

ANNUAL REPORT OF THE MINISTRY OF FISHERIES 2003/2004



MINISTRY OF FISHERIES
Te Tautiaki i nga tini a Tangaroa

CONTENTS

Letter to the Minister of Fisheries	1
Chief Executive's Overview	2
Strategic Plan 2003/08	5
Key Achievements	13
– Policy Development	15
– Administering Fisheries Management and Marine Biosecurity Frameworks	17
– Obtaining and Managing Information	19
– Enforcing Fisheries Policies	20
Financial Performance 2003/04	21
– Statement of Responsibility	22
– Report of the Auditor-General	23
– Ministry Performance	24
Management Information	83
– Information Resources	84
– Glossary of Terms	86
– Ministry Organisation	87
– Legislation Administered	87
– Ministry Directory	88



MINISTER OF FISHERIES

Pursuant to section 39 of the
Public Finance Act 1989,
I am pleased to present my Annual
Report on the operations of the
Ministry of Fisheries for the year
ended 30 June 2004.

A handwritten signature in black ink, appearing to read 'W.R. Tuck'.

W.R. Tuck, Chief Executive, Ministry of Fisheries



CHIEF EXECUTIVE'S OVERVIEW

This is my ninth and last annual report as Chief Executive of the Ministry of Fisheries, a position I have been proud and pleased to hold since the Ministry was established on 1 July 1995.

In the last nine years, the management of fisheries in New Zealand has undergone significant change. Particular highlights are the establishment of the Ministry of Fisheries as a stand-alone government department, the implementation of the 1996 Fisheries Act, the reinforcement of the quota management system as the core framework for managing New Zealand's fisheries, the transfer and contracting of administrative functions relating to the commercial fishing sector, and the ongoing delivery of the Crown's obligations under the Fisheries Deed of Settlement.

It is, however, time for me to move on and for someone else to take the Ministry forward to the next stage of its development. This includes, in particular, developing and progressively implementing stock strategies for most fish species, while enabling stakeholders to develop fisheries plans independently of Ministry stock strategies. As part of this work, I anticipate significant further change to the Ministry's services and processes over the next three years, building on recent changes to the Ministry's governance and organisation.

The financial year just completed was the first in which the Ministry prepared a Statement of Intent to guide its operations. The 2003/04 output plan and budgets were presented against the backdrop of a five-year focus. The Statement of Intent looked at how the Ministry would work in collaboration with the wide range of interested groups who participate in fisheries management planning and decision-making. It built on the Ministry's Strategic Plan released in early 2003 and supported Ministers' focus of enhancing the value and enjoyment of our fisheries for all New Zealanders and minimising the risks to our marine environment.

The Ministry's goal for the sector is to *Maximise the value New Zealanders obtain through the sustainable use of fisheries resources and protection of the aquatic environment*. It is supported by three strategies:

- Strategy 1: Protect the health of the aquatic environment.
- Strategy 2: Enable people to get the best value from the sustainable and efficient use of fisheries.
- Strategy 3: Ensure the Crown delivers on its obligations to Māori with respect to fisheries.

During the last financial year the Ministry made considerable progress in the activities that contributed to these strategies, including:

- our fisheries and biosecurity research programmes
- our work with the Department of Conservation on marine reserve proposals and measures to protect sea lions, and Hector's and Maui's dolphins
- the release by the Ministers of Fisheries and Conservation of the National Plan of Action for Seabirds
- our work on aquaculture and recreational fisheries reforms
- our work in the international arena
- the introduction of 19 new species into the quota management system
- our work leading to the Minister's annual sustainability decisions

- progressing the Maori Fisheries Bill currently under consideration by the Fisheries and Other Sea-Related Legislation Committee
- developing a strategy to ensure the Ministry is able to deliver on the Crown's Fisheries Deed of Settlement obligations, and building capacity to engage with Māori on customary fisheries issues, and
- all but completing strategies related to marine protection and managing the environmental effects of fishing.

The progress we made in these and other areas during the year is described in more detail under "Key Achievements" from page 14.

The Ministry was involved extensively during the year in supporting Select Committee consideration of three Bills. These were the:

- Fisheries Amendment Bill (No. 2)
- Fisheries Amendment Bill (No. 3) – subsequently separated into Fisheries Amendment Bill (No. 3) and (No. 4), and
- Maori Fisheries Bill.

At the end of the financial year, the latter two Bills were still under consideration by the Primary Production Committee and the Fisheries and Other Sea-Related Legislation Committee respectively.

During the year, the catch level for hoki was reduced on 1 October 2003 and a further reduction is expected shortly. The 1 October 2003 reduction, coupled with the strengthened New Zealand dollar, placed significant financial pressure on the fishing industry, with a significant downturn in export receipts.

The Ministry has continued to deliver on its ongoing responsibilities in the areas of fisheries management, cost recovery, research, enforcement and registry monitoring.

At the same time, we made considerable progress in positioning the Ministry for the future. This included changing the Ministry's governance and organisation so we can properly implement the enhanced fisheries management regime inherent in the fisheries stock strategies/fisheries plan framework. The changes were not about downsizing, cutting costs or making staff redundant. I made final decisions on the new arrangements at the end of May, after consulting with and receiving feedback from staff. Implementation is now underway and is expected to be completed by the end of the year.

The decisions meant, inter alia, that the Ministry's governance and organisation would include the Chief Executive and four General Managers, each responsible for one of four Business Groups: Policy and Strategy, Fisheries Management, Fisheries Services and Corporate Services. Before these changes, the Ministry's governance arrangements included the Chief Executive and two Deputy Chief Executives, with ten business units, each reporting to one of the Deputy Chief Executives. Since the end of

the financial year, I have decided not to proceed with the establishment of the Fisheries Services Business Group, or at least, not at this stage.

The Ministry was involved extensively during the year with other departments in working through the implementation of the New Zealand Biosecurity Strategy. One of the outcomes of this work is that Chief Executives have agreed the Ministry's marine biosecurity functions should be transferred to the Ministry of Agriculture and Forestry. This decision was recently confirmed by Ministers and will be implemented during the financial year starting 1 July 2004.

During the year, work outstanding from the previous year on fishery officer health and safety was progressed. The Ministry's fishery officers work in a very difficult environment and it is important they operate with appropriate health and safety protections in place. A range of interventions has been implemented in recent years. The question of whether fishery officers should be authorised to carry pepper spray and batons in fulfilling their day-to-day responsibilities was addressed during the last year. Changes to the law would be required. This work will continue in the new financial year.

The two Inquiries into the management of the scampi fishery concluded during the last year. Both Inquiries had origins in allegations of corruption and impropriety by staff of the former Ministry of Agriculture and Fisheries and the current Ministry of Fisheries. Two of my senior managers were specifically named by those making and co-ordinating the allegations. In the end, both departments, as well as the named staff, were vindicated. There was nothing to substantiate the corruption allegations, which had no foundation.

The Inquiries made a number of recommendations, both in relation to fisheries management and the performance of the Ministry of Fisheries. These included the need for the Ministry to be less defensive and to give greater emphasis to fairness and even-handedness in decision-making while continuing to emphasise legal compliance.

At the time of signing this report, the fisheries management recommendations from the Primary Production Committee's report had been addressed and negotiations were continuing with five of the fishers for whom ex gratia payments were recommended on account of justified grievances. A settlement with one of the fishers named by the Committee had been concluded. The recommendations from the Reviewers appointed by the State Services Commissioner are actively being addressed, both within the Ministry and also, insofar as they have wider application in the Public Service, across departments.

As I reported last year, supporting the two Inquiries was resource and time intensive, with a large proportion of the time taken up with events that largely preceded the establishment of the Ministry. The two Inquiries resulted in significant opportunity costs to fisheries management,

particularly in 2002/03 as well as considerable personal stress on staff and their families and on the Ministry as a whole. The total financial cost of the Inquiries came to \$5 million of which \$3.8 million was in the 2002/03 financial year.

Departmental operating expenditure at \$68.5 million was below the Supplementary Estimates appropriations by some \$11.6 million, excl. GST, with each output class being within its individual appropriation. Of the total under-expenditure, \$1.0 million is attributable to Vote Biosecurity – Fisheries and \$10.6 million is attributable to Vote Fisheries.

The Vote Biosecurity – Fisheries underspending was caused largely through delays in tendering and awarding research contracts, which are part of the Government's Biodiversity Strategy. Provision has been made to transfer this under-expenditure into the 2004/05 financial year.

The Vote Fisheries under-expenditure was due largely to:

- Delays in tendering and awarding contracts required to deliver the Government's Biodiversity Strategy. These amounted to \$0.9 million and provision has been made to transfer this funding into the 2004/05 financial year.
- Delays in tendering and awarding fisheries research projects and the withdrawal of some projects, together totalling \$6.5 million. Some research proposals were delayed because they depend on results from other research still in progress. Other projects are still in the tendering process, and rescheduling milestones has led to some projects being deferred to 2004/05. Provision has been made to transfer up to \$4.8 million of this funding to the 2004/05 year.

In addition, there was a further \$3.2 million of under-expenditure across all other outputs.


I thank the two Ministers of Fisheries I have had the pleasure of working with during the year, the Hon Pete Hodgson and the Hon David Benson-Pope, and the Associate Minister of Fisheries, the Hon Parekura Horomia, for their support.

I thank my staff for their excellent work and support not just during the last year, but throughout my tenure. Because of individual and joint efforts over nine years, we now have one of the best fisheries regimes in the world. Eighty percent of fish stocks for which we have information are above, at, or near target levels and rebuilding strategies are in place for the remaining 20 percent.

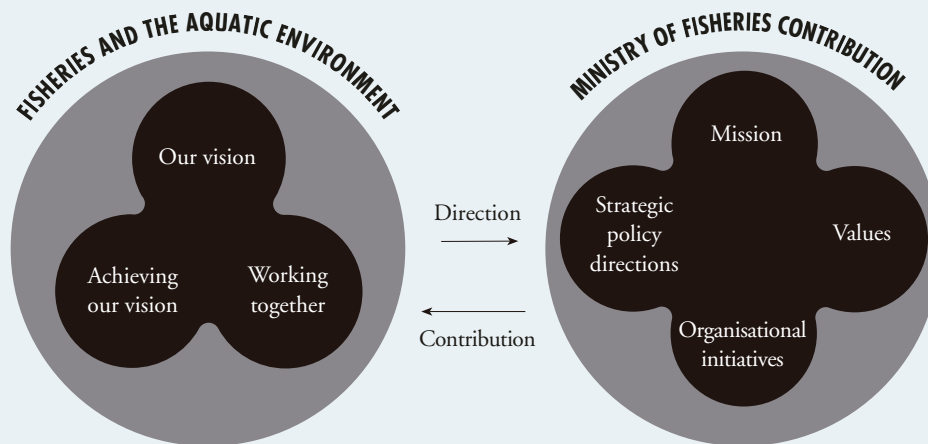
It has been a wonderful experience working with so many competent and dedicated people over this time. You have been simply superb. I am confident, with such good staff, the future of fisheries management in New Zealand and the Ministry of Fisheries is assured.



Warwick Tuck
Chief Executive

A young boy with blonde hair, wearing a dark long-sleeved shirt and dark pants, stands on a rocky outcrop. He is holding a fishing rod that is bent significantly, indicating a catch. A fish is visible hanging from the end of the line. The background features a large body of water, likely a lake or bay, with rolling hills or mountains in the distance under a cloudy sky.

The Ministry worked with representatives of the recreational fishing sector to formulate options for potential legislative reform.



The Ministry of Fisheries released its new five-year Strategic Plan in early 2003. It provides a good idea of how the Ministry will play its part to meet Government goals in fisheries over the medium term.

SUSTAINABLE FISHERIES IN A HEALTHY AQUATIC ECOSYSTEM

The Ministry's strategic direction for 2003/08 was released to stakeholders in January 2003.

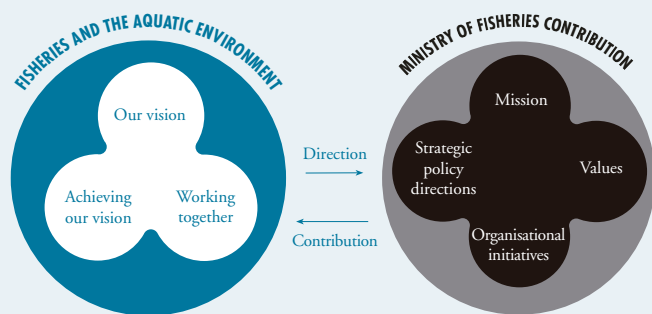
Reprinted here, it sets out the Ministry's vision for the fishery and contains a clear statement on our views of the fishery of the future and the strategies to get there. It provides the direction for those with an interest in the fishery to move forward with confidence and against which to chart progress.

It also includes the contribution the Ministry will continue to make towards achieving the vision for the fishery – focusing on two areas: fisheries policies, both new and existing, and organisational initiatives to ensure the Ministry is ready and able to meet the challenges ahead.

It contains some shifts in emphasis necessary to fulfil the full breadth of responsibilities inherent in our mission:

To be the guardian of the multitudes of Tangaroa.

These include an increased focus on our role in protecting the aquatic environment, and on creating opportunities for tangata whenua and fisheries stakeholders to take greater responsibility.



FISHERIES AND THE AQUATIC ENVIRONMENT

Our vision

In order to chart a strong and direct course over the next five years and beyond, we all must have a clear view of where New Zealand's fisheries are headed. As guardians of the multitudes of New Zealand's waters, the Ministry of Fisheries must consider the aspirations of all New Zealanders who have an interest in fisheries and the aquatic environment, both now and in the future. While this is our vision for the future of our fisheries, we hope it is one you share and will work with us to achieve.

Picture this. New Zealand, 2010 New Zealanders' attitudes towards the fishery are characterised by confidence and respect. They have confidence in, and support, the way their fisheries and the aquatic environment are managed. They respect the rights of others who have a stake in the fishery and in the aquatic environment.

Benefiting all New Zealanders... Our fisheries resources are used sustainably and the aquatic environment is well protected, contributing to the well-being of New Zealanders and their communities, and in particular:

- a healthy aquatic environment that contributes to cultural, economic and social well-being
- customary Māori fisheries that contribute to the cultural health and well-being of iwi and hāpu
- high-quality recreational fisheries that contribute to the social, cultural and economic well-being of all New Zealanders
- an internationally competitive and profitable seafood industry that makes a significant contribution to our economy.

... Now and in the future

Fisheries resources and the aquatic environment are managed with care so future generations will continue to enjoy their many benefits.

Protecting the natural balance... Our aquatic environment is healthy and the richness of our biodiversity is vigilantly protected. Biosecurity risks are identified, and avoided or managed.

... And the rights and responsibilities of New Zealanders

People with rights to use fisheries resources have responsibility, and are held accountable, for the management of those rights, within environmental limits and standards set by the government. They also meet the external environmental costs, and infrastructure costs, associated with their activities. Strong voluntary compliance with the rules and effective deterrence underpin the sustainable use of fisheries and protection of the aquatic environment.

Working together The Crown and Māori work in partnership to ensure the sustainable use of fisheries and protect the aquatic environment. Similarly, the Crown works closely with environmental, recreational, scientific, and commercial stakeholders to achieve this same goal.

Those who use fisheries resources and the aquatic environment recognise and respect each other's rights, responsibilities and interests. They work together constructively to resolve issues.

We work together to make the best decisions we can, using the best information and high-quality research and technologies.

Achieving our vision

A single goal In order to achieve our vision, we are focused on a single goal or fishery outcome for our fisheries: "Maximise the value New Zealanders obtain through the sustainable use of fisheries resources and protection of the aquatic environment". This goal is consistent with the purpose of the Fisheries Act 1996, "to provide for the utilisation of fisheries resources while ensuring sustainability".

Three strategies We have three strategies to achieve our goal and secure our vision.

Strategy 1

Protect the health of the aquatic environment by:

- developing and implementing frameworks and processes to:
 - manage the effects of fishing on the aquatic environment
 - maintain marine biodiversity and aquatic habitats
 - avoid or manage marine biosecurity risks
 - allow the government or stakeholders to take action against those who degrade the aquatic environment
- enabling New Zealanders to participate effectively in developing policies, frameworks, and standards to manage effects on, and protect, the aquatic environment.

Strategy 2

Enable people to get the best value from the sustainable and efficient use of fisheries by:

- better defining and integrating the rights and obligations of commercial, customary, recreational, and other users and allocating those rights and obligations
- maintaining the integrity of policies, frameworks, and processes to support the rights and obligations associated with fisheries use and conservation
- developing institutional frameworks and capacity for fisheries stakeholders and the public to participate effectively in fisheries management
- enabling New Zealanders to participate effectively in developing frameworks and processes for using fisheries resources and making decisions.

Strategy 3

Ensure the Crown delivers on its obligations to Māori with respect to fisheries by:

- implementing its partnership obligations
- establishing and maintaining effective relationships
- developing frameworks and processes to implement the 1992 Fisheries Deed of Settlement
- ensuring contemporary grievances are not created.

Working together

The support and active participation of all those with an interest in fisheries resources and the aquatic environment is vital to the successful pursuit of our vision. Everyone has a role to play and our success will depend on strong productive relationships. This includes the Ministry of Fisheries, other central and local government agencies, tangata whenua, stakeholders, and the public.

Tangata Whenua and Stakeholders The role of tangata whenua, fisheries stakeholders and the public is to:

- provide input into and participate in government decision-making processes on:
 - policy and legal frameworks
 - the nature and extent of fisheries and marine biosecurity services
- comply with the rules
- take greater collective responsibility for meeting the purposes and principles of the Fisheries Act 1996 through:
 - developing and implementing fisheries plans that meet government standards
 - delivering fisheries services to government standards and specifications.

The Ministry of Fisheries The core role of the Ministry, in collaboration with other government agencies, is advising on and implementing government policy in the following areas of core responsibility: ensuring ecological protection and sustainability; meeting international and Treaty of Waitangi obligations; enabling efficient resource use; and ensuring the integrity of management systems. For each of these core responsibilities, some of the key functions follow.

Ensuring Ecological Sustainability

- research and monitor the health of fisheries and the aquatic environment, and the effects of fishing
- specify environmental standards related to the use of fisheries and the impact of fishing on the aquatic environment
- maintain the potential of fisheries resources to meet the reasonably foreseeable needs of future generations
- set, implement and enforce sustainability measures
- research and manage biosecurity risks.

Meeting Treaty of Waitangi Obligations

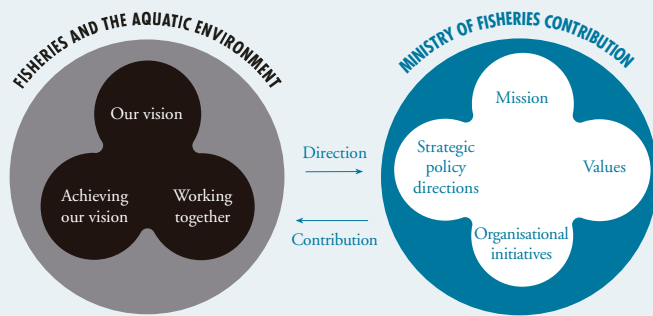
- involve Māori in fisheries management decision-making
- deliver 20 per cent of new quota to Māori
- provide for and protect customary fishing rights.

Enabling Efficient Resource Use

- define and allocate rights to use fisheries resources
- provide frameworks to allow rights holders to exercise those rights
- recognise and protect New Zealand's fishing and conservation interests during the negotiation of international agreements.

Ensuring the Integrity of Management Systems

- evaluate and monitor fisheries plans
- set standards and specifications for services such as research and administration
- monitor and audit the delivery of fisheries and marine biosecurity services
- manage fisheries and aquatic environment information
- deliver criminal law enforcement and prosecution services
- ensure management and information frameworks are consistent with New Zealand's international fisheries obligations.



MINISTRY OF FISHERIES CONTRIBUTION

Our mission

To be the guardian of the multitudes of Tangaroa

Our mission is expressed by our Māori name – Te Tautiaki i nga tini a Tangaroa – which means ‘the guardian of the multitudes of Tangaroa’.

Consistent with our mission, we aspire to be a leader in the New Zealand public service and fisheries sector, and a high-performing organisation. In this way, we work to earn the respect of Ministers, other government departments, tangata whenua, stakeholders and the public. We also seek to be respected internationally as a world-leading fisheries management and marine biosecurity agency.

We will:

- work collaboratively with other central and local government agencies in the government’s collective interests
- invest in our people and our assets to ensure our readiness for the future development of the New Zealand public sector
- actively involve tangata whenua, stakeholders and the public in our work in cost-effective ways
- create an organisational environment to maximise the:
 - contribution of our people
 - quality of our relationships
 - cost-effectiveness of our services.

Our values

Our mission is an important one and a privilege. Fulfilling that mission, and earning respect nationally and internationally as the guardian of the multitudes of Tangaroa, requires strong and consistent values within the Ministry.

Our values are:

- we are proud to be part of the **New Zealand Public Service** and will maintain the highest standards of professional behaviour. We will:
 - fulfil our lawful obligations to government with professionalism and integrity
 - perform our official duties honestly, faithfully and effectively, respecting the rights and interests of the public and our colleagues
 - not bring the Ministry or the public service into disrepute through our private activities.
- we recognise the status of Māori as tangata whenua. Our behaviour will, at all times, be consistent with the responsibilities of the Crown as partner to the **Treaty of Waitangi** and our specific legal obligations under the Treaty of Waitangi (Fisheries Claims) Settlement Act 1992 and the Fisheries Act 1996.
- in our day-to-day work, we will act in ways consistent with our behavioural values:

Leadership We will develop effective and innovative ways to help people contribute to, and support, the Ministry deliver on its mission.

Relationships and People We will develop, internally and externally, constructive and collaborative relationships built on trust.

Working in Teams We will share information and knowledge through exceptional teamwork and networking.

Achieving Results We will create an organisation that encourages and recognises people’s contribution to our achievements and dedication to our mission.

Policy direction

Existing and new policies support at least one of our three strategies for achieving our goal. These strategies are:

- **the aquatic environment strategy** – protecting the health of the aquatic environment
- **the best value strategy** – enabling people to get the best value from the sustainable and efficient use of fisheries resources
- **the Treaty strategy** – ensuring the Crown delivers on its obligations to Māori with respect to fisheries.

Consistent with our intention to build on the strengths of our existing policy framework, tangata whenua and fisheries stakeholders and other interested parties will be familiar with much of the policy direction included here.

The Aquatic Environment Strategy

Existing Policies To Be Continued

We will:

- maintain the integrity of the management frameworks, including statutory processes, decisions, and services that protect the health of the aquatic environment
- continue to develop an ecosystem approach to fisheries to avoid or manage adverse effects of fishing on the aquatic environment
- provide or contract services to achieve optimal levels of compliance that protect the health of the aquatic environment (including biosecurity and marine protected area rules) by maximising voluntary compliance with fishery laws and maintaining an effective deterrence against illegal activity
- provide information and management advice to the Minister on the adverse effects of fishing on the aquatic environment
- implement the Ministry of Fisheries' environmental management strategy
- implement relevant parts of population management plans developed by the Department of Conservation for marine mammals, seabirds and other protected species
- help implement the New Zealand Biodiversity Strategy in the marine environment, including the ongoing implementation of:
 - the purpose and principles of the Fisheries Act 1996, and the Marine Protected Area Strategy
 - help develop and implement New Zealand's Biosecurity Strategy.

Existing Policies To Be Monitored

We will monitor policies against stated operational standards and policy outcomes. Specifically, we will evaluate:

- the use of environmental indicators and other measures to monitor the health of the ecosystem
- the effectiveness of maximum sustainable yield as a stock management target

- frameworks and measures for managing the effects of fishing on the aquatic environment
- the implementation and effectiveness of the Biodiversity Strategy in the marine environment.
- the implementation and effectiveness of the Biosecurity Strategy in the marine environment.

New Policies To Be Developed

We will:

- help develop an integrated management framework to address adverse effects on the aquatic environment resulting from non-fishing use – including land-based activities – and determine an appropriate role for the Ministry
- establish and implement environmental standards to underpin fisheries management decisions and service delivery
- enhance the specification of fisheries use rights, including developing a framework that requires fishers to pay for any damage to the environment they cause, and for the full cost of services from which they benefit
- explore frameworks and policies for:
 - taking civil and other action against those who damage the aquatic environment
 - placing the burden of proof on fishers to demonstrate that any adverse effects on the aquatic environment from exercising their rights can be avoided or are within acceptable limits.

The Best Value Strategy

Existing Policies To Be Continued

We will:

- maintain the integrity of the management frameworks, including statutory processes, decisions, and services that underpin the sustainable use of fisheries resources
- provide or contract services to achieve optimal levels of compliance by maximising voluntary compliance with fisheries laws and maintaining an effective deterrence against illegal activity
- provide advice to the Minister on the status, sustainable management and allocation of fish stocks
- promote the use of and evaluate fisheries plans developed by fisheries stakeholders
- develop and implement stock harvesting strategies for all stocks not covered by an approved fisheries plan
- contribute to the development of international agreements relating to the sustainable use of fisheries, protection of the aquatic environment, and improved seafood trade opportunities
- implement government policy decisions relating to:
 - aquaculture
 - commercial fishing
 - customary fishing
 - recreational fishing
 - distant water fishing
 - marine biosecurity

- non-extractive use of and values related to fisheries resources
- international obligations relating to fisheries
- implement frameworks for allocating fisheries access and management rights
- determine future management arrangements for fish species and, where appropriate, transfer species into the Quota Management System.

Existing Policies To Be Monitored

We will monitor policies against stated operational standards and policy outcomes. Specifically, we will:

- evaluate the effectiveness of Individual Transferable Quotas
- evaluate the effectiveness of contestable, outsourced or devolved fisheries services.

New Policies To Be Developed

We will:

- evaluate the potential and need for a framework for environmental certification of New Zealand fisheries, including determining an appropriate role for the Ministry
- continue to develop and implement risk-based fisheries decision-making frameworks
- develop frameworks to allow the permit moratorium to be lifted while ensuring the sustainable and efficient use of fisheries resources, and protection of the aquatic environment
- develop frameworks and policies to manage New Zealand's distant water fishing interests
- investigate options for managing non-extractive uses of fisheries resources
- develop appropriate institutional frameworks to improve opportunities for fisheries rights holders to exercise their responsibilities collectively and manage those who do not abide by collective decisions
- enhance the fisheries cost recovery regime
- contribute to building fisheries sector capability
- contribute to the development of frameworks and policies for marine bio-prospecting
- develop frameworks and processes to improve the definition of recreational fishers' access and management rights and obligations
- contribute to the development of New Zealand's oceans policy
- investigate mechanisms to improve public involvement in fisheries management
- develop the interface between aquaculture and wild fisheries harvesting.

The Treaty Strategy

Existing Policies To Be Continued

We will:

- maintain the integrity of the management frameworks, statutory processes, decisions and services that underpin the Fisheries Deed of Settlement with Māori
- consult with tangata whenua on the management of marine biosecurity risks
- allocate 20 per cent of new Individual Transferable Quota to Māori
- facilitate the input and participation of tangata whenua in fisheries management processes
- work with tangata whenua and their representatives to enable all customary fishing to be conducted under customary fishing regulations
- implement the Ministry of Fisheries' strategy for meeting obligations to tangata whenua
- recognise customary use, conservation and management practices.

Existing Policies To Be Monitored

We will monitor policies against stated operational standards and policy outcomes. Specifically, we will:

- ensure customary fishing regulations meet the requirements of the Fisheries Deed of Settlement
- monitor implementation of the Ministry of Fisheries' strategy for meeting obligations to tangata whenua.

New Policies To Be Developed

We will:

- help identify mātaihai and taiaipure areas
- review and improve the framework and processes related to implementing the Fisheries Deed of Settlement with Māori
- apply Treaty principles to the development of all new policy advice.

Organisational initiatives

Achieving our vision relies on the commitment and ability of our people, the quality of our services and the strength of our relationships with others who have an interest and involvement in the fishery. Organisational initiatives to promote these three areas will ensure the Ministry's ongoing capability and readiness.

High performing people We will develop, retain and attract high performing people. We will:

Continual Improvement

- enhance a constructive values-based culture where diversity is valued
- maintain and develop high performing staff, technical experts, managers and leaders for current and future needs
- maintain an enduring Ministry of Fisheries Strategic Plan and supporting strategies staff understand and support
- enhance strategies to ensure staff receive, through effective communications, all information to perform and grow and be part of the Ministry.

New Ways

- anticipate change by working inclusively with staff and others (drivers include oceans policy decisions, e-government strategy and the Review of the Centre)
- determine and develop social, economic and ecological analytical skills
- develop and implement a risk management approach to the way we work.

Monitoring

- monitor leadership, management and staff and their whole workplace environment
- evaluate the effectiveness of internal communications.

Effective relationships We will develop and maintain effective, long-term, values-based relationships with Ministers, other central and local government agencies, tangata whenua, stakeholders and the public. We will:

Continual Improvement

- improve and achieve constructive, collaborative, and effective relationships with iwi and stakeholders
- improve cross-government collaboration, taking into account government decisions on public sector management
- improve the effectiveness of external communications.

New Ways

- develop and implement a relationship strategy that is values-driven with a long-term horizon
- develop productive partnerships, relationships and alliances
- improve New Zealanders' understanding of and involvement in fisheries management frameworks.

Monitoring

- monitor the nature and effective use of relationships
- evaluate the involvement of stakeholders and other interested parties in fisheries management
- evaluate the effectiveness of communications.

Quality Services We will provide efficient services that adapt to the changing needs of Ministers, the public sector, tangata whenua and stakeholders. We will:

Continual Improvement

- ensure integrity of processes and services
- ensure processes and services are transparent and integrated
- ensure cost-effective and flexible processes and services
- comply with government frameworks and standards for managing information (including e-government)
- secure quality information on fisheries, biodiversity and biosecurity management
- improve operations and business planning and performance monitoring
- maintain asset base and utilise technologies.

New Ways

- ensure value-adding consultation is carried out, including input and participation of tangata whenua into fisheries management, biodiversity and biosecurity decisions
- achieve superior business and financial management systems.

Monitoring

- monitor the effectiveness, efficiency and compliance of processes, systems and information.

The Ministry is working to determine appropriate management objectives and measures for a number of protected species.

The Ministry's Statement of Intent for the year listed outputs under four headings:

- Policy development
- Administering fisheries management and marine biosecurity frameworks
- Obtaining and managing information, and
- Enforcing fisheries policies.

This section reports on our key achievements in these areas during the 2003/04 year. Ongoing work not mentioned in this section, is reported on under "Output Class Service Performance" from page 26.

POLICY DEVELOPMENT

Strategy for Managing the Environmental Effects of Fishing

The Ministry is in the final stages of preparing a *Strategy for Managing the Environmental Effects of Fishing*. Its primary purpose is to provide a policy framework through which the Ministry can more effectively meet its environmental obligations under the Fisheries Act 1996. Consultation on the draft strategy was completed during the year and the final strategy is nearing completion.

Marine Protected Areas Strategy

The *Marine Protected Areas Strategy* is a joint initiative with the Department of Conservation. It aims to establish by 2010, a network of protected areas that will safeguard 10% of New Zealand's marine environment.

We made less progress on this project than planned this year, as policy resources were reprioritised to provide input into the development of the Foreshore and Seabed Bill. However, we obtained and incorporated technical advice on key aspects of the strategy, and the draft strategy is near completion. We intend to provide the draft strategy to the Ministers of Fisheries and Conservation by the end of September 2004, with targeted consultation occurring later in the calendar year.

Aquaculture Reforms

The Ministry worked with officials from a number of other departments on the legislative framework that will allow for the development of the aquaculture industry. Work this year was primarily focused on resolving Māori access rights to aquaculture space. In the upcoming year, the Ministry will help progress reforms and implement the legislation.

Fisheries Deed of Settlement

The Ministry was extensively involved in progressing the Maori Fisheries Bill which, at the end of the financial year, was still under consideration by the Fisheries and Other Sea-Related Legislation Committee. The Bill provides for the allocation of fisheries assets held by the Treaty of Waitangi Fisheries Commission, in accordance with the 1992 Fisheries Deed of Settlement as it relates to Māori commercial fishing rights.

The Ministry has been developing a strategy for implementing the Crown's obligations under the Fisheries Deed of Settlement, particularly with respect to customary fishing rights. The strategy was not finalised this year due to other commitments. However, the Ministry is building its capacity to engage with Māori on customary fisheries issues. We aim to establish a number of regional fora which will

assist with the legal obligation to provide for the input and participation of Māori on fisheries issues. We anticipate establishing up to ten regional fora by the end of next financial year.

Fisheries Act Reforms

During the year, the Ministry supported the implementation of two Fisheries Amendment Bills. At the end of the financial year, the second of the two Bills (itself subsequently split into two separate Bills) was still under consideration by the Primary Production Committee. Important changes included in this Bill are removing the commercial fishing permit moratorium that has been in place for ten years and streamlining the process and criteria for introducing species into the quota management system.

Recreational Fisheries

Over the past few years, the Ministry has worked with recreational fishers to define their rights more clearly so they may engage more effectively in fisheries management. The Ministry worked with a reference group comprising representatives of the recreational fishing sector to formulate options for potential legislative reform. The Minister elected to defer further work on this issue because the process was unable to provide agreement on any potential options.

International Fisheries

The Ministry continues to take an active role in international fisheries issues and fora. The Commission for the Conservation of Southern Bluefin Tuna met in Christchurch in October last year. Under New Zealand chairmanship, it reached agreement on a TAC and national allocations for the first time since 1997.

On 19 December 2003, New Zealand became the 13th country to ratify the Western and Central Pacific Fisheries Convention. The Convention came into force on 19 June 2004. New Zealand will take its seat at the first Commission meeting in December 2004.

The Ministry has continued to work within the Convention on the Conservation of Antarctic Marine Living Resources to strengthen institutional arrangements for managing Antarctic fisheries resources. Work is also continuing with other interested countries and the Food and Agricultural Organisation of the United Nations to negotiate an agreement to manage deep-sea fisheries in the Southern Indian Ocean.

New Zealand's *National Plan of Action for the Prevention of Illegal Unregulated and Unreported Fishing* has been completed and forwarded to the Minister of Fisheries. New Zealand also presented a proposal to the World Trade Organisation negotiating group in April calling for a ban on subsidies liable to contribute to overcapacity or overfishing or other trade distortions. The proposal is the first to call formally for a ban on fisheries subsidies and outline how such a ban might be written into WTO rules.

ADMINISTERING FISHERIES MANAGEMENT AND MARINE BIOSECURITY FRAMEWORKS

Policy frameworks

The Ministry's Statement of Intent identified a need for greater focus on achieving outcomes at the level of specific fisheries. A framework is being developed that enables management by outcome by fishery. Key building blocks of that framework include setting and implementing standards through stock strategies and fisheries plans, and allocating associated rights.

Standards will be set for all aspects of managing a fishery, including the performance target expected and the management process. Work began on developing a framework for setting standards this year. Work on this project will continue in the 2004/05 year, including consultation with tangata whenua and stakeholders.

Stock strategies and fisheries plans offer separate decision paths for managing a fishery. Stock strategies represent the Crown's proposed management objectives for a fishery, the performance and process standards that will apply, and the rules and services necessary to achieve those objectives and standards. Fisheries plans provide stakeholders with the opportunity to determine the most effective way they can meet fisheries management objectives.

This year, we began developing a pilot stock strategy and supporting standards. The Ministry plans to develop stock strategies for a large number of fisheries in 2004/05. The goal is to have a stock strategy, or alternatively, a fisheries plan, in place for all fisheries by the end of 2007/08.

Introduction of species to the QMS

The Ministry continues with the task of introducing species into the quota management system. The process of introduction results in the allocation of catch among sectors and creates the basis for those sectors having a shared interest in the management outcomes for that fishery. Seven species, most notably kingfish, were introduced into the QMS on 1 October 2003 and catch was allocated to each sector. A further 12 species were introduced into the QMS on 1 April 2004. The Ministry is completing the process for another 21 species to be introduced into the QMS on 1 October 2004, most notably a number of highly migratory species (including southern bluefin tuna), and scampi, kahawai and North Island eels. The process will be ongoing where information indicates the management outcomes for a species will benefit from QMS introduction.

Annual review of existing fisheries measures

Healthy progress was achieved in a number of existing work areas. Three sustainability rounds were undertaken in the 2003/04 year.

Impacts of fishing

In April 2004, the Ministers of Fisheries and Conservation approved and formally launched a National Plan of Action (NPOA) to reduce seabird mortality. The NPOA will be implemented incrementally over the next 12 to 18 months. The Ministry is working with the Department of Conservation to form a Technical Working Group. Codes of practice are to be developed in a number of high priority fisheries in the 2004/05 year.

The Ministry is also working with the Department of Conservation to determine appropriate management objectives and measures for a number of protected species, most notably New Zealand sea lions and Hector's and Maui's dolphins. In 2004/05, we will contribute to a population management plan for New Zealand sea lions to be developed by the Department of Conservation.

As one of the agencies involved in the implementation of the Guardians of Fiordland strategy, we anticipate the Ministry will be responsible for implementing the fisheries aspects of the strategy in 2004/05.

During the year, the Ministry developed its capacity to process applications for marine reserves and mātaihai. A marine reserve and a mātaihai have been approved for Paterson Inlet, Stewart Island. We expect further marine reserve and mātaihai applications will be progressed in 2004/05. With marine reserves, the Ministry continues to work closely with the Department of Conservation at various stages of the process.

Aquaculture

The Ministry continues to process the backlog of existing applications for marine farms and maintain existing marine and land-based rights in the form of permit renewals, variations of conditions, and transfers of ownership. The Ministry has added capacity to address the backlog of existing applications. A highlight during the year was the approval of New Zealand's largest marine farm, a mussel farm in Hawke Bay. The 2,500 ha marine farm site will take some 15 years to develop.

In October 2003, in order to help speed up the processing of marine farm applications, marine farmers in the Marlborough Sounds initiated a collective approach to providing research on marine farm impacts. The Sounds were divided into 15 areas and research organisations are carrying out detailed scientific research – relating mainly to

carrying capacity – in each one. The area-by-area research initiative has led to delays, with some 170 applications now on hold at the request of the applicants. The high New Zealand dollar, low commodity price of mussels and uncertainty about the aquaculture reforms has further slowed progress with applicants having concerns about costs and future access rights.

The Ministry is working with other government agencies and regional councils on the development of aquaculture management areas. The Ministry has advised councils on fishing and ecological issues and standards for aquaculture. The resources expended to date on this work have been lower than expected due to the delays in progressing the legislative reforms.

Biosecurity

The Ministry has contributed to a number of biosecurity initiatives. We have, for example, helped the Auckland Regional Council develop guidelines on boat maintenance. These are expected to provide a basis for national guidelines on vessel cleaning to mitigate biosecurity risks in the marine environment.

Ballast water border inspection procedures have been reviewed and the Ministry has helped produce new quarantine procedures. We developed a training module on the procedures for the Ministry of Agriculture and Forestry's border inspectors. The Ministry also participated in an international conference in February 2004 that adopted the Convention for the Control and Management of Ships' Ballast Water and Sediments.

The ability to eradicate unwanted organisms before they become established is critical. Response plans for unwanted organism incursions were developed. The Ministry has contracted AgriQuality to provide the capability to mount an immediate incursion response if required. A total of four investigations have been conducted this year, none of which resulted in an active response. One threat was found to be a native species, two were determined to have a low likelihood of eradication success and one investigation is ongoing.

OBTAINING AND MANAGING INFORMATION

Observer services

The Ministry's observer programme continues to collect information that is critical to support its enforcement and fisheries management capabilities. The information contributes to assessments of stock size and the impact of fishing on the environment, and the adjustment of management controls. Considerable effort was directed at improving the planning for and delivery of observer services.

The high demand for observer information continued to outstrip the programme's capacity to deliver. Nonetheless the observer service delivered a record total of 5,667 sea days to the three main client groups – the Ministry, the Department of Conservation and the fishing industry – at a cost of \$2.6 million.

Research

During the year, the Ministry managed over 200 contracted research projects, including stock assessments of major fisheries, and research into the impacts of fishing, marine biodiversity and marine biosecurity.

Biodiversity From January to March 2004, a research and seabed-mapping project was undertaken of the Ross Sea ecosystem. The Ministry and Land Information New Zealand funded the 50-day voyage in cooperation with the Italian Antarctic Research Programme. The Ministry funded the marine research component through the New Zealand Biodiversity Strategy research programme, BioRoss.

The Ministry sponsored the development of the National Aquatic Biodiversity Information System (NABIS). It was available free on the Internet by 30 June 2004 prior to an official launch in July. NABIS is a website application which uses GIS (geographic information system) tools to provide spatial definition and visual representation of our marine biodiversity and fisheries management data. NABIS is being developed incrementally with more information and applications being added over time. It is the first step towards meeting the wider geospatial data management aims of the Ministry, the Ministry for the Environment and the Department of Conservation and fulfilling the objectives of the New Zealand Biodiversity Strategy.

Throughout the year, the Ministry worked closely with the Department of Conservation in technical working groups to improve the quality of the information available to manage fishing impacts on protected species.

Stock assessments Stock assessments completed this year included the following fisheries:

- orange roughy on the mid-east coast North Island and north west Chatham Rise
- hoki
- black oreo at the western end of the Chatham Rise
- snapper on the west coast of the North Island
- paua on the Chatham Islands and Fiordland, and
- ling in the sub-Antarctic and on the west coast of the South Island.

Estimates of stock status and sustainable yield are available for approximately half of the stocks in the quota management system. This includes all the main fisheries that make up about two-thirds of New Zealand fisheries by weight and value. Of these major fisheries, 80% are at, above, or near sustainable target levels and rebuilding strategies are in place for the rest.

As part of the scientific assessment process, the Ministry engages overseas experts to review and comment on major research programmes. In 2003/04 reviews were undertaken of the assessment model used for paua stocks and of the methods and approaches used to assess orange roughy.

Biosecurity surveys In the biosecurity area, the operational and taxonomic capability to carry out an extensive survey programme in the marine environment has been developed over the last several years. Port baseline surveys of 13 ports and three marinas were completed between April 2002 and April 2003. Work identifying the specimens collected from the baseline surveys was undertaken. A total of 61 species new to science have been identified to date. Fourteen species have been detected for the first time as being present in New Zealand. A re-survey of the ports and marinas is planned for the 2004/05 year.

Surveillance of eight ports has been carried out every six months for exotic marine pests. With the exception of undaria, none of the species on the *Unwanted Organisms* list has been detected in New Zealand. Undaria has been detected only in locations where it has been previously known. Identification guides for all unwanted organisms have been produced and distributed to stakeholders.

ENFORCING FISHERIES POLICIES

The Ministry delivered a range of enforcement operations and other compliance activities throughout the year.

The profile of the Ministry's enforcement and compliance activities was raised with the support of the Television New Zealand series, *Coastwatch*, which highlighted some of the work of fishery officers. The show was well received with up to 750,000 viewers tuned in each week. It led to increased public awareness of offending and the issues faced by fishery officers in the course of executing their duties.

The Ministry continues to support fishers and fishery officers through the publication and distribution of quality signs, brochures and other educational products. This material plays an important role in encouraging compliance and is an essential part of a fishery officer's field kit.

Capability

Emphasis has been given to improving the capability of fishery officers' field operations. Additional funding was provided to address concerns for the safety of fishery officers operating in the field. The funding enabled an increase in the number of fishery officers operating from more remote offices, such as Kaitaia, Hamilton, Whitianga, and Masterton.

A new office was opened in Blenheim to enable improved compliance services to the Marlborough and Kaikoura areas and to provide improved support to honorary fishery officers. A full-time health and safety coordinator was appointed during the year, and the quality and quantity of fishery officer training in defensive tactics increased. The need for the provision of defensive equipment to fishery officers was the subject of comprehensive analysis and consideration.

Funding for developing a national radio communications network to support the operational safety of fishery officers will enable officers to obtain real-time information about potential offenders and assist operational efficiency and effectiveness.

Honorary fishery officers continued to play a crucial role in the education and enforcement of recreational rules. The capability of those officers to operate safely and effectively has increased with the introduction of additional training, improved equipment, and increased direct support in the field from fishery officers.

Prosecutions

The Ministry successfully detected and prosecuted offending throughout the fisheries sector during the year, while maintaining its effort to support the prosecutions that arose from the covert Operation Pacman in 2002.

The Ministry continued to perform well in relation to prosecutions, with 90% of people charged with fisheries regulation offences successfully prosecuted. Although high at 86%, the rate of successful prosecutions of people charged with Fisheries Act offences was lower than in previous years. A technical error in section 233 of the Fisheries Act 1996 resulted in the dismissal of charges against a number of defendants identified during Operation Pacman. The error was promptly rectified by legislative amendment during the year.

Inter-agency cooperation

Cooperation between agencies continues to improve operational effectiveness. Enforcement operations are regularly supported by members of the New Zealand Police. The Ministry participated in boarding operations from Royal New Zealand Navy vessels when available throughout the year and the Royal New Zealand Air Force provided aerial surveillance of the New Zealand fisheries waters and New Zealand territories, such as the Ross Sea. The Ministry contributes to the operation of the National Maritime Co-ordination Centre and the Maritime Intelligence Co-ordination Centre.

The Ministry also continued to invest in projects directed at building New Zealand's maritime patrol and aerial surveillance capability, including the support of major defence acquisition projects.



Financial Performance 2003/04

Ministry Performance for the Year Ended 30 June 2004

This section covers:

- The Statement of Responsibility
- The Report of the Auditor-General
- Ministry Performance
 - Output Class Service Performance
 - Departmental Financial Statements
 - Non-departmental Financial Statements

Ministry analyst Susie Iball was part of a biodiversity research voyage to the Ross Sea from January to March 2004.

STATEMENT OF RESPONSIBILITY

In terms of sections 35 and 37 of the Public Finance Act 1989, I am responsible, as the Chief Executive of the Ministry of Fisheries, for the preparation of the Ministry's financial statements and the judgements made in the process of producing those statements.

I have the responsibility of establishing and maintaining, and I have established and maintained, a system of internal control procedures that provide reasonable assurance as to the integrity and reliability of financial reporting.

In my opinion, these financial statements fairly reflect the financial position and operations of the Ministry for the year ended 30 June 2004, and I authorise issuance of these financial statements on 17 September 2004.



Warwick Tuck
Chief Executive



Peter Murray
General Manager – Corporate Services

REPORT OF THE AUDITOR-GENERAL

TO THE READERS OF THE MINISTRY OF FISHERIES' FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

The Auditor-General is the auditor of the Ministry of Fisheries (the Ministry). The Auditor-General has appointed me, Grant J Taylor, using the staff and resources of Ernst & Young, to carry out the audit of the financial statements of the Ministry, on his behalf, for the year ended 30 June 2004.

Unqualified Opinion

In our opinion the financial statements of the Ministry on pages 24 to 81:

- comply with generally accepted accounting practice in New Zealand, and
- fairly reflect:
 - the Ministry's financial position as at 30 June 2004
 - the results of its operations and cash flows for the year ended on that date
 - its service performance achievements measured against the performance targets adopted for the year ended on that date, and
 - the assets, liabilities, revenues, expenses, contingencies, commitments and trust monies managed by the Ministry on behalf of the Crown for the year ended 30 June 2004.

The audit was completed on 17 September 2004, and is the date at which our opinion is expressed.

The basis of the opinion is explained below. In addition, we outline the responsibilities of the Chief Executive and the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed our audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in the opinion.

Our audit involved performing procedures to test the information presented in the financial statements. We assessed the results of those procedures in forming our opinion. Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data
- verifying samples of transactions and account balances
- performing analyses to identify anomalies in the reported data
- reviewing significant estimates and judgements made by the Chief Executive
- confirming year-end balances
- determining whether accounting policies are appropriate and consistently applied, and
- determining whether all financial statement disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements.

We evaluated the overall adequacy of the presentation of information in the financial statements. We obtained all the information and explanations we required to support the opinion above.

Responsibilities of the Chief Executive and the Auditor

The Chief Executive is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. Those financial statements must fairly reflect the financial position of the Ministry as at 30 June 2004. They must also fairly reflect the results of its operations and cash flows and service performance achievements for the year ended on that date. In addition, they must fairly reflect the assets, liabilities, revenues, expenses, contingencies, commitments and trust monies managed by the Ministry on behalf of the Crown for the year ended 30 June 2004. The Chief Executive's responsibilities arise from the Public Finance Act 1989.

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 38(1) of the Public Finance Act 1989.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

In addition to the audit, we have carried out general consulting assignments and assignments of an assurance nature for the Ministry. Other than the audit and these assignments, we have no relationship with or interests in the Ministry.



G J Taylor
Ernst & Young

On behalf of the Auditor-General, Wellington, New Zealand

OUTPUT CLASS SERVICE PERFORMANCE

CRITERIA FOR ASSESSING THE QUALITY OF POLICY AND REPORTS

Assessing the quality of policy and reports developed by the Ministry is a subjective evaluation of the standard against predetermined quality criteria. The following criteria form the basis for gauging whether a policy or report meets the quality characteristics set by the Ministry, and are to be used when measuring output delivery related to policy.

Purpose

The aim or purpose of the policy/report is clearly stated and it answers the questions set.

Logic

The assumptions behind the policy/report are explicit, and the argument logical and supported by facts.

Accuracy

The facts in the policy/report are accurate and all material facts are included.

Options

An adequate range of options has been presented and the benefits, costs and consequences of each option are clearly outlined.

Consultation

The Ministry has consulted with other government agencies and other affected stakeholders (where appropriate) and possible objections to proposals/content are identified.

Practicality

The problems of implementation, technical feasibility, timing or consistency with other policies/reports have been considered.

Presentation

The format meets the stipulated requirements; the material is effectively, concisely and clearly presented, has short sentences in plain English and is free of grammatical or spelling errors.

Quality management

The product quality is to be supported by a quality management process, including:

- external review of scope and methodology for major analytical work
- circulation of drafts for critiquing by other government agencies and other affected stakeholders as appropriate
- internal peer review and checking procedures
- adherence to the Ministry's policy framework
- consistency with relevant legislative obligations.

The two Inquiries into the management of the scampi fishery have consumed a significant amount of Ministry resource, particularly at senior level. This has resulted in some milestones, established in the 2003/04 Output Plan, being deferred to 2004/05.

In its quarterly reporting to the Minister, the Ministry has noted that the effects of the Inquiries, combined with other high priority work on the aquaculture Treaty issues, the foreshore and seabed issues and the Maori Fisheries Bill, mean that it would be unlikely to meet the requirements in some of the milestones, and recommended amendments to the 2003/04 Output Plan. The Minister approved the amendments on 20 June 2004.

The following output statements are based on the revised Output Plan.

In addition, the output costs reflect the changes approved in the Supplementary Estimates in May 2004.

An explanation of the notations under "quality" and "time" in the performance expectations for each output is as follows:

	Explanation
Achieved	The milestone has been delivered in accordance with standards specified in the Statement of Intent.
Not achieved	The milestone has not been achieved in the time specified/the quality standards have not been met.
Not measured	The Ministry does not currently have ways to measure the standard.
Deferred	The milestone has been deferred to 2004/05.

The percentage in the "actual" column relates only to those milestones that should have been delivered during the period under report.

Management commentary is included in the Statement of Service Performance as additional information. This commentary has not been audited.

OUTPUT CLASS – POLICY FRAMEWORK

Description

This output class includes the outputs that ensure development and review of policies to underpin the legal and conceptual framework for the sustainable and efficient utilisation of fisheries and guide the implementation of policy.

Objectives

- Provide and improve a conceptual framework for the sustainable and efficient use of fisheries resources.
- Participate in the development and review of international frameworks, and implement the decisions in a domestic context.
- Provide services to the Minister of Fisheries and Select Committees as required.

Output 11 Utilisation and sustainability policy advice provided

Description

Review, develop and provide policy advice to enable the sustainable and efficient utilisation of fisheries resources.

Performance expectations

Dimension	Description	Target	Actual
Quality	% of agreed milestones achieved to specified quality standards	≥90%	75%
Cost	% variance actual vs. budget	≤5%	8%
Time	% of agreed milestones achieved	≥90%	100%

Linkage to contributing outcomes

Under this output, a range of projects produce advice to support the contributing outcome “Develop new fisheries management and marine biosecurity frameworks”.

Actual performance

Milestone	Quality & Time	Commentary
Policy advice provided to Select Committee to support their consideration of aquaculture reform legislation in accordance with the Select Committee timetable.	Quality: Not measured Time: Achieved	<p>The Ministry has done substantial work during the year on developing the policy issues associated with the reform of aquaculture management. This has included the development of the Aquaculture Bill, and working with the Ministry for the Environment and Local Government New Zealand to communicate the reform policy and work through implementation issues identified by councils. The work has also addressed issues that have arisen through interaction with the aquaculture industry. The Bill has not been introduced, but all work has been undertaken in the timeframe agreed with the Minister.</p> <p>It was also necessary to extend the moratorium on new aquaculture consent applications and on the re-validation of specified lapsed consents. Cabinet approval was received for the introduction of the Resource Management (Aquaculture Moratorium Extension) Amendment Act 2004. This was enacted on 18 March 2004 and extends the current moratorium until 31 December 2004.</p> <p>Over the reporting period, a significant amount of effort has been re-allocated from the Bill and into formulation of advice to Government on aquaculture Treaty issues.</p>

Advice provided to Select Committee to support their consideration of the Māori Fisheries Bill in accordance with the Select Committee timetable.	Quality: Achieved Time: Achieved	Ministry personnel have worked with officials and the Treaty of Waitangi Fisheries Commission to resolve issues that remained outstanding between the Crown and the Commission on the content of the Commission's allocation model. A series of Cabinet papers was provided to Ministers culminating in approval of the policies that have formed the basis of drafting instructions for the new Maori Fisheries Bill. The Bill was introduced into Parliament on 21 November 2003 and is now being considered by the Fisheries and Other Sea-Related Legislation Committee.
By 30 December 2003, provide policy advice to Government to support decisions on recognition of Māori interests in aquaculture.	Quality: Achieved Time: Achieved	<p>A number of briefing papers and Cabinet papers have been provided to Ministers in connection with proposals to recognise Māori interests in marine farming. In May 2004, Cabinet agreed in principle, subject to a further report, to proposals to settle Māori claims related to marine farming.</p> <p>Further advice was provided in June to enable final decisions to be taken, and drafting instructions developed to incorporate this policy into the Aquaculture Bill.</p>
By 30 March 2004, provide advice to Government on recreational fisheries reform.	Quality: Achieved Time: Achieved	Substantial progress has been made on the process to reform recreational fisheries, but there is still significant work to be done. The Ministry will continue to work on key areas, including limited regulation review, improved clarity around rationale for decisions on recreational issues, and the development of an improved information strategy and collection of additional information to support resolution of recreational issues.
By 30 June 2004, provide a report to the Minister of Fisheries which outlines a process and direction for a review of the cost recovery framework.	Quality: Not measured Time: Not achieved	On 20 June 2004, the Minister agreed to defer to 30 June 2005 the original milestone to "provide advice to Government on the reform of the cost recovery framework" and agreed that, in the interim, the Ministry would provide a report on the revised milestone. By 30 June 2004, a report had been drafted and was subject to internal review.
By 30 June 2004, provide a preliminary report on the scope and a project proposal for a risk management process to evaluate the relative priority of outputs.	Quality: Not measured Time: Not achieved	On 20 June 2004, the Minister of Fisheries agreed to defer delivery of the original milestone to "provide a report on a risk management process to evaluate the relative priority of outputs" to 30 June 2005, and to receive a report on the revised milestone. By the end of the year the report had been drafted and was subject to internal review.
By 30 June 2004, provide a report to Government on a process to evaluate achievement of fisheries management outcomes.	Quality: Not measured Time: Not achieved	The report has been drafted and is subject to internal review.
By 30 June 2004, develop a policy framework to support stakeholder collective decision-making.	Quality: Deferred Time: Deferred	On 20 June 2004, the Minister of Fisheries agreed that this milestone be deferred to 30 June 2005.
By 30 June 2004, develop advice on options to manage for non-extractive use of fisheries resources.	Quality: Deferred Time: Deferred	On 20 June 2004, the Minister agreed that this milestone be deferred for consideration in the 2005/06 output plan.

Description

New Zealand fisheries management interests are protected and promoted through development of international frameworks and the ratification of international arrangements.

Performance expectations

Dimension	Description	Target	Actual
Quality	% of agreed milestones achieved to specified quality standards	100%	100%
Cost	% variance actual vs. budget	≤5%	20%
Time	% of agreed milestones achieved	≥80%	25%

Linkage to contributing outcomes

This output links to the contributing outcome “Maintain the integrity of the existing fisheries management and marine biosecurity frameworks” through the development and ratification of frameworks and arrangements for international fisheries.

Actual performance

Milestone	Quality & Time	Commentary
Provide an active and constructive contribution to the development of a regional fisheries arrangement for the South West Indian Ocean, with New Zealand’s position on issues to be negotiated, approved by the Minister two weeks prior to presentation to international fora.	Quality: Achieved Time: Not achieved	New Zealand’s negotiating position was approved by the Minister of Fisheries on 16 January 2004. Significant progress was made at the meeting on 26-30 January 2004 towards achieving the New Zealand objectives – to ensure a sustainable fisheries management arrangement is developed and New Zealand’s allocation interests are protected. A fourth consultation meeting has been confirmed for 12-16 July 2004.
New Zealand position paper on the future work plan of the OECD Fisheries Committee developed for submission to the Committee, with New Zealand’s position on issues to be negotiated, approved by the Minister one week prior to presentation to international fora.	Quality: Achieved Time: Achieved	Attended the OECD Fisheries Committee meetings in October 2003 and March 2004, with New Zealand’s position reflected in the minutes of the meetings. The discussions developed an analytical framework to address illegal, unregulated and unreported fishing issues.
By 30 June 2004, finalise and implement a strategy approved by the Minister for New Zealand’s involvement in international fisheries.	Quality: Not measured Time: Not achieved	Draft of briefing paper to joint Ministers under review within the Ministry. No further progress was achievable due to resource constraints brought about by delays in recruiting new staff and unforeseen commitments to additional Commission for the Conservation of Southern Bluefin Tuna meetings.
By 30 June 2004, provide advice to the Minister on New Zealand accession to the Federated States of Micronesia Fisheries Arrangement.	Quality: Not measured Time: Not achieved	Discussions were initiated with the Ministry of Foreign Affairs and Trade (MFAT) as a precursor to further consultation with industry on the extent to which the Federated States of Micronesia (FSM) Arrangement remains a priority. Discussions indicate that New Zealand accession to the FSM Arrangement is not likely to be regarded favourably. Alternative options for New Zealand vessels to fish under the FSM Arrangement are being investigated. Milestone has not been achieved due to uncertainty around the objective and its priority for New Zealand.

Output 13 Biodiversity advice provided

Description

Provide advice and manage contracts to meet New Zealand Biodiversity Strategy objectives.

Performance expectations

Dimension	Description	Target	Actual
Quality	% of agreed milestones achieved to specified quality standards	≥90%	100%
Cost	% variance actual vs. budget	≤5%	74%
Time	% of agreed milestones achieved	≥90%	100%

Linkage to contributing outcomes

Under this output, a range of projects produce advice to support the contributing outcome “Maintain the integrity of the existing fisheries management and marine biosecurity frameworks”.

Actual performance

Milestone	Quality & Time	Commentary
Report quarterly on the implementation of the New Zealand Biodiversity Strategy (NZBS).	Quality: Achieved Time: Achieved	The Ministry has continued to report on a quarterly basis to the Biodiversity Chief Executive’s Group. Input was provided into the Biodiversity Strategy outcomes and the planning process for the five-year comprehensive NZBS review. The Ministry has also contributed to the assessment of new biodiversity initiatives for the 2004/05 financial year.

Description

Services provided to the Ministers responsible for Vote Fisheries. These include drafting of reports, replies to Ministerial correspondence, providing responses to Parliamentary questions and attendance at Select Committees as required.

Performance expectations

Dimension	Description	Target	Actual
Quality	% of agreed milestones achieved to specified quality standards	100%	50%
Cost	% variance actual vs. budget	≤5%	1%
Time	% of agreed milestones achieved	100%	60%

Linkage to contributing outcomes

This output provides a number of services to the Minister and Associate Minister of Fisheries, and supports contributing outcomes “Maintain the integrity of the existing fisheries management and marine biosecurity frameworks” and “Develop new fisheries management and marine biosecurity frameworks”.

Actual performance

Milestone	Quality & Time	Commentary
Ministerial replies: The 2003/04 Output Agreement requires that 95% of drafts of replies to Ministerial correspondence be completed within 15 days, and that 97% be accepted without amendment.	Quality: Not achieved Time: Not achieved	During 2003/04, the Ministry prepared 415 replies to correspondence for the Minister of Fisheries, of which 371 (89%) were completed within the required timeframe. Of the 415 replies, 370 (89%) were accepted without amendment.
Urgent letters: The requirement is for a 100% response within five days and for 97% of drafts to be approved by the Minister.	Quality: Achieved Time: Achieved	Six urgent responses were requested and provided to the required standard and within the required timeframe.
Parliamentary questions: The requirement is that all responses will be accurate and delivered on the day required.	Quality: Not achieved Time: Not achieved	The Ministry provided responses to 440 Parliamentary questions during the year, of which 414 (94%) were completed within the required timeframe. Of the 440 replies, 434 (98%) were accepted without amendment.
Advice and reports for Select Committees and Cabinet Committees: The requirement is to provide advice to the standards required by the Committee and within the specified timeframes.	Quality: Not measured Time: Achieved	Committees were provided with advice as required and within the timeframes specified. The Chief Executive’s assessment is that Ministry staff continued to provide a very good service to Committees during an, at times, exacting year.
Draft speeches: The requirement is for draft speeches to be provided 5 working days before the event and to the satisfaction of the Minister.	Quality: Achieved Time: Achieved	Speech notes were prepared on 5 occasions during the year. In each case they were delivered to the standard required.

FINANCIAL PERFORMANCE

2003 Actual		2004 Actual	2004 Supp Estimates \$000	2004 Actual as a % of Supp Estimates
\$000		\$000		
	Revenue:			
7,139	Crown	5,161	5,564	93
–	Other	1	6	17
7,139	Total revenue	5,162	5,570	93
	Expenses:			
2,185	Utilisation and sustainability policy advice provided	2,395	2,600	92
	International fisheries utilisation and sustainability			
497	advice provided	563	708	80
205	Biodiversity advice provided	144	546	26
4,231	Ministerial servicing	1,391	1,716	81
7,118	Total expenses	4,493	5,570	81
21	Surplus	669	–	–

OUTPUT CLASS – FISHERIES INFORMATION AND MONITORING

Description

This output class covers research and other service outputs relating to gathering and analysing data about New Zealand's fisheries to support decisions about sustainable utilisation and the provision of information on the biodiversity of New Zealand's marine environment.

Research costs represent existing projects that have been consulted on in past years and proposed new projects.

Objectives

- Provide the information required to ensure the sustainable utilisation of New Zealand's fisheries resources.
- Manage fisheries to contribute to sustainable utilisation by scientifically evaluating:
 - sustainable yields from, and status of, fisheries resources
 - the effects of fishing on the aquatic environment, including on the viability of associated or dependent species and on biological diversity
 - alternative strategies for achieving the desired level of yield while avoiding, remedying or mitigating adverse effects of fishing on the aquatic environment
 - analysis of relevant cultural factors that may need to be included in the management decision process
 - the specific measures needed to implement the appropriate management strategy.

Output 21 Utilisation and sustainability of New Zealand's fisheries resources measured

Description

Stock assessment reports produced on:

- estimates of biomass and sustainable yields for fish stocks
- effects of fishing on the aquatic environment, including biodiversity and bycatch species
- relevant social, cultural and economic factors that may be included in the management decision process
- non-commercial harvest levels.

Research reports produced on:

- strategic research directions
- medium term research plans
- research proposals for 2004/05.

Performance expectations

Dimension	Description	Target	Actual
Quality	% of agreed milestones achieved to specified quality standards	100%	Not measured
Cost	% variance of research project costs vs. budgeted cost (on an individual project basis)	≤10%	29%
Time	% of milestones 1-3, 5 and 6 achieved	100%	80%
	% of milestone 4 achieved	90%	100%
	% of milestone 7 achieved	80%	0%

Linkage to contributing outcomes

This output links to the contributing outcome “Maintain the integrity of the existing fisheries management and marine biosecurity frameworks” through:

- obtaining and managing information on the sustainability of fisheries resources
 - measuring sustainability against sustainability targets established by the Fisheries Act 1996
 - providing advice to fisheries managers and decision-makers on revised sustainability.
-

Actual performance

Milestone	Quality & Time	Commentary
Report from the Mid-Year Fishery Assessment Plenary produced by 21 November 2003 in accordance with the quality standards as defined in the Fisheries Research Services 2003/2004 Tender Document Part II: A – Appendix II B, Form 2 and Appendix III B.	Quality: Not measured Time: Achieved	Completed
Audit of quality of data supplied by research providers completed by 28 November 2003 in accordance with the quality standards as defined in the Fisheries Research Services 2003/2004 Tender Document – Part II: A – Section 2.5.	Quality: Not measured Time: Achieved	Completed
Research proposals for 2004/05 produced by 5 December 2003 in accordance with the quality standards as defined in the document “Format and Content of Project Summaries and Medium Term Plans prepared by the Research Planning Groups” dated 30 July 2002 and held in the Science Team directories.	Quality: Not measured Time: Achieved	Completed on 26 November 2003.
Research tender released by 20 December 2003 in accordance with the quality requirements as defined in the “Catch and Effort Data Quality Specification and Standards”.	Quality: Not measured Time: Achieved	Completed on 19 December 2003.
Replacement catch effort forms for two fisheries developed by 1 May 2004 in accordance with the quality standards as defined in the “Catch and Effort Data Quality Specifications and Standards”.	Quality: Not measured Time: Not achieved	Replacement Bottom Longlining Catch Effort form completed in December 2003. Development deferred on a new Set Net Catch Effort form as more analysis is required on mixed fishing methods on same trip and the impact on data quality.

Report from the Fishery Assessment Plenary produced by 30 May 2004 in accordance with the quality standards as defined in the Fisheries Research Services 2003/2004 Tender Document Part II: A – Appendix II B, Form 2 and Appendix III B.	Quality: Not measured Time: Achieved	Completed on 27 May 2004.
Medium term research plans produced by 27 June 2004 and in accordance with the quality standards as defined in the document “Format and Content of Project Summaries and Medium Term Plans prepared by the Research Planning Groups” dated 30 July 2002.	Quality: Not measured Time: Not achieved	Due to the timing changes to the research planning process, updating the medium term research plans was not completed by the end of the year. It is expected this will be completed during the first quarter of the 2004/05 financial year.

Output 22 Biodiversity of New Zealand’s marine environment estimated

Description

Scientific reports produced on:

- descriptions of select marine communities
- species composition, abundance and richness
- tools for collection of marine biodiversity data.

Research reports produced on:

- strategic research directions
- medium term research plans
- research proposals for 2004/05.

Performance expectations

Dimension	Description	Target	Actual
Quality	% of agreed milestones achieved to specified quality standards	100%	Not measured
Cost	% variance of research project costs vs. budgeted cost (on an individual project basis)	≤10%	10%
Time	% of agreed milestones achieved	100%	0%

Linkage to contributing outcomes

This output links to the contributing outcome “Maintain the integrity of the existing fisheries management and marine biosecurity frameworks” through the provision of information necessary to establish the targets for measuring sustainability of fisheries resources, and also providing the information to determine if these targets have been achieved.

Actual performance

Milestone	Quality & Time	Commentary
Medium term research plans produced by September 2003 and in accordance with the quality standards.	Quality: Not measured Time: Not achieved	Completed in October 2003.

Research proposals for 2004/05 produced by February 2004 and in accordance with the quality standards.	Quality: Not measured Time: Not achieved	The completion of this work has been delayed as a result of a revision of the medium term research plan. Research proposals will be developed following consultation with stakeholders.
--	---	---

Output 24 Observer services provided in response to requests by the Ministry

Description

Observers deployed and data collated in response to Ministry requests.

Performance expectations

Dimension	Description	Target	Actual
Quality	% of agreed milestones achieved to specified quality standards	100%	Not measured
Cost	% variance actual vs. budget	≤5%	(52)%
Time	% of agreed milestones achieved	100%	50%

Linkage to contributing outcomes

This output links to the contributing outcome “Maintain the integrity of the existing fisheries management and marine biosecurity frameworks” through the collection of information to support the Ministry’s science, fisheries management and compliance processes.

Actual performance

Milestone	Quality & Time	Commentary
The annual observer plan will be driven by other agencies and Ministry science, fisheries management and compliance requirements. The plan will be produced by 1 July 2003 and will clearly state: <ul style="list-style-type: none"> • priorities • timeframes • resource requirements • performance measures • the process for monitoring and reviewing the plan. 	Quality: Not measured Time: Not achieved	<p>Demand for observer information (7,900+ sea days) was far in excess of the programme’s current capacity to deliver (about 6,000 days). To seek to reconcile competing demands, during the year the Ministry developed, along with the other client groups (Department of Conservation and the commercial fishing industry), a plan to match the demands for observer services against the capacity of the observer programme to deliver.</p> <p>As part of a strategy to help bring demand and supply into line, multiple client requests were met on one observer trip, wherever possible. Outputs 24 and 25 were managed as one output. A total of 5,667 observer sea days were delivered across both outputs.</p>
90% of planned observer days provided by 30 June 2004.	Quality: Not measured Time: Achieved	The observer service delivered 5,667 sea days, which was 94% of the maximum capacity of 6,000 sea days.
90% of data collected by 30 June 2004 and according to standards in the plan.	Quality: Not measured Time: Not achieved	Considerable progress was made this year in moving towards data collection according to formal specifications.

Annual report of observer activity developed by 31 July 2004 to include a summary of key activities and outputs, and a statement of performance against the annual observer plan.

Quality:
Not measured
Time:
Achieved

The annual report on observer activity has been developed.

Output 25 Observer services provided in response to requests from the industry

Description

Observers deployed and data collated in response to industry requests.

Performance expectations

Dimension	Description	Target	Actual
Quality	% of agreed milestones achieved to specified quality standards	100%	Not measured
Cost	% variance actual vs. budget	≤5%	68%
Time	% of agreed milestones achieved	100%	75%

Linkage to contributing outcomes

This output links to the contributing outcome “Maintain the integrity of the existing fisheries management and marine biosecurity frameworks” through the collection of information to support the Ministry’s science, fisheries management and compliance processes.

Actual performance

Milestone	Quality & Time	Commentary
Responses provided to 100% of industry requests and within five days of request. The responses will confirm whether or not the observer days can be provided.	Quality: Not measured Time: Achieved	The observer programme has been able to respond to 100% of industry requests within five days of request. As noted in the commentary on output 24, during the year outputs 24 and 25 were managed as one output.
Not less than 90% of requested and agreed days delivered by 30 June 2004.	Quality: Not measured Time: Achieved	The observer service delivered 5,667 sea days, which was 94% of the maximum capacity of 6,000 sea days.
Annual report of observer activity developed by 31 July 2004 to include a summary of key activities and outputs and a statement of performance against the annual observer plan.	Quality: Not measured Time: Achieved	The annual report on observer activity has been developed.

FINANCIAL PERFORMANCE

2003 Actual		2004 Actual	2004 Supp Estimates \$000	2004 Actual as a % of Supp Estimates
\$000		\$000		
	Revenue:			
23,975	Crown	21,597	28,556	76
1,438	Other	1,433	1,479	97
25,413	Total revenue	23,030	30,035	77
	Expenses:			
19,716	Utilisation and sustainability of New Zealand's fisheries resources measured	15,841	22,571	70
2,381	Biodiversity of New Zealand's marine environment estimated	4,108	4,546	90
401	Contracts administered	–	–	–
1,655	Observer services provided in response to requests by the Ministry	2,187	1,443	152
968	Observer services provided in response to requests from the industry	468	1,475	32
25,121	Total expenses	22,604	30,035	75
292	Surplus	426	–	–

OUTPUT CLASS – REGULATORY MANAGEMENT

Description

This output class covers the outputs that assist in developing guidelines, regulations and processes, which make the fisheries policy framework operational.

Objectives

- Provide advice to support sustainable fisheries.
- Assess special fisheries access requests.
- Provide support for international fisheries arrangements.
- Advise on legislative and government regulatory processes.
- Manage the cost recovery process.

Output 31 Utilisation and sustainability reported

Description

Reports provided to the Minister evaluating stock assessment advice and stakeholder views, and providing recommendations on utilisation and sustainability of fisheries resources.

Performance expectations

Dimension	Description	Target	Actual
Quality	% of agreed milestones achieved to specified quality standards	100%	Not measured
	% of critical standards achieved to quality standards specified	≥95%	Not applicable
Cost	% variance actual vs. budget	≤5%	5%
Time	% of agreed milestones achieved	≥95%	50%
	% of relevant critical standards achieved	100%	Not applicable

Linkage to contributing outcomes

This output links to the contributing outcome “Maintain the integrity of the existing fisheries management and marine biosecurity frameworks” through:

- the approval of sustainability plans for fisheries, and the setting of sustainability measures such as Total Allowable Catch and area closures;
- the allocation of harvesting rights; and
- meeting obligations to involve tangata whenua in fisheries management decision-making, and deliver 20% of new quota to Māori.

Actual performance

Milestone	Quality & Time	Commentary
Advice provided, within 14 weeks of receipt of proposal, by the Ministry to the Minister of Fisheries on marine reserve proposals for which the Minister’s concurrence has been sought by the Minister of Conservation.	Quality: Not measured Time: Not achieved	Completed: Paterson Inlet approved by the Minister and announced 4 June 2004. Survey and gazettal to be completed. Active concurrence: <ul style="list-style-type: none">• Paraninihi – concurrence re-requested 15 August 2003. The Ministry draft concurrence report is with the Department of Conservation for comment.• Glenduan – concurrence re-requested 31 May 2004, currently under consultation. Other marine reserve proposals are not at concurrence-request stage.

Gazette notice for TACs/TACCs for new species to be introduced into the quota management system on 1 October 2003 issued by 31 July 2003.	Quality: Not measured Time: Not achieved	Completed 7 August 2003 for all but kingfish, which was 21 August 2003.
Final advice to the Minister on the proposed sustainability measures and management controls to be implemented on 1 October 2003 provided by 31 August 2003.	Quality: Not measured Time: Not achieved	Advice provided 5 September 2003 and signed off by the Minister.
Gazettal by 30 September 2003 of new or amended TACs/TACCs as a result of the Minister's decisions on proposed sustainability measures and management controls for implementation on 1 October 2003.	Quality: Not measured Time: Achieved	Gazettal occurred 25 September 2003.
Gazette Notice under section 18 of the Fisheries Act 1996 declaring the species to be introduced into the quota management system on 1 October 2004, issued by 31 October 2003.	Quality: Not measured Time: Achieved	17 species gazetted on 17 October 2003 and a further 3 species gazetted on 30 October 2003.
Gazette Notice for TACs/TACCs for new species to be introduced into the quota management system on 1 April 2004 issued by 28 February 2004.	Quality: Not measured Time: Achieved	Gazettal occurred on 4 December 2003.
Gazette Notice under section 18 of the Fisheries Act 1996 declaring the species to be introduced into the quota management system on 1 April 2005 issued by 28 February 2004.	Quality: Not applicable Time: Not applicable	No species are planned for introduction on 1 April 2005.
Final advice to the Minister on the proposed sustainability measures and management controls to be implemented on 1 April 2004 to be provided by 28 February 2004.	Quality: Not measured Time: Not achieved	Completed 9 March 2004. The Minister agreed that the TAC/TACC would remain unchanged.
Gazettal by 31 March 2004 of new or amended TACs/TACCs as a result of the Minister's decisions on proposed sustainability measures and management controls for implementation on 1 April 2004.	Quality: Not measured Time: Achieved	Completed (gazettal not required as no changes made).
Submit the National Plan of Action for sharks to the Minister for approval by 30 June 2004.	Quality: Not applicable Time: Not achieved	This task has not yet been assigned for completion.

Description

Managing existing regional fisheries arrangements including:

- Ensuring catch limits are set at sustainable levels
- Providing access and catch allocations for New Zealand
- Monitoring New Zealand catch limits
- Compliance with catch certification processes
- Developing management tools consistent with the New Zealand management approach.

Performance expectations

Dimension	Description	Target	Actual
Quality	% of agreed milestones achieved to specified quality standards	100%	100%
Cost	% variance actual vs. budget	≤5%	4%
Time	% of agreed milestones achieved	≥80%	75%

Linkage to contributing outcomes

This output links to the contributing outcome “Maintain the integrity of the existing fisheries management and marine biosecurity frameworks” through the development and ratification of frameworks and arrangements for international fisheries.

Actual performance

Milestone	Quality & Time	Commentary
Convention for the Conservation of Antarctic Marine Living Resources (CCAMLR) Provide an active and positive contribution to meetings, with the New Zealand position approved by Ministers two weeks prior to the convening of international fora.	Quality: Achieved Time: Not achieved	The Ministry provided input into position papers sent to Ministers in advance of CCAMLR XXII. The Minister approved the position paper on 17 October 2003. Ministry officials attended CCAMLR XXII (27 October-7 November 2003) as part of the New Zealand delegation.
Commission for the Conservation of Southern Bluefin Tuna (CCSBT) Provide an active and constructive contribution to meetings, with the New Zealand position approved by the Minister two weeks prior to presentation to international fora.	Quality: Achieved Time: Not achieved	The negotiating brief for CCSBT10 was approved by Ministers on 29 September 2003, in advance of meeting in Christchurch on 7-10 October 2003. Decisions were made on some critical unresolved issues, such as sustainable catch limits. The Ministry of Fisheries led the New Zealand delegation to the Ecologically Related Species Working Group of CCSBT held 2-5 February 2004. A briefing paper was sent to the Minister on 23 January 2004. Ministry officials also led discussions with South Africa on behalf of the Commission on conditions of their accession to the Convention.
South Tasman Rise Orange Roughy Arrangement Provide an active and constructive contribution to South Tasman Rise Orange Roughy management meetings, with the New Zealand position approved by the Minister two weeks prior to presentation to international fora.	Quality: Achieved Time: Achieved	The New Zealand proposal for management of the fishery was finalised in an exchange of letters between the New Zealand and Australian Ministers on 14 July 2003. Discussions were held with Australian officials and the Arrangement was amended, resulting in a significant decrease in the TAC. The amended Arrangement will run for the next 3 years. New Zealand's new national allocations were gazetted on 10 July 2003 and 10 June 2004.

Western and Central Pacific Fisheries Commission	Quality: Achieved	Cabinet agreed to New Zealand ratification of the Western Central Pacific Fisheries Convention on 28 July 2003.
Provide an active and constructive contribution to PrepCon meetings, with the New Zealand position approved by the Minister two weeks prior to presentation to international fora.	Time: Achieved	Input provided to New Zealand negotiating position and brief signed by Minister on 24 September 2003 for PrepCon V held in Rarotonga from 29 September-3 October, and meeting attended. Regulations to enable New Zealand to meet its obligations under the Convention were developed, and considered by Cabinet and were gazetted on 1 December 2003. New Zealand's instrument of ratification for the Western Central Pacific Fisheries Convention was lodged with the Depository on 19 December 2003. PrepCon is on track to have its work completed in time for the first meeting of the Commission in December 2004. The application of the new Western and Central Pacific Ocean (WCPO) Highly Migratory Species (HMS) regulations was notified in the Gazette on 20 May 2004.

Output 33 Customary applications processed

Description

This output covers the receiving of applications from stakeholders to manage customary access, the evaluation of the applications and their subsequent approval or refusal.

Performance expectations

Dimension	Description	Target	Actual
Quality	% of agreed milestones achieved to specified quality standards	≥95%	Not measured
Cost	% variance actual vs. budget	≤5%	36%
Time	% of agreed milestones achieved	100%	100%

Linkage to contributing outcomes

This output links to the contributing outcome "Maintain the integrity of the existing fisheries management and marine biosecurity frameworks" by providing for and protecting customary fishing rights and recognising use and management practices of Māori.

Actual performance

Milestone	Quality & Time	Commentary
Provide advice to the Minister on nominations for an appointment to a committee of management for a taiapure-local fishery within 40 working days of the deadline for the receipt of such nominations.	Quality: Not applicable Time: Not applicable	None received.

<p>Details of notification of kaitiaki nominations are to be published within 20 working days of receipt of notification.</p> <p>Details of appointment of kaitiaki are to be published in newspapers and the <i>Gazette</i> within 20 working days of appointment.</p> <p>Details of cancellation of appointment of kaitiaki, and the appointment of replacement kaitiaki, are to be published in newspapers and the <i>Gazette</i> within 20 working days of appointment.</p>	<p>Quality: Not measured</p> <p>Time: Achieved</p>	<p>Completed 28 appointments/re-appointments.</p> <p>Note that numbers reflect rohe notified not number of individual kaitiaki. One nomination or appointment could consist of one or more kaitiaki.</p>
<p>Notice of application of mātaaitai reserve to be published within 20 working days of the receipt of application.</p> <p>Declaration of a mātaaitai reserve to be notified in the <i>Gazette</i> within 20 working days of the decision to declare a reserve.</p> <p>Applicant to be notified of decision to decline application within 20 working days of Minister's decision.</p>	<p>Quality: Not measured</p> <p>Time: Achieved</p>	<p>Two new applications received:</p> <ul style="list-style-type: none"> • Paterson Inlet (received Sept 2003) • Tukurau and Mataura Falls (received Dec 2003). <p>No applications completed.</p> <p>Seven applications in progress:</p> <ul style="list-style-type: none"> • Napier (received Jun 2000) • Moeraki (received Feb 2001) • Waitutu (received Feb 2001) • Raukokore (received Dec 2001) • Tamaitemioka Titi Mouere (received May 2002) • + 2 new applications, (Paterson Inlet, and Tukurau and Mataura Falls) as above <p>One application on hold:</p> <ul style="list-style-type: none"> • D'Urville Island (received Feb 2000).
<p>Within six months of the receipt of a proposal to establish a taiapure-local fishery, provide advice to the Minister on whether approval in principle should be given to the proposal.</p> <p>Provide advice to the Minister on the report and recommendations of the taiapure-local fishery public inquiry into the proposal to establish a taiapure-local fishery, within 60 working days of the Minister receiving such a report.</p>	<p>Quality: Not measured</p> <p>Time: Not achieved</p>	<p>No new applications received.</p> <p>No applications completed.</p> <p>Three applications in progress:</p> <ul style="list-style-type: none"> • Manukau Harbour (received 1994) • Te Puna Inlet – awaiting tribunal hearing (received Aug 1994) • Akaroa (received Jan 1998, amended Oct 1999).
<p>Advice on proposed mātaaitai by-law to be provided to the Minister within 30 working days of making of bylaw by mātaaitai management committee.</p> <p>Approved bylaw to be notified in the <i>Gazette</i>, within 10 working days of the Minister's decision.</p> <p>Provide advice to the Minister or Chief Executive within three months of the receipt of a formal proposal for a temporary closure, restriction or prohibition.</p>	<p>Quality: Not applicable</p> <p>Time: Not applicable</p>	<p>No bylaws proposed.</p> <p>One new closure (Ohiwa)</p> <p>One two-year extension of an existing closure at Mt Maunganui.</p>

Description

This output covers the process of determining and consulting on the fisheries management costs recovered from the commercial fishing industry.

Performance expectations

Dimension	Description	Target	Actual
Quality	% of agreed milestones achieved to specified quality standards	100%	33%
Cost	% variance actual vs. budget	≤5%	(1)%
Time	% of agreed milestones achieved	100%	67%

Linkage to contributing outcomes

This output links to the contributing outcome “Maintain the integrity of the existing fisheries management and marine biosecurity frameworks” through the process of consulting on fisheries management costs and determining the cost recovery levies to be imposed for the year.

Actual performance

Milestone	Quality & Time	Commentary
The cost recovery levies for 2003/04 are approved by 25 August 2003 and on a basis consistent with Part XIV of the Fisheries Act 1996 and the Fisheries (Cost Recovery) Rules 2001.	Quality: Not achieved Time: Achieved	Minor technical errors were found in the 1 October 2003 levy order, which was approved by Order-in-Council on 25 August 2003. There was no impact on fishers as the levy order was repealed as part of the settlement of historic under and over recovery of cost recovery levies. The 1 April 2004 levy order corrected the technical errors.
A Gazette Notice is issued by 28 August 2003 and stakeholders are advised of the new levies.	Quality: Achieved Time: Achieved	The Gazette Notice was issued on 28 August 2003.
A revised cost recovery levy order to reflect changes in approved catch limits and the latest available research cost data is implemented as required.	Quality: Not achieved Time: Not achieved	An amending levy order was gazetted with effect from 1 April 2004 to cover the impacts of the TAC/TACC decisions for 1 October 2003, agreed prices for research contracts and the allocation of net settlement credits. Two minor technical errors have been found in the 1 April 2004 levy order. The timing of the Gazette Notice was dependent on the enactment of the Fisheries Amendment Bill (No. 2). As this was enacted on 18 March 2004, achievement of the 28-day deadline was not possible. The Gazette Notice was issued on 25 March 2004.

FINANCIAL PERFORMANCE

2003 Actual		2004 Actual	2004 Supp Estimates	2004 Actual as a % of Supp Estimates
\$000		\$000	\$000	
	Revenue:			
7,460	Crown	9,604	9,710	99
–	Other	4	11	36
7,460	Total revenue	9,608	9,721	99
	Expenses:			
5,170	Utilisation and sustainability reported	5,779	6,070	95
606	International utilisation and sustainability reported	578	602	96
508	Customary applications processed	974	1,530	64
1,035	Cost recovery process managed	1,536	1,519	101
7,319	Total expenses	8,867	9,721	91
141	Surplus	741	–	–

OUTPUT CLASS – FISHERIES ACCESS AND ADMINISTRATION

Description

This output class covers the services associated with monitoring the effectiveness of delivery of contracted and devolved registry services to ensure consistency and compliance with contracted or devolved standards. It includes the management and dissemination of information received from registry agencies for use by the Ministry in managing other output classes. It also includes a number of Ministry statutory decision processes.

Objectives

- Manage the delivery of registry services by the Ministry's contracted service delivery agency.
- Provide advice to the Minister of Fisheries on the performance of transferred registry-based functions, duties and powers by the Approved Service Delivery Organisation.
- Undertake robust auditing and monitoring programmes to provide assurance that registry services are provided appropriately.
- Manage the statutory processes supporting the introduction of new species into the quota management system.
- Provide for other services for fishers.

Output 41 Statutory decision processes administered

Description

This output covers the receiving, evaluation and subsequent decision to approve or decline applications from stakeholders to farm aquatic life and to harvest aquatic life outside normal rules.

Performance expectations

Dimension	Description	Target	Actual
Quality	% of agreed milestones achieved to specified quality standards	≥95%	Not measured
Cost	% variance actual vs. budget	≤5%	13%
Time	% of agreed milestones achieved	100%	0%

Linkage to contributing outcomes

This output links to the contributing outcome "Maintain the integrity of the existing fisheries management and marine biosecurity frameworks" through the ongoing maintenance of a variety of fisheries-related operations.

Actual performance

Milestone	Quality & Time	Commentary
Applications made under the Marine Farming Act 1971, Fisheries Act 1983 or the Freshwater Fish Farming Regulations 1983 (or any Act that replaces those provisions) are processed in accordance with approved Ministry processes.	Quality: Not measured Time: Not applicable	Progress is being made in processing the backlog of applications. 95 preliminary decisions made – awaiting further information from applicant. 11 permits issued. 290 other permit-related requests administered.

Commercial access to any fishery managed by way of competitive catch limits will be closed before the catch limit is breached. Catch limits will be monitored on a predetermined frequency enabling closure to be implemented.	Quality: Not measured Time: Not achieved	SCI 1 – 0.1 tonne over caught <1% SCI 3 – 4.8 tonne over caught 8% SCI 4 – no over catch SCI 6A – 7.2 tonne over caught 3% KAH 1PS – 0.6 tonne over caught <1%	
An Order-in-Council imposing the requisite commodity levy is to be notified in the <i>Gazette</i> within 12 months of the completion of the ballot of persons affected by the proposed levy.	Quality: Not applicable Time: Not applicable	No Orders-in-Council required.	
95% of applications for special permits determined within six months of the date of receipt of completed applications and to the following prescription: <ul style="list-style-type: none"> Appropriate consultation is carried out in accordance with section 97(2) of the Fisheries Act 1996 on each application, prior to a decision to approve or decline the application The purpose for which a special permit is issued is consistent with those specified in section 97(1) of the Fisheries Act 1996; and In compliance with the procedures in the Special Permit Manual. 	Quality: Not measured Time: Not achieved	Applications on hand at the beginning of the period Received in the period Total to process Analysis <ul style="list-style-type: none"> – withdrawn – completed within 6 months – completed outside 6 months Balance on hand <ul style="list-style-type: none"> of which – greater than 6 months – less than 6 months 	20 51 71 12 39 11 9 4 5

Description

Monitoring and delivery of contracted registry services to ensure consistency and compliance with contracted or devolved standards.

Performance expectations

Dimension	Description	Target	Actual
Quality	Minister accepts that delivery of contracted and devolved services have been delivered to an adequate or better than adequate level over the course of a year	Either: (a) No significant failures of registry services have been raised with the Minister; or (b) Failures of registry services have been identified and remedial/sanction actions have been imposed appropriately	Not measured
Cost	% variance actual vs. budget	≤5%	5%
Time	% of agreed milestones achieved	≥80%	100%

Linkage to contributing outcomes

This output links to the contributing outcome “Maintain the integrity of the existing fisheries management and marine biosecurity frameworks” through the achievement of:

- registry and other fisheries administration services are delivered in accordance with the Fisheries Act 1996
- delivery of registry and other fisheries administration services are adequately monitored and, where necessary, errors have been appropriately rectified
- new species into the QMS are allocated in accordance with the Fisheries Act 1996.

Actual performance

Milestone	Quality & Time	Commentary
Quota allocated for species declared by the Minister to be subject to the quota management system for 1 October 2003 shall be made in accordance with Part IV of the Fisheries Act 1996, and within the quality and timeframes defined in the Ministry’s stock allocation policy in respect of that species and stock, and shall be completed by 1 October 2003.	Quality: Not measured Time: Achieved	Gazette Notice issued on 24 October 2002. Quota allocation approved on 25 September 2003.
Aquaculture reforms implemented by 31 March 2004 and in accordance with the quality standards as defined and agreed in the project plan.	Quality: Deferred Time: Deferred	The Aquaculture Reform Bill is not yet before the House. Implementation cannot proceed. Funding to be carried forward into 2004/05.

Quota allocated for species declared by the Minister to be subject to the quota management system for 1 April 2004 shall be made in accordance with Part IV of the Fisheries Act 1996, and within the quality and timeframes defined in the Ministry's stock allocation policy in respect of that species and stock and shall be completed by 1 April 2004.	<p>Quality: Not measured</p> <p>Time: Achieved</p>	Gazette Notice issued 13 March 2003. Quota allocation approved on 30 March 2004.
<p>Quarterly audit reports shall be produced for registry-based services within one month of the end of each quarter, with actual performance compared against either:</p> <ul style="list-style-type: none"> • Approved Service Delivery Organisation (ASDO) standards and specifications approved by the Minister of Fisheries for devolved services; or • Schedule B of the Registry Services Delivery Agreement between the Ministry and Commercial Fisheries Services Ltd, and signed 21 September 2001 for contracted services; and • In accordance with the Ministry's agreed auditing and monitoring programme. 	<p>Quality: Not measured</p> <p>Time: Achieved</p>	<p>A review of the current reporting framework was initiated to ensure the Crown's risks are being appropriately managed. The review was carried out by an independent consultant. The consultant's report was produced in May 2004.</p> <p>Discussions are under way with Commercial Fisheries Services Ltd to implement the findings.</p>
Quota allocated for species declared by the Minister to be subject to the quota management system for 1 October 2004 shall be made in accordance with Part IV of the Fisheries Act 1996, and within the quality and timeframes defined in the Ministry's stock allocation policy in respect of that species and stock, with sufficient progress being made to enable achievement by 1 October 2004.	<p>Quality: Not measured</p> <p>Time: Not applicable</p>	<p>On target. Gazette Notices issued on 16 and 30 October 2003. Stock allocation policy has been signed off.</p> <p>Objection period has been completed, with decisions made on all objections lodged. The Catch History Review Committee has commenced hearings.</p>
Approved Service Delivery Organisation standards		
Annual report within 3 months of end of ASDO's financial year.	<p>Quality: Achieved</p> <p>Time: Achieved</p>	Report received in December 2003.
98% of vessel registrations will be completed within 5 days of receipt of application over an annual period.	<p>Quality: Achieved</p> <p>Time: Achieved</p>	

98% of receipting of returns will be accurate over an annual period.	Quality: Achieved Time: Achieved	
ASDO shall advise Ministry of late returns, with 98% within 5 days of receipt over an annual period.	Quality: Achieved Time: Achieved	
ASDO shall input data from catch information with an accuracy rate of 95% within 2 days of receipt over an annual period.	Quality: Achieved Time: Achieved	
ASDO shall follow up late returns with 95% within 5 days of end of month in which return was due.	Quality: Achieved Time: Not achieved	Achieved, except for a computer failure in November and December 2003.
ASDO shall follow up incorrect forms, with 95% followed up within 10 days of receipt.	Quality: Achieved Time: Achieved	
ASDO shall supply information to allow generation of deemed value invoices between 20th and 25th of each month.	Quality: Achieved Time: Achieved	
ASDO shall take action on over-fishing thresholds within 5 days of completion of monthly balancing. ASDO must act on Ministry's exemption decision within 2 days of receipt.	Quality: Achieved Time: Achieved	
Contracted Service Provider		
Annual report within 3 months of end of Service Delivery Agency's financial year.	Quality: Achieved Time: Achieved	
Quota allocation actions undertaken within timeframes defined in stock allocation policies.	Quality: Achieved Time: Achieved	
Report of management of Crown holdings within 10 working days of the end of the 6 month period ending 30 June and 31 December in any year.	Quality: Achieved Time: Achieved	

90% of fishing permits actioned within 1 day of receipt of correct application over an annual period.	Quality: Achieved Time: Achieved
High seas permitting applications declined or forwarded to the Ministry within one day of receipt.	Quality: Achieved Time: Achieved
Consent to register a foreign vessel – 80% of applications actioned within 3 days of receipt over an annual period.	Quality: Achieved Time: Achieved
Approval of Automatic Location Communicator (ALC) – 80% actioned within 3 days of receipt of application for ALC over an annual period.	Quality: Achieved Time: Achieved
Deemed values, cost recovery and departmental invoices sent to clients by 5th day of the month following invoice date.	Quality: Achieved Time: Achieved
Payment reminder for outstanding debt – 95% actioned within 2 days of due date over an annual period.	Quality: Achieved Time: Achieved
Debt collection proceedings actioned by 20th day of 3rd month following due date unless agreement reached to the contrary.	Quality: Achieved Time: Achieved
Caveat suspension action for outstanding debts sent on 20th of second month.	Quality: Achieved Time: Achieved

FINANCIAL PERFORMANCE

2003 Actual		2004 Actual	2004 Supp Estimates	2004 Actual as a % of Supp Estimates
\$000		\$000	\$000	
	Revenue:			
7,102	Crown	7,630	7,630	100
853	Other	694	1,108	63
7,955	Total revenue	8,324	8,738	95
	Expenses:			
1,428	Statutory decision processes administered	1,884	2,171	87
6,213	Registry services managed	6,241	6,567	95
7,641	Total expenses	8,125	8,738	93
314	Surplus	199	–	–

OUTPUT CLASS – ENFORCEMENT OF FISHERIES POLICIES

Description

This output class covers the outputs that promote compliance with fisheries laws and lead to detection of those involved in illegal fisheries activities.

Objectives

- Monitor fishing-related activities.
- Detect non-compliance with fisheries policies.
- Provide recommendations for prosecution.
- Take other enforcement steps where appropriate.
- Collate and provide information on non-compliance to support policy and regulatory decision-making processes.

These actions will contribute to the achievement of optimal compliance with fisheries laws and the deterrence of non-compliance.

Output 51 Commercial fishing rules enforced

Description

A compliance capability is provided to take action in commercial fisheries to encourage compliance and deter offending. These actions include monitoring, detection and provision of recommendations to prosecute.

Performance expectations

Dimension	Description	Target	Actual
Quality	% of agreed milestones achieved to specified quality standards	100%	Not measured
Cost	% variance actual vs. budget	≤5%	(7)%
Time	% of agreed milestones achieved	100%	Not measured

Linkage to contributing outcomes

This output links to the contributing outcome “Maintain the integrity of the existing fisheries management and marine biosecurity frameworks” through the development of enforcement programmes, and the ongoing monitoring and detecting of illegal fishing activities.

Actual performance

Milestone	Quality & Time	Commentary
Compliance monitoring and enforcement operations developed and undertaken as required and in accordance with Compliance business policies and the Fishery Officers’ Manual.	Quality: Not measured Time: Not measured	Monitoring activities undertaken include: <ul style="list-style-type: none">• Specified commercial fishing movement monitored by the satellite Vessel Monitoring System• Receipt of Monthly Harvest Returns monitored. 94% received on time for the year• Liaison with the observer programme• Co-ordination and management of special approvals and statutory vessel notifications. Inspections and patrols undertaken: <ul style="list-style-type: none">• 1,284 vessel inspections conducted, indicating a compliance rate of 70%• 348 Licensed Fish Receivers inspected, indicating a compliance rate of 73%• 143 general inspections conducted, indicating a compliance rate of 71%.

Description

A compliance capability is provided to take action in customary fisheries to encourage compliance and deter offending. These actions include monitoring and detection, as well as the provision of education and recommendations to prosecute.

Performance expectations

Dimension	Description	Target	Actual
Quality	% of agreed milestones achieved to specified quality standards	100%	Not measured
Cost	% variance actual vs. budget	≤5%	39%
Time	% of agreed milestones achieved	100%	Not measured

Linkage to contributing outcomes

This output links to the contributing outcome “Maintain the integrity of the existing fisheries management and marine biosecurity frameworks” through the development of enforcement programmes and the ongoing monitoring and detecting of illegal fishing activities.

Actual performance

Milestone	Quality & Time	Commentary
Compliance monitoring and enforcement operations developed and undertaken as required and in accordance with Compliance business policies and the Fishery Officers’ Manual.	<p>Quality: Not measured</p> <p>Time: Not measured</p>	<p>The primary focus is management and enforcement of customary legislative provisions, together with compliance support for tangata kaitiaki.</p> <p>In the North Island, 217 <i>Regulation 27</i> authorisations were checked, indicating 95% compliance. 11 <i>Kaimoana Regulation</i> authorisations were checked, indicating a compliance rate of 82%.</p> <p>In the South Island, 136 customary inspections were carried out, indicating a compliance rate of 87%.</p> <p>There is currently only a limited role for Compliance in customary fishing, as the customary fishing regulations have not yet been widely implemented. In an effort to protect the resources valued by customary fishers, some of the compliance resources identified for customary enforcement were deployed in recreational fishing rules enforcement, and in deterring poaching and black market activity.</p>

Description

Actions taken in recreational fisheries to encourage compliance and deter offending. These actions include monitoring and detection, as well as the provision of education and recommendations to prosecute.

Performance expectations

Dimension	Description	Target	Actual
Quality	% of agreed milestones achieved to specified quality standards	100%	Not measured
Cost	% variance actual vs. budget	≤5%	(20)%
Time	% of agreed milestones achieved	100%	Not measured

Linkage to contributing outcomes

This output links to the contributing outcome “Maintain the integrity of the existing fisheries management and marine biosecurity frameworks” through the development of enforcement programmes and the ongoing monitoring and detecting of illegal fishing activities.

Actual performance

Milestone	Quality & Time	Commentary
Compliance monitoring and enforcement operations developed and undertaken as required and in accordance with Compliance business policies and the Fishery Officers' Manual.	<p>Quality: Not measured</p> <p>Time: Not measured</p>	<p>The recreational fishing-monitoring programme involves routine inspections and enquiries to determine levels of compliance with legislative provisions. Honorary Fishery Officers are actively involved in monitoring activities.</p> <p>In the North Island, 24,073 recreational finfish inspections were carried out, indicating a compliance rate of 98%. 12,551 recreational shellfish fishers were inspected, indicating a compliance rate of 89%.</p> <p>In the South Island, 6,494 recreational inspections were carried out, indicating a compliance rate of 91%.</p>

Description

Actions taken in New Zealand international fisheries to encourage compliance and deter offending. These actions include monitoring, detection and provision of recommendations to prosecute.

Performance expectations

Dimension	Description	Target	Actual
Quality	% of agreed milestones achieved to specified quality standards	100%	Not measured
Cost	% variance actual vs. budget	≤5%	19%
Time	% of agreed milestones achieved	100%	Not measured

Linkage to contributing outcomes

This output links to the contributing outcome “Maintain the integrity of the existing fisheries management and marine biosecurity frameworks” through the development of enforcement programmes and the ongoing monitoring and detecting of illegal fishing activities.

Actual performance

Milestone	Quality & Time	Commentary
Compliance monitoring and enforcement operations developed and undertaken as required and in accordance with Compliance business policies and the Fishery Officers’ Manual.	<p>Quality: Not measured</p> <p>Time: Not measured</p>	<p>All New Zealand vessels operating in international fisheries were monitored.</p> <p>Foreign vessels were inspected in port.</p> <p>Operation MAWSONI was conducted to monitor compliance in the Ross Sea. Five New Zealand and 17 foreign vessels participated in the exploratory fishery. The Ministry’s Compliance unit assisted in the joint working group monitoring the fishery. Naval patrols targeted vessels in transit and five RNZAF surveillance flights were conducted. Enhanced relationships with foreign fisheries enforcement agencies and foreign research vessels contributed to New Zealand’s monitoring of the area.</p>

Output 55 Black market and poaching activities deterred

Description

Actions taken to apprehend poaching and black market offenders. These actions include monitoring, detection and provision of recommendations to prosecute.

Performance expectations

Dimension	Description	Target	Actual
Quality	% of agreed milestones achieved to specified quality standards	100%	Not measured
Cost	% variance actual vs. budget	≤5%	(4)%
Time	% of agreed milestones achieved	100%	Not measured

Linkage to contributing outcomes

This output links to the contributing outcome "Maintain the integrity of the existing fisheries management and marine biosecurity frameworks" through the development of enforcement programmes and the ongoing monitoring and detecting of illegal fishing activities.

Actual performance

Milestone	Quality & Time	Commentary
Compliance monitoring and enforcement operations developed and undertaken as required and in accordance with Compliance business policies and the Fishery Officers' Manual.	Quality: Not measured Time: Not measured	<p>Surveillance plans have been developed for anticipated poaching and black market activity.</p> <p>Several poaching or black market enforcement operations have been completed, and others are currently underway. Many cases are progressing through the Court system. Some have resulted in significant financial penalties.</p>

FINANCIAL PERFORMANCE

2003 Actual		2004 Actual	2004 Supp Estimates	2004 Actual as a % of Supp Estimates
\$000		\$000	\$000	
	Revenue:			
18,070	Crown	18,518	18,518	100
132	Other	103	109	94
18,202	Total revenue	18,621	18,627	100
	Expenses:			
7,623	Commercial fishing rules enforced	8,061	7,550	107
1,518	Customary fishing rules enforced	2,084	3,392	61
4,059	Recreational fishing rules enforced	4,060	3,395	120
294	New Zealand international fishing rules enforced	698	862	81
3,809	Black market and poaching activities deterred	3,558	3,428	104
17,303	Total expenses	18,461	18,627	99
899	Surplus	160	–	–

OUTPUT CLASS – PROSECUTION OF OFFENCES

Description

This output class covers the services that relate to the prosecution of offences against fisheries laws.

Objectives

Successfully prosecute those who have offended against fisheries laws.

Output 61 Prosecutions managed

Description

Fisheries-related prosecutions managed. This includes case preparation and presentation, and management of forfeit property.

Performance expectations

Dimension	Description	Target	Actual
Quality	% of cases that meet <i>prima facie</i> requirements	≥95%	98%
	% of successful prosecutions under the Fisheries Act 1996	≥90%	86%
	% of successful prosecutions under fisheries regulations	≥60%	90%
Cost	% variance actual vs. budget	≤5%	11%
Time	% of agreed milestones achieved	100%	0%

Linkage to contributing outcomes

This output links to the contributing outcome “Maintain the integrity of the existing fisheries management and marine biosecurity frameworks” through the prosecution of offenders, thereby creating a deterrent to offending.

Actual performance

Milestone	Quality & Time	Commentary
A national prosecution strategy developed by 1 July 2003 and in accordance with the standards in the Crown Law guidelines and Compliance business policies.	Quality: Not measured Time: Not achieved	A national prosecution strategy has been developed and was presented to Compliance managers at a planning session in November 2003.
Prosecutions undertaken in accordance with the Crown Law guidelines and Compliance business policies.	Quality: Not measured Time: Not measured	Crown Law Office prosecution guidelines and Compliance business policies have been complied with. The 2003/04 success rate for prosecutions under the Fisheries Act 1996 was 86%. Of the 28 unsuccessful prosecutions, 19 were a result of section 233 [<i>Knowingly engaging in commercial activity, or receiving or possessing fish, in contravention of Act</i>] charges failing to apply to poaching/black market activities. When those matters are excluded, the success rate for Act prosecutions is 94%. The section 233 legal loophole has been addressed.

FINANCIAL PERFORMANCE

2003 Actual		2004 Actual	2004 Supp Estimates	2004 Actual as a % of Supp Estimates
\$000		\$000	\$000	
	Revenue:			
3,874	Crown	4,067	4,067	100
–	Other	1	5	20
3,874	Total revenue	4,068	4,072	100
	Expenses:			
3,356	Prosecutions managed	3,608	4,072	89
3,356	Total expenses	3,608	4,072	89
518	Surplus	460	–	–

VOTE BIOSECURITY – FISHERIES

OUTPUT CLASS – MARINE BIOSECURITY ADVICE

Description

This output class covers the services related to the management of risks to marine biosecurity, and focuses on outputs that contribute to the goal of protecting the marine environment.

Objectives

Provide policy advice on building a marine biosecurity system and contribute to achieving the Biodiversity Strategy. This will include:

- Measures to prevent organisms arriving, detect organisms if they do arrive, respond to those incursions and manage pest species
- Managing contracts for services delivered by other parties, including enforcement activities and scientific research
- Monitoring compliance with New Zealand biosecurity requirements
- Providing advice on regulatory measures for marine biosecurity.

Output 71 Biosecurity policy advice provided

Description

The development and maintenance of services to manage the risks to the marine environment posed by unwanted organisms, including:

- pre-border activities (including bilateral and multilateral arrangements)
- border systems (including import controls and border inspection).

Performance expectations

Dimension	Description	Target	Actual
Quality	% of agreed milestones achieved to specified quality standards	100%	Not measured
Cost	% variance actual vs. budget	≤5%	12%
Time	% of agreed milestones achieved	≥80%	33%

Linkage to contributing outcomes

This output links to the contributing outcome “Maintain the integrity of the existing fisheries management and marine biosecurity frameworks” by ensuring international arrangements and border measures are in place to minimise the opportunity for unwanted organisms to arrive in New Zealand; and that surveillance and incursion response systems are in place to minimise the opportunity for unwanted organisms to become established in New Zealand.

Actual performance

Milestone	Quality & Time	Commentary
<p>Provide by 30 June 2004 an active and constructive contribution to the development of an international convention on ballast water measure.</p> <p>Quality standard: Minister approves New Zealand's position on issues to be negotiated (prior to presentation to international fora).</p>	<p>Quality: Not measured</p> <p>Time: Achieved</p>	<p>International conference hosted by the International Maritime Organisation (IMO) in London on 9-13 February 2004 adopted the Convention for the Control and Management of Ships' Ballast Water and Sediments.</p> <p>The Ministerial briefing paper on New Zealand's position was approved on 20 January 2004.</p>
<p>Complete, by 30 June 2004, a thorough review of the Import Health Standard (IHS) for ballast water and its accompanying guide.</p> <p>Quality standard: Revised IHS approved as meeting relevant process and content standards.</p>	<p>Quality: Not applicable</p> <p>Time: Not applicable</p>	<p>The pending international convention on ballast water and sediment management has overtaken the need for a thorough review of the Import Health Standard for ballast water at this time.</p> <p>Existing controls on ballast water discharge will need to be consistent with the Convention, for New Zealand to ratify the Convention.</p>
<p>By 30 June 2004, develop and implement guidelines and standards for the treatment of fouling removed in cleaning, and voluntary approval measures for vessel cleaning operations.</p> <p>Quality standard: Manager International and Biosecurity approves guidelines, standards, and measures as meeting relevant process and content standards.</p>	<p>Quality: Not measured</p> <p>Time: Not achieved</p>	<p>The Auckland Regional Council's (ARC) guidelines on boat maintenance are nearing completion. The guidelines are expected to provide a basis for national guidelines on vessel cleaning to mitigate biosecurity risks in the marine environment.</p> <p>The Ministry has provided input into the biosecurity aspects of the guidelines, and contracted technical expertise to assist the ARC with the development of the guidelines.</p> <p>Following consultation with interested parties, a final version of the guidelines is being written by the ARC, with input from the Ministry.</p> <p>Once these guidelines are finalised, the Ministry will promote their use on a national basis.</p>
<p>By 30 June 2004, implement the public awareness strategy for marine biosecurity by completing the 2003/04 work plan of public awareness measures.</p> <p>Quality standard: Manager, International and Biosecurity approves measures as meeting relevant industry standards.</p>	<p>Quality: Not measured</p> <p>Time: Not achieved</p>	<p>Prioritisation of marine biosecurity activities planned for 2003/04 has resulted in the implementation of the public awareness strategy being deferred to the 2004/05 year.</p> <p>A significant amount (and proportion) of Ministry marine biosecurity personnel resources has been allocated to the Ministry response to the Biosecurity Strategy, including participation in projects to implement the Strategy.</p>
<p>By 30 June 2004, complete a plan to implement the National Biosecurity Strategy.</p> <p>Quality standard: Plan approved by Chief Executive as an effective and efficient means of giving effect to the Strategy.</p>	<p>Quality: Not measured</p> <p>Time: Not achieved</p>	<p>The Ministry of Agriculture and Forestry (MAF) has responsibility for planning and implementation of the Biosecurity Strategy.</p> <p>The Ministry's Chief Executive has participated in the Chief Executive's Forum established to provide advice to the Ministry of Agriculture and Forestry on the operation of the biosecurity system.</p> <p>Chief Executives made a decision in principle to transfer marine biosecurity functions from the Ministry to MAF (subject to confirmation by Ministers).</p> <p>A new initiative bid to significantly increase marine biosecurity capability was included in a package of new biosecurity funding provided in the 2004 Budget.</p> <p>A project was established to manage the transfer of marine biosecurity functions from the Ministry to MAF, and the implementation of new marine biosecurity capability.</p>

Description

The delivery of post-border systems (including surveillance and initial incursion response) to manage the risks to the marine environment posed by unwanted organisms; and the delivery of research to enhance the evidential basis for intervention and management services.

Performance expectations

Dimension	Description	Target	Actual
Quality	% of agreed milestones achieved to specified quality standards	100%	Not measured
Cost	% variance actual vs. budget	≤5%	31%
Time	% of agreed milestones achieved	100%	0%

Linkage to contributing outcomes

This output links to the contributing outcome “Maintain the integrity of the existing fisheries management and marine biosecurity frameworks” by improving the knowledge of potentially invasive species and of marine biodiversity areas most at risk from invasion, and by ensuring that surveillance and incursion response capabilities are in place to minimise the opportunity for unwanted organisms to become established in New Zealand.

Actual performance

Milestone	Quality & Time	Commentary
Medium term research plans produced by 30 September 2003 and in accordance with the required quality standards.	<p>Quality: Not measured</p> <p>Time: Not achieved</p>	Medium term research plan for marine biosecurity research completed by 25 November 2003.
Research proposals for 2004/05 produced by 27 February 2004 and in accordance with the quality standards.	<p>Quality: Not measured</p> <p>Time: Not achieved</p>	Three research proposals were completed within the required time-frame. A fourth proposal was completed by 10 March 2004. The lateness of completion of the fourth proposal has not detracted from the performance of this output.

FINANCIAL PERFORMANCE

2003 Actual		2004 Actual	2004 Supp Estimates	2004 Actual as a % of Supp Estimates
\$000		\$000	\$000	
	Revenue:			
2,804	Crown	2,442	3,395	72
–	Other	–	4	–
2,804	Total revenue	2,442	3,399	72
	Expenses:			
319	Biosecurity policy advice provided	227	257	88
–	Biosecurity post-border and research delivered	2,119	3,092	69
108	Biosecurity regulatory controls provided*			
63	Biosecurity rules enforced*			
2,313	Biosecurity research provided*			
–	Control of and response to marine pests#	20	50	40
2,803	Total expenses	2,366	3,399	70
1	Surplus	76	–	–

*These three outputs are now incorporated into one single output – Biosecurity post-border and research delivered.

#In the 2003/04 Supplementary Estimates, the Ministry received an amount of \$50,000 for the delivery of services associated with the responses to pest incursions, including the costs of a programme of eradication and control of undaria seaweed. A total of \$20,000 was spent on this programme.

STATEMENT OF ACCOUNTING POLICIES

Reporting Entity The Ministry of Fisheries is a Government Department as defined by section 2 of the Public Finance Act 1989.

These are the financial statements of the Ministry of Fisheries prepared pursuant to section 35 of the Public Finance Act 1989. In addition, the Ministry has reported activity undertaken on behalf of the Crown and trust monies which it administers.

Measurement Basis The general accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on an historical cost basis, modified by the revaluation of certain property, plant and equipment, have been followed.

SPECIFIC ACCOUNTING POLICIES

Budget Figures The Budget figures are those presented in the Budget Night Estimates (Main Estimates), and those amended by the Supplementary Estimates, and any transfers made by Order-in-Council under section 5 of the Public Finance Act 1989.

Revenue The Ministry derives revenue through the provision of outputs to the Crown and for services to third parties. Such revenue is recognised when earned and is reported in the financial period to which it relates.

Cost Allocation Costs directly attributable to an output are allocated directly to the output as follows:

Cost	Allocation basis
Depreciation and capital charge	Asset utilisation
Personnel	Weighted actual staff time
Property and other premises costs	Floor area and staff time

Those costs that cannot be allocated to an output in an economically feasible manner are assigned on the proportion of staff time spent on that output.

For the year ended 30 June 2004, direct costs accounted for 80% of the Ministry's total costs (2003: 80%).

Debtors and Receivables Receivables are recorded at estimated realisable value after providing for doubtful and uncollectable debts.

Leased Assets comprise operating and finance leases.

Payments made under operating leases are recognised in the Statement of Financial Performance on a systematic basis over the period of the lease.

Leases that transfer substantially all the risks and rewards incidental to ownership of an asset to the Ministry are classified as finance leases and are capitalised. All finance leases are required to be approved by the Minister of Finance.

Property, Plant and Equipment Land and buildings are stated at fair value, as established by an independent valuation for the Ministry of Fisheries, with subsequent additions at cost. For the purpose of these financial statements, land and buildings, although owned by the Crown, are deemed as being owned by the Ministry as principal occupier or user. Land, buildings and vessels are revalued on a cyclical basis. All assets within these classes are revalued at least every five years.

All other property, plant and equipment is stated at net book value (NBV) (i.e. cost less depreciation). Only property, plant and equipment with a cost in excess of \$5,000 is capitalised.

Depreciation Depreciation of property, plant and equipment, other than freehold land and work in progress, is provided on a straight-line basis so as to allocate the depreciable cost (or valuation) of assets over their estimated useful lives. The estimated economic useful lives are:

Buildings	10-100 years
Motor vehicles	up to 10 years
Vessels	4-25 years
Plant and equipment	up to 10 years
Leasehold improvements	up to 10 years

The cost of leasehold improvements is capitalised and depreciated over the unexpired period of the lease, or the estimated remaining useful life of the improvement, whichever is shorter.

Items under construction are not depreciated. The total cost of a capital project is transferred to the appropriate asset class on its completion and then depreciated.

Inventories Inventories acquired for use in the provision of goods and services are expensed, except for bulk stocks, which are capitalised and expensed when used. Inventories are valued at cost less provision for obsolescence where applicable.

Employee Entitlements Provision is made in respect of the Ministry's liability for annual leave, long service leave and retirement leave. Annual leave has been calculated on an actual entitlement basis at current rates of pay. Employee entitlements to long service leave and retirement leave are recognised for all employees on the basis of an annual actuarial valuation, based on the present value of expected future entitlements.

Foreign Currency Foreign currency transactions are converted into New Zealand dollars at the exchange rate prevailing at the date of the transaction.

Statement of Cash Flows Cash means cash balances on hand and held in bank accounts.

Operating activities include cash received from all income sources of the Ministry, and record the cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise capital injections by, or repayment of capital to, the Crown.

Financial Instruments The Ministry is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, debtors and creditors. All financial instruments are recognised in the Statement of Financial Position, and all revenues and expenses in relation to financial instruments are recognised in the Statement of Financial Performance.

Goods and Services Tax (GST) All financial information in this document is expressed exclusive of GST, except for:

1. Debtors and Receivables, and Creditors and Payables, which are expressed inclusive of GST in the Statement of Financial Position.
2. The Statement of Expenditure Appropriations and Statement of Unappropriated Expenditure, in which the GST on revenue earned is included where applicable.

The amount of GST payable to or due from the Department of Inland Revenue at balance date is included in Creditors and Payables, or Debtors and Receivables, as appropriate.

Taxation Government Departments are exempt from the payment of income tax in terms of the Income Tax Act 1994.

Commitments Future expenses and liabilities to be incurred on non-cancellable operating leases, fisheries and biodiversity research contracts and registry services contracts entered into at balance date are disclosed as commitments to the extent they are equally unperformed obligations.

Contingent Liabilities Contingent liabilities are disclosed at the point at which the contingency is evident.

Taxpayers' Funds This is the Crown's net investment in the Ministry.

Changes in Accounting Policies The accounting policies of the Ministry have not been changed since the last audited financial statements. All policies have been applied on a basis consistent with previous years.

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE

2003 Actual		Notes	2004 Actual	2004 Main Estimates	2004 Supp Estimates
\$000			\$000	\$000	\$000
	Revenue				
70,424	Crown	1	69,019	74,021	77,440
2,508	Other	2, 3	2,265	2,274	2,722
72,932	Total revenue		71,284	76,295	80,162
	Expenditure				
25,354	Personnel costs	4	28,135	26,536	28,726
42,225	Operating costs	5	37,329	46,249	47,870
2,433	Depreciation	6	2,350	2,804	2,804
650	Capital charge	7	711	706	762
70,662	Total expenditure	19	68,525	76,295	80,162
2,270	Net Surplus		2,759	–	–

STATEMENT OF MOVEMENTS IN TAXPAYERS' FUNDS

FOR THE YEAR ENDED 30 JUNE

2003 Actual		2004 Actual	2004 Main Estimates	2004 Supp Estimates
\$000		\$000	\$000	\$000
7,650	Taxpayers' funds at start of period	8,364	8,618	8,364
2,270	Net surplus	2,759	–	–
446	Increase in revaluation reserves	–	–	–
2,716	Total recognised revenues and expenses for the period	2,759	–	–
(2,270)	Provision for repayment of surplus to the Crown	(2,759)	–	–
268	Capital contribution	100	100	100
8,364	Taxpayers' funds at end of period	8,464	8,718	8,464

These financial statements should be read in conjunction with the statement of accounting policies on pages 62 to 63 and the notes to the financial statements on pages 71 to 76.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE

2003 Actual		Notes	2004 Actual	2004 Main Estimates	2004 Supp Estimates
\$000			\$000	\$000	\$000
	Taxpayers' funds				
7,466	General funds	8a	7,566	7,566	7,565
898	Revaluation reserves	8b	898	1,152	899
8,364	Total taxpayers' funds		8,464	8,718	8,464
	<i>Represented by:</i>				
	Current assets				
2,763	Cash		2,139	3,153	1,735
305	Prepayments		194	96	300
12	Inventory		14	46	46
17,633	Debtors and receivables	9	14,762	10,956	16,745
20,713	Total current assets		17,109	14,251	18,826
9,108	Property, plant and equipment	10	8,457	10,253	8,968
29,821	Total assets		25,566	24,504	27,794
	Current liabilities				
15,574	Creditors and payables	11	10,135	11,556	15,012
2,270	Provision for repayment of surplus to the Crown	12	2,759	–	–
1,687	Provision for employee entitlements	13	1,892	2,500	2,000
–	Unearned revenue		134	286	–
–	Current finance lease liability	14	14	–	15
–	Other provisions		–	44	–
19,531	Total current liabilities		14,934	14,386	17,027
	Term liabilities				
1,926	Provision for employee entitlements	13	2,165	1,400	2,300
–	Non current finance lease liability	14	3	–	3
21,457	Total liabilities		17,102	15,786	19,330
8,364	Net assets		8,464	8,718	8,464

These financial statements should be read in conjunction with the statement of accounting policies on pages 62 to 63 and the notes to the financial statements on pages 71 to 76.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE

2003 Actual \$000		2004 Actual \$000	2004 Main Estimates \$000	2004 Supp Estimates \$000
	Cash flows from operating activities			
	<i>Cash provided from:</i>			
	Supply of outputs:			
70,197	– Crown	72,172	74,521	78,609
1,913	– Other parties	2,089	2,274	2,441
72,110		74,261	76,795	81,050
	<i>Cash expended on:</i>			
	Cost of producing outputs:			
(63,355)	– Output expenses	(70,334)	(72,785)	(76,482)
(650)	– Capital charge	(711)	(706)	(762)
(64,005)		(71,045)	(73,491)	(77,244)
8,105	Net cash inflow/(outflow) from operating activities	3,216	3,304	3,806
	Cash flows from investing activities			
	<i>Cash provided from:</i>			
459	– Sale of property, plant and equipment	193	236	236
	<i>Cash expended on:</i>			
(2,095)	– Purchase of physical assets	(1,863)	(2,900)	(2,900)
(1,636)	Net cash inflow/(outflow) from investing activities	(1,670)	(2,664)	(2,664)
	Cash flows from financing activities			
	<i>Cash provided from:</i>			
268	– Capital contribution from the Crown	100	100	100
	<i>Cash disbursed for:</i>			
(5,857)	– Payment of surplus to the Crown	(2,270)	(120)	(2,270)
(5,589)	Net cash inflow/(outflow) from financing activities	(2,170)	(20)	(2,170)
880	Net increase/(decrease) in cash balance	(624)	620	(1,028)
1,883	Add opening cash balance	2,763	2,533	2,763
2,763	Closing cash balance	2,139	3,153	1,735

These financial statements should be read in conjunction with the statement of accounting policies on pages 62 to 63 and the notes to the financial statements on pages 71 to 76.

RECONCILIATION OF NET SURPLUS TO NET CASH FLOWS FROM OPERATING ACTIVITIES

FOR THE YEAR ENDED 30 JUNE

2003 Actual		2004 Actual	2004 Main Estimates	2004 Supp Estimates
\$000		\$000	\$000	\$000
2,270	Net surplus	2,759	—	—
	Add non-cash items:			
2,433	Depreciation	2,350	2,804	2,804
28	Other non-cash movements	—	—	—
2,461	Total non-cash items	2,350	2,804	2,804
	Movements in working capital items:			
(292)	(Increase)/decrease in debtors and receivables	2,871	500	888
33	(Increase)/decrease in prepayments	111	—	5
4,422	Increase/(decrease) in creditors and payables	(5,422)	—	(544)
(313)	Increase/(decrease) in employee entitlements	444	—	687
3	(Increase)/decrease in inventories	(2)	—	(34)
(394)	Increase/(decrease) in unearned revenue	134	—	—
3,459	Net increase/(decrease) in working capital movements	(1,864)	500	1,002
	Add/(less) investing activity items:			
(85)	Net (gain) on sale of property, plant and equipment	(29)	—	—
(85)	Total investing activity items	(29)	—	—
8,105	Net cash inflow/(outflow) from operating activities	3,216	3,304	3,806

These financial statements should be read in conjunction with the statement of accounting policies on pages 62 to 63 and the notes to the financial statements on pages 71 to 76.

STATEMENT OF COMMITMENTS

AS AT 30 JUNE

The Ministry operates from premises which are leased on short and long term bases. The annual lease payments are subject to periodic review. The amounts disclosed below as future commitments are based on current agreements and rental rates.

There are also fisheries and biodiversity research projects and registry services contracts that have been entered into in 2003/04 for which the service will be performed after 30 June 2004.

2003 Actual \$000		2004 Actual \$000
	Operating commitments	
13,640	– Less than one year	18,353
7,713	– One to two years	7,570
8,535	– Two to five years	3,401
2,224	– More than five years	1,605
32,112	Total operating commitments	30,929
–	Capital commitments	–
32,112	Total commitments	30,929

STATEMENT OF CONTINGENT LIABILITIES

AS AT 30 JUNE

This statement discloses situations that exist at 30 June, the ultimate outcome of which is uncertain and will be confirmed only on the occurrence of one or more future events after 30 June.

2003 Actual \$000		2004 Actual \$000
	Department	
302	Legal proceedings	25
–	Personal grievances	30
302	Total Department	55
	Non-department	
1,158	Settlement of proceedings	2,000
1,158	Total Non-department	2,000
1,460	Total contingent liabilities	2,055

Settlement of Proceedings

On 2 December 2003, the Primary Production Committee (PPC) released the report on its Inquiry into the administration and management of the scampi fishery.

One of its recommendations was that six parties identified by the PPC should each receive a minimum *ex gratia* payment from the Ministry of Fisheries in recognition of the justified grievance they each had with the previous Ministry of Agriculture and Fisheries.

In June 2004, a negotiated settlement was reached with one of the six parties named in the PPC report. Cabinet approved an appropriation for this negotiated settlement on 26 July 2004.

Negotiations are continuing with the remaining five named parties.

These financial statements should be read in conjunction with the statement of accounting policies on pages 62 to 63 and the notes to the financial statements on pages 71 to 76.

STATEMENT OF EXPENDITURE APPROPRIATIONS

FOR THE YEAR ENDED 30 JUNE

2003 Actual \$000		2004 Actual \$000	2004 Appropriation* \$000
	Vote Fisheries		
	Appropriations for classes of outputs		
8,010	Policy framework	5,138	6,267
28,298	Fisheries information and monitoring	25,484	33,789
8,252	Regulatory management	10,068	10,937
8,636	Fisheries access and administration	9,166	9,830
19,578	Enforcement of fisheries policies	20,789	20,955
3,840	Prosecution of offences	4,117	4,581
76,614	Total departmental output class appropriations	74,762	86,359
	Appropriations for other expenses incurred by the Crown		
1,613	Compensation for quota reductions	199	230
228	Settlement of litigation	1,058	1,058
144	Quota transfer	920	1,622
135	Crown-owned quota levy	125	233
–	Subscriptions to international organisations	140	160
–	Quota share/ACE administration costs	4	14
2,120	Total appropriations for other expenses incurred by the Crown	2,446	3,317
	Appropriations for capital contribution		
268	Purchase of capital assets	100	100
268	Total capital appropriations	100	100
	Vote Biosecurity – Fisheries		
	Appropriations for classes of outputs		
3,154	Marine biosecurity advice	2,671	3,824
3,154	Total departmental appropriations	2,671	3,824

* Includes adjustments made in Supplementary Estimates and transfers under section 5 of the Public Finance Act 1989.

STATEMENT OF UNAPPROPRIATED EXPENDITURE

FOR THE YEAR ENDED 30 JUNE

The Ministry has not incurred any unappropriated expenditure during the 2003/04 financial year (2003: Nil).

STATEMENT OF TRUST MONIES

FOR THE YEAR ENDED 30 JUNE

	Declared Overfishing Account ¹ \$000	Forfeit Property Account ² \$000	Foreign Exchange Account ³ \$000	Total \$000
Balance at start of period 2003	6,321	1,835	–	8,156
<i>Plus:</i>				
– Contribution	5,918	1,783	1,584	9,285
– Revenue	202	79	–	281
<i>Less:</i>				
– Distribution	(6,293)	(2,949)	–	(9,242)
– Provision for refund to the Crown	(3,795)	–	–	(3,795)
– Expenses	–	(26)	–	(26)
Balance at end of period 2004	2,353	722	1,584	4,659

- (1) Funds held in relation to the deemed value of fish taken in excess of quota under the quota management system.
- (2) Proceeds received from the sale of forfeited property which is disposed of in accordance with Ministerial/Court direction.
- (3) Foreign currency monies received and held in trust until the completion of legal proceedings (at 30 June held US \$1,000,000).

These financial statements should be read in conjunction with the statement of accounting policies on pages 62 to 63 and the notes to the financial statements on pages 71 to 76.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE

1 REVENUE CROWN

2003 Actual		2004 Actual	2004 Main Estimates	2004 Supp Estimates
\$000		\$000	\$000	\$000
	Vote Fisheries			
7,139	Policy framework	5,161	4,355	5,564
23,975	Fisheries information and monitoring	21,597	28,572	28,556
7,460	Regulatory management	9,604	8,465	9,710
7,102	Fisheries access and administration	7,630	7,319	7,630
18,070	Enforcement of fisheries policies	18,518	18,808	18,518
3,874	Prosecution of offences	4,067	3,553	4,067
	Vote Biosecurity – Fisheries			
2,804	Marine biosecurity advice	2,442	2,949	3,395
70,424	Total revenue Crown	69,019	74,021	77,440

2 REVENUE OTHER

1,543	Transshipment and observer charges	1,280	548	1,265
566	Marine farming, licence fees, transfer and lease fees	515	1,394	893
274	Boat registration and permit fees	166	322	200
85	Gain on sale of property, plant and equipment (Note 3)	29	–	–
40	Miscellaneous	275	10	364
2,508	Total revenue other	2,265	2,274	2,722

3 GAIN ON SALE OF PROPERTY, PLANT AND EQUIPMENT

85	Motor vehicles	29	–	–
85	Net gain on sale of property, plant and equipment	29	–	–

4 PERSONNEL COSTS

21,461	Salaries and wages	23,659	23,882	25,868
3,893	Other	4,476	2,654	2,858
25,354	Total personnel costs	28,135	26,536	28,726

5 OPERATING COSTS

2003 Actual		2004 Actual	2004 Main Estimates	2004 Supp Estimates
\$000		\$000	\$000	\$000
2,359	Asset operating costs	2,479	2,465	2,555
1	Bad debts written-off	13	—	—
1,505	Communications	1,610	1,375	1,411
935	Computer consumables	787	534	728
25,408	Contract for services	21,528	29,163	30,428
117	Fees for audit of the financial statements	130	117	130
151	Fees to auditors for other services	4	4	4
3,230	Legal	1,695	846	1,451
1,507	Operating lease rentals	1,882	1,664	1,918
1,308	Printed materials	1,330	981	1,218
2,072	Travel	2,106	1,966	2,392
3,632	Other operating costs	3,765	7,134	5,635
42,225	Total operating costs	37,329	46,249	47,870

6 DEPRECIATION EXPENSE

29	Buildings	47	20	50
206	Leasehold improvements	348	180	300
1,697	Plant and equipment	1,433	2,182	1,944
133	Vessels	111	136	120
368	Motor vehicles	411	286	390
2,433	Total depreciation expense	2,350	2,804	2,804

7 CAPITAL CHARGE

The Ministry paid a capital charge to the Crown on its net taxpayers' funds as at 30 June and 31 December.

The capital charge rate for the year ended 30 June 2004 was 8.5% (2003: 8.5%).

8 TAXPAYERS' FUNDS

2003 Actual		2004 Actual	2004 Main Estimates	2004 Supp Estimates
\$000		\$000	\$000	\$000
	Taxpayers' funds comprises two components:			
	<i>a) General funds</i>			
7,198	General funds at start of period	7,466	7,466	7,466
2,270	Net surplus	2,759	—	—
268	Capital contribution	100	100	100
(2,270)	Provision for repayment of surplus to the Crown	(2,759)	—	—
—	Transfer from revaluation reserve	—	—	(1)
7,466	General funds at end of period	7,566	7,566	7,565

b) Revaluation reserves

2003 Actual					2004 Actual			
Land \$000	Buildings \$000	Vessels \$000	Total \$000		Land \$000	Buildings \$000	Vessels \$000	Total \$000
–	395	57	452	Balance at start of period	96	476	326	898
96	81	269	446	Movements	–	–	–	–
96	476	326	898	Balance at end of period	96	476	326	898

9 DEBTORS AND RECEIVABLES

2003 Actual \$000		2004 Actual \$000
512	Debtors	436
(107)	Less: Provision for doubtful debts	(93)
405	Net debtors	343
143	Receivables	487
17,085	Debtor: Crown funding	13,932
17,633	Total debtors and receivables	14,762

10 PROPERTY, PLANT & EQUIPMENT

147	Land – at valuation	147
	Buildings	
1,138	At valuation	1,142
(27)	Accumulated depreciation	(74)
1,111	Net book value	1,068
	Leasehold improvements	
2,274	At cost	2,713
(1,441)	Accumulated depreciation	(1,789)
833	Net book value	924
	Plant and equipment	
16,838	At cost	17,052
(13,177)	Accumulated depreciation	(14,256)
3,661	Net book value	2,796
644	Capital work in progress – at cost	933
	Vessels	
1,014	At valuation	904
(44)	Accumulated depreciation	(146)
970	Net book value	758
	Motor vehicles	
2,329	At cost	2,600
(587)	Accumulated depreciation	(769)
1,742	Net book value	1,831
	Total property, plant and equipment	
24,384	At cost/valuation	25,491
(15,276)	Accumulated depreciation	(17,034)
9,108	Total net book value	8,457

Valuation information Land and buildings were revalued in January 2003 at fair value as established by Mr William Bunt of CB Ellis Limited, an independent registered valuer. Vessels were revalued in April 2003 by a marine consultant. Subsequent additions have been recorded at cost less depreciation.

11 CREDITORS AND PAYABLES

2003 Actual \$000		2004 Actual \$000
891	Creditors	535
14,683	Accrued expenses	9,600
15,574	Total creditors and payables	10,135

12 PROVISION FOR REPAYMENT OF SURPLUS TO THE CROWN

2,270	Net surplus	2,759
2,270	Total provision for repayment of surplus	2,759

13 EMPLOYEE ENTITLEMENTS

	Annual Leave \$000	Other Personnel Costs \$000	Total \$000
Current liabilities			
Balance at start of period 2003	1,316	371	1,687
Expenditure during the period	(1,578)	(371)	(1,949)
Increase in provision	1,730	424	2,154
Balance at end of period 2004	1,468	424	1,892
	Retirement Leave \$000	Long Service Leave \$000	Total \$000
Term Liabilities			
Balance at start of period 2003	1,555	371	1,926
Expenditure during the period	(38)	(34)	(72)
Increase in provision	233	78	311
Balance at end of period 2004	1,750	415	2,165

Retirement Leave Employees are entitled to retirement leave or approved early retirement, providing they have completed ten or more years of service and the retirement is the permanent cessation of regular paid employment with the Ministry.

Long Service Leave Employees who have completed ten years' continuous government service may be granted ten working days' long service leave. A further ten working days are available after completion of twenty years' continuous service. Long service leave must be taken within five years of qualification.

Employee entitlements to long service leave and retirement leave are valued on an actuarial basis. Mr Bernie Higgins of Aon Consulting New Zealand Limited, an independent consulting actuary, undertook this valuation at 30 June 2004.

14 FINANCE LEASE LIABILITY

Finance lease obligations payable after balance date are as follows:

2003 Actual \$000		2004 Actual \$000
	Total minimum lease payments due:	
–	Not later than one year	15
–	Later than one year, not later than two years	3
–	Later than two years, not later than five years	–
–	More than five years	–
–	Total finance lease obligations	18
	<i>Less:</i>	
–	Future lease finance charges	(1)
–	Net finance lease liability	17
	Net finance lease liabilities are classified as follows:	
–	Current finance lease liability	14
–	Non-current finance lease liability	3
–	Net finance lease obligations	17

The Ministry incurs an average finance rate of 12.75% on its finance leases.

All finance leases have been approved by the Minister of Finance.

15 FINANCIAL INSTRUMENTS

The Ministry is party to financial instrument arrangements as part of its everyday operations. These include instruments such as bank balances, accounts receivable and creditors.

Credit Risk

Credit risk is the risk a third party will default on its obligations to the Ministry, causing the Ministry to incur a loss. In the normal course of its business, the Ministry incurs credit risk from debtors and transactions with financial institutions.

The Ministry does not require any collateral or security to support financial instruments with financial institutions the Ministry deals with, as these entities have high credit ratings. For its other financial instruments, the Ministry does not have significant concentrations of credit risk.

MAXIMUM CREDIT RISK AT 30 JUNE

2003 Actual \$000		2004 Actual \$000
2,763	Cash	2,139
17,633	Debtors and receivables	14,762
20,396	Maximum credit risk	16,901

Fair Value

The fair value of all financial instruments is equivalent to the carrying amount disclosed in the Statement of Financial Position.

Currency Risk and Interest Rate Risk

Currency risk is the risk the amounts recorded as debtors and creditors may fluctuate as a result of changes in foreign exchange rates.

Interest rate risk is the risk the value of a financial instrument will fluctuate due to changes in market interest rates.

The Ministry has no significant exposure to either currency risk or interest rate risk.

16 CONTINGENCIES

The Ministry does not have any contingent assets as at 30 June 2004 (2003: Nil).

Contingent liabilities are separately disclosed in the Statement of Contingent Liabilities.

17 RELATED PARTY INFORMATION

The Ministry is a wholly owned entity of the Crown and enters into transactions with other government departments, Crown agencies and state-owned enterprises. These transactions are not considered to be related party transactions.

18 SEGMENT INFORMATION

The Ministry undertakes fisheries management activities throughout New Zealand.

19 MAJOR BUDGET VARIATIONS

Statement of Financial Performance

The variations from the initial 2003/04 Budget Night (Main) Estimates to Supplementary Estimates were due to:

	\$000
A funding transfer from 2002/03 to 2003/04 for:	
– completion of 2002/03 fisheries marine biodiversity research commitments	3,473
– completion of 2002/03 biosecurity research commitments	400
– prosecutions managed	250
An increase in observer coverage	900
An increase in legal expenses	616
An increase in prosecution costs	300
The estimated cost of the Deep Sea Conference	224
The costs of systems developments	200
The cost of the State Sector Retirement Savings Scheme	72
Increased funding for biodiversity research	50
The costs of the biosecurity programme for eradication and control of undaria seaweed	50
The cost of tendering Crown quota	30
Costs of a fisher training exchange	12
A transfer from 2003/04 to 2005/06 to fund the observer coverage for monitoring incidental catch of seabirds in commercial fishing operations	(2,211)
A reduction in the contract price for services delivered by external providers	(239)
The reclassification of funding for payment of subscriptions to international organisations to a non-departmental other expense	(160)
A transfer to 2004/05 to fund the new management regime for aquaculture	(100)
Total	3,867

**REPORT ON VOTE FISHERIES NON-DEPARTMENTAL FUNDS
MANAGED BY THE MINISTRY OF FISHERIES**

These public funds include revenues received from the commercial fishing industry through cost recovery levies which recover the costs of fisheries-related conservation services and fisheries services:

- (a) provided to manage the harvesting or farming of fisheries resources; or
- (b) provided to avoid, remedy, or mitigate a risk to, or an adverse effect on, the aquatic environment or the biological diversity of the aquatic environment.

The cost of fisheries services provided by the Ministry of Fisheries during the period 1 July 2003 to 30 June 2004 is being recovered from the commercial fishing sector over the period 1 April 2004 to 30 September 2004.

The cost of fisheries services provided by the Ministry of Fisheries is accounted for through the departmental financial statements included earlier in this report. Expenditure on conservation services is reported separately by the Department of Conservation.

STATEMENT OF NON-DEPARTMENTAL ACCOUNTING POLICIES

Measurement Base

Measurement and recognition rules applied in the preparation of these non-departmental financial schedules are consistent with generally accepted accounting practice and Crown accounting policies.

The Ministry's non-departmental revenue, expenditure, assets and liabilities are consolidated into the Crown Financial Statements. For a full understanding of the Government's consolidated financial position, and the results of its operations for the period, reference should be made to the consolidated audited financial statements of the Government for the year ended 30 June 2004.

SCHEDULE OF REVENUE AND EXPENDITURE

FOR THE YEAR ENDED 30 JUNE

2003 Actual		Notes	2004 Actual	2004 Main Estimates	2004 Supp Estimates
\$000			\$000	\$000	\$000
	Revenue				
34,095	Cost recovery levies	1	24,052	34,246	25,240
24,260	Deemed value charges	2	3,542	5,500	4,400
4,219	Other	3	3,681	1,488	2,388
62,574	Total revenue	4a	31,275	41,234	32,028
	Expenditure				
2,920	Operating	5	2,946	2,930	3,817
2,920	Total expenditure	4b	2,946	2,930	3,817

SCHEDULE OF ASSETS AND LIABILITIES

AS AT 30 JUNE

2003 Actual		Notes	2004 Actual	2004 Main Estimates	2004 Supp Estimates
\$000			\$000	\$000	\$000
	Current assets				
1,990	Cash and bank balances	6	3,093	988	1,990
20,497	Accounts receivable	7	9,015	6,591	4,962
–	Prepayments		59	–	60
22,487	Total current assets		12,167	7,579	7,012
	Non-current assets				
3,396	Intangible assets	8	3,865	5,475	4,866
3,396	Total non-current assets		3,865	5,475	4,866
25,883	Total assets		16,032	13,054	11,878
	Current liabilities				
1,503	Accounts payable	9	5,935	1,804	1,503
30,938	Over and under recovered costs	10	11,184	31,938	17,743
32,441	Total current liabilities		17,119	33,742	19,246
32,441	Total liabilities		17,119	33,742	19,246

These schedules should be read in conjunction with the notes on pages 79 to 81

NOTES TO THE NON-DEPARTMENTAL SCHEDULES

FOR THE YEAR ENDED 30 JUNE

1 COST RECOVERY LEVIES

2003 Actual		2004 Actual	2004 Main Estimates	2004 Supp Estimates
\$000		\$000	\$000	\$000
31,325	Cost recovery levies – Fisheries services	21,867	33,024	22,932
2,651	Cost recovery levies – Conservation services	2,060	1,053	2,108
119	Cost recovery levies – Crown-owned quota	125	169	200
34,095	Total cost recovery levies	24,052	34,246	25,240

The cost of fisheries services, recovered from the fishing industry by way of levies, reduced significantly in the 2003/04 financial year. This decrease was attributable, in the main, to a reduction in the cost of the fisheries research programme, including withdrawn research projects, and research projects carried forward to the 2004/05 financial year. In addition, there were adjustments made to minimise under and over recovery at a project level.

2 DEEMED VALUE CHARGES

Under the Fisheries Act 1996, the Ministry of Fisheries now has remedies available to assist with the collection of deemed value charges. As a result, an additional \$17 million of revenue was recognised in 2002/03 in relation to previous years.

3 OTHER REVENUE

2003 Actual		2004 Actual	2004 Main Estimates	2004 Supp Estimates
\$000		\$000	\$000	\$000
1,726	Interest	1,284	–	350
1,335	Forfeitures and redemptions	1,058	500	1,100
388	Infringement notices	332	638	388
327	Profit on sale of quota	76	–	50
443	Other	931	350	500
4,219	Total other revenue	3,681	1,488	2,388

4 MAJOR BUDGET VARIATIONS

The variations from the initial 2003/04 Budget Night (Main) Estimates to Supplementary Estimates were due to:

(a) Revenue:

	\$000
A reduction in cost recovery levies arising primarily from lower fisheries research costs	(9,006)
A decrease in deemed value revenue to be paid by quota holders who have overfished based on current activity	(1,100)
A reduction in the number of infringement notices issued	(250)
An increase in revenue from forfeit property based on prosecution activity	600
Other	550
Total	(9,206)

(b) Non-departmental expenditure:

	\$000
The transfer of Crown-owned quota to external parties	1,622
The recognition of settlement costs	1,058
Subscriptions to international organisations now accounted for as a non-departmental expense	160
An increase in cost recovery levies on Crown-owned quota	43
Costs relating to the sale of Crown quota shares and ACE	14
<i>Offset in part by:</i>	
Changes in timing for compensation payable to commercial fishers for reductions in quota	(1,710)
Providing for a lower level of bad/doubtful debts	(300)
Total	(887)

5 OPERATING EXPENDITURE

2003 Actual		2004 Actual	2004 Main Estimates	2004 Supp Estimates
\$000		\$000	\$000	\$000
228	Settlement of litigation	1,058	–	1,058
144	Quota transfers	920	–	1,622
136	Bad debt write-offs	480	–	480
1,613	Compensation for reductions in quota	199	1,940	230
–	Subscriptions to international organisations	140	–	160
135	Cost recovery levies on Crown-owned quota	125	190	233
664	Increase in provision for bad/doubtful debts	20	800	20
–	Quota share/ACE administration costs	4	–	14
2,920	Total operating expenditure	2,946	2,930	3,817

6 CASH AND BANK BALANCES

This comprises balances of the Crown bank accounts managed by the Ministry of Fisheries on the Crown's behalf pursuant to section 4 of the Public Finance Act 1989.

These balances represent funds drawn down from the New Zealand Debt Management Office at the Treasury for payments to be made on behalf of the Crown but not yet paid, proceeds from asset sales, revenue receipts not yet transferred to the Crown and GST payable to the Department of Inland Revenue on revenue invoiced on behalf of the Crown.

2003 Actual		2004 Actual	2004 Main Estimates	2004 Supp Estimates
\$000		\$000	\$000	\$000
1,494	Funding for payments on behalf of the Crown	2,623	988	1,990
362	Infringement receipts	240	–	–
134	Receipts on behalf of the Crown	230	–	–
1,990	Total cash and bank balances	3,093	988	1,990

7 ACCOUNTS RECEIVABLE

23,021	Debtors and receivables	10,959	9,971	7,006
	Less:			
(2,524)	Provision for doubtful debts	(1,944)	(3,380)	(2,044)
20,497	Total receivables	9,015	6,591	4,962

8 INTANGIBLE ASSETS

3,154	Crown-owned quota	3,454	5,096	4,487
242	Crown-owned ACE	411	379	379
3,396	Total intangible assets	3,865	5,475	4,866

Crown-owned quota and ACE are valued every six months at market valuation, as established by Commercial Fisheries Services Ltd, under contract.

9 ACCOUNTS PAYABLE

3	Creditors	2	–	7
20	Accrued expenses	982	362	16
1,480	GST payable on receipts on behalf of the Crown	4,951	1,442	1,480
1,503	Total payables and provisions	5,935	1,804	1,503

10 OVER AND UNDER RECOVERED COSTS

30,938	Net over recovery of costs	11,184	31,938	17,743
30,938	Total net over recovered costs	11,184	31,938	17,743

Section 265 of the Fisheries Act 1996 creates a mandatory obligation on the Minister of Fisheries to have regard to under and over recovery of costs of any conservation service or fisheries service in a previous financial year when recommending a cost recovery levy order for a current/future year.

This provision reflects the balance of the net over and under recovery of cost recovery levies for the period 1 October 1994 to 30 June 2004 to be applied against future cost recovery levy orders.

STATEMENT OF RESOURCES

FOR THE YEAR ENDED 30 JUNE 2004

Human Resources		Number
Full-time equivalents		
Female		121
Male		241
		362
Honorary Fishery Officers		143
<i>These officers operate in an educational role and provide active surveillance of recreational fishing activities to ensure recreational fishers comply with fisheries legislation.</i>		
Wage workers and seasonal staff are also employed		
Land and buildings owned	Area (m ²)	Number
Commercial		
– Offices	1,434	3
– Storage	533	3
– Land	7,384	4
Residential		
– House on separately saleable residential section	140	1
Land and buildings leased	Area (m ²)	Number
Commercial		
– Office	9,391	18
– Storage	4,263	6
– Land	2,835	1
Motor vehicles owned		Number
Sedan/hatch/station wagon		44
Utilities/vans		11
4 wheel drive		33
		88
Vessels		Number
Patrol vessels used to protect, manage and enhance New Zealand's fisheries resource		24



A rāhui protecting the green-lipped mussel beds at Mount Maunganui was extended during the year.

INFORMATION RESOURCES

Research The Ministry owns a set of approximately 30 fisheries research databases. They are derived primarily from the information collected as a result of fisheries research projects and used essentially for stock assessment, environmental performance management, and policy evaluation.

Examples are:

- A database of fish caught during trawl surveys by research vessels.
- A database of fish abundance detected by sonar during studies by research vessels.
- Several databases of subsets of catch effort and observer trawl catch effort data that have been further groomed to improve their accuracy for stock assessment purposes.

Specimen collections Fisheries research specimen collections. An example is a collection of otoliths (fish ear bones) used for determining the age of fish.

Catch effort This database is derived from information supplied by commercial fishers relating to what species they caught, when and where it was caught, and the catching method used. The database has a time series that extends back to 1990. The information is used to assist in decisions related to stock assessment, and for environmental performance management, policy evaluation, the detection of offences and monitoring overall integrity of the fisheries management regime. The Ministry has contracted Commercial Fisheries Services Ltd (FishServe) to maintain the database under standards and specifications set by the Ministry.

Observer trawl catch effort This database uses information supplied by Ministry observers stationed aboard commercial trawlers. The data supplements the catch information supplied by commercial fishers, and is used for the same purposes as noted above. The Ministry maintains this database.

Geo-spatial data management system/National aquatic biodiversity information system (GDM/NABIS) The Ministry operates a Geo-spatial data management system. This is a tool that stores and displays maps detailing the locations of events relating to the management of fisheries. Examples include the boundaries of Fishery Management Areas, the locations of Licensed Fish Receivers (LFRs) and the locations of albatross breeding colonies. In mid/late 2004, an internet-based version of this tool (NABIS) will be made available to the public.

Quota management system Fisheries management system comprising client information: including LFR, quota and ACE holdings and transfers, caveats and mortgages, statutory reporting (excluding catch effort), balancing catch against ACE, vessel registration and permitting. FishServe owns these systems, with data transferred daily to the Ministry.

Compliance and enforcement information Compliance information systems include the:

- Vessel monitoring system – logs the GPS location of all vessels carrying an Automatic Location Communicator (ALC), which is then stored for future reference and analysis.
- Fisheries intelligence network – stores secure intelligence information about entities and associations between entities of interest to Ministry of Fisheries compliance activities.
- Compliance activity monitoring system – stores the details of inspection and monitoring activities undertaken by the Compliance business, reports on non-compliance issues, compliance rates and trends.
- Offences system – this comprises various modules related to the detection of offences against fisheries legislation and the processes following from that detection.
- DECIDENDII – records Court judgements for use in sentencing submissions.
- Observer trip register – records historical and planned trips for Ministry of Fisheries observers.
- HFO management system – records Honorary Fishery Officer personnel management information, manages inventory and training scheduling and follow-ups, records critical incidents and health and safety information, monthly report monitoring and compliance rates for HFO compliance activity.

Reference data Shared in common between many systems, including information about species, fish stocks, areas, locations, clients, vessels, conversion factors and many other small data sets.

Documents Fisheries management policy and decision-making documents comprising word-processing documents, spreadsheets, presentations and email.

Operational documents, including applications and submitted forms.

Accounting Financial information systems comprising general ledger, accounts payable and accounts receivable, bank reconciliations, property, plant and equipment, report writing modules and time management systems.

Human resources Human resources information database, payroll systems and report writer modules.

GLOSSARY OF TERMS

ACE: Annual Catch Entitlement. It confers upon the commercial fisher an entitlement to harvest a quantity of fish, aquatic life, seaweed or other stock, taken in accordance with a fishing permit, and any conditions and limitations imposed by or under the Fisheries Act 1996.

Aquatic ecosystem: Natural system of interacting aquatic life within the biological and physical aquatic environment.

Aquatic environment: The natural and biological resources comprising any aquatic ecosystem, and including all aquatic life and the oceans, seas, coastal areas, intertidal areas, estuaries, rivers, lakes and other places where aquatic life exists.

Cost recovery: The recovery of the costs of conservation and fisheries services from the commercial fishing industry under Part XIV of the Fisheries Act 1996.

Customary fishing regulations: Either the Fisheries (Kaimoana Customary Fishing) Regulations 1998 or the Fisheries (South Island Customary Fishing) Regulations 1999.

Deemed values: Charges for fish caught in excess of quota holding.

Individual transferable quota (ITQ): A tradeable or transferable property right within the quota management system.

Māori customary fishing: Non-commercial fishing exercised in accordance with tikanga Māori, as codified in the draft customary regulations.

Mātaihai reserve: An identified traditional fishing ground established as a reserve under either the Fisheries (Kaimoana Customary Fishing) Regulations 1998 or the Fisheries (South Island Customary Fishing) Regulations 1999. A mātaihai reserve may be managed by tangata whenua for non-commercial purposes, through bylaws approved by the Minister.

OECD: Organisation for Economic Co-operation and Development.

Outcomes: The impacts on, or the consequences for, the community, of the outputs or activities of the Government.

Outputs: The goods or services produced by a department, Crown agency, Office of Parliament, or other person or body. The end product or service produced by a process, which is delivered to meet the needs of stakeholders.

Output class: Individual outputs are combined into groups or classes of outputs that form a common set of goods and services.

Quota: A tradeable property right to harvest particular species of fish.

Quota management system (QMS): The system used to manage New Zealand's commercial fisheries.

Statement of Intent: Presented to Parliament at the same time as the Budget, the Statement of Intent sets out the vision for the department, the strategic direction over the next five years and what is to be achieved in the coming year.

Sustainability: The sustainable utilisation of fisheries resources means:

- (a) maintaining the potential of fisheries resources to meet the reasonably foreseeable needs of future generations
- (b) avoiding, remedying or mitigating any adverse effects of fishing on the aquatic environment.

Taiapure: Taiapure-local fisheries are established under Part IX of the Fisheries Act 1996, where a committee nominated by the local Māori community may recommend the making of regulations to manage all types of fishing.

Tangata kaitiaki/tiaki Tangata Tiaki/Kaitiaki: Means any person or persons appointed under the customary fishing regulations to manage customary food gathering or a mātaihai reserve.

Total allowable catch (TAC): The amount of fish able to be taken in any one year without impairing the future sustainable yield of the resource.

Total allowable commercial catch (TACC): The amount of fish able to be taken in any one year by the commercial fisheries sector.

Utilisation: In terms of the Fisheries Act 1996, utilisation means conserving, using, enhancing and developing fisheries resources to enable people to provide for their social, economic and cultural well-being.

MINISTRY ORGANISATION
AS AT 30 JUNE 2004



LEGISLATION ADMINISTERED BY THE MINISTRY OF FISHERIES
AS AT 30 JUNE 2004

Public Acts

Fisheries Act 1983
Fisheries Act 1996
Fisheries (Quota Operations Validation) Act 1997
Maori Fisheries Act 1989
Marine Farming Act 1971
Treaty of Waitangi (Fisheries Claims) Settlement Act 1992
Ministry of Agriculture and Fisheries (Restructuring) Act 1995 (this Act is administered by the Ministry of Fisheries and the Ministry of Agriculture and Forestry)

Regulations

In addition to the above Public Acts, the Ministry of Fisheries administers a significant number of Regulations related to the management of fisheries within New Zealand.

MINISTRY DIRECTORY

Offices

Head Office PO Box 1020,
ASB Bank House, 101-103 The Terrace, Wellington
Phone 04 470 2600 Fax 04 470 2601

GBL House, 256 Lambton Quay, Wellington
Phone 04 494 2350 Fax 04 494 2360

Kaitia Office PO Box 404,
Braidwood House, 5 Allen Bell Drive, Kaitia
Phone 09 408 6024 Fax 09 408 6039

Whangarei Office Private Bag 9013,
32 Herekino Street, Whangarei
Phone 09 438 5123 Fax 09 438 5156

Auckland Office PO Box 19 747,
608 Rosebank Road, Avondale, Auckland
Phone 09 820 1990 Fax 09 820 1980

Tauranga Office Private Bag 12 031,
11 Nikau Crescent, Mt Maunganui
Phone 07 574 5100 Fax 07 574 5119

Whitianga Office Private Box 267,
1 Monk Street, Whitianga
Phone 07 866 0549 Fax 07 866 0546

Opotiki Office PO Box 65,
23 Church Street, Opotiki
Phone 07 315 5232 Fax 07 315 6973

Hamilton Office Private Bag 3123,
Ruakura Research Centre
East Street, Hamilton
Phone 07 859 3126 Fax 07 859 3142

Gisborne Office 142 Peel Street, Gisborne
Phone 06 868 7160 Fax 06 867 0071

Napier Office PO Box 12 034,
Waghorne Street, Ahuriri, Napier
Phone 06 835 1065 Fax 06 835 0405

New Plymouth Office PO Box 344,
Police Station, 31 Wynyard Street,
Bell Block, New Plymouth
Phone 06 755 9311 Fax 06 755 9131

Wellington (Feltex House) PO Box 862,
156 Victoria Street, Wellington
Phone 04 460 4600 Fax 04 460 4601

Wairarapa Office PO Box 344,
75-77 Ngamutawa Road, Masterton
Phone 06 370 3590 Fax 06 370 3594

Wellington District Compliance Office PO Box 38 090,
16 Armidale Street, Petone
Phone 04 576 8040 Fax 04 576 8041

Blenheim Office PO Box 1007,
State Highway 1, Main Road, Blenheim
Phone 03 579 1088 Fax 03 579 5208

Nelson Office Private Bag 14,
118 Vickerman Street, Port Nelson, Nelson
Phone 03 548 1069 Fax 03 546 9327

Christchurch Office PO Box 8324,
Unit 2, 585 Wairakei Road, Christchurch
Phone 03 358 0812 Fax 03 358 0817

Dunedin Office Private Bag 1926,
1st Floor, 45 Filleul Street, Dunedin
Phone 03 474 0333 Fax 03 477 6275

Invercargill Office PO Box 1065,
1st Floor, 137 Spey Street, Invercargill
Phone 03 211 0060 Fax 03 211 1969

Chatham Islands Office PO Box 72,
Wharf Road, Waitangi, Chatham Islands
Phone 03 305 0004 Fax 03 305 0411

Internet details

Homepage www.fish.govt.nz; www.starfish.govt.nz

E-mail comms@fish.govt.nz

Other details

Auditor Ernst & Young – On behalf of the Controller
and Auditor-General
PO Box 490, Wellington
New Zealand
Phone 04 499 4888 Fax 04 495 7400

Banker Westpac Banking Corporation
New Zealand Government Branch
PO Box 691, Wellington
New Zealand
Phone 04 496 6900 Fax 04 496 6997



Fishery officer, Dave Reay outside the Ministry's new Marlborough/ Kaikoura office, officially opened at Blenheim on 1 December 2003.



MINISTRY OF FISHERIES
Te Tautiaki i nga tini a Tangaroa

Sustainable fisheries in a healthy aquatic ecosystem