

In Confidence

Office of the Minister for Hunting and Fishing

Cabinet Economic Policy Committee

Fish and Game New Zealand Governance and Organisational Improvements Amendment Bill

Proposal

- 1 I seek Cabinet approval to provide drafting instructions to the Parliamentary Counsel Office (PCO) for a package of proposals to improve Fish and Game New Zealand's (Fish and Game) governance and organisational practice.

Relation to government priorities

- 2 Supporting Fish and Game to modernise and improve its effectiveness and efficiency will contribute towards tackling the current cost of living challenge, support tourism and economic activity in our regions (Fish and Game's hunter and angler activity spend is between \$113 million - \$138.6 million per annum), and better enable New Zealanders to hunt and fish.

Executive Summary

- 3 I want to make it easier for New Zealanders to hunt and fish. This is a significant recreational pastime in our country and supports tourism and regional economic activity.
- 4 Fish and Game manage New Zealand's sports fish and game bird resource. This arms-length organisation is formed of 12 separate regional Fish and Game councils and one National Council. It is funded by licence payers in a 'user pays, user says' system, with revenue of about \$13 million annually.
- 5 While Fish and Game does important work it is not operating or governing the resource and revenue as well as it could be. Several reports and audits over the years, as well as ongoing complaints to Ministers and media attention, clearly bring this to light. This erodes trust in the organisation, means hunting and fishing resources are not being managed as effectively as they should be, and results in poor value for licence holders.
- 6 I intend to modernise and improve Fish and Game to be a more trusted, accountable, and cohesive organisation that manages resources well and provides positive outcomes and good value-for-money for licence holders. This will ensure future generations can continue to hunt and fish.

Summary of decisions sought

- 7 My broad intent is to:
 - 7.1 maintain regional Fish and Game council decision-making over local matters, which is the cornerstone of the organisation, by focusing local knowledge and resource on improving hunting and fishing opportunities for their region

- 7.2 no longer require individual regional Fish and Game councils to spend time on some administrative activities, where they are more effectively done by the National Council
 - 7.3 strengthen the leadership role of the National Council to set clear, coherent direction, collect the licence fee, and disperse it so it better supports the core functions of the organisation, including getting funds to where they are needed to support angler and hunter activity
 - 7.4 improve the 'user pays, user says' system and how Fish and Game make decisions, including how it considers non-hunting and fishing interests in decision-making
 - 7.5 strengthen checks and balances to improve accountabilities and transparency and provide adequate backstops so that the responsible Minister can intervene as necessary in exceptional circumstances
 - 7.6 more generally modernise the organisation in line with other entities to support further efficiencies and effectiveness.
- 8 I seek agreement to a package of proposals (at **Appendix One**) which will support this intent.
- 9 I also intend to create a stand-alone Fish and Game Act, similar to the Game Animal Council Act 2013, to raise the profile of the organisation.

Next steps

- 10 If agreed, I will instruct the Department of Conservation (DOC) to provide drafting instructions to PCO. My intent is to return to Cabinet seeking approval to introduce a Bill to the House later this year.

Background: Making it easy to hunt and fish and opportunity for growth

- 11 Fish and Game was formed in early 1990, shifting from the 24 acclimatisation societies of the 1880's. Fish and Game is independent, with most of their \$13 million annual revenue coming from licence sales. Direction of the organisation is set by licence holders who are publicly elected to each of the 12 regional Fish and Game councils. These councils manage the sports fish and game resource (e.g. trout, salmon, mallard ducks) locally. The National Council is formed of one nominated councillor from each region. It co-ordinates activity and provides statutory advice to the Minister.
- 12 Fish and Game supports an associated spend of between \$113 million - \$138.6 million per annum from hunter and angler activity. This contributes an estimated \$66.2 million–\$81.2 million in total value added (Gross Domestic Product), as well as supporting wellbeing and tourism, and enhancing our environment by ensuring adequate habitat for sports fish and game birds.

There is a clear need to improve Fish and Game's efficiency and effectiveness

- 13 Fish and Game are not operating or governing the fish and game resource as well as it could be, resulting in sub-optimal outcomes for licence holders. Several independent reviews and audits have found that the organisation is dysfunctional (poor decision-

making, governance, and accountability practices, and unnecessary discord with other resource users like farmers), and that the legislative settings are no longer fit for purpose.

- 14 There are examples of good practice and well-functioning councils. Fish and Game are also making positive changes in response to the 2021 governance review. However, legislative change is required to effectively tackle many of the problems.¹
- 15 Licence holders and others perceive a single entity, but the legislation provides for an autonomous and federated structure. The National Council has a co-ordinating role but no teeth to fully enable this. Fish and Game councils can therefore undermine each other and the organisation, while good practice is not always replicated. Revenue is wasted in duplicating common activities and skilled staff, or sits idle in individual council reserves due to perverse incentives created by the current revenue collection and allocation method.
- 16 Fish and Game has statutory responsibility, but a clear picture of the state of the resources they manage is not easy to see. Legislative settings mean there is no common approach to monitoring or compliance, making it difficult to build a comparable and credible national picture. This further undermines the ability to assess if revenue is going where it is needed.
- 17 The legislation allows for more Fish and Game councillors than there are members of Parliament, who often lack governance expertise. Many licence holders are disengaged or excluded from the 'user pays, user says' system (only four percent of eligible licence holders voted in the last election). Few, therefore, hold Fish and Game to account for their decision-making, performance, and professionalism.
- 18 This undermines confidence in Fish and Game's ability to deliver on its regulatory role and puts the future of the organisation in question.

Proposals to streamline operations

- 19 I do not intend to change Fish and Game's purpose or mandate, nor force a reduction in the number of Fish and Game regions.²
- 20 My broad intent is to:
 - 20.1 maintain regional Fish and Game council decision-making over local matters, which is the cornerstone of the organisation, by focusing local knowledge and resource on improving hunting and fishing opportunities for their region
 - 20.2 no longer require individual regional Fish and Game councils to spend time on some administrative activities, where they are more effectively done by the National Council
 - 20.3 strengthen the leadership role of the National Council to set clear, coherent direction, collect the licence fee, and disperse it so it better supports the core

¹ Clark, B. and Mills, J. 2021. Review of the governance of Fish and Game New Zealand and the regional Fish and Game councils. https://www.beehive.govt.nz/sites/default/files/2021-04/FINAL%20Report%20-%20Review%20of%20Fish%20and%20Game%20New%20Zealand%202020_0.pdf

² The 2021 review of Fish and Game governance recommended reducing the Fish and Game regions to six as the main mechanism to improve efficiencies and effectiveness.

functions of the organisation, including getting funds to where they are needed to support angler and hunter activity

- 20.4 improve the 'user pays, user says' system and how Fish and Game make decisions, including how it considers non-hunting and fishing interests in decision-making
 - 20.5 strengthen checks and balances to improve accountabilities and transparency and provide adequate backstops so that the responsible Minister can intervene as necessary in exceptional circumstances
 - 20.6 more generally modernise the organisation in line with other entities to support further efficiencies and effectiveness.
- 21 I seek agreement to a package of proposals (at **Appendix One**) which will support this intent.

Creating a stand-alone Fish and Game Act

- 22 I also intend to create a stand-alone Fish and Game Act to separate out Fish and Game's functions from where they primarily sit in the Conservation Act.³ This will not change its current functions or responsibilities under the Act. This would be similar to the Game Animal Council Act 2013.
- 23 A stand-alone Act will recognise Fish and Game's role as a key organisation in the hunting and fishing sector, raising its profile. This should in turn support improved practices and professionalism with greater scrutiny that comes from such recognition.
- 24 DOC will work with PCO and the Legislative Design and Advisory Committee (LDAC) on the stand-alone Act and any other matters contained in this paper.

Shifting functions between regional Fish and Game councils and the National Council

- 25 Licence holders perceive a single entity. However, Fish and Game's federated structure does not support cohesiveness, and regional Fish and Game councils create their own policies which duplicate costs. The National Council provides a co-ordinating function, but their direction can be rejected by regional Fish and Game councils. This means unnecessary variation across the organisation, and poor use of licence payer revenue.
- 26 Fish and Game's core function is to manage hunting and fishing resources effectively. However, different approaches to monitoring, compliance, and advocacy can make it difficult to build a true national picture, creates confusion for licence holders, and can set unhelpful precedents or damage Fish and Game's reputation.
- 27 I want to ensure local decision-making is maintained where appropriate, but provide for greater consistency and cohesiveness. I propose to enable the National Council to:
- 27.1 set national binding policies, in consultation with regional Fish and Game councils, for specific activities. These binding policies, as appropriate, will either:

³ Other legislation relating to sports fishing and game bird hunting is spread across 15 other pieces of both primary and secondary legislation.

- 27.1.1 provide for regional flexibility by setting minimum activity levels for some activities; and/or
 - 27.1.2 provide parameters, for some activities, for carrying out activities with optionality to adapt to region specific needs, for example for monitoring, compliance and advocacy; or
 - 27.1.3 provide a unified way of doing things, for example health and safety or human resources policies.
- 28 To acknowledge the significance of this shift and to ensure that the National Council makes decisions in the interests of both its regional Fish and Game councils and the organisation, I propose to:
- 28.1 Specify that the National Council is made up of regional Fish and Game council chairs. This will build trust and support strong connections within Fish and Game.

Financial Settings

- 29 Although licences are valid nationwide, revenue from licence sales is collected regionally, usually where the purchaser buys their licence. Fish and Game levy a portion of revenue for the National Council's purposes and reallocate across regions, which creates double and triple handling.
- 30 Not only is this inefficient, but revenue does not always follow activity or need. The licence holder may buy their licence in Auckland, but fish in the Ashburton River and hunt in the Waikato. Fishing activity has been trending southward, but revenue is not following.
- 31 The system incentivises under-forecasting of licence sales so regions can hold onto 'their money', working against the organisation. This has resulted in \$2 million, over 11 years, sitting idle in regional Fish and Game council reserves instead of improving opportunities for licence holders.
- 32 I propose to shift to the National Council the ability to:
- 32.1 collect and issue licences for the organisation and allocate revenue across regional Fish and Game councils and themselves.
- 33 To better allocate this revenue and support transparency I propose to:
- 33.1 make the National Council responsible for developing, in consultation with regional Fish and Game councils, a financial strategy to support funding decisions
 - 33.2 develop a funding allocation model that will have flexibility and can be adjusted if needed. The model will set parameters for allocation to:
 - 33.2.1 apply to licence fee revenue only
 - 33.2.2 provide a method for allocating revenue, in collaboration with Fish and Game, to balance the needs of the organisation across regional activity levels; key functions; and contestable funding.

Improving the ‘user pays, user says’ system and decision-making

- 34 Fish and Game councillors are volunteers, knowledgeable and passionate about their sport, but there are too many governors to be effective. They may not have the necessary governance skills or experience for the role, nor are they representative of membership. Only 4.2 percent of all licence holders voted in the 2024 elections.
- 35 Fish and Game’s mandate to maximise hunting and fishing interests can have negative consequences for non-hunting and fishing interests, including farming, aviation safety and native species. This impacts the organisation’s reputation with stakeholders.
- 36 I intend to shore up the democratic ‘user-pays, user-says’ Fish and Game model, and improve decision-making, standards and professionalism by:
- 36.1 reducing the number of councillors in each council to eight; extending the eligibility to both vote and stand for election to all licence holders, and requiring an ‘opt-out’ electoral roll
- 36.2 expanding (to all decision-making) and strengthening all Fish and Game councils’ need to have regard to the interest of non-hunters and anglers (e.g. aviation safety, and conservation).

Increasing transparency and improving checks and balances

- 37 There is currently no easy way to measure Fish and Game’s performance or for the responsible Minister to respond to complaints of poor behaviour. To improve accountability and ensure the responsible Minister can step in where Fish and Game cannot resolve matters internally (albeit with clear limitations and minimal interventions to maintain arms-length nature), I propose measures to:
- 37.1 enable the Minister to appoint up to two councillors to regional Fish and Game councils, with voting rights; and to have an explicit power to review Fish and Game at any time
- 37.2 expand the provision to remove councillors for “just cause”
- 37.3 requiring appropriate fit and proper person test and universally applied codes of conduct
- 37.4 require the National Council to collate all Fish and Game annual reports and include a summary of Fish and Game’s overall performance; and
- 37.5 determine that all councils must provide operational work programmes that include proposed outcomes and performance measurements.

Modernising the system and removing red tape

- 38 I intend to make a number of other smaller changes that would modernise Fish and Game in line with other entities, underpin the ‘user pays, user says’ system, and provide for further savings and accountabilities. This will improve engagement of and outcomes for licence holders, and cut unnecessary red tape to support economic growth.

Delegating authority to make other minor and technical changes

- 39 I seek agreement for Cabinet to delegate decision-making authority to me to make other minor and technical changes in line with my overall policy intent to support the drafting process.

Implementation

- 40 I propose to provide for a transition period of up to three years from Royal Assent, to allow for a smooth change process. I expect that the incoming Chief Executive of Fish and Game will be instrumental in driving culture change and supporting increased capability to implement my proposals. Following this transition period, I expect improvements generated by these proposals will be captured in Fish and Game's compiled annual report.

Cost-of-living Implications

- 41 Improving the efficiency and effectiveness of Fish and Game's governance and operation is likely to result in better value for money for licence holders. This may encourage greater retention of and/or growth in Fish and Game licence holder levels. These benefits may flow through to the tourism sector, supporting New Zealand's GDP, job opportunities, and businesses.

Financial Implications

- 42 There are no financial implications for the Crown associated with these proposals. Any future proposals to remunerate Fish and Game councillors or Ministerial Appointees would be made in accordance with the Cabinet Fees Framework and be funded by Fish and Game's licence fee revenue.
- 43 The Conservation Act 1987 enables Fish and Game to gather licence fees to manage the sports fish and game bird resource on behalf of the Crown.⁴ Fish and Game may also receive other forms of revenue to manage the resource (e.g. interest, donations, prosecutions).

Legislative Implications

- 44 Primary Legislation is required to implement my proposals. The Fish and Game Governance and Organisational Improvements Amendment Bill bid has been given a category 5 priority in the 2025 Legislation Programme (referred to select committee in 2025).
- 45 The timeline associated with this Bill estimates introduction in October 2025 with Royal Assent in June 2026.
- 46 The Bill will include an enabling provision to allow a funding allocation model to be developed through secondary legislation.
- 47 The proposed Bill will be binding on the Crown.

⁴ Section 26Q(1)(d) of the Conservation Act 1987.

Impact Analysis

Regulatory Impact Statement

- 48 The Department of Conservation's Regulatory Impact Assessment Panel has reviewed the Regulatory Impact Statement (RIS). The Panel considers that the RIS partially meets the Quality Assurance criteria. The requirements were not fully met because of the limited engagement undertaken to support this proposal. However, the constraints and limitations have been well described.

Climate Implications of Policy Assessment

- 49 The Climate Implications of Policy Assessment (CIPA) team has been consulted and confirms that the CIPA requirements do not apply to this proposal as the threshold for significance is not met.

Population Implications

- 50 The policy proposals in this paper are not expected to have significant population impacts. They should be broadly supportive of licence holder interests.

Comment on specific population group implications

- 51 I understand that 20 post-settlement governance entities have a statutory relationship or arrangement with Fish and Game specifies in their settlement act or deed. My proposals do not intend to impact these relationships or arrangements.
- 52 My proposal to strengthen the requirement for Fish and Game to have regard to non-hunting interests will better manage the impact on other resources and users of the habitat. For example, farming, aviation, conservation, and iwi and hapū interests will require more active consideration in Fish and Game decision-making.
- 53 My proposal to expand the eligibility to both vote and stand for election, and the opportunity for Ministerial appointments may support greater participation by a more diverse range of perspectives in Fish and Game governance. For example, women, lower socio-economic groups, and iwi and hapū may benefit from these proposals.

Human Rights

- 54 The proposals in this paper are consistent with the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993.

Use of External Resources

- 55 A policy contractor was engaged for four months to support policy development, temporarily backfill vacancies and meet timeframes. Further external resource is not expected to be required.

Consultation

Agency consultation

- 56 The following Agencies were consulted in preparing this Cabinet Paper: Department of Internal Affairs, Ministry for the Environment, Ministry of Primary Industries, Office of Treaty Settlements and Takutai Moana - Te Tari Whakatau, and Ministry of Māori Development – Te Puni Kōkiri are broadly comfortable with this paper.
- 57 The following Agencies were informed: The Treasury, Ministry of Justice, Ministry of Foreign Affairs and Trade, Public Service Commission, Department of the Prime Minister and Cabinet, and Ministry of Business, Innovation, and Employment.

Engagement with interest groups outside of central government

- 58 I have informally engaged with all 13 Fish and Game councils and specific post-settlement governance entities (PSGEs) to inform next steps. DOC supported informal engagement with a wider group of iwi and hapū through their existing relationship channels.
- 59 Engagement sought views on how to improve Fish and Game's governance and operations generally rather than on specific policy proposals. Broadly, Fish and Game appear supportive of change to generate efficiencies and effectiveness, but views on how to create this change vary. This more recent engagement built upon the extensive engagement undertaken as part of the Governance Review in 2021.
- 60 Stakeholders and Treaty partners will have an opportunity to provide views on the policies in this paper and contribute during the select committee consideration of the Bill. I anticipate strong interest from Fish and Game councillors during this stage, and some likely interest from Treaty partners and other key stakeholders such as famers.

Communications

- 61 Following Cabinet approval, I intend to make a public announcement and media statement about the policies that will be proposed through the Bill.

Proactive Release

- 62 As soon as practicable after decisions are confirmed by Cabinet and public announcements made, I intend to proactively release this paper, subject to redactions as appropriate under the Official Information Act 1982.

Recommendations

The Minister for Hunting and Fishing recommends that the Committee:

- 1 **Note** that Fish and Game have a statutory role for the management of recreational sports fish and game bird species.
- 2 **Note** I intend to progress legislative change to support Fish and Game to be a more trusted, accountable, and cohesive organisation that provides value for money for its licence holders.

I N C O N F I D E N C E

- 3 **Note** that legislative changes will contribute towards tackling the cost-of-living challenges and support tourism and economic activity in our regions.
- 4 **Agree** to create a stand-alone Fish and Game Act, similar to the Game Animal Council Act, to raise the profile of the organisation, noting DOC will work with LDAC on this and any other matter contained in this paper.
- 5 **Agree** to a package of proposals, to be drafted into legislation, that improve Fish and Game's efficiency and effectiveness and value-for-money for licence holders, with the overall intention to:
- 5.1 maintain regional Fish and Game council decision-making over local matters, which is the cornerstone of the organisation, by focusing local knowledge and resource on improving hunting and fishing opportunities for their region
 - 5.2 no longer require individual regional Fish and Game councils to spend time on some administrative activities, where they are more effectively done by the National Council
 - 5.3 strengthen the leadership role of the National Council to set clear, coherent direction, collect the licence fee, and disperse it so it better supports the core functions of the organisation, including getting funds to where they are needed to support angler and hunter activity
 - 5.4 improve the 'user pays, user says' system and how Fish and Game make decisions, including how it considers non-hunting and fishing interests in decision-making
 - 5.5 strengthen checks and balances to improve accountabilities and transparency and provide adequate backstops so that the responsible Minister can intervene as necessary in exceptional circumstances
 - 5.6 more generally modernise the organisation in line with other entities to support further efficiencies and effectiveness.
- 6 **Agree** to the proposals at **Appendix One**.
- 7 **Agree** to delegate authority to the Minister of Hunting and Fishing to approve other necessary minor and technical changes within the overall policy intent I have described in this paper.
- 8 **Note** that the Fish and Game Governance and Organisational Improvements Amendment Bill bid is a category five priority (referred to select committee in 2025) for the 2025 Legislative Programme.

Authorised for lodgement

Hon James Meager

Minister for Hunting and Fishing

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