/22	Forecast Reserves 31 Aug 2021	Reserves required 20% of Budget	Top up achieve 20% Reserves	% of Budget
Northland	\$316,989	\$0	(\$50,012)	\$266,976	110,184	0	48%
Auckland/Waikato	\$464,710	\$0	(\$45,752)	\$418,959	162,048	0	52%
Eastern	\$698,451	\$0	(\$83,341)	\$615,109	228,212	0	54%
Hawkes Bay	\$617,065	\$0	(\$16,793)	\$600,271	75,242	0	160%
Taranaki	\$108,564	\$0	(\$8,910)	\$99,654	75,293	0	26%
Wellington	\$655,658	\$0	(\$23,311)	\$632,347	139,240	0	91%
Nelson-Marlborough	\$218,652	\$0	(\$14,997)	\$203,655	93,364	0	44%
North Canterbury	\$425,908	\$0	(\$69,913)	\$355,994	166,955	0	43%
West Coast	\$293,170	\$0	(\$8,199)	\$284,971	69,290	0	82%
Central South Island	\$816,924	\$0	(\$51,157)	\$765,767	147,006	0	104%
Otago	\$1,125,874	\$0	(\$75,330)	\$1,050,545	207,888	0	101%
Southland	\$862,321	\$0	(\$74,723)	\$787,597	142,640	0	110%
NZC inc Research & R	\$1,187,318	\$0	(\$69,785)	\$1,117,533	540,229	0	41%
TOTAL	\$7,791,603	\$0	(\$592,224)	\$7,199,379	\$2,157,588	\$0	67%

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14 Forecast Reserves for 31 August 2022 \$7,199,379. A movement of \$592,244.

15 Table 3 summaries the Reserves pre Region by category.

Region	Working Capital	Asset Replacement Fund	Non Resident Reserve	Other Dedicated Reserves	Total Deditcated reserves	Restricted Reserves (inc Loss)	Reserves Incl Ded Reserves
Northland	\$648,607	\$17,041	\$14,042	\$5,766	36,849	331,615	\$316,992
Auckland/Waikato	\$1,354,552	\$82,317	\$84,690	\$0	167,007	889,842	\$464,710
Eastern	\$1,245,576	\$92,797	\$127,267	\$39,140	259,204	547,125	\$698,451
Hawkes Bay	\$633,858	\$42,595	\$59,778	\$65,201	167,574	16,793	\$617,065
Taranaki	\$467,624	\$4,540	\$7,316	\$0	11,856	359,060	\$108,564
Wellington	\$678,969	\$87,725	\$31,019	\$146,323	265,067	23,311	\$655,658
Nelson-Marlb	\$242,603	\$100,582	\$86,796	\$26,389	213,767	23,951	\$218,652
Nth Canterbury	\$1,105,774	\$14,797	\$47,279	\$5,345	67,421	679,866	\$425,908
West Coast	\$301,369	\$71,294	\$46,130	\$126,850	244,274	8,199	\$293,170
Central SI	\$868,081	\$166,226	\$177,443	\$70,574	414,243	51,157	\$816,924
Otago	\$1,262,846	\$103,618	\$267,806	\$347,486	718,910	136,972	\$1,125,874
Southland	\$1,061,709	\$160,364	\$154,987	\$343,475	658,826	199,388	\$862,321
NZC inc Research & RI	\$1,909,172	\$19,193	\$0	\$4,128	23,321	721,854	\$1,187,318
TOTAL	\$11,780,740	\$963,089	\$1,104,553	\$1,180,677	\$3,248,319	\$3,989,134	\$7,791,606

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17 Within dedicated reserves \$963,089 is held for Asset replacement and \$1,104,553 is the total Non resident Levy reserve.

Financial Implications

18 The reserves as at 31 August is \$1.7m healthier than was forecast. This is a result of the increase in licence revenue in the period.

19 All Regions, with the exception of Taranaki have reserves over 30% of Budget.

20 No region requires a top up of reserves for the year ended 31 August 2021.

21 No region is budgeted to require a top up in the year ended 31 August 2022.

22 4 regions have reserves as a percentage of budget over 100%.

Policy Implications

23 Within our current policy all regions have adequate reserves.

24 Going forward a policy that deals with excess reserves is needed to be developed.

Consultation

25 All regional administrators have been consulted with in the preparation of these figures.

Recommendations

1 *Council accepts this Reserves Report as at 31 August 2021*