

Deepwater Group Overview

The Deepwater Group Ltd (DWG) is a structured alliance of the quota owners in New Zealand's deepwater fisheries. Any owner of quota for deepwater species may become a shareholder of DWG. Each shareholder owns one share and is invited to contribute on a *pro-rata* basis to the decisions on and to the costs for approved projects pertaining to the fish stocks for which they own quota.

DWG represents the interests of shareholders who collectively own quota for the following species: hake, hoki, jack mackerel (JMA7) ling, orange roughy, oreo, scampi, silver warehou, southern blue whiting, squid, and white warehou. DWG shareholders collectively own 92% of the quota for these fisheries.

DWG is a non-profit organisation that works in partnership with the Ministry for Primary Industries (Ministry) to ensure that New Zealand gains the maximum economic yields from our deepwater fisheries resources, managed within a long-term sustainable framework.

Deepwater Group's Strategic Overview

DWG was established in 2005 by quota owners in recognition of the need for an innovative, unified and proactive approach to ensure their businesses are underpinned by effective and sustainable fisheries management practices.

Our Vision:

To be recognised as the best managed deepwater fisheries in the world.

Our Mission:

To optimise the sustainable economic value of New Zealand's deepwater fisheries.

The key performance areas for DWG are:

- **Access to fisheries resources** – maintain and strengthen
 - **Ensure sustainability** – of target and by-catch species and minimise interactions with the marine ecosystem through effective and appropriate harvest strategies
 - **Fisheries management** – identify and implement long term sustainable measures
 - **Profitability of shareholders** – facilitate and promote options to improve catching efficiencies and to obtain greater value from Government services
 - **Certification and accreditation** – assess options and benefits, implement and evaluate
 - **Leadership** – be recognised as effecting world leading practice
 - **Communications** – improve public perceptions, relations with Government, relations with eNGOs, and ensure excellent communication with shareholders
 - **Company management** – ensure resources available to enable competent, effective delivery of outcomes, executive accountability to Board and performance evaluation
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Deepwater Group Ltd's First Five Year's Focus

Deepwater Group's strategic focus over the first five years (i.e. 2006-07 to 2010-11) was to 'Improve Management of and Performance within New Zealand's Deepwater Fisheries' under the theme 'Performance before PR' and this has been achieved through a number of successful initiatives including:

- Providing leadership for deepwater fisheries management
- Facilitating integrity and unity amongst quota owners
- Forming a partnership with the Ministry of Fisheries
- Developing and implementing a ten-year research programme
- Mitigating interactions with seabirds, marine mammals and non-fish by catch
- Developing and implementing a Management Plan for the deepwater fisheries
- Improving industry compliance with regulatory and non-regulatory management measures
- Maintaining and extending third party certification for deepwater fisheries

Deepwater Group Ltd's Second Five Year's Focus

DWG's strategic focus for the second five years (i.e. 2011-12 to 2015-16) is on gaining recognition for excellence in fisheries management by 'Maintaining integrity and telling our story' and is centred on the three themes:

- **Enable and embed** the agreed behaviour changes, frameworks and processes within business practices of the harvest sector, of DWG and of the Ministry;
- **Administer and verify** that effective sustainable management solutions are in place, are monitored, and that these are recognised by third-party certification and accreditation; and
- **Promote** and tell our story of leadership, innovation, verified sustainable management implements, and world-leading practices.

The key performance outcomes for DWG during the next five-year period (2011-16) are to:

- Maintain leadership and integrity
 - Maintain and strengthen the partnership with MPI, develop improved relationship with DoC
 - Review the fisheries Management Plan to ensure the objectives, deliverables and outcomes are aligned with best practise
 - Review and enhance the ten-year research programme to ensure alignment with management objectives
 - Ensure optimum outcomes from the investment in research and management of deepwater fisheries
 - Develop and implement improved frameworks for management decision making
 - Develop and implement demonstrably sustainable management practices in all deepwater fisheries
 - Maintain and extend third party certification across all deepwater fisheries
 - Promote the sustainable management of New Zealand's deepwater fisheries
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Strategic Alignment with the Ministry for Primary Industries

Quota owners recognise that the exercise of their rights to harvest deepwater fisheries comes the responsibility of doing so on a sustainable basis, and accept that sustainable resources are good for business. In doing so, they sought a partnership with the Ministry to collaboratively manage New Zealand's fisheries within the Exclusive Economic Zone (EEZ).

The strengths of this collaborative approach is that it enables enhanced outcomes through combining the collective knowledge, vision and expertise of commercial and Government sectors at strategic, tactical and operational levels. This partnership has been formalised in the form of a Memorandum of Understanding (MOU).

The Ministry's 2030 Strategic Direction for fisheries was developed with input from DWG and our strategic objectives and actions, and annual operational plans are accordingly fully aligned.

Partnership between the Ministry for Primary Industries and Deepwater Group Ltd

A unique partnership with the Ministry was implemented in 2006. This agreement has subsequently been updated and enhanced on two occasions, most recently in December 2010. This close partnership is the key to the successful achievement of our Vision, Mission and Key Performance Outcomes and enables a leadership role in the effective and co-operative outcomes on behalf of DWG shareholders, fully aligned with both the Government's and the Ministry's strategic goals and objectives.

This partnership enables both parties to draw on their combined knowledge, experience, capabilities and perspectives achieve shared goals through open and trust-based communication channels. The partnership not only facilitates joint strategic planning but also ensures full joint engagement on the day-to-day management of the deepwater fishing fleet.

Areas where the partnership has, and will continue to deliver success include:

- *Ensuring that the strategic direction for deepwater fisheries management is more comprehensively specified through incorporating both government and industry perspectives*
- *Developing innovative solutions to fisheries management issues, such as catch spreading arrangements within quota management areas and mitigating risks to protected species*
- *Ensuring industry support and commitment to management approaches including those management interventions that require reduced catch allocations of fishing restrictions*
- *Aligning the objectives specified in the National Deepwater Plan and industry activity "on the water" to provide better management outcomes*
- *Enabling industry to bring commercial acumen and expertise to the procurement of research and other services to ensure cost effective purchasing decisions*
- *Providing effective opportunities to implement the informed and assisted compliance model*

The partnership recognises the importance of input from parties outside the agreement and the incorporation of this knowledge and expertise into deepwater fisheries management.

The 2010 MOU provides for the establishment of a new body, the Deepwater Management Forum, with equal representation from the Ministry and from deepwater quota owners (and with the opportunity for third party representation), with the function of determining and providing advice on the strategic direction for management of New Zealand's deepwater fisheries.

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DWG's alignment with Ministry of Primary Industries Strategic Direction

The Ministry's 2030 Strategic Direction for fisheries was developed with input from DWG, and we fully support the Ministry's Goal of:

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

DWG's strategic and operational activities are aligned and supportive of the Ministry's outcomes, and with their strategic objectives and strategic actions to support and achieve these outcomes, namely:

- **Use Outcome** – *Fisheries resources are used in a manner that provides greatest overall economic, social, and cultural benefit including:*
 - *an internationally competitive and profitable seafood industry that makes a significant contribution to our economy*
 - *healthy fisheries resources in their aquatic environment that reflect and provided for intrinsic and amenity value*
- **Environment Outcome** – *The capacity and integrity of the aquatic environment, habitats and species are sustained at levels that provide for current and future use, including:*
 - *biodiversity and the function of ecological systems, including trophic linkages are conserved*
 - *habitats of special significance to fisheries are protected*
 - *adverse effects on protected species are reduced or avoided*
 - *impacts, including cumulative impacts, of activities on land, air or water on aquatic ecosystems are addressed*

The Ministry's objectives and strategic actions relevant to deepwater fisheries area as follows:

- **Objective 2: Cost-effective management and services**
 - *Implement more efficient models for planning, procurement and delivery of research and observer services*
 - *Undertake value for money reviews of regulatory administration and compliance services*
 - *Review fisheries laws and regulations with a view to reducing compliance costs and improving effectiveness*
- **Objective 3: Increase trade and access**
 - *Gain access to increased Research and Development funding*
 - *Achieve environmental certification of NZ fisheries and product traceability*
 - *Implement and international fisheries management trade and access strategy*
- **Objective 5: Ensure sustainability of fish stocks**
 - *Set and implement fisheries harvest strategy standards*
 - *Enhance the framework for fisheries management planning including the use of decision rules to adjust harvest levels over time*
- **Objective 6: Manage impacts of fishing and aquaculture**
 - *Implement a revised marine protected area policy and legal framework*
 - *Set and monitor environmental standards, including for threatened and protected species and seabed impacts*
- **Objective 9: Enable collective management action**
 - *Enable quota owners to take collective management action*
- **Objective 10: Improve fisheries information**
 - *Improve our knowledge of fish stocks and the environmental impacts of fishing through implementing long-term research plans*
 - *Enhance the type and quality of information collected from the commercial sector*
- **Objective 13: Improve management system performance**
 - *Specify role and accountabilities of government, tangata whenua, rights holders, stakeholders and the public in fisheries*

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management decision-making

- *Improve the specification of the rights and responsibilities of those who utilise fisheries resources*
- *Improve specification of fisheries management services and accountability structures that are required to support fisheries management decision making*
- *Implement a revised cost recovery model*
- *Ensure the provision of value for money fisheries management services, including efficient tangata whenua and stakeholder consultation arrangements*
- **Objective 14: Ensure fisheries management integrity**
 - *Report each year on the stat of NZ fisheries – including compliance with social, cultural, environmental and economic standards/objectives*
 - *Establish mechanisms to monitor Ministry and sector performance*
 - *Optimise the level of voluntary compliance with fisheries laws and standards and maintain an effective deterrence against illegal activity*

DWG's alignment with Ministry for Primary Industries Deepwater Fisheries Plan

The Ministry and DWG have developed a five year National Fisheries Plan for Deepwater and Middle-depth Fisheries (The Deepwater Fisheries Plan). This Fisheries Plan is enabled under the Fisheries Act 1996, has been approved by the Minister of Aquaculture and Fisheries and was implemented in 2010.

The Deepwater Fisheries Plan will address all of the deepwater fisheries for the 9 Tier One species (i.e. hake, hoki, jack mackerel, ling, orange roughy, oreo, scampi, southern blue whiting and squid) and is being progressively implemented. The first stage specifies the management strategies, objectives and actions for the sustainable management of hoki and orange roughy fisheries.

DWG's alignment with Ministry for Primary Industries Annual Operational Plan

The Deepwater Fisheries Plan gives rise to an Annual Operational Plan (AOP) for deepwater fisheries, which specifies the actions and services to be delivered each year to give effect to the Fisheries Plan's objectives.

As noted above, the MOU establishes a structured partnership to enable the Ministry and DWG to manage New Zealand's deepwater fisheries collaboratively. As part of this partnership, the Ministry's AOP specifies the actions and activities that both DWG and MPI will contribute towards the delivery of agreed Management Actions and, in turn, to the Management Objectives. For this reason Deepwater Group's Annual Business Plan is closely aligned with the Ministry's AOP.

These documents are available from DWG and from the Ministry.
