



ANNUAL REPORT OF THE MINISTRY OF FISHERIES 2002/2003

“Our goal is to maximise the value
New Zealanders obtain through
the sustainable use of fisheries
resources and protection of the
aquatic environment.”



MINISTRY OF FISHERIES
Te Tautiaki i nga tini o Tangaroa

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

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CONTENTS

01	Letter to the Minister of Fisheries
02	Chief Executive's Overview
06	Strategic Plan 2003/08
18	Organisational Priorities:
19	Developing and implementing the Ministry's environmental management strategy
19	Contributing to the development of an integrated oceans policy
19	Supporting the aquaculture reforms policy development
20	Reforming the way in which recreational fisheries are managed
20	Developing and implementing a strategy for New Zealand's involvement in international fisheries
20	Updating the Ministry's Treaty Strategy
24	Delivering statutory fisheries management and enforcement services
26	Implementing marine biodiversity initiatives, including biosecurity
27	Promoting and evaluating fisheries plans
27	Introducing additional commercial species into the QMS
30	Implementing aquaculture reform decisions
30	Implementing the Ministry's updated Treaty Strategy
31	Developing and commencing the implementation of a risk management strategy
31	Providing information on non-compliance to support policy and regulatory processes
31	Monitoring and auditing the delivery of research and registry services
31	Organisational capability improvements
36	2002/03 Performance
37	Statement of Responsibility
38	Report of the Auditor-General
40	Output Class Service Performance
118	Departmental Financial Statements
136	Non-departmental Financial Statements
142	Statement of Resources
145	Terms and Definitions Used
146	Ministry Organisation
147	Legislation Administered by the Ministry of Fisheries at 30 June 2003
148	Ministry Directory

MINISTER OF FISHERIES

Pursuant to section 39 of the Public Finance Act 1989, I have the honour to present my Annual Report on the operations of the Ministry of Fisheries for the year ended 30 June 2003.



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

VALUE TO ALL NEW ZEALANDERS

New Zealand's aquatic environment is a limited resource of enormous value to all New Zealanders – both now and in the future.

01

The concept of value and all it encompasses is a recurrent theme in our thinking as we look to the future of our fisheries. Our role is to work with all those who have an interest in our aquatic environment to protect this taonga for present and future generations.

Value to all New Zealanders means:

- The **value** to present and future generations of preserving the structure, function and biodiversity of our aquatic environment.
- The **value** to Maori of sustainable aquatic resources and a healthy aquatic environment.
- The **value** gained from the pleasure of fishing for recreation.
- The **value** of a thriving seafood industry.
- The **value** of flourishing communities with a strong fisheries sector at their heart.

The 2002/03 financial year was overshadowed by the scampi corruption allegations and the two resulting inquiries. The allegations were the most serious that can be made against the public service and individual public servants and, for this reason, I welcomed the inquiries. They enabled the complex issues in the scampi fishery to be properly aired so that independent findings can be made on the allegations.

02

Supporting the two inquiries was resource and time intensive. It required my staff to collate, analyse, interpret and present information on events that occurred up to fifteen years ago, and which largely predated the establishment of the Ministry of Fisheries. At times, up to 30 staff were diverted from their usual duties to support the inquiries in various ways. The financial cost to the Ministry to the end of June was \$3.8 million. This is quite apart from the significant opportunity costs to fisheries management and the personal stress the inquiries placed on individual staff and the organisational stress on the Ministry as a whole. The Ministry has provided further information to the two inquiries since the end of the year.

Despite the inquiries, the Ministry made very good progress with a number of key initiatives and in the discharge of our day-to-day responsibilities. This included completing the draft Strategy for Managing the Environmental Effects of Fishing. This document sets out the Ministry's proposed approach to implementing an ecosystems

approach to fisheries management, and meeting its environmental responsibilities under the Fisheries Act 1996 and other legislation. Working collaboratively with the Department of Conservation, we reported to the Minister during the year on the draft of a Marine Protected Areas Strategy and a National Plan of Action for Seabirds.

We have worked very hard during the year, continuing the work of previous years, on aquaculture policy reform and on ways to improve the management of recreational fisheries. Work on these two policy initiatives will continue through to completion in the 2003/04 financial year.

In a similar vein, we have made good progress in introducing new species into the Quota Management System. This follows the Minister of Fisheries' decision in June 2001 to set a target of 50 species by 2004; a target the Ministry now expects to exceed comfortably. The quota management system is the foundation of New Zealand's internationally recognised fisheries manage-

ment regime, and one of the mechanisms for the Crown to deliver on its fisheries obligations to Maori.

Working with staff from other departments and Te Ohu Kai Moana (Treaty of Waitangi Fisheries Commission), we have provided considerable support to the Minister of Fisheries in the period leading up to and during the Minister's consideration of the Commission's proposal for the allocation of settlement assets to iwi.

The 2002/03 financial year saw the Ministry and the commercial seafood industry, through the New Zealand Seafood Industry Council, working together on cost recovery "unders and overs" for the years 1994 to 2002. This resulted in a joint recommendation to Ministers for settling the matter, and the acceptance of that settlement by Ministers.

During the year, we delivered on our ongoing statutory responsibilities, including our fisheries management, research planning, cost recovery and enforcement responsibilities, albeit on a reduced scale. In the fisheries management area, this included advice to the Minister on marine reserve proposals and on the impacts of fishing on marine mammals and seabirds.

Looking forward, we also completed our Strategic Plan covering the period 2003 to 2008, building on our previous Strategic Plan and the work undertaken since the Ministry's establishment in 1995. The text of the Plan is included later in this report.

It was inevitable that during the year some of the Ministry's usual work would be deferred or not take place. The two scampi inquiries diverted senior management and other staff from their day-to-day responsibilities to a large extent.

This meant various policy initiatives were deferred or delayed, we undertook reduced enforcement activities and our fisheries sustainability rounds needed to be constrained.

We were unable to progress as far as we wanted, fishery officer health and safety issues and the completion of our Treaty Strategy and associated initiatives, aimed at building our internal capability to manage our relationships with iwi and hapu. These initiatives are now a priority for the 2003/04 financial year.

On the financial side, the Ministry's departmental operating expenditure at \$70.7 million was below the Supplementary Estimates appropriations by \$7.9 million, with each output class within its individual appropriation. The overall under-expenditure was due in large part to changes in the timing of fisheries and biodiversity research activities.

I thank all my staff for their excellent work during what has been a very difficult year. The way you have worked together has been simply superb.

I also thank the Minister of Fisheries and the Associate Minister of Fisheries for their support during this challenging year.



Warwick Tuck
Chief Executive





MFish Observers Angela Rapson and Tamara (Teo) Fitzgerald

By October 2004 up to 100
commercial species or species
complexes will be managed under
the Quota Management System.

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.

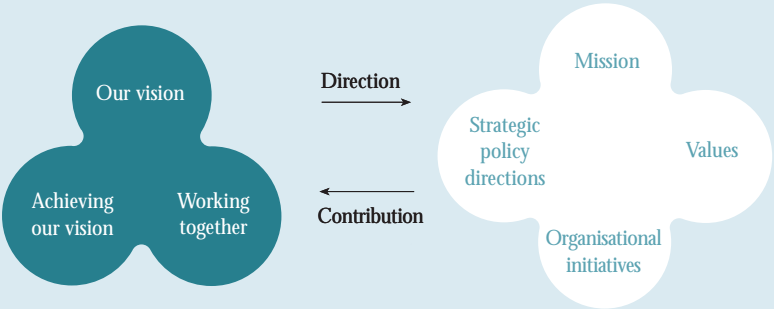
It contains some shifts in emphasis necessary to fulfil the full breadth of responsibilities inherent in our mission: *To be the guardian of the multitudes of Tangaroa.*

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.

6

Fisheries and the aquatic environment

Ministry of Fisheries contribution



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 Maori fisheries that contribute to the cultural health and well-being of iwi and hapu
- 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 Maori 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 outcome for our fisheries. 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.

Our goal: “Maximise the value New Zealanders obtain through the sustainable use of fisheries resources and protection of the aquatic environment” (fishery outcome).

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 Maori 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

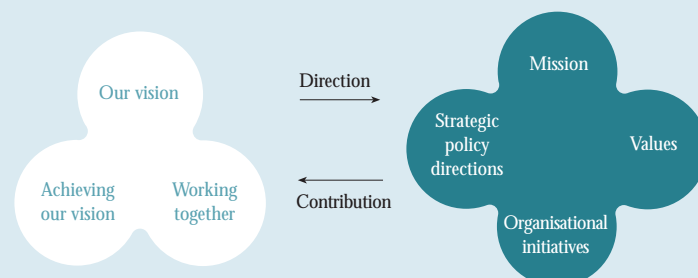
- involve Maori in fisheries management decision making
- deliver 20 per cent of new quota to Maori
- provide for and protect customary fishing rights.

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.



Our mission

To be the guardian of the multitudes of Tangaroa

Our mission is expressed by our Maori 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 Maori 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 Maori 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 Maori
- consult with tangata whenua on the management of marine biosecurity risks
- allocate 20 per cent of new Individual Transferable Quota to Maori
- 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 taiapure areas
- review and improve the framework and processes related to implementing the Fisheries Deed of Settlement with Maori
- 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.





We have made significant
progress on measures to
address fishing interactions
with protected species.

ORGANISATIONAL PRIORITIES

The Departmental Forecast Report for 1 July 2002 to 30 June 2003 outlined the Ministry of Fisheries' organisational priorities for the next three years.

This section reports on our key achievements in addressing these priorities during the 2002/03 year. Other areas of ongoing work not mentioned below are reported on under "Output Class Service Performance" from page 40.

Key functions of the Ministry

18

As part of its efforts to improve business planning, the Ministry has identified three critical high-level functions as illustrated below.



- **Policy approval** involves identifying a deficiency or the potential for the revision of an existing policy, analysis and the evaluation of available options, and final approval by the Minister or the Chief Executive.
- **Policy implementation** involves maintaining and enhancing the regulatory framework to support the approved policy, administering rules, collecting and analysing information, providing advice, and enforcing rules.
- **Policy monitoring** involves the ongoing monitoring of the effectiveness of existing policies.

This framework for looking at the Ministry's functions has been applied in looking at progress towards achieving the organisational priorities during 2002/03.

POLICY APPROVAL

Developing and implementing the Ministry's environmental management strategy

In April this year, the Ministry released for consultation the draft "Strategy for Managing the Environmental Effects of Fishing". This followed consultation with experts and stakeholder representatives on an earlier draft of the strategy.

The draft strategy sets out the approach we will take to implement an ecosystem approach to fisheries, and fulfil our environmental obligations under the Fisheries Act 1996 and other relevant legislation.

Key changes proposed include improved assessment and reporting on the status of species and habitats affected by fishing, a proactive approach to managing and protecting species and habitats, a requirement for environmental risk assessments to be undertaken for fisheries, and the use of environmental standards to establish the limits fisheries must operate within.

The draft strategy also identifies opportunities for improved stakeholder involvement in managing the environmental effects of fishing.

We expect the strategy to be finalised in the second quarter of 2003/04. The Ministry has already begun to implement some of the recommendations in the draft.

Contributing to the development of an integrated oceans policy

During the year, work on the oceans policy project focused on Stage 2: designing the process to achieve the vision identified in the first stage of the project. Stage 2 is led by the Ministry for the Environment.

The Ministry of Fisheries has made a significant contribution to this major

policy initiative. A senior Ministry official was a member of the Officials Steering Group, with a further staff member seconded to the project team. Many other Ministry staff have contributed to the Stage 2 policy development process through participation in working groups and reviewing documents.

An oceans policy discussion document is planned for release for public consultation in 2003/04. We will continue to contribute positively to this important project as the policy develops.

Supporting the aquaculture reforms policy development

The Ministry has been working with officials from the Ministry for the Environment, the Department of Conservation, Treasury and Te Puni Kokiri to develop the legislative framework that will allow the aquaculture industry to increase its contribution to the economy.

The framework includes aquaculture management areas, established under coastal plans within the Resource Management Act 1991, for the specific purpose of providing water space for aquaculture development. All new developments will take place within them. These new arrangements for the sustainable management of aquaculture development will impact on our activities in future years.

In July 2002, a number of iwi took claims to the Waitangi Tribunal. The main thrust of the claims was that the aquaculture reforms do not adequately recognise and provide for the interests of Maori. The Tribunal's report in December 2002 found the Crown's proposed aquaculture reforms breach the principles of the Treaty of Waitangi and further consultation with Maori was required. We undertook consultation

hui throughout the country during April 2003. We have reported back to Ministers on the key messages from the consultation and the options for progressing the reforms.

In the year ahead, we will continue our central role in progressing the reforms. The Bill implementing the reforms is planned for introduction in the 2003/04 financial year.

Reforming the way in which recreational fisheries are managed

The Ministry has continued to work with amateur fishers to define their rights more clearly, so that they may participate more effectively in the management of fisheries. For reasons, including higher priority policy work and efforts to develop a level of consensus, it has not been possible to meet the deadlines Cabinet established for reporting back a single reform option for consultation.

A series of meetings with amateur fisher representatives was held during the second half of the year. These meetings focused on attempts to formulate a reform option that meets the aspirations of amateur fishers, as expressed in a joint letter to the Minister of Fisheries in December 2002, and Ministers' objectives and constraints. Constraints include the rights of other fishers and the Crown's obligations arising from the Treaty of Waitangi (Fisheries Claims) Settlement Act 1992.

This process is continuing, with further meetings scheduled with a reference group in 2003/04.

Developing and implementing a strategy for New Zealand's involvement in international fisheries

Substantial work on this strategy began this year and a draft has been prepared.

The draft strategy sets out an approach for integrating New Zealand's commercial, environmental and other interests in international fisheries. By improving clarity and certainty, the processes and structures proposed should create a climate conducive to decision-makers maximising the value to New Zealand of our international fisheries interests.

The context for the strategy formed the basis of the Ministry's briefing for the Minister of Fisheries' participation at the OECD Roundtable for Sustainable Development discussions held in Paris in June 2003.

Further work on strategy development was delayed by the scampi inquiries, but will recommence in the second half of the 2003/04 financial year.

Updating the Ministry's Treaty Strategy

The Ministry has a range of obligations under the Deed of Settlement.

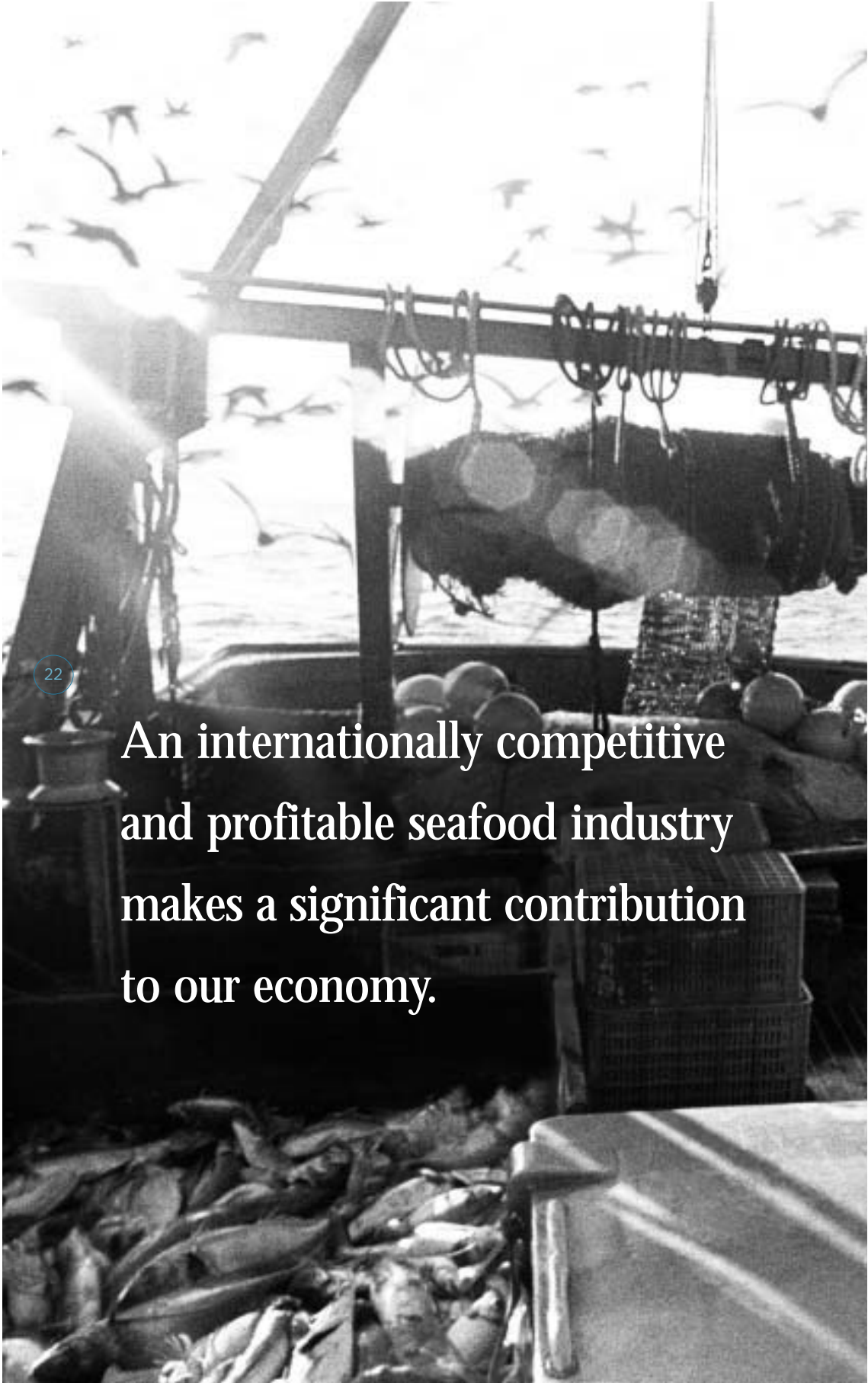
We made considerable progress during the year on the commercial element, first, in bringing new species into the quota management system, of which 20 percent will be allocated to Maori, and second, in supporting the Minister in the period leading up to the Minister's consideration of Te Ohu Kai Moana's proposal for the allocation of settlement assets to Maori.

We made slower progress on supporting the implementation of customary fishing regulations, and Maori input and participation in fisheries management decision-making.

Work progressed during the year on the development of an updated Treaty Strategy looking at how the Ministry delivers on its obligations under the Fisheries Deed of Settlement, the Treaty of Waitangi (Fisheries Claims) Settlement Act 1992 and the Treaty of Waitangi.

Iwi and hapu groups have given the Ministry valuable input to date and we are encouraged by the extent to which groups have been receptive to the idea of working towards regular engagement with the Ministry at a regional level – “kanohi ki te kanohi”.

A priority during the 2003/04 financial year will be to complete our Treaty Strategy and associated initiatives, and build our internal capability to manage relationships with iwi and hapu. This will include working collaboratively with Te Puni Kokiri to review the Ministry’s capability in respect of our effectiveness for Maori.



An internationally competitive
and profitable seafood industry
makes a significant contribution
to our economy.



POLICY IMPLEMENTATION

Delivering statutory fisheries management and enforcement services

The majority of the Ministry's business is day-to-day fisheries management, and some of our more significant achievements follow. Detailed information is included in the "Output Class Service Performance" section of this report.

We have made significant progress on measures to address fishing interactions with protected species. An operational plan was implemented for the squid fishery around the Auckland Islands to ensure the ongoing protection of the New Zealand sea lion population. An area of the west coast of the North Island was closed to set net fishing to protect the critically endangered Maui dolphin.

A revised National Plan of Action for Seabirds was developed during the 2002/03 financial year and released for public consultation in August 2003.

The objective of the Plan is to ensure sea bird mortalities are reduced to the greatest extent possible in all fisheries.

The Ministry has also provided advice to the Minister of Fisheries on marine reserve applications. The Chief Executive of the Ministry and the Director-General of the Department of Conservation have approved a protocol outlining interactions between staff of the two agencies in relation to marine reserve applications. Work on this was completed during the 2002/03 financial year.

Two sustainability rounds were completed during the year. The Ministry has addressed a number of sustainability risks and utilisation opportunities in certain fisheries as part of these processes.

We have built additional capacity within the Ministry to process the backlog of marine farming permit applications and considerable progress has been made. On this issue, the Ministry has exceeded its performance target levels for the 2002/03 financial year. A preliminary decision has been made on approximately 45% of active applications. We have also developed a guide that clearly sets out the questions applicants need to address when applying for a marine farm permit.

Progress on implementing the customary fishing regulations, including the appointment of kaitiaki and establishment of mātaihai reserves, is slower than anticipated. Customary fisheries issues are affected by capacity constraints both in respect of the dispute resolution process under the customary fishing regulations and within the Ministry. A review of potential impediments to implementing the customary fishing regulations is proposed.

Medium-term research programmes are in place for all major fisheries. Information is collected through contracted research, as well as catch and effort data supplied by commercial fishers.

During the year, the Ministry managed about 150 contracted research projects. Major acoustic and trawl surveys were carried out on hoki, orange roughy, oreos, and southern blue whiting. Increased effort was directed at investigating the impacts of fishing on the aquatic environment, particularly on protected species, and the impacts of aquaculture on the environment.

Results were received from a major nationwide survey on recreational fishing that indicated higher participation rates and higher total catch than past surveys.

However, a review of this research highlighted the difficulties in determining reliable estimates of recreational catch from diary surveys.

During the year, major stock assessments were completed on:

- hoki
- southern blue whiting around the Campbell Islands
- smooth oreos on the eastern end of the Chatham Rise
- the main paua fisheries on the northern tip of the South Island
- the rock lobster fisheries in Northland and the Bay of Plenty.

Based on the 2003 stock assessment results, estimates of stock status and sustainable yields are available for fewer than half the stocks in the quota management system. However, estimates are available for all the main fisheries that comprise about two-thirds of New Zealand's fisheries by weight and value. Of these major fisheries, 80% are at or above sustainable target levels and rebuilding strategies are in place for the remainder.

In 2003, the Ministry established a new Fisheries Assessment Working Group for Antarctic fisheries to review current research results and support the management of the toothfish fishery in the Ross Sea and other CCAMLR (Commission for the Conservation of Antarctic Marine Living Resources) fisheries.

Each year, we engage overseas experts to review and comment on major research programmes. In 2002/03, these reviews covered the recreational fishing surveys, east coast South Island trawl surveys, a new assessment model for snapper stocks and population modelling of the New

Zealand sea lion. The reviewers were generally supportive of the work, while identifying some areas for improvement.

During the year, the Ministry conducted a wide range of enforcement operations as well as a variety of other compliance activities. Some new enforcement techniques were used to assist the identification and prosecution of fisheries offences.

A major deepwater fisheries enforcement operation concluded with convictions for offences relating to large scale area misreporting of the quota management species hake. Over 850 tonnes of hake were falsely reported in a one-month period. We initiated Operation "Mack" in June 2001, with a number of Korean vessels apprehended for falsely reporting catch off the east coast of the South Island when the fish were actually taken in a different quota management area off the west coast. We used detailed statistical and chemical analysis, as well as complex profiling of the hake fisheries, to prove the actual origins of the catch. The convictions resulted in total fines of \$450,000, forfeiture of fish with a commercial value of over \$2m, and forfeiture of four vessels redeemed for \$1.2m.

Forensic research was also employed to prove paua reported as taken in one quota management area was actually taken in a different area of the coast.

Heavy mineral trends in the sediment on paua shell were associated with different geological features of the coastline to show the geographic origins of the paua.

In poaching and black-market enforcement, we placed considerable effort on the prosecution of offenders apprehended in Operation "Pacman".

Over half of the 69 people prosecuted have been convicted and 24 cases are yet to be heard or finalised. Following the end of Operation “Pacman”, we uncovered a further method of exporting significant quantities of black-market paua. The overseas postal system was found to have been used in the export of over 30 tonnes (greenweight equivalent) of paua over a seven-month period.

Throughout the year, the Ministry continued its support to the operation of the Maritime Intelligence Co-ordination Centre, as well as to the development of the National Maritime Co-ordination Centre. We provided input into the development of specifications for the acquisition of new Navy vessels under Project Protector. Participation in the project will continue with input into the evaluation of vessel proposals. In the meantime, the Ministry received an increased level of support from the Royal New Zealand Navy in the use of its Inshore Patrol Craft and dive ship *Manawanui* for fisheries patrol work. While these vessels have a limited capability, their availability, and the co-operation and support of officers and crew, has been invaluable.

Cost recovery is an important component of the fisheries management system. The Ministry levies the commercial fishing industry on an annual basis for services such as research and observers on fishing vessels. The levies are based on best estimates of costs incurred by the Crown for the benefit of industry. Once the actual costs are known, the cost recovery legislation allows for adjustments to be made. These are known as “unders and overs”.

The Ministry and industry, through its representative organisation the

New Zealand Seafood Industry Council, have worked together for some time on “unders and overs” for the years 1994 to 2002. The joint working group recommended to Government an agreed settlement for a \$24.1 million credit to industry, along with an agreed process for managing this issue in the future. Ministers accepted the recommendation and further work is underway to implement the agreement.

Implementing marine biodiversity initiatives, including biosecurity

We have continued to lead the marine biodiversity programme under the New Zealand Biodiversity Strategy, working in conjunction with the Department of Conservation and the Ministry for the Environment. During the year, we developed detailed proposals and co-ordinated activity in a number of scientific and management-related areas. Results from a number of research projects were received.

The inter-agency biodiversity website www.biodiversity.govt.nz was established, and biodiversity material was added to our educational website www.starfish.govt.nz

We implemented the risk management framework developed last year for marine biosecurity to aid priority setting for research projects and policy development. The framework relies on a group of four core values – healthy environment, strong communities, vibrant commerce, and high quality recreation. Coupled with the framework, we completed risk profiles for six identified species and developed a framework for evaluating species not currently in New Zealand. The Ministry has also had significant involvement in developing the national biosecurity strategy.

The Ministry has contributed significantly to the work programme of the Marine Environmental Protection Committee of the International Maritime Organisation as a prelude to a Diplomatic Convention for managing ballast water as an introduction vector.

Baseline surveys of introduced and native marine flora and fauna in eight ports of entry to New Zealand have been completed, with a surveillance regime put in place to detect new incursions of six profiled species. The outcomes of the port baseline surveys will be a better understanding of the scale of invasions in New Zealand, and an indication of the likely risk factors associated with specific vectors. Surveillance activities are designed to enable rapid response to new incursions.

Incursion response capabilities were enhanced through drafting protocols and finalising action plans for the six profiled species. The response to the *undaria* incursion, initiated with the sinking of the *Seafresh 1* in the Chatham Islands (March 2000), has resulted in a successful eradication. A vector management programme to reduce the spread of *undaria* has been developed and is currently being implemented for high-risk locations.

Promoting and evaluating fisheries plans
Progress on industry developed fisheries plans has been slower than expected with few proposals submitted for evaluation and none implemented.

Introducing additional commercial species into the QMS

The Minister decided in June 2001, to set a target of 50 species to be introduced to the quota management system by 2004.

The removal of a number of impediments to the introduction of species to the Quota Management System (the introduction of species has been impeded by the lack of adequate computer systems and the delay in bringing into force the Fisheries Act 1996) enabled the Ministry to address this issue.

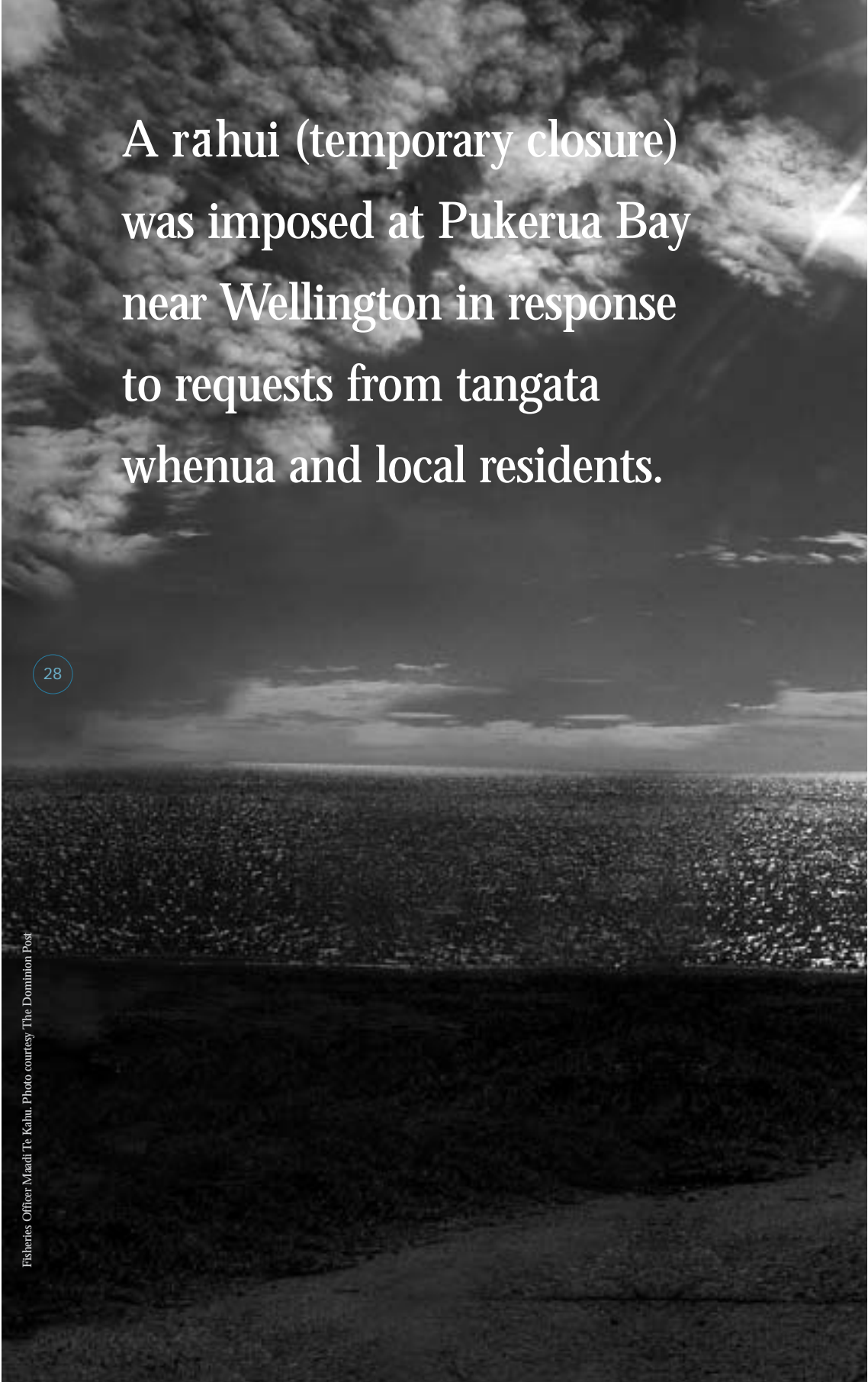
The introduction of species to the Quota Management System is a high priority for the Ministry. The ability to introduce species to the Quota Management System is a key element of the ongoing effectiveness of New Zealand's fisheries management regime and the Crown delivering on its obligations to Maori under the Deed of Settlement.

The Ministry views the Quota Management System as the most effective framework to meet the purpose and principles of the Fisheries Act 1996 in respect of commercial fisheries.

Progress on meeting the target of 50 species began with the introduction of Coromandel scallops from 1 April 2002. Considerable further progress was made during the year in review. On 1 October 2002, ten species were added: anchovy, blue mackerel, butterfish, cockle (Whangarei Harbour, FMA 7), garfish, kina (South Island), queen scallop, paddle crab, pilchard, and sprat.

Cockles in FMA 3 were also proposed for QMS introduction. However, this stock has been held up due to outstanding legal action regarding permitting decisions.

On 1 April 2003, the scallop stock in the Chatham Islands was introduced to the QMS.



A rāhui (temporary closure)
was imposed at Pukerua Bay
near Wellington in response
to requests from tangata
whenua and local residents.



PUKERUA BAY FISHING METHOD RESTRICTIONS

**Temporary Closure Commencing
20 December 2002 for 2 Years**

Pursuant to section 186A of the Fisheries Act 1986, the Ministry of Fisheries has prohibited the taking of shellfish, aquatic life, seaweed & the taking of fish except by the method of line-fishing.



The prohibition area is from Wairaka Point to a line extending to within a 90 metre radius of the prominent rock north of Wairaka Point, then in a direct line to a Northeast direction to a landmark, a slip near above State Highway 1 (Centennial Highway).

For a more detailed description of the area & further information please phone the Ministry of Fisheries Helpline (04) 576 5040

**THE PENALTIES FOR BREACHING THIS LAW RANGE FROM
A FINE OF \$5,000 UP TO \$100,000 SEIZURE & FORFEITURE
PROVISIONS OF THE FISHERIES ACT 1986 WILL ALSO APPLY**



MINISTRY OF FISHERIES
Te Taurua o te Moana & Te Taiao

Work is now in progress to complete the introduction of seven species into the QMS on 1 October 2003 – kingfish, leatherjacket, rough and smooth skates, kina (North Island) and shortfin and longfin eels (Chatham Islands). A further 13 species will be introduced on 1 April 2004 – giant spider crab, horse mussel, two species of king crab, red crab, sea cucumber, and seven species of surf clams.

Initial proposals are currently undergoing consultation on the introduction of a further 25 species on 1 October 2004.

Once we have cleared the backlog of species to be introduced, the Ministry will focus on fine-tuning the QMS and other elements of our fisheries management system to maximise best value from the sustainable use of our fisheries resources.

Since it began in 1986, the QMS has grown from a system designed to manage a relatively modest range of New Zealand's core commercial fisheries to one that has the capacity to govern all commercial fisheries requiring targeted management. By October 2004 up to 100 species or species complexes will be managed under the QMS.

Implementing aquaculture reform decisions

While the aquaculture reform is not yet complete, progress has been made to ensure the Ministry's role in aquaculture management area development will be successfully implemented.

During the year, we participated in discussions with regional councils and stakeholders on the implementation of proposed reforms, increased capacity and expertise in the area of aquaculture, and developed a centralised team specialising in aquaculture, including aquaculture

area development. The Ministry is co-ordinating efforts with the Ministry for the Environment to ensure a consistent approach to assisting councils with their anticipated responsibilities.

Work has begun on specification and process development for implementing a fish farmer register and the translation processes for existing aquaculture rights to the structure anticipated in the Bill. Interim reporting and record-keeping regulations to replace permit conditions are being developed, and very good progress has been made in processing the backlog of old applications.

Implementing the Ministry's updated Treaty Strategy

The updated Treaty Strategy has not yet been completed. Implementation will commence following its anticipated completion during the 2003/04 financial year.

POLICY MONITORING

Developing and commencing the implementation of a risk management strategy

Work was deferred on developing and commencing the implementation of a risk management strategy.

Providing information on non-compliance to support policy and regulatory processes

New systems have been developed to collate information gathered through Ministry enforcement activities, including inspections and patrols. Together with analysis of intelligence information and risk assessments, these will provide indications of sector compliance levels to support policy and regulatory processes.

Monitoring and auditing the delivery of research and registry services

The Ministry devoted resource in the 2002/03 financial year to further develop its monitoring function with respect to fisheries, biodiversity and biosecurity research, and registry services. This will continue to be enhanced in 2003/04 in light of additional funding provided by the Government in the 2003/04 budget. This funding is necessary to support a broader base of research activity.

Monitoring research services has been enhanced by the development of reports to stakeholders. In order to better meet its cost recovery obligations, the Ministry has begun to improve processes and develop new computer information systems to administer fisheries, biodiversity and biosecurity research from 2004/05.

We are now into our second year of contracting registry services under the Fisheries Act 1996. Monitoring registry services has been enhanced through the continued development of the Fisheries

Information System (FIS), a data warehouse, through which the majority of registry data is now available. This has been supplemented by analysis and reports to Ministry staff from which fisheries management and compliance action can be informed. As a result of findings from reviews, some amendments have been made to the standards and specifications under which these services are delivered.

We also have a role in monitoring, on behalf of the Minister, the delivery of registry services transferred by statute to the New Zealand Seafood Industry Council.

Organisational capability improvements

In January 2003, the Ministry completed an updated Strategic Plan for 2003/08. The plan was subject to stakeholder consultation during the first half of the 2002/03 financial year.

We are improving business planning processes, with work commencing during the year on mapping the research planning process, the sustainability rounds, the stock assessment process and the cost recovery process with a view to providing more efficient services.

We undertake extensive consultation on each of these processes and on many other issues. More transparent and efficient processes will facilitate increased contribution from stakeholders and more effective stakeholder contributions.

We have also undertaken work to improve the accountability framework. From 1 July 2003, a revised cost allocation methodology will introduce a higher level of transparency into the cost allocation process and provide a basis for more detailed explanations of output costings as well as a better understanding of year-on-year variations. Output ownership

will be clearly specified and business managers will be required to explain performance variances both in terms of financial and non-financial performance.

In 2002/03, the Ministry introduced explicit measures of quality, cost and time for each output. It is expected these will eventually provide improved information to enable stakeholders to measure performance towards our goal of utilisation and sustainability.

Technology, including e-government initiatives, will play an increasing part in supporting our performance management systems. It will be used wherever possible as a means of sharing information among government agencies having an involvement in sustainable resources.

During the year, our people management continued its focus on developing staff capabilities, performance management and staff planning processes.

This commenced in late 2001 with a comprehensive series of training workshops aimed at enhancing the people management skills of business unit and operational managers. The workshops covered performance management, communication, delegation and conflict resolution, team development, leadership and change management. The final segment will be completed in 2003/04.

The Ministry also emphasises the need for all staff to have a training and development plan, with at least five days' training undertaken by each staff member each year. An average of 6.9 days was achieved in 2002/03.

A succession policy was developed that prescribed a process aimed at minimising knowledge loss and downtime due to staff changes. Currently the policy is

being trialled by a number of business units and we plan to introduce the policy throughout the Ministry in 2003/04.

A comprehensive review of the operating environment in which fishery officers work, and the associated health and safety considerations, identified a number of issues which impact on the delivery of fisheries enforcement services. These will be addressed during the 2003/04 financial year.

In addition to upgrading recruitment criteria and training programmes, we have limited the range of work fishery officers may conduct alone, and are considering a range of safety and defensive tactics and equipment, communications capability and operating procedures.

A greater level of management and support is required for the Honorary Fishery Officer networks, and their numbers have had to be limited in some areas to ensure appropriate training and operational support can be provided.

Our policies reflect our commitment to equal opportunity for employment. We endeavour to recognise the employer requirements under EEO and remove any barriers to employment of Maori, ethnic or minority groups, women and people with disabilities.

A staff climate survey towards the end of the year found 73 percent of respondents thought the Ministry was a good place to work. Analysis of this survey and follow-up actions are expected to result in further improvements.

A benchmark survey on public opinion on fisheries management and administration was commissioned in June to be undertaken in July 2003.



The Ministry continued
to work with amateur fishers to
define their rights more clearly.

34



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

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 2003 and I authorise issuance of these financial statements on 30 September 2003.



Warwick Tuck
Chief Executive



Peter Boon
Manager Corporate Planning and Services

To the Readers of the Financial Statements of the Ministry of Fisheries for the year ended 30 June 2003 We have audited the financial statements on pages 40 to 141. The financial statements provide information about the past financial and service performance of the Ministry of Fisheries and its financial position as at 30 June 2003. This information is stated in accordance with the accounting policies set out on pages 118 to 120

Responsibilities of the Chief Executive The Public Finance Act 1989 requires the Chief Executive to prepare financial statements in accordance with generally accepted accounting practice in New Zealand that fairly reflect the financial position of the Ministry of Fisheries as at 30 June 2003, the results of its operations and cash flows, and service performance achievements for the year ended on that date.

Auditor's Responsibilities Section 15 of the Public Audit Act 2001 and section 38(1) of the Public Finance Act 1989 require the Auditor-General to audit the financial statements presented by the Chief Executive. It is the responsibility of the Auditor-General to express an independent opinion on the financial statements and report that opinion to you.

38

The Auditor-General has appointed Grant J Taylor of Ernst & Young to undertake the audit.

Basis of Opinion An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Chief Executive in the preparation of the financial statements; and
- whether the accounting policies are appropriate to the Ministry of Fisheries' circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with the Auditing Standards, published by the Auditor-General, which incorporate the Auditing Standards issued by the Institute of Chartered Accountants of New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Ernst & Young has undertaken a range of general consulting assignments in addition to assignments of an assurance nature for the Ministry of Fisheries. Other than these assignments and in our capacity as auditor acting on behalf of the Auditor-General, we have no relationship with or interests in the Ministry of Fisheries.

Unqualified Opinion We have obtained all the information and explanations we have required.

In our opinion, the financial statements of the Ministry of Fisheries on pages 40 to 141:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect:
 - the Ministry of Fisheries' financial position as at 30 June 2003;
 - the results of its operations and cash flows for the year ended on that date; and
 - its service performance achievements in relation to the performance targets and other measures set out in the forecast financial statements for the year ended on that date.

Our audit was completed on 30 September 2003 and our unqualified opinion is expressed as at that date.



G J Taylor
Ernst & Young
On behalf of the Auditor-General
Wellington, New Zealand

OUTPUT CLASS SERVICE PERFORMANCE

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 have been used when measuring output delivery related to policy. It is intended that the assessment of quality will be determined through administering satisfaction surveys. Where quality performance measures are noted as “Not Measured”, appropriate surveys will be introduced in 2003/04.

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 the 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 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.

Note: The establishment of the two inquiries into the management of the scampi fishery has created severe ongoing work pressures for the Ministry in the 2002/03 year. The inquiries necessitated a redirection of effort away from primary duties for some 30 full-time staff. This has resulted in a significant number of targets, established in the 2002/03 Departmental Forecast Report, being deferred to 2003/04.

The effect of the inquiries has been uneven, with severe pressure at senior levels in the Policy and Treaty Strategy, Fisheries Management and Compliance teams. Consequently, the main areas of milestone slippage occur in the Policy Framework, Regulatory Management and Enforcement of Fisheries Policies output classes.

In February 2003, the Ministry advised the Minister of Fisheries it would be unlikely to meet the requirements in some of the milestones and recommended amendments to the 2002/03 Purchase Agreement to recognise the changes. The Minister approved the amendments on 27 February 2003.

The following output statements are based on the revised Purchase Agreement. Amendments for the revised Purchase Agreement are noted in the commentary against each milestone.

In addition to this, the output costs reflect the changes approved in the Supplementary Estimates in May 2003.

OUTPUT CLASS **D1** POLICY FRAMEWORK

Description

This output class includes the outputs that ensure the 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 and legal framework for the sustainable and efficient utilisation 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 111 Sustainability and utilisation policy advice provided

Description	Review, develop and provide policy advice to enable the sustainable and efficient utilisation of fisheries resources.		
Performance expectations	Dimension	Description	
	Quality	% of agreed milestones achieved to specified quality standards	
	Cost	% variance actual vs. budget	
	Time	% of agreed milestones achieved	
Linkages to goal	Under this output, a range of projects produce advice to review and develop policy to provide for the efficient utilisation of fisheries resources and the sustainability of aquatic ecosystems.		
Milestone	Actual performance		
	Milestone	Quality	Time
	Environmental management strategy approved for consultation by 28 February 2003	Not Measured	Achieved
	Provide a report on a risk management process to evaluate the relative priority of outputs	Not Applicable	Not Applicable
	Report to the Minister of Fisheries on the outcome of work associated with the recreational sector on recreational fisheries reform	Not Measured	Achieved
	Report to Government on the allocation model proposed by Te Ohu Kai Moana (TOKM) 30 days after TOKM proposal	Not Measured	Achieved
	Report provided to Government on performance indicators to evaluate achievement of management outcomes	Not Applicable	Not Applicable

Target	Actual
B90%	Not Measured
A5%	(17)%
B90%	67% (Excludes milestones deferred to 2003/04)

Commentary

The draft strategy for managing the environmental effects of fishing was approved by the Minister in February 2003. The strategy was sent to stakeholders in early April 2003 and also posted on the Ministry's website.

The delay in commencing the formal consultation phase was due to the extended preliminary consultation and review, and the need to redeploy resources to the two scampi inquiries.

Final sign-off of the strategy is scheduled for October 2003.

Due to transfer of resources into other reform areas and the two scampi inquiries, this milestone has been deferred to 2003/04.

Officials and amateur fishers have met on several occasions to discuss reform issues, with progress reports on the discussions provided to the Minister. A timeframe and process for the development and approval of a reform option for public discussion was discussed at a meeting on 27 June 2003. This timeframe envisages public consultation on a reform option and the submission of an agreed option to Cabinet by the end of May 2004.

The Ministry worked extensively with TOKM on their draft proposals for an allocation model for Maori fisheries assets. A comprehensive report on the full particulars of the TOKM allocation model was submitted to Ministers within 30 days of its receipt. Work has proceeded on the next stage – resolution of outstanding policy issues to enable Government decisions on a new Maori Fisheries Bill and its introduction. Work is also being undertaken to support the Crown Law Office in ongoing litigation.

Due to the transfer of resources into other areas and the two scampi inquiries, this milestone has been deferred to 2003/04.

Milestone	Actual performance	
	Quality	Time
Policy advice provided to Government on a recommended option for recreational fisheries reform for public consultation	Not Applicable	Not Applicable
Policy advice provided to Select Committee to support their consideration of aquaculture reform legislation in accordance with Select Committee timetable	Achieved	Achieved

Output 121 International fisheries sustainability and utilisation advice provided

Description	Provide advice flowing from requests from international organisations and the Minister.		
Performance expectations	Dimension	Description	
	Quality	% of agreed milestones achieved to specified quality standards	
	Cost	% variance actual vs. budget	
	Time	% of agreed milestones achieved	
Linkages to goal	This output produces a range of international fisheries policy advice to provide for the efficient utilisation of fisheries resources and the sustainability of aquatic ecosystems.		
Milestone		Actual performance	
	Milestone	Quality	Time
	Advice provided and Ministerial approval gained two weeks prior to the meetings for New Zealand negotiating position for the following regional fisheries arrangements:		
	• South West Indian Ocean Fisheries Commission	Not Applicable	Not Applicable
	• Trans Tasman Fisheries Agreement	Not Applicable	Not Applicable
	New Zealand position paper for submission to OECD on the future work plan of the Fisheries Committee developed one week prior to the meeting	Not Measured	Achieved

Commentary

Occasional papers on key issues relating to options for recreational fisheries reform for public consultation were completed, reviewed and distributed. Advice was provided to the Minister on options for progressing the reforms. A reference group has been established to discuss the potential content of reform options. Due to the transfer of resources into other areas and the two scampi inquiries, this milestone has been deferred to 2003/04.

Significant progress has been made on the aquaculture reform legislation. Officials have continued their work on the development of policy and drafting instructions required for the Resource Management Act (Aquaculture Amendment) Bill. Drafts of the Bill have been reviewed. There are still some matters relating to transitional arrangements and Treaty issues which require resolution. Throughout the year, the Ministry provided advice to Ministers on aquaculture issues, including support of the Crown position on the Treaty aquaculture claim Wai 953. This included advice on a possible policy response to the Tribunal findings. Hui have been organised to discuss the Tribunal findings and the Crown response.

Target	Actual
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B90%	Not Measured
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A5%	(6)%
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B90%	50%
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45

Commentary

Meeting planned for September 2003.

Informal bilateral officials' discussions agreed on process for future negotiations.

New Zealand has been successful in having our priority work areas included in the work programme. The committee meeting in March confirmed further work would be undertaken on subsidies and illegal, unreported and unregulated fishing.

Milestone	Actual performance	
	Quality	Time
New Zealand position paper for submission to the APEC Fisheries Working Group meeting developed one week prior to the meeting	Not Applicable	Not Applicable
Advice provided by 30 June 2003 on New Zealand accession to the Federated States of Micronesia Fisheries Arrangement	Not Measured	Not Achieved

Output 131 Biodiversity advice provided

Description	Provide advice and manage contracts to meet New Zealand Biodiversity Strategy objectives.		
Performance expectations	Dimension	Description	
	Quality	% of agreed milestones achieved to specified quality standards	
	Cost	% variance actual vs. budget	
	Time	% of agreed milestones achieved	
Linkages to goal	Under this output, biodiversity projects produce advice supporting the sustainability of aquatic ecosystems.		
Milestone			Actual performance
	Milestone	Quality	Time
	Report quarterly on the Ministry of Fisheries' implementation of the New Zealand Biodiversity Strategy	Not Measured	Achieved
	By 30 June 2003, provide a risk assessment of threats to marine diversity	Not Measured	Not Achieved
	By 30 June 2003, identify barriers and potential solutions to tangata whenua participation in coastal and marine biodiversity management	Not Measured	Not Achieved

Commentary

The meeting has been postponed until October 2003 because of the SARS outbreak.

An advice paper has been prepared and is currently being reviewed by other departments.

Target	Actual
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B90%	Not Measured
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A5%	63%
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B90%	33%
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47

Commentary

Reports have been produced on a quarterly basis for review by the Chief Executives' group.

It is anticipated a contract for the re-scoped project will be let by 30 September 2003.

The Ministry is discussing a draft contract for services with Ngai Tahu. There are still issues in regard to customary intellectual property to be resolved.
Ngai Tahu has agreed to develop an updated project plan and provide more detailed costings to achieve the objectives requested by the Ministry. The project is expected to span the next few years.

Output 141 Oceans management strategy process supported

The output funding and responsibility for work associated with the oceans management strategy was transferred from the Ministry of Fisheries to the Ministry for the Environment in July 2002.

Output 151 Ministerial services provided

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

Performance expectations	Dimension	Description
	Quality	% of agreed milestones achieved to specified quality standards
	Cost	% variance actual vs. budget
	Time	% of agreed milestones achieved

Linkages to goal This output provides a number of services to the Minister and Associate Minister of Fisheries.

Milestone	Actual performance	
	Quality	Time
The 2002/03 Purchase Agreement requires that 95% of drafts of replies to Ministerial correspondence be completed within 15 days, and that 97% be accepted without amendment	Not Achieved	Not Achieved
Urgent letters	Achieved	Achieved
Parliamentary questions The standard requirement is for all responses to be delivered on time, and for all responses to be accurate	Not Measured	Not Achieved
Advice and reports for Select Committees and Cabinet Committees	Achieved	Achieved
Draft speeches The requirement is for draft speeches to be provided 5 working days before the event and to the satisfaction of the Minister	Achieved	Achieved

Target	Actual
100%	60%
A5%	9%
100%	60%

Commentary

During 2002/03, the Ministry prepared 423 replies to correspondence for the Minister of Fisheries, of which 390 (92%) were completed within the timeframe of 15 days. Eighteen of those replies required redrafting. This corresponded to an achievement of 95%.

All were responded to within the required 5 day timeframe and to the standard required.

The Ministry received 298 Parliamentary questions during the year, of which 231 (78%) were delivered on time.

Committees were provided with advice as required and within the timeframes specified. The Chief Executive's assessment is that Ministry staff did a very good job in the presentation of information on the scampi fishery to both the Primary Production Select Committee and the State Services Commission Inquiry during the second half of the year and beyond.

No formal speeches were prepared, but requests for speech notes were completed within the required deadline and to the required standard.

Financial Performance

2002 Actual		2003 Actual	2003 Supp Estimates	2003 Actual as a % of Supp Estimates
\$000		\$000	\$000	
Revenue:				
7,090	Crown	7,139	7,529	95
1	Other	–	–	–
7,091	Total revenue	7,139	7,529	95
Expenses:				
2,121	Sustainability and utilisation policy advice provided	2,185	1,863	117
461	International fisheries sustainability and utilisation advice provided	497	471	106
1,907	Biodiversity advice provided	205	556	37
820	Ministerial servicing	4,231	4,639	91
5,309	Total expenses	7,118	7,529	95
1,782	Surplus	21	–	–

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.
- Proposed new projects.

Objectives

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

Output 211 Utilisation and sustainability of New Zealand's fisheries resources measured

Description	Stock assessment reports produced on: <ul style="list-style-type: none">• estimates of biomass and sustainable yields for fishstocks• effects of fishing on the aquatic environment, including biodiversity and by-catch species• relevant social, cultural and economic factors that may be included in the management decision process• non-commercial harvest levels. Research reports produced on: <ul style="list-style-type: none">• strategic research directions• medium term research plans• research proposals for 2003/04.		
Performance expectations	Dimension	Description	
	Quality	% of agreed milestones achieved to specified quality standards	
	Cost	% variance total actual research vs. total budgeted research cost % variance of research project cost vs. budgeted cost (on an individual project basis)	
	Time	% of milestones 1-3 and 5 achieved % of milestone 4 achieved % of milestones 6-10 achieved	
Linkages to goal	This output links directly by providing the information necessary to establish the targets for measuring “efficient utilisation” and “sustainability” of fisheries resources, and also providing the information to determine if these targets have been achieved.		
Milestone	Milestone	Actual performance	
		Quality	Time
	Report from the Mid-Year Fishery Assessment Plenary produced by 22 November 2002 in accordance with the quality standards as defined in the Fisheries Research Services 2002/2003 Tender Document Part II: A – Appendix II B, Form 2 and Appendix III B	Achieved	Achieved
	Audit of quality of data supplied by research providers completed by 29 November 2002 in accordance with the quality standards as defined in the Fisheries Research Services 2002/2003 Tender Document – Part II: A – Section 2.5	Achieved	Achieved
	Research proposals for 2003/04 produced by 6 December 2002 in accordance with the quality standards as defined in the document “Format and	Achieved	Not Achieved

Target	Actual
100%	60%
A5%	9%
A10%	Not Measured
100%	50%
90%	80%
80%	0%

Commentary

An audit of quality of data supplied by research providers was completed in July 2002. Some issues arose from that audit which require resolution prior to further audits.

The draft fisheries research proposals for 2003/04 were produced on 9 December 2002 and available for distribution to stakeholders as part of the consultation documentation on the Ministry's 2003/08 Statement of Intent.

Milestone (continued)	Actual performance	
	Quality	Time
Content of Project Summaries and Medium Term Plans prepared by the Research Planning Groups” dated 9 July 2001 and held in the Science Team directories		
Replacement catch effort forms for rock lobster and one other fishery developed by 1 May 2003 in accordance with the quality standards as defined in the “Catch and Effort Data Quality Specifications and Standards”	Not Measured	Not Achieved
Report from the Fishery Assessment Plenary produced by 30 May 2003 in accordance with the quality standards as defined in the Fisheries Research Services 2002/2003 Tender Document Part II: A – Appendix II B, Form 2 and Appendix III B	Achieved	Achieved
Medium term research plans produced by 27 June 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 9 July 2001 and held in the Science Team directories	Not Measured	Not Achieved
Scientific evaluation of tenders for research projects completed within 20 working days of receipt in accordance with the quality standards as defined in the Fisheries Research Services 2002/2003 Tender Document – Part II: A – Sections 3 and 4 and Appendix I	Achieved	Not Achieved
Scientific evaluation of progress reports, voyage programmes, and voyage reports for research projects completed within 10 working days of receipt in accordance with the quality standards as defined in the Fisheries Research Services 2002/2003 Tender Document – Part II: A – Appendix II A		
Scientific evaluation of final reports for research projects completed within 20 working days of receipt in accordance with the quality standards as defined in the Fisheries Research Services 2002/2003 Tender Document – Part II: A – Appendix II A		

Commentary

As a result of recommendations from the Fisheries Data Working Group, the catch effort forms to be updated were changed from rock lobster and one other fishery with a due date of 1 May 2003 to set netting and bottom longlining.

Joint development of the set netting form is ongoing. The form is expected to be fully completed by 30 October 2003.

The bottom longlining form is 99% complete.

Unplanned requirements for extensive input into the initial position papers for new species being introduced into the quota management system, marine reserve applications, and aquaculture permit evaluations, mean the scheduled plans will now be updated during July-September 2003. This will not jeopardise the timely completion of the 2003/04 research plan.

55

Quality standards met 100% for these four milestones.

Systems not yet available to monitor performance against time for these milestones.

Output 221 Biodiversity of New Zealand's marine environment estimated

Milestone	Actual performance	
	Quality	Time
Scientific review of draft Fishery Assessment Reports completed within 20 working days of receipt in accordance with the quality standards as defined in the Fisheries Research Services 2002/2003 Tender Document – Part II: A – Appendix II B, Form 1		

Description	<p>Scientific reports produced on:</p> <ul style="list-style-type: none"> • descriptions of selected marine communities • species composition, abundance and richness • tools for collection of marine biodiversity data. <p>Research reports produced on:</p> <ul style="list-style-type: none"> • strategic research directions • medium term research plans • research proposals for 2003/04. 	
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Performance expectations	Dimension	Description
	Quality	% of agreed milestones achieved to specified quality standards
	Cost	% variance total actual research vs. total budgeted research cost % variance of research project cost vs. budgeted cost (on an individual project basis)
	Time	% of milestones 1 and 2 achieved % of milestones 3-6 achieved

Linkages to goal	<p>This output links directly by providing the information necessary to establish the targets for measuring “efficient utilisation” and “sustainability” of fisheries resources, and also providing the information to determine if these targets have been achieved.</p>	
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Milestone	Actual performance	
	Quality	Time
Medium term research plans produced by September 2002 in accordance with quality standards as defined in the document “Format and Content of Project Summaries and Medium Term Plans prepared by the Research Planning Group” dated 9 July 2001 and held in the Science Team directories	Achieved	Achieved
Research proposals for 2003/04 produced by February 2003 in accordance with quality standards as defined in the document “Format and Content	Achieved	Achieved

Commentary

Target	Actual
100%	100%
A5%	33%
A10%	Not Measured
100%	100%
80%	0%

Commentary

Milestone (continued)	Actual performance	
	Quality	Time
of Project Summaries and Medium Term Plans prepared by the Research Planning Group” dated 9 July 2001 and held in the Science Team directories		
Scientific evaluation of tenders for research projects completed within 20 working days of receipt in accordance with the quality standards as defined in the Biodiversity Research Requirements Document – Part II: A – Sections 3 and 4 and Appendix I	Achieved	Not Achieved
Scientific evaluation of progress reports, voyage programmes, and voyage reports for research projects completed within 10 working days of receipt in accordance with the quality standards as defined in the Biodiversity Research Requirements Document – Part II: A – Appendix II A		
Scientific evaluation of final reports for research projects completed within 20 working days of receipt in accordance with quality standards as defined in the Biodiversity Research Requirements Document – Part II: A – Appendix II A		
Scientific review of draft Biodiversity Reports completed within 20 working days of receipt		

Output 231 Contracts administered

Description	Monitoring and delivery of contracted research services to ensure consistency and compliance with contract standards.	
Performance expectations	Dimension	Description
	Quality	% of agreed milestones achieved to specified quality standards % of critical standards achieved
	Cost	% variance actual vs. budget
	Time	% of agreed milestones achieved
Linkages to goal	This output supports the sustainability goal of the Ministry by providing and managing the delivery of research-based services.	

Commentary

Quality standards met 100% for these 4 milestones.
Systems not yet available to monitor performance against time for these milestones.

Target	Actual
B90%	100%
B90%	100%
A5%	(8)%
B80%	100%

Milestone	Actual performance	
	Quality	Time
Research tender released by 20 December 2002 in accordance with the quality standards as defined by following the policies and procedures in the Ministry's research provider contract management procedures manual	Achieved	Achieved
Financial reports on expenditure to date and forecast expenditure produced within 20 days of the end of the previous month	Achieved	Achieved
Monitoring reports produced within 20 working days of the end of each quarter in accordance with the Ministry's agreed auditing and monitoring programme	Achieved	Achieved

Output 241 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
	Quality	% of agreed milestones achieved to specified quality standards
	Cost	% variance actual vs. budget
	Time	% of agreed milestones achieved
Linkages to goal	The observer programme collects information for the Ministry and other agencies. Within the Ministry, this information supports our science, fisheries management and compliance processes – all of which contribute to the Ministry's capability for ensuring the ecological sustainability of New Zealand's aquatic resources.	
Quality standards for milestones	Notes <ol style="list-style-type: none"> Annual observer plan. Planned activities will be driven by other agencies and Ministry science, compliance and fisheries management requirements. The plan will clearly state: <ol style="list-style-type: none"> priorities timeframes resource requirements performance measures process for monitoring and reviewing the plan. Annual report of observer activity. The annual report will include: <ol style="list-style-type: none"> a summary of key activities and outputs a statement of performance against the annual observer plan. Planned activity is measured against performance measures as detailed in the annual observer plan. 	

Commentary	
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Target	Actual
100%	Not Measured
A5%	(15)%
100%	100%

Milestone	Actual performance	
	Quality	Time
Annual observer plan developed by 1 July 2002 to required standards (Note 1)	Achieved	Achieved
90% of planned observer days provided by 30 June 2003 (Note 3)	Not Measured	Not Achieved
90% of data collected according to standards in plan by 30 June 2003 (Note 3)	Not Measured	Achieved
Annual report of observer activity developed to required standards by 31 July 2003 (Note 2)	Achieved	Achieved

Output 251 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
	Quality	% of agreed milestones achieved to specified quality standards
	Cost	% variance actual vs. budget
	Time	% of agreed milestones achieved
Linkages to goal	Industry sometimes requests observer coverage to enable vessel operators to meet Government requirements for, among other things, special permits or the establishment of vessel-specific conversion factors. This service enables generic rules to be tailored to specific circumstances – thereby contributing to the efficient utilisation of New Zealand's fisheries resources.	
Quality standards for milestones	Notes The annual report will include: (a) a summary of key activities and outputs (b) a statement of performance against milestones.	
Milestone	Actual performance	
	Quality	Time
Responses provided to 100% of industry requests within 5 days of request. The responses will confirm whether or not the observer days can be provided	Not Measured	Not Achieved
95% of invoices for within zone trips dispatched within 10 working days of trip end	Not Measured	Not Achieved
Annual report of observer activity developed to required standards by 31 July 2003 (Note 1)	Not Measured	Achieved

Commentary

During the year, 3,380 observer sea days were provided for Ministry requirements.
This equated to 89% of Ministry-requested sea days.

Observer data collected. The Ministry is developing systems to monitor performance against quality standards.

Target	Actual
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100%	Not Measured
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A5%	51%
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100%	33%
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Commentary

A total of 3,223 sea days was provided for the year.

The Ministry requires catch effort and biological data for a number of reasons – predominantly as independent verification of fishers' returns, and as an input into the process used for developing sustainability advice to the Minister.

Observers are employed to provide this information. They also provide information for the Department of Conservation (particularly in relation to sea bird mortality). A third function is to respond to specific requests for observer services required by the commercial fishing industry.

A review of the administration of the observer programme is underway. The review will cover the programme's planning, funding, purchasing processes, procedures and systems. Appropriate quality standards will be developed. The aim is to have the recommended changes fully operational from 1 July 2005.

Financial Performance

2002 Actual		2003 Actual	2003 Supp Estimates	2003 Actual as a % of Supp Estimates
\$000		\$000	\$000	
	Revenue:			
20,444	Crown	23,975	27,085	89
1,024	Other	1,438	1,906	75
21,468	Total revenue	25,413	28,991	88
	Expenses:			
	Utilisation and sustainability of			
16,887	New Zealand's fisheries resources measured*	19,716	21,669	91
	Biodiversity of New Zealand's marine			
–	environment estimated	2,381	3,539	67
907	Contracts administered	401	373	108
1,151	Ministry observer monitoring	1,655	1,433	115
992	Industry-requested observer days	968	1,977	49
19,937	Total expenses	25,121	28,991	87
1,531	Surplus	292	–	–

* For 2002/03 this output includes output 371 – Setting standards and specifications previously funded through output class 3 Regulatory Management.

OUTPUT CLASS **D3** 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 311 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
	Quality	% of agreed milestones achieved to specified quality standards % of critical standards achieved to quality standards specified
	Cost	% variance actual vs. budget
	Time	% of agreed milestones achieved % of relevant critical standards achieved
Linkages to goal	<p>This output contributes towards the achievement of the Ministry's goal by:</p> <ul style="list-style-type: none"> contributing to the sustainability of aquatic ecosystems through the approval of sustainability plans for fisheries, and the setting of sustainability measures such as total allowable catch and area closures; contributing to the efficient utilisation of fisheries through the allocation of harvesting rights; while meeting obligations to involve tangata whenua in fisheries management decision-making, and deliver 20% of new quota to Maori. <p>In this activity, the Ministry utilises the information provided through the fisheries research projects and other catch-related information to assist it in developing the advice papers to the Minister of Fisheries on sustainability measures required for the forthcoming fishing year.</p>	
Milestone	Actual performance	
Milestone	Quality	Time
Advice provided to the Minister by 19 July 2002 on TACCs for stocks to be added to QMS on 1 October 2002	Not Measured	Not Achieved
Advice provided to the Minister by 1 August 2002 on declaration of species for inclusion in QMS on 1 October 2003	Not Measured	Not Achieved
Declaration of species for inclusion in QMS on 1 October 2003 notified in <i>Gazette</i> by 29 August 2002	Not Measured	Not Achieved
Final advice provided to the Minister by 30 August 2002 on proposed sustainability measures and management controls for implementation on 1 October 2002	Not Measured	Not Achieved
Consultation with stakeholders on new stocks to be included in QMS on 1 April 2004 initiated by 30 September 2002	Not Measured	Not Achieved

Target	Actual
100%	Not Measured
B95%	Not Measured
A5%	2%
B95%	53%
100%	Not Measured

Commentary
Advice on TACC levels for stocks to be added to QMS on 1 October 2002 was finalised on 1 August 2002 for species in the fourth schedule to the Fisheries Act 1996. For species outside the fourth schedule, the advice paper was completed on 23 August 2002.
The advice paper was provided to the Minister on 4 October 2002.
The declaration was Gazetted on 24 October 2002.
The final advice paper was provided to the Minister on 4 September 2002.
The initial position paper was released to stakeholders on 13 November 2002.

Milestone	Actual performance	
	Quality	Time
Gazettal of new or amended TACs and TACCs as a result of Minister's decisions on proposed sustainability measures and management controls for implementation on 1 October 2002	Not Measured	Achieved
10 new species introduced to QMS by 1 October 2002	Not Measured	Achieved
Provide advice by 1 December 2002 to Ministers on an operational plan for the interaction of the squid trawl fishery with Hooker's sealions	Not Measured	Not Achieved
By 20 December 2002, submit the National Plan of Action for sharks to the Minister for approval	Not Applicable	Not Applicable
Advice provided to the Minister by 29 January 2003 on declaration of species for inclusion in QMS on 1 April 2004	Not Measured	Not Achieved
By 13 February 2003, provide initial position paper on priority management issues for implementation on 1 April 2003	Not Measured	Achieved
Declaration of new species for inclusion in QMS on 1 April 2004 notified in <i>Gazette</i> by 13 March 2003	Not Measured	Achieved
By 31 March 2003, provide final advice to the Minister on proposed sustainability measures and management controls for implementation on 1 April 2003	Not Measured	Achieved
By 1 April 2003, Gazettal of new or amended TACs and TACCs as a result of the Minister's decisions on proposed sustainability measures and management controls for implementation on 1 April 2003	Not Measured	Achieved
By 1 April 2003, introduce one new stock to the QMS	Not Measured	Achieved
Consultation with stakeholders on new stocks to be included in QMS on 1 October 2004 initiated by 30 May 2003	Not Measured	Not Achieved
By 11 July 2003, provide an initial position paper to the Minister on proposed sustainability measures and management controls for implementation on 1 October 2003	Not Measured	Achieved

Commentary

Gazettal occurred on 26 September 2002.

This number excluded cockles in Fishery Management Area 3, which was subject to a judicial review. COC7A and 7B have been introduced into the QMS from 1 October 2002 by Court Order.

An advice paper was approved by the Ministers of Fisheries and Conservation on 20 December 2002.

The diversion of resources to the two scampi inquiries has meant this work has been deferred to 2003/04.

Final advice was sent to the Minister on 20 February 2003.

Two initial position papers were sent to the Minister, the first on 10 October 2002, the second on 20 December 2002.

The Gazette Notice was issued on 13 March 2003.

69

The paper was sent to the Minister on 21 March 2003.

The Gazette Notice was issued on 27 March 2003.

Chatham Island scallops introduced on 1 April 2003.

The initial position paper for the 25 new stocks to be included in the QMS from 1 October 2004 was released to stakeholders for consultation on 30 June 2003. The delay will not jeopardise achievement of the required date of 1 October 2004.

The paper was sent to the Minister on 27 June 2003.

Milestone	Actual performance	
	Quality	Time
By 18 July 2003, provide advice to Minister on TACCs for new stocks to be added to QMS on 1 October 2003	Not Measured	Achieved

Quality standards for critical standards

Dispute resolution

Advice is consistent with legislation such that:

- consistency with the approved statement of procedure is evaluated
- only disputes are determined that relate to the effects of fishing on the fishing activities of any person who has a current fishing interest provided for or authorised under Part IX of the Fisheries Act 1996 and do not relate to sustainability or customary fishing
- a recommended determination is not likely to have a significant adverse effect on the fishing activities of any person who has a current fishing interest provided for or authorised under the Fisheries Act 1996.

Resource Management Act 1991 processes

In accordance with generic policy standards.

Marine Reserves

In accordance with generic policy standards.

Fisheries plans

Quality standards are:

- consultation on proposed fisheries plans to comply with the requirements of section 12 of the Fisheries Act 1996; and
- advice provided to the Minister is to be in accordance with generic policy standards.

Critical standards

Standard (timing only) – excludes accuracy measures

Dispute resolution Within 35 working days, provide advice to the Minister on requests to appoint a dispute commissioner and the reasons for appointment or non-appointment, or within 35 working days provide advice to the Minister on an extension of time of up to 80 working days and subsequent advice on appointment within that time period. Within three months of receiving a dispute commissioner's report or advice on the outcome of a dispute, provide advice to the Minister in support of a determination of the dispute and the reasons for such a determination.

Resource Management Act 1991 processes Provide submissions in response to proposals considered to have significant impacts on the sustainability and utilisation of fisheries resources within deadlines notified by local and regional authorities.

Commentary

Actual performance

Commentary

No disputes were received during the year.

There has been some input and discussion provided to various Resource Management Act 1991 issues, but no direct submissions have been required.

Output 321 International utilisation and sustainability reported**Standard (timing only) – excludes accuracy measures**

Marine Reserves Provide advice to the Minister on marine reserve proposals for which the Minister's concurrence has been sought, within 14 weeks of the Minister receiving a request, to agreed standards, for concurrence from the Minister of Conservation.

The number of concurrence reports was reduced from 6 to 4 in the Amended Purchase Agreement in February 2003.

Fisheries plans Provide advice to the Minister on proposed fisheries plans within 60 working days of the Minister receiving the proposal.

Seasonal sustainability advice Provide advice on seasonal sustainability measures within timeframes and generic policy standards. Resources to process Foveaux Strait oysters, southern blue whiting, Southern, Coromandel and Northland scallops have been allocated to this activity.

Description	Reports provided to the Minister and international organisations evaluating stock assessment advice and New Zealand's allocation.		
Performance expectations	Dimension	Description	
	Quality	% of agreed milestones achieved to specified quality standards Average rating from stakeholder satisfaction survey	
	Cost	% variance actual vs. budget	
	Time	% of agreed milestones achieved	
Linkages to goal	This output contributes towards the achievement of the Ministry's goal by: <ul style="list-style-type: none">contributing to the sustainability of aquatic ecosystems through the setting of sustainability measures such as total allowable catchcontributing to the efficient utilisation of fisheries through the issuing of permits.		
Milestone	Actual performance		
	Milestone	Quality	Time
	Convention for the Conservation of Antarctic Marine Living Resources (CCAMLR) Applications for permits to authorise New Zealand fishing in the Antarctic	Not Measured	Achieved

Commentary

Following an independent review of the processes involved in the establishment of marine reserves, a protocol has been developed for interaction between the Ministry and the Department of Conservation.

Action was completed on 2 marine reserves – Auckland Islands and Te Matuku (Waiheke Island). Two further reserves (Glenduan, Paraninihi) are under consideration. Additional research is required for the Glenduan proposal, while the Paraninihi proposal requires further consultation by DoC with iwi. Neither had been completed at year end.

One additional concurrence request – Paterson Inlet – is not being progressed at this stage at the request of the Department of Conservation.

A number of other new marine reserve proposals are being advanced by the Department of Conservation.

No plans have been produced this year.

Advice on seasonal sustainability measures was provided as follows:

- Southern scallops completed July 2002
- Coromandel scallops completed October 2002
- Foveaux Strait oysters completed March 2003
- southern blue whiting completed March 2003.

There was no review of Northland scallops.

Target	Actual
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B95%	Not Measured
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B80%	Not Measured
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A5%	(5)%
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B95%	100%
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Commentary

During the year, advice was provided to the Minister on the issuing of permits to fish within the area covered by the Convention during the 2002/03 season, and on the issue of permits for New Zealand Antarctic programme research activities.

Milestone (continued)	Actual performance	
	Quality	Time
assessed and issued within 20 working days after receiving applications Advice provided as required and approval gained for New Zealand's negotiating position in relation to sustainability and utilisation		
Commission for the Conservation of Southern Bluefin Tuna (CCSBT) Advice provided and Ministerial approval gained for New Zealand's negotiating position in relation to both sustainability and allocation outcomes in Commission meetings 2 weeks prior to the meeting	Not Measured	Achieved
South Tasman Rise Orange Roughy Arrangement Advice provided two weeks prior to meeting and Ministerial approval gained for New Zealand's negotiating position for the South Tasman Rise Orange Roughy Management Meeting	Not Measured	Achieved

Output 331 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
	Quality	% of agreed milestones achieved to specified quality standards
	Cost	% variance actual vs. budget
	Time	% of agreed milestones achieved
Linkages to goal	This output contributes towards the achievement of the Ministry's goal by providing for and protecting customary fishing rights, and recognising use and management practices of Maori.	
Specification	<p>Standard (timing only) – excludes accuracy measures</p> <p>Appointment of committee of management 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</p>	

Commentary

The Ministry participated in the NZ delegation to the annual meeting of the CCAMLR.

Represented New Zealand at the CCSBT9 meeting. Met with Japanese and Korean officials to resolve key issues that may impede the setting of national allocations at the CCSBT10 meeting in October 2003. During the year, comments were provided to the CCSBT Secretariat on ecologically-related species working group's draft information pamphlets (sharks and sea birds), and on draft CCSBT resolutions on illegal, unreported and unregulated fishing and co-operating non-member status.

In January 2003, officials agreed to roll over the existing arrangement for the season commencing on 1 March 2003.

Discussions were held with Agriculture, Fisheries and Forestry Australia to review management measures on the South Tasman Rise. Agreement was reached on a reduced total allowable catch for 2003/04, and reductions in the following three years. The Ministers of Fisheries in Australia and New Zealand agreed to the outcome of the negotiations.

75

Target	Actual
B95%	Not Measured
A5%	36%
100%	100%

Actual performance

Commentary

There were no appointments this year.

Standard (timing only) – excludes accuracy measures

Appointment of kaitiaki Details of notification of kaitiaki nominations are to be published within 20 working days of receipt of notification
Details of appointment of kaitiaki are to be published in newspapers and the *Gazette* within 20 working days of appointment
Details of cancellation of appointment of kaitiaki and the appointment of replacement kaitiaki are to be published in newspapers and the *Gazette* within 20 working days of appointment

Establishment of mātaimai reserve Notice of application of mātaimai reserve to be published within 20 working days of the receipt of application
Declaration of a mātaimai reserve to be notified in the *Gazette* within 20 working days of the decision to declare a reserve
Applicant to be notified of decision to decline application within 20 working days of Minister's decision

Establishment of taiapure-local fishery 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
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

Customary management proposals Advice on proposed mātaimai by-law to be provided to the Minister within 30 working days of making of by-law by mātaimai management committee
Approved by-law to be notified in the *Gazette* within 10 working days of the Minister's decision

Section 186A/B Temporary Closures Within three months of the receipt of a formal proposal for a temporary closure, restriction or prohibition, provide advice to the Minister or Chief Executive. Note: this requirement was removed in the Amended Purchase Agreement in February 2003

Output 341 Cost recovery process managed

Description	This output covers the process of determining and consulting on the fisheries management costs recovered from the commercial seafood industry.	
Performance expectations	Dimension	Description
	Quality	% of agreed milestones achieved to specified quality standards
	Cost	% variance actual vs. budget
	Time	% of agreed milestones achieved
Linkages to goal	This output covers the process of consulting on fisheries management costs in support of the Ministry's efficient utilisation goal.	

Commentary

Details of 4 nominations were published within the notification period. A further 27 nominations were in progress.

There were no notices required to be published this year. At the end of the year, 6 applications were being processed.

None were established during the year, but 3 were in progress.

No proposals were made.

77

Action was completed on three proposals:

- Western Bay of Plenty
- Pukerua Bay
- Hicks Bay.

There were no further proposals at the end of the year.

Target	Actual
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100%	Not Measured
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A5%	13%
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100%	50%
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Milestone	Actual performance	
	Quality	Time
2002/03 cost recovery levies approved by 1 September 2002, with all advice being consistent with Part XIV of the Fisheries Act 1996, the Fisheries (Cost Recovery) Rules 2001 and the generic policy standards 'assessing quality of policy reports'	Not Achieved	Not Achieved in all cases
Draft process timetable available by 14 December 2002	Not Measured	Achieved
Draft cost recovery levies calculated and circulated to industry by 31 January 2003	Not Measured	Not Achieved
2003/04 cost recovery levies approved by 1 September 2003, with all advice being consistent with Part XIV of the Fisheries Act 1996, the Fisheries (Cost Recovery) Rules 2001 and the generic policy standards 'assessing quality of policy reports'	On Target	On Target

In November 2002, the Ministry received approval to increase the budget for this output by \$473,000 (GST excl.) to cover the additional resources needed to resolve the historic unders and overs in cost recovery. The Ministry has reached an agreement with industry on the settlement of the unders and overs for the period from 1994/95 to 2000/01 and for 2001/02. The necessary procedures to put the settlement into practice are being developed. This work will continue into 2003/04 and the unspent funding from the November 2002 approval will be carried forward for this purpose.

The Ministry is also working on the development and implementation of policies and procedures to improve cost recovery processes.

Commentary

The initial cost recovery levy order for fisheries services was Gazetted on 25 July 2002. This was done to ensure the general election process did not compromise levies being in place by 1 October 2002, thereby safeguarding the Crown revenue stream of \$32 million.

A levy order, to provide for levies on fisheries-related conservation services, was Gazetted on 26 September 2002. An amendment was required following discovery of an error in the calculation of one factor used to determine the individual levy rates. A waiver of the 28 day rule for advising stakeholders was approved to ensure the revised levies could be brought in without delay.

A final levy order was Gazetted on 27 March 2003 with the revised levies effective from 1 May 2003. This order covered the impacts of the TAC/TACC decisions for 1 October 2002, agreed prices for research contracts and the inclusion of Chatham Island scallops in the QMS. The 28 day rule was met in this case.

Indicative cost recovery levies for the 2003/04 year were issued to stakeholders on 16 May 2003, outside the original target, but with sufficient time to allow for stakeholder consultation and meet the regulatory requirements.

The cost recovery plenary was held on 27 May 2003.

Financial Performance

2002 Actual		2003 Actual	2003 Supp Estimates	2003 Actual as a % of Supp Estimates
\$000		\$000	\$000	
Revenue:				
6,849	Crown	7,460	7,860	95
2	Other	–	–	–
6,851	Total revenue	7,460	7,860	95
Expenses:				
3,720	Utilisation and sustainability reported	5,170	5,298	98
520	International utilisation and sustainability reported	606	578	105
1,087	Customary applications processed	508	793	64
536	Setting standards and specifications*	–	–	–
342	Cost recovery process managed	1,035	1,191	87
6,205	Total expenses	7,319	7,860	93
646	Surplus	141	–	–

* Transferred into output class 2, output 211 – Utilisation and sustainability of New Zealand's fisheries resources measured.

OUTPUT CLASS **D4** 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.
- Complete the phased implementation of the New Registry Programme.
- Manage the statutory processes supporting the introduction of new species into the quota management system.
- Provide for other services for fishers.

This output class has funding for the introduction of new species into the QMS and for the implementation of aquaculture reforms.

Output 411 Statutory decision processes administered

Description	This output covers the receiving of applications from stakeholders to farm aquatic life, to harvest aquatic life outside normal rules, and to change the administration of the quota management system, the evaluation of the applications and subsequent decisions to either approve or decline the applications.	
Performance expectations	Dimension	Description
	Quality	% of critical standards achieved to specified quality standards
	Cost	% variance actual vs. budget
	Time	% of agreed milestones achieved
Linkages to goal	This output contributes towards the achievement of the Ministry's goal by enabling efficient resource use through the allocation of harvesting rights.	
Quality standards for critical standards	<p>Aquaculture Authorisations are only issued in circumstances where information on the likely effects of the activity contemplated meets the Ministry's quality standards.</p> <p>Applications to vary existing authorisations are only approved where farming structures are demonstrably positioned in accordance with existing authorisations.</p> <p>Advice to decision-makers provided in accordance with the generic policy standards.</p> <p>New authorisations are only issued where consultation has been carried out in accordance with statutory and the Ministry's quality standards.</p> <p>All applications for new authorisations are processed in accordance with administrative law. This includes the formulation of a preliminary decision, and providing for a subsequent opportunity for applicants to provide further information.</p> <p>Monitoring processes are established and implemented in support of conditions imposed on authorisations.</p> <p>By-catch trade offers In accordance with the statutory considerations provided within the Fisheries Act 1996.</p> <p>Competitive catch limits Catch against competitive catch limits will be monitored on a predetermined frequency (eg. daily, weekly, etc) that will enable fisheries to be closed before catch limits are breached.</p> <p>Commodity levies Advice to Minister on commodity levy applications to be in accordance with the generic policy standards and with the statutory considerations provided within the Commodity Levies Act 1990.</p> <p>Fishing permits Advice provided in accordance with the generic policy standards and with the statutory considerations provided within the Fisheries Act 1996.</p> <p>Quota aggregation exemptions Advice provided in accordance with the generic policy standards.</p> <p>Special permits 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.</p>	

Target	Actual
B95%	Not Measured
A5%	29%
100%	Not Measured

Specification	Standard (timing only) – excludes accuracy measures
	Special permits (continued) The purpose for which a special permit is issued is consistent with those specified in section 97(1) of the Fisheries Act 1996. Procedures in the Special Permit Manual are complied with.
	Statutory authorities supported Advice provided in accordance with the generic policy standards. Administrative support for Catch History Review Committee provided in accordance with service contract.
	Standard (timing only) – excludes accuracy measures
	Aquaculture authorisations 95% of 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 the Ministry's quality procedures
	By-catch trade offers 95% of BCTOs determined within 10 working days of receipt of an offer
	Competitive catch limits Commercial access to any fishery that is managed by way of competitive catch limits will be closed before the catch limit is breached
	Commodity levies Order-in-Council imposing commodity levy to be notified in the <i>Gazette</i> within 12 months of the completion of the ballot of persons affected by the proposed levy
	Fishing permits 95% of applications for change of conditions on commercial fishing permits determined within six months of the date of receipt of completed applications
	95% of applications to lift suspended commercial fishing permits determined within 20 working days of the date of receipt of a completed application
	Quota aggregation exemptions 95% of applications for exemption from the quota aggregation limits are determined within three months of the date of receipt of a fully documented application
	Special permits 95% of applications for special permits determined within six months of the date of receipt of completed applications
	Statutory authorities supported By 28 February 2003, membership of Catch History Review Committee (CHRC) appointed and administrative support to the Committee contracted

Commentary

Actual performance

Commentary

364 applications were processed this year.

Timing standard – because of the backlog of applications, the target could not be met. Additional funding has been implemented to increase resources to complete all applications by June 2005.

Quality standard – in order to ensure information from applicants met the Ministry standards, a “Guide to preparing a Fisheries Resource Impact Assessment” was issued in November 2002.

The new BCTO framework is operated by Commercial Fisheries Services Ltd (FishServe) under the devolved agreement. Fisheries Management no longer has a hands-on role in by-catch trade offers.

The following fisheries were closed during the year:

SPD 5 & 6, SKA3, SCI 1, SCI 2, SCI 3, SCI 4, SCI6A.

In most cases, limits were marginally exceeded due to catch in the last few days or because of later by-catch.

No advice required.

Permit changes were processed for:

SUR 1, 2, 7, 8 and 9 and Eel.

All were achieved within the 6 month target.

No applications were received.

No advice required.

Of the 62 permit applications reviewed during the year, 4 were subsequently withdrawn.

The remaining 58 applications are analysed as follows:

Issued inside 6 months	34 (59%)
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Being progressed but still within the timeframe	12 (20%)
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Declined, but outside the timeframe	1 (2%)
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Issued outside 6 months – further information required	2 (3%)
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Being progressed but outside the timeframe	9 (16%)
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The membership term for current CHRC members was extended to 1 October 2003.

The Ministry sought nominations for new members of the Committee in May 2003.

The new CHRC is expected to be appointed from 1 October 2003.

Output 421 Registry services managed

Description	Monitoring and delivery of contracted registry services to ensure consistency and compliance with contracted or devolved standards.	
Performance expectations	Dimension	Description
	Quality	% of agreed milestones achieved to quality standards specified % of identified critical standards
	Cost	% variance actual vs. budget % debt for year vs. amount demanded for year (Debt means cost recovery and deemed value debts demanded but unpaid (or no legally binding arrangement entered into) by the 20 th working day following demand)
	Time	% of agreed milestones achieved
Linkages to goal	This output supports the utilisation goal of the Ministry by providing and managing the delivery of registry-based services to the commercial fishing industry.	
Quality standards for milestones	<p>Notes</p> <ol style="list-style-type: none"> Actual performance compared against either: <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. Quality standards adopted for the provision of policy advice are as defined in the generic policy standards. Quality standard as defined in the agreed project plan and project deliverable statement. Quality standards are: <ul style="list-style-type: none"> Allocations 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. 	
Milestone	Actual performance	
	Milestone	Quality Time
	High Seas and Mortgages functionality implemented by 1 October 2002 (Note 4)	Not Measured Achieved
	Quota allocated by 1 October 2002 for species declared by the Minister to be subject to the QMS on 1 October 2002 (Note 4)	Not Achieved Achieved

Target	Actual
B90%	Not Measured
B90%	Not Measured
A5%	7%
A20%	Not Measured
B80%	83%

Commentary
FishServe, under contract to the Ministry, has developed High Seas and Mortgages processes, operational from 1 October 2002. Systems functionality will not be fully operational until October 2003.

Approved Service Delivery Organisation standards

Milestone	Actual performance	
	Quality	Time
Implementation plan for aquaculture reform approval by 31 March 2003 (Note 3)	Not Measured	Not Achieved
Quota allocated by 1 April 2003 for species declared by the Minister to be subject to QMS on 1 April 2003 (Note 4)	Not Measured	Achieved
Quarterly audit reports produced within one month of the end of each quarter for registry-based services (Note 1)	Not Measured	Achieved
Quota allocated in accordance with the timeframes in project plans for species declared by the Minister to be subject to QMS on 1 October 2003 (Note 4)	Not Measured	Achieved
Replacement of accounts receivable system in accordance with timeframes in the project plans (Note 3)	Not Applicable	Not Applicable
Standard (timing only) – excludes accuracy measures		
Performance report Annual report within 3 months of end of ASDO's financial year		
Registration of caveats: aggregation/foreign ownership and forfeiture on order of Court Within 1 day of receipt		
Registration of vessels 98% within 5 days of receipt of application over an annual period		
Receipt of returns 98% accurate over an annual period		
Advise the Ministry of late returns 98% within 5 days of receipt over an annual period		
Input of data from returns Entry of catch information: 95% within 2 days of receipt over an annual period		
Follow-up of late returns 95% within 5 days of end of month in which return was due		
Follow-up of incorrect forms 95% followed up within 10 days of receipt		
ASDO shall supply information to allow generation of deemed value invoices Between 20 th and 25 th of each month		
Overfishing thresholds ASDO action taken within 5 days of completion of monthly balancing		
ASDO must act on the Ministry's exemption decision within 2 days of receipt		

Commentary

Project planning for the Transitional and Implementation phases of the aquaculture reform has been completed, and the activities for the auditing of existing rights, and some policy development, have taken place. The project plan has been agreed both internally and with the inter-departmental working group, and is ready for final approval from the project sponsor. Requirements have been defined for the Geo-spatial Data Management project. The audit of aquaculture files is continuing. Work on record-keeping and reporting requirements is also underway.

Following negotiations both internally and with FishServe, it has been agreed to extend the time-frame for the development of a new revenue system which will enable better definition of the issues for both parties. This milestone has been deferred to 2003/04.

Actual performance

Commentary

The financial year for FishServe commences on 1 October. The Ministry is in discussions about the content of the annual performance report.

Achieved

Achieved

Achieved

Achieved

Achieved

Achieved

Achieved

Achieved

Achieved

Contract standards and performance for Service Delivery Agency (SDA)

Standard (timing only) – excludes accuracy measures

Performance report Annual report within 3 months of end of SDA's financial year

Quota allocation Actions undertaken within timeframes defined in stock allocation policies

Management of Crown holdings Report of holdings within 10 working days of the end of the 6 month period ending 30 June and 31 December in any year

Fishing permits 90% within 1 day of receipt of correct application over an annual period

Reviews initiated within 1 week of request or, where the Ministry is to make a decision, forwarded to the Ministry within 1 day

High seas permitting Declined or forwarded to the Ministry within 1 day of receipt

Consent to register a foreign vessel 80% within 3 days of receipt over an annual period

Approval of Automatic Location Communicator (ALC) 80% within 3 days of receipt of application for ALC over an annual period

Each of the following standards relates to the issue of invoices, whether for cost recovery levies, deemed values or other departmental revenue. Invoicing was deferred during the early part of the year because of litigation concerning the validity of levies imposed under the Fisheries (Cost Recovery Levies) Orders. Legislation to validate the Ministry's actions was subsequently passed in December 2002. Directions were then given to FishServe to reactivate actions in respect of cost recovery invoicing and debt. Recovery action commenced on 25 February 2003.

Deemed values, cost recovery and departmental invoices sent to clients
By 5th day of the month following invoice date

Payment reminder for outstanding debt 95% within 2 days of due date over an annual period

Debt collection proceedings By 20th day of 3rd month following due date unless agreement reached to the contrary

Caveat suspension action Sent on 20th of second month for outstanding debts

Actual performance

Commentary

The SDA's financial year is now 1 October to 30 September. Discussions are occurring about the content of this year's annual performance report.

Achieved

Achieved

Achieved

Achieved

Achieved

Achieved

Not achieved for September 2002 to January 2003 in respect of cost recovery invoicing, but achieved for all other invoicing requirements.

Not achieved for September 2002 to January 2003 in respect of cost recovery invoicing, but achieved for all other invoicing requirements.

Not achieved for September 2002 to January 2003 in respect of cost recovery invoicing, but achieved for all other invoicing requirements.

Not achieved for September 2002 to January 2003 in respect of cost recovery invoicing, but achieved for all other invoicing requirements.

Financial Performance

2002 Actual		2003 Actual	2003 Supp Estimates	2003 Actual as a % of Supp Estimates
\$000		\$000	\$000	
Revenue:				
8,897	Crown	7,102	7,102	100
707	Other	853	1,565	55
9,604	Total revenue	7,955	8,667	92
Expenses:				
1,689	Statutory decisions processes administered	1,428	2,000	71
7,774	Registry services managed	6,213	6,667	93
9,463	Total expenses	7,641	8,667	88
141	Surplus	314	–	–

OUTPUT CLASS **D5** 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.

This output class includes funding for the issue of infringement notices.

Output 511 Commercial fishing rules enforced

Description	A compliance capacity is provided to take actions in commercial fisheries to encourage compliance and deter offending. These actions include monitoring, detection, and provision of recommendations to prosecute.		
Performance expectations	Dimension	Description	
	Quality	% of agreed milestones achieved to specified quality standards	
	Cost	% variance actual vs. budget	
	Time	% of agreed milestones achieved	
Linkages to goal	The Government's legislative framework is the key tool for enabling the Ministry to contribute to efficient utilisation and ensure the sustainability of aquatic resources. Enforcement of the relevant legislation is essential for ensuring the overall integrity of that framework.		
Quality standards for milestones	Notes		
	<div>1 Compliance operations will be developed and completed in accordance with Compliance business policies and the Fishery Officers' Manual.</div> <div>2 The quarterly report will include:<div>(a) a summary of key activities and achievements</div><div>(b) a statement of performance against commercial compliance priorities.</div></div> <div>3 The annual report will include:<div>(a) a summary of key activities and achievements</div><div>(b) a statement of performance against commercial compliance priorities</div><div>(c) an assessment of how the activities contributed to the Ministry's priorities and mitigated key compliance risks.</div></div>		
Milestone	Actual performance		
	Milestone	Quality	Time
	Compliance monitoring and enforcement operations undertaken as required (Note 1)	Not Measured	Achieved
	A report completed and forwarded to the Minister at the end of each quarter (Note 2)	Achieved	Achieved
	A national fisheries compliance annual report completed to required standards by 31 July 2003 (Note 3)	Not Measured	Not Achieved

Target	Actual
100%	Not Measured
A5%	4%
100%	67%

Commentary

Compliance monitoring and enforcement operations are ongoing functions, designed to detect illegal fishing activities and to gather the evidence necessary to prosecute those involved or impose other sanctions. The intention is to reduce the level of offending and increase voluntary compliance with fisheries laws and policies.

During the year, the Ministry:

- undertook 1,135 vessel inspections, with an 85% compliance rate detected
- inspected 265 Licensed Fish Receivers, with a compliance rate of 85%
- carried out 91 general inspections, with a compliance rate of 82%
- prepared infringement notices in respect of those fishers who failed to get their Monthly Harvest Returns (MHRs) in by the specified time (10% of MHRs were late)
- prepared prosecution files for those failing to submit MHRs
- undertook surveillance operations to gain evidence of illegal fishing activity.

A report on inspections and infringements has been completed, but the diversion of resources to the two scampi inquiries has meant it was not possible to complete a full report.

Output 521 Customary fishing rules enforced

Description	A compliance capacity is provided to take actions 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	
	Quality	% of agreed milestones achieved to specified quality standards	
	Cost	% variance actual vs. budget	
	Time	% of agreed milestones achieved	
Linkages to goal	The Government's legislative framework is the key tool for enabling the Ministry to contribute to efficient utilisation and ensure the sustainability of aquatic resources. Actions taken to enforce and encourage understanding of relevant legislation are essential for ensuring the overall integrity of the legislative framework.		
Quality standards for milestones	<p>Notes</p> <ol style="list-style-type: none">1 Compliance operations will be developed and completed in accordance with Compliance business policies and the Fishery Officers' Manual.2 The quarterly report will include:<ol style="list-style-type: none">(a) a summary of key activities and achievements(b) a statement of performance against customary compliance priorities.3 The annual report will include:<ol style="list-style-type: none">(a) a summary of key activities and achievements(b) a statement of performance against the customary fisheries compliance plan(c) an assessment of how the activities contributed to the Ministry's priorities and mitigated key compliance risks.		
Milestone	Actual performance		
	Milestone	Quality	Time
	Compliance monitoring and enforcement operations undertaken as required (Note 1)	Not Measured	Achieved
	Educational initiatives undertaken as required	Not Measured	Achieved
	A report completed and forwarded to the Minister at the end of each quarter (Note 2)	Achieved	Achieved
	A national fisheries compliance annual report completed to required standards by 31 July 2003 (Note 3)	Not Measured	Not Achieved

Target	Actual
100%	Not Measured
A5%	40%
100%	75%

Commentary
<p>Appropriate enforcement action is taken to support customary regulations, associated by-laws, and Regulation 27 provisions as appropriate. As noted in the commentary on output 511 above, monitoring and enforcement activities are ongoing throughout the year.</p> <p>16 Kaimoana Regulations authorisations checked, resulting in an 81% compliance rate, and 333 Regulation 27 authorisations checked, with a 91% compliance rate in the North Island during the year.</p> <p>The review of the Honorary Fishery Officer Trainers' Manual and the drafting of a new training course have been ongoing, as has the presentation of Tangata Kaitiaki training courses for Regulation 27, and the printing and distribution of compliance promotional material. Emphasis for the latter part of the year was on the implementation of, and training on, the new conditions related to Regulation 27.</p>
<p>Due to the diversion of resources to the two scampi inquiries, this report was not provided.</p>

Output 531 Recreational fishing rules enforced

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	
	Quality	% of agreed milestones achieved to specified quality standards	
	Cost	% variance actual vs. budget	
	Time	% of agreed milestones achieved	
Linkages to goal	The Government's legislative framework is the key tool for enabling the Ministry to contribute to efficient utilisation and ensure the sustainability of aquatic resources. Actions taken to enforce and encourage understanding of relevant legislation are essential for ensuring the overall integrity of the legislative framework.		
Quality standards for milestones	<p>Notes</p> <ol style="list-style-type: none">1 Compliance operations will be developed and completed in accordance with Compliance business policies and the Fishery Officers' Manual.2 The quarterly report will include:<ol style="list-style-type: none">(a) a summary of key activities and achievements(b) a statement of performance against recreational compliance priorities.3 The annual report will include:<ol style="list-style-type: none">(a) a summary of key activities and achievements(b) a statement of performance against the recreational compliance plan(c) an assessment of how the activities contributed to the Ministry's priorities and mitigated key compliance risks.		
Milestone	Actual performance		
	Milestone	Quality	Time
	Compliance monitoring and enforcement operations undertaken as required (Note 1)	Not Measured	Achieved
	Educational initiatives undertaken as required	Not Measured	Achieved
	A report completed and forwarded to the Minister at the end of each quarter (Note 2)	Achieved	Achieved
	A national fisheries compliance annual report completed to required standards by 31 July 2003 (Note 3)	Not Measured	Not Achieved

Target	Actual
100%	Not Measured
A5%	(9)%
100%	75%

Commentary
<p>The monitoring programme is ongoing. It involves routine inspections and enquiries to determine levels of compliance with legislative provisions. Honorary Fishery Officers (HFO) are actively involved in monitoring activities.</p> <p>During the year, infringement notices were issued for offences involving recreational shellfish (993) and finfish (221).</p> <p>A review of the effectiveness of the HFO network has been commenced.</p>
<p>Specific educational initiatives were undertaken, the emphasis being to advise the public of recreational fishing rules and requirements, particularly at peak times over the summer period. Fishery Officers attended boat, sea week and food festivals within their districts. Displays and handouts are well received. In the South Island, an advertising campaign has been undertaken to advise the public on recreational fishing rules.</p>
<p>Statistics are available on infringements of regulations, but diversion of resources to the two scampi inquiries has meant the full report was not produced.</p>

Output 541 New Zealand international fishing rules enforced

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	
	Quality	% of agreed milestones achieved to specified quality standards	
	Cost	% variance actual vs. budget	
	Time	% of agreed milestones achieved	
Linkages to goal	The Government's legislative framework is the key tool for enabling the Ministry to contribute to efficient utilisation and ensure the sustainability of aquatic resources. Enforcement of the relevant legislation is essential for ensuring the overall integrity of that framework.		
Quality standards for milestones	Notes		
	<div>1 Compliance operations will be developed and completed in accordance with Compliance business policies and the Fishery Officers' Manual.</div> <div>2 The quarterly report will include:<div>(a) a summary of key activities and achievements</div><div>(b) a statement of performance against international compliance priorities.</div></div> <div>3 The annual report will include:<div>(a) a summary of key activities and achievements</div><div>(b) a statement of performance against the international fisheries compliance plan</div><div>(c) an assessment of how the activities contributed to the Ministry's priorities and mitigated key compliance risks.</div></div>		
Milestone	Actual performance		
	Milestone	Quality	Time
	Compliance monitoring and enforcement operations undertaken as required (Note 1)	Not Measured	Achieved
	A report completed and forwarded to the Minister at the end of each quarter (Note 2)	Achieved	Achieved
	A national fisheries compliance annual report completed to required standards by 31 July 2003 (Note 3)	Not Measured	Not Achieved

Target	Actual
100%	Not Measured
A5%	39%
100%	67%

Commentary
<p>As part of the continuing monitoring and enforcement programme, all NZ vessels operating in international fisheries were monitored. Foreign vessels were inspected in port.</p> <p>One enforcement operation, “Operation >200” was undertaken. It focused on fishing on the high seas without a high seas permit.</p>
<p>Due to the diversion of resources to the two scampi inquiries, this report was not provided.</p>

Output 551 Black market and poaching activities deterred

Description	Actions taken to apprehend black market and poaching offenders. These actions include monitoring, detection, and provision of recommendations to prosecute.		
Performance expectations	Dimension	Description	
	Quality	% of agreed milestones achieved to specified quality standards	
	Cost	% variance actual vs. budget	
	Time	% of agreed milestones achieved	
Linkages to goal	The Government's legislative framework is the key tool for enabling the Ministry to contribute to efficient utilisation and ensure the sustainability of aquatic resources. Enforcement of the relevant legislation is essential for ensuring the overall integrity of that framework.		
Quality standards for milestones	Notes		
	1 Compliance operations will be developed and completed in accordance with Compliance business policies and the Fishery Officers' Manual.		
	2 The quarterly report will include:		
	(a) a summary of key activities and achievements		
	(b) a statement of performance against black market and poaching compliance priorities.		
	3 The annual report will include:		
Milestone	(a) a summary of key activities and achievements		
	(b) a statement of performance against the black market and poaching compliance priorities		
	(c) an assessment of how the activities contributed to the Ministry's priorities and mitigated key compliance risks.		
	Actual performance		
	Milestone	Quality	Time
	Compliance monitoring and enforcement operations undertaken as required (Note 1)	Not Measured	Achieved
	A report completed and forwarded to the Minister at the end of each quarter (Note 2)	Achieved	Achieved
	A national fisheries compliance annual report completed to required standards by 31 July 2003 (Note 3)	Not Measured	Not Achieved

Target	Actual
100%	Not Measured
A5%	(10)%
100%	67%

Commentary
<p>The annual programme involves the development of surveillance plans for anticipated black market and poaching activities.</p> <p>A number of black market or poaching enforcement operations have been completed or are currently underway. Many of these are progressing within the Court system. Some have resulted in significant financial penalties.</p>
<p>Due to the diversion of resources to the two scampi inquiries, this report was not provided.</p>

Financial Performance

2002 Actual		2003 Actual	2003 Supp Estimates	2003 Actual as a % of Supp Estimates
\$000		\$000	\$000	
	Revenue:			
18,479	Crown	18,070	18,070	100
116	Other	132	89	148
18,595	Total revenue	18,202	18,159	100
	Expenses:			
7,790	Commercial fishing rules enforced	7,623	7,976	96
2,630	Customary fishing rules enforced	1,518	2,530	60
3,125	Recreational fishing rules enforced	4,059	3,711	109
584	New Zealand international fishing rules enforced	294	485	61
4,425	Black market and poaching activities deterred	3,809	3,457	110
18,554	Total expenses	17,303	18,159	95
41	Surplus	899	–	–

OUTPUT CLASS **D6** PROSECUTION OF OFFENCES

Description

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

Objectives

Successfully prosecute those who have offended against fisheries laws.

Output 611 Prosecutions managed

Description	Fisheries-related prosecutions managed. This includes case preparation and presentation, and management of forfeit property.		
Performance expectations	Dimension	Description	
	Quality	% of cases that meet <i>prima facie</i> requirements % of successful prosecutions under the Fisheries Act 1996 % of successful prosecutions under fisheries regulations	
	Cost	% variance actual vs. budget	
	Time	% of cases initiated within statutory timeframes	
Linkages to goal	The Government’s legislative framework is the key tool for enabling the Ministry to contribute to efficient utilisation and the sustainability of aquatic resources. Enforcement of that legislation is essential for ensuring the overall integrity of the framework. Successful prosecution ensures offenders incur sanctions for breaches, thereby creating a deterrent to offending.		
Quality standards for milestones	Notes 1 The quality of prosecutions will be measured against standards set in the Crown Law guidelines and Compliance business policies. 2 The quarterly report will include a summary of key activities and achievements. 3 The annual report will include: (a) a summary of key activities and achievements (b) a statement of performance (c) an assessment of how the activities contributed to the Ministry’s priorities and prosecution statistics.		
Milestone	Actual performance		
	Milestone	Quality	Time
	Prosecutions undertaken as required (Note 1)	Achieved	Achieved
	A report completed and forwarded to the Minister at the end of each quarter (Note 2)	Achieved	Achieved
	A national prosecution annual report completed to required standards by 31 July 2003 (Note 3)	Achieved	Achieved

Target	Actual
B95%	98%
B90%	87%
B60%	89%
A5%	19%
100%	100%

Commentary

Financial Performance

2002 Actual		2003 Actual	2003 Supp Estimates	2003 Actual as a % of Supp Estimates
\$000		\$000	\$000	
	Revenue:			
3,793	Crown	3,874	4,124	94
1	Other	—	—	—
3,794	Total revenue	3,874	4,124	94
	Expenses:			
3,609	Prosecutions managed	3,356	4,124	81
3,609	Total expenses	3,356	4,124	81
185	Surplus	518	—	—

VOTE BIOSECURITY – FISHERIES

OUTPUT CLASS **D11** 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 includes:

- 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 711 Biosecurity policy advice provided

Description	Advice provided to the Ministers to improve delivery of the marine biosecurity framework covering vector controls, surveillance and incursions, including: <ul style="list-style-type: none">• surveillance for marine pests• compliance monitoring of ballast water exchange• incursion response options and systems for the marine environment• risk profile for marine species that arrive in New Zealand• baseline information to support border control• alternative management tools for vector threats.		
Performance expectations	Dimension	Description	
	Quality	% of agreed milestones achieved to specified quality standards	
	Cost	% variance actual vs. budget	
	Time	% of agreed milestones achieved	
Linkages to goal	The development of a biosecurity framework supports the Ministry's sustainability of aquatic ecosystems goal.		
Milestone			Actual performance
	Milestone	Quality	Time
	Advice developed and Ministerial approval gained for a negotiating position for the February 2003 meeting of the International Maritime Organisation two weeks prior to the meeting	Not Measured	Achieved
	Regulatory framework for Ministerial consideration to minimise risks to the marine environment from hull cleaning developed by 31 July 2002	Achieved	Achieved
	Procedures and guidelines developed by 30 September 2002 to implement a risk management framework for marine biosecurity	Achieved	Achieved

Target	Actual
B95%	Not Measured
A5%	(1)%
B95%	100%

Commentary

New Zealand has actively promoted the development of an international convention for the control and management of ship ballast water discharges – one of the principal vectors for the movement of non-indigenous marine species between countries. Negotiation of the terms of a convention is likely to be concluded in 2003/04.

Output 712 Biosecurity regulatory controls provided

Description	Regulatory controls put in place to manage incursions, and assist in the identification of risks, and the establishment of initiatives to mitigate those risks. The regulatory controls will include import health standards.		
Performance expectations	Dimension	Description	
	Quality	% of agreed milestones achieved to specified quality standards	
	Cost	% variance actual vs. budget	
	Time	% of agreed milestones achieved	
Linkages to goal	Biosecurity regulatory controls contribute to the Ministry’s sustainability of aquatic ecosystems goal.		
Milestone			Actual performance
	Milestone	Quality	Time
	Implementation plan for hull cleaning developed by 30 November 2002	Not Measured	Achieved

112

Output 713 Biosecurity rules enforced

Description	Actions taken to enforce compliance and deter breaches of biosecurity rules.		
Performance expectations	Dimension	Description	
	Quality	% of agreed milestones achieved to specified quality standards	
	Cost	% variance actual vs. budget	
	Time	% of agreed milestones achieved	
Linkages to goal	Enforcement of biosecurity rules contributes to the Ministry's sustainability of aquatic ecosystems goal.		
Milestone			Actual performance
	Milestone	Quality	Time
	Compliance contract with the Ministry of Agriculture and Forestry (MAF) monitored and report prepared by 20 June 2003	Not Measured	Achieved

Target	Actual
B95%	Not Measured
A5%	1%
B95%	100%

Commentary

A Marine Biosecurity Vector Management Plan was completed on 19 November 2002. This includes the implementation plan for the revised management framework for hull cleaning. It is intended to implement progressively this management framework.

Target	Actual
B80%	Not Measured
A5%	0%
100%	100%

Commentary

The MAF Quarantine Service enforces compliance with the ballast water import health standard. The Ministry of Fisheries maintains ongoing interaction with inspectors and management on ballast water clearance procedures.

Output 714 Biosecurity research provided

Description	Scientific and policy reports produced on: <ul style="list-style-type: none">• surveillance for marine pests• compliance monitoring of ballast water exchange• incursion response options and systems for the marine environment• risk profile for marine species that arrive in New Zealand• baseline information to support border control• alternative management tools for vector threats.		
Performance expectations	Dimension	Description	
	Quality	% of agreed milestones achieved to specified quality standards	
	Cost	% variance total actual research cost vs. total budget research cost % variance of research project cost vs. budgeted cost (on an individual basis)	
	Time	% of milestones 1-2 achieved % of milestones 3-6 achieved	
Linkages to goal	This output links directly to the Ministry's goal by improving knowledge of potentially invasive species and of marine biodiversity in areas most at risk from invasion, and supporting the development of our compliance, surveillance and response capabilities.		
Milestone	Milestone	Actual performance	
		Quality	Time
	Research proposals for 2003/04 produced by 30 June 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 9 July 2001 and held in the Science Team directories Medium term research plan produced by 30 June 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 9 July 2001 and held in the Science Team directories	Not Measured	Achieved
	Evaluation of tenders for research projects completed within 20 working days of receipt in accordance with quality standards as defined in the Biodiversity Strategy Research Services 2000/2005 Tender Document – Part II: A – Sections 3 and 4 and Appendix I	Not Measured	Not Achieved

Target	Actual
100%	Not Measured
A5%	15%
A10%	Not Measured
100%	10%
80%	0

Commentary
The scoping of vector risks has identified specific areas for research which could be undertaken in 2003/04. Further analysis will be required before final proposals are adopted.

One tender evaluated during the year.

Milestone	Actual performance	
	Quality	Time
Evaluation of progress reports for research projects completed within 10 working days of receipt in accordance with quality standards as defined in the Biodiversity Strategy Research Services 2000/2005 Tender Document – Part II: A – Appendix II A	Achieved	Not Achieved
Evaluation of final reports for research projects completed within 20 working days of receipt in accordance with quality standards as defined in the Biodiversity Strategy Research Services 2000/2005 Tender Document – Part II: A – Appendix II A	Achieved	Not Achieved
Review of Biosecurity Research Reports completed within 20 working days of receipt in accordance with quality standards as defined in the Biodiversity Strategy Research Services 2000/2005 Tender Document – Part II: A – Appendix II B (the quality standards for these reports are being further developed)	Not Applicable	Not Applicable

Financial Performance

2002 Actual		2003 Actual	2003 Supp Estimates	2003 Actual as a % of Supp Estimates
\$000		\$000	\$000	
Revenue:				
3,153	Crown	2,804	3,200	88
3,153	Total revenue	2,804	3,200	88
Expenses:				
366	Biosecurity policy advice provided	319	317	101
87	Biosecurity regulatory controls provided	108	109	99
69	Biosecurity rules enforced	63	63	100
1,208	Biosecurity research provided	2,313	2,711	85
1,730	Total expenses	2,803	3,200	88
1,423	Surplus	1	–	–

Commentary

Eight progress reports have been reviewed. Scientific evaluation of final progress reports has not always been completed on time due to the unavailability of external reviewers and higher priority issues intervening. Quality standards are met 100% of the time.

Thirteen final reports have been evaluated during the year. Scientific evaluation of final reports has not always been completed on time due to the unavailability of external reviewers and higher priority issues intervening. Quality standards are met 100% of the time.

There were no reviews required.

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 Direct costs assigned to outputs

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

For the year ended 30 June 2003, direct costs accounted for 80% of the Ministry's costs (2002: 80%).

Basis for assigning indirect and corporate costs to outputs

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 2003, indirect costs accounted for 20% of the Ministry's costs (2002: 20%).

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

Operating Leases Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease expenses are recognised on a systematic basis over the period of the lease.

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 to be 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

119

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 and Appropriations and Statement of Unappropriated Expenditure, in which the GST on revenue earned is included where applicable.

The amount of GST owing to or 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 that 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 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

2002 Actual \$000		Notes	2003 Actual \$000	2003 Main Estimates \$000	2003 Supp Estimates \$000
Revenue:					
68,705	Crown	1	70,424	68,940	74,970
1,959	Other	2 & 3	2,508	1,656	3,680
70,664	Total revenue		72,932	70,596	78,650
Expenditure:					
22,881	Personnel costs	4	25,354	20,389	27,175
38,074	Operating costs	5	42,225	46,697	48,106
3,150	Depreciation	6	2,433	2,804	2,554
702	Capital charge	7	650	706	695
197	Other expenses		–	–	–
65,004	Total expenditure	19	70,662	70,596	78,530
5,660	Net surplus		2,270	–	120

121

STATEMENT OF MOVEMENTS IN TAXPAYERS' FUNDS

FOR THE YEAR ENDED 30 JUNE

2002 Actual \$000		2003 Actual \$000	2003 Main Estimates \$000	2003 Supp Estimates \$000
7,847	Taxpayers' funds at start of period	7,650	7,622	7,650
5,660	Net surplus	2,270	–	120
–	Increase in revaluation reserves	446	–	700
5,660	Total recognised revenues and expenses for the period	2,716	–	820
(5,857)	Provision for repayment of surplus to the Crown	(2,270)	–	(120)
–	Capital contribution	268	168	268
7,650	Taxpayers' funds at end of period	8,364	7,790	8,618

The financial statements should be read in conjunction with the statement of accounting policies on pages 118 to 120 and the notes to the financial statements on pages 128 to 135.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE

2002 Actual \$000		Notes	2003 Actual \$000	2003 Main Estimates \$000	2003 Supp Estimates \$000
	Taxpayers' funds				
7,198	General funds	8a	7,466	7,338	7,466
452	Revaluation reserves	8b	898	452	1,152
7,650	Total taxpayers' funds		8,364	7,790	8,618
	Represented by:				
	Current assets				
1,883	Cash		2,763	2,192	2,533
338	Prepayments		305	96	96
15	Inventory		12	46	46
17,341	Debtors and receivables	9	17,633	10,956	11,456
19,577	Total current assets		20,713	13,290	14,131
9,402	Property, plant and equipment	10	9,108	10,286	10,393
28,979	Total assets		29,821	23,576	24,524
	Current liabilities				
11,152	Creditors and payables	11	15,574	11,556	11,556
5,857	Provision for repayment of surplus to the Crown	12	2,270	–	120
2,240	Provision for employee entitlements	13	1,687	2,500	2,114
394	Unearned revenue		–	286	286
–	Other provisions		–	44	44
19,643	Total current liabilities		19,531	14,386	14,120
	Term liabilities				
1,686	Provision for employee entitlements	13	1,926	1,400	1,786
21,329	Total liabilities		21,457	15,786	15,906
7,650	Net assets		8,364	7,790	8,618

The financial statements should be read in conjunction with the statement of accounting policies on pages 118 to 120 and the notes to the financial statements on pages 128 to 135.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE

2002 Actual \$000		2003 Actual \$000	2003 Main Estimates \$000	2003 Supp Estimates \$000
Cash flows from operating activities				
	Cash provided from:			
	Supply of outputs to:			
66,168	– Crown	70,197	74,440	81,305
2,608	– Other parties	1,913	1,656	3,002
68,776		72,110	76,096	84,307
Cash expended on:				
	Cost of producing outputs:			
(62,949)	– Output expenses	(63,355)	(67,086)	(74,648)
(702)	– Capital charge	(650)	(706)	(695)
(63,651)		(64,005)	(67,792)	(75,343)
5,125	Net cash inflow/(outflow) from operating activities	8,105	8,304	8,964
Cash flows from investing activities				
	Cash provided from:			
297	– Sale of property, plant and equipment	459	236	356
	Cash expended on:			
(3,115)	– Purchase of physical assets	(2,095)	(2,900)	(3,081)
(2,818)	Net cash inflow/(outflow) from investing activities	(1,636)	(2,664)	(2,725)
Cash flows from financing activities				
	Cash provided from:			
–	– Capital contribution from the Crown	268	168	268
	Cash disbursed for:			
(2,638)	– Payment of surplus to the Crown	(5,857)	(7,082)	(5,857)
(2,638)	Net cash inflow/(outflow) from financing activities	(5,589)	(6,914)	(5,589)
(331)	Net increase/(decrease) in cash balance	880	(1,274)	650
2,214	Add opening cash balance	1,883	3,466	1,883
1,883	Closing cash balance	2,763	2,192	2,533

The financial statements should be read in conjunction with the statement of accounting policies on pages 118 to 120 and the notes to the financial statements on pages 128 to 135.

RECONCILIATION OF NET SURPLUS TO NET CASH FLOWS FROM OPERATING ACTIVITIES

FOR THE YEAR ENDED 30 JUNE

2002 Actual \$000		2003 Actual \$000	2003 Main Estimates \$000	2003 Supp Estimates \$000
5,660	Net surplus	2,270	–	120
	Add non-cash items:			
3,150	Depreciation	2,433	2,804	2,554
–	Other non-cash movements	28	–	–
3,150	Total non-cash items	2,461	2,804	2,554
	Movements in working capital items:			
	(Increase)/decrease in debtors and receivables	(292)	5,500	5,885
(212)	(Increase)/decrease in prepayments	33	–	242
	Increase/(decrease) in creditors and payables	4,422	–	404
(2,223)	Increase/(decrease) in employee entitlements	(313)	–	(90)
419	(Increase)/decrease in inventories	3	–	(31)
(3)	Increase/(decrease) in unearned revenue	(394)	–	–
75	Increase/(decrease) in other provisions	–	–	–
222				
	Net increase/(decrease) in working capital movements	3,459	5,500	6,410
	Add/(less) investing activity items:			
(108)	Net (gain) on sale of property, plant and equipment	(85)	–	(120)
(108)	Total investing activity items	(85)	–	(120)
	Net cash inflow/(outflow) from operating activities	8,105	8,304	8,964

124

The financial statements should be read in conjunction with the statement of accounting policies on pages 118 to 120 and the notes to the financial statements on pages 128 to 135.

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 2002/03 for which the service will be performed after 30 June 2003.

2002 Actual \$000		2003 Actual \$000
	Operating commitments	
11,919	– Less than one year	13,640
4,443	– One to two years	7,713
1,288	– Two to five years	8,535
560	– More than five years	2,224
18,210	Total operating commitments	32,112
33	Capital commitments	–
18,243	Total commitments	32,112

125

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 the date of approval of the financial statements.

2002 Actual \$000		2003 Actual \$000
	Legal proceedings and disputes	
680	– Departmental	302
1,000	– Non-departmental	1,158
1,680	Total contingent liabilities	1,460

These contingent liabilities relate to public liability claims. Based on the information available, the Ministry considers it extremely unlikely any liability will be materially greater than that included in the Statement of Contingent Liabilities.

The financial statements should be read in conjunction with the statement of accounting policies on pages 118 to 120 and the notes to the financial statements on pages 128 to 135.

STATEMENT OF EXPENDITURE AND APPROPRIATIONS

FOR THE YEAR ENDED 30 JUNE

2002 Actual \$000		2003 Actual \$000	2003 Appropriation* \$000
Vote Fisheries			
Appropriations for classes of outputs			
6,195	D1 – Policy framework	8,010	8,470
22,621	D2 – Fisheries information and monitoring	28,298	32,615
7,061	D3 – Regulatory management	8,252	8,842
10,664	D4 – Fisheries access and administration	8,636	9,751
20,878	D5 – Enforcement of fisheries policies	19,578	20,429
4,083	D6 – Prosecution of offences	3,840	4,640
71,502	Total departmental output class appropriations	76,614	84,747
Appropriation for other expenses to be incurred by the department			
222	Organisational review	–	–
71,724	Total departmental appropriations	76,614	84,747
Appropriations for other expenses incurred by the Crown			
141	Compensation for quota reductions	1,613	1,625
–	Settlement of litigation	228	257
–	Quota transfer	144	225
1,140	Bad debt write-off	–	100
39	Crown-owned quota levy	135	350
240	Trust account distribution	–	–
1,560	Total appropriations for other expenses incurred by the Crown	2,120	2,557
Appropriations for capital contribution			
–	Purchase of capital assets	268	268
–	Total capital contributions	268	268
Vote Biosecurity – Fisheries			
Appropriations for classes of outputs			
2,124	D11 – Marine biosecurity advice	3,154	3,601
2,124	Total departmental appropriations	3,154	3,601

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

The financial statements should be read in conjunction with the statement of accounting policies on pages 118 to 120 and the notes to the financial statements on pages 128 to 135.

STATEMENT OF UNAPPROPRIATED EXPENDITURE

FOR THE YEAR ENDED 30 JUNE

The Ministry has not incurred any unappropriated expenditure during the 2002/03 financial year (2002: Nil).

STATEMENT OF TRUST MONIES

FOR THE YEAR ENDED 30 JUNE

	Declared Overfishing Account ¹ \$000	Forfeit Property Account ² \$000	Total \$000
Balance at start of period 2002	6,782	1,943	8,725
Plus:			
– Contribution	10,388	790	11,178
– Revenue	412	168	580
Less:			
– Distribution	(11,261)	(1,065)	(12,326)
– Expenses	–	(1)	(1)
Balance at end of period 2003	6,321	1,835	8,156

(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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE

1 Revenue Crown

2002 Actual		2003 Actual	2003 Main Estimates	2003 Supp Estimates
\$000		\$000	\$000	\$000
Vote Fisheries				
7,090	D1 – Policy framework	7,139	7,927	7,529
20,444	D2 – Fisheries information and monitoring	23,975	23,318	27,085
6,849	D3 – Regulatory management	7,460	6,569	7,860
8,897	D4 – Fisheries access and administration	7,102	9,098	7,102
18,479	D5 – Enforcement of fisheries policies	18,070	16,565	18,070
3,793	D6 – Prosecution of offences	3,874	3,001	4,124
Vote Biosecurity – Fisheries				
3,153	D11 – Marine biosecurity advice	2,804	2,462	3,200
68,705	Total revenue Crown	70,424	68,940	74,970

128

2 Revenue Other

1,124	Transshipment and observer charges	1,543	548	1,995
85	Marine farming licence fees	566	264	1,356
257	Boat registration and permit fees	274	322	200
282	Transfer and lease fees	–	453	–
108	Gain on sale of fixed assets (Note 3)	85	–	120
103	Miscellaneous	40	69	9
1,959	Total revenue other	2,508	1,656	3,680

3 Gain on Sale of Property, Plant and Equipment

103	Motor vehicles	85	–	120
5	Vessels	–	–	–
108	Net gain on sale of property, plant and equipment	85	–	120

4 Personnel Costs

19,378	Salaries and wages	21,461	18,497	23,101
3,503	Other	3,893	1,892	4,074
22,881	Total personnel costs	25,354	20,389	27,175

5 Operating Costs

2002 Actual		2003 Actual	2003 Main Estimates	2003 Supp Estimates
\$000		\$000	\$000	\$000
2,517	Asset operating costs	2,359	2,265	2,249
1	Bad debts written off	1	–	–
1,330	Communications	1,505	1,344	1,381
646	Computer consumables	935	447	554
23,700	Contract for services	25,408	28,936	30,813
117	Fees for audit of the financial statements	117	117	117
26	Fees to auditors for other services	151	–	160
1,341	Legal	3,230	713	2,679
1,466	Operating lease rentals	1,507	1,690	1,563
1,360	Printed materials	1,308	1,058	1,054
2,277	Travel	2,072	2,156	1,972
3,293	Other operating costs	3,632	7,971	5,564
38,074	Total operating costs	42,225	46,697	48,106

6 Depreciation Expense

20	Buildings	29	20	20
422	Leasehold improvements	206	180	180
2,200	Plant and equipment	1,697	2,182	1,932
135	Vessels	133	136	136
373	Motor vehicles	368	286	286
3,150	Total depreciation expense	2,433	2,804	2,554

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 2003 was 8.5% (2002: 9.0%).

8 Taxpayers' Funds

2002 Actual \$000		2003 Actual \$000	2003 Main Estimates \$000	2003 Supp Estimates \$000
Taxpayers' funds comprises two components:				
<i>a) General Funds</i>				
7,395	General funds at start of period	7,198	7,170	7,198
5,660	Net surplus	2,270	–	120
–	Capital contribution	268	168	268
(5,857)	Provision for repayment of surplus to the Crown	(2,270)	–	(120)
7,198	General funds at end of period	7,466	7,338	7,466

b) Revaluation Reserves

2002				2003			
Land \$000	Buildings \$000	Vessels \$000	Total \$000	Land \$000	Buildings \$000	Vessels \$000	Total \$000
–	395	57	452	–	395	57	452
–	–	–	–	96	81	269	446
–	395	57	452	96	476	326	898

9 Debtors and Receivables

2002 Actual \$000		2003 Actual \$000
452	Debtors	512
(57)	Less: provision for doubtful debts	(107)
395	Net debtors	405
88	Receivables	143
16,858	Debtor: Crown funding	17,085
17,341	Total debtors and receivables	17,633

10 Property, Plant and Equipment

2002 Actual \$000		2003 Actual \$000
51	Land – at valuation	147
	Buildings	
1,126	At valuation	1,138
(67)	Accumulated depreciation	(27)
1,059	Net book value	1,111
	Leasehold improvements	
2,118	At cost	2,274
(1,354)	Accumulated depreciation	(1,441)
764	Net book value	833
	Plant and equipment	
16,949	At cost	16,838
(12,793)	Accumulated depreciation	(13,177)
4,156	Net book value	3,661
922	Capital work in progress – at cost	644
	Vessels	
1,049	At valuation	1,014
(339)	Accumulated depreciation	(44)
710	Net book value	970
	Motor vehicles	
2,435	At cost	2,329
(695)	Accumulated depreciation	(587)
1,740	Net book value	1,742
	Total property, plant and equipment	
24,650	At cost/valuation	24,384
(15,248)	Accumulated depreciation	(15,276)
9,402	Total net book value	9,108

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

2002 Actual \$000		2003 Actual \$000
558	Creditors	891
8,699	Accrued expenses	12,931
1,895	GST payable	1,752
11,152	Total creditors and payables	15,574

12 Provision for Repayment of Surplus to the Crown

5,660	Net surplus	2,270
	Add other expenses:	
197	– Organisational review	–
5,857	Total provision for repayment of surplus	2,270

13 Employee Entitlements

132

	Annual Leave \$000	Other Personnel Costs \$000	Total \$000
Current liabilities			
Balance at start of period 2002	1,227	1,013	2,240
Expenditure during the period	(1,428)	(1,013)	(2,441)
Increase in provision	1,517	371	1,888
Balance at end of period 2003	1,316	371	1,687
Term liabilities			
	Retirement Leave \$000	Long Service Leave \$000	Total \$000
Balance at start of period 2002	1,316	370	1,686
Expenditure during the period	(22)	(47)	(69)
Increase in provision	261	48	309
Balance at end of period 2003	1,555	371	1,926

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.

As at 30 June 2003, employee entitlements to long service leave and retirement leave were valued on an actuarial basis by Mr Bernie Higgins of Aon Consulting New Zealand Limited, an independent consulting actuary.

The discount rate used to assess the net present value of retirement leave and long service leave was 5.75% (2002: 5.75%).

14 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

2002 Actual \$000		2003 Actual \$000
1,883	Cash	2,763
17,341	Debtors and Receivables	17,633
19,224	Maximum credit risk	20,396

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.

15 Contingencies

The Ministry does not have any contingent assets as at 30 June 2003 (2002: Nil).

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

16 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.

134

17 Breach of Legislation

The Ministry has entered into some finance lease contracts for office equipment. This contravenes section 46 of the Public Finance Act 1989. The Ministry is consulting with central agencies to take appropriate action to remedy this situation.

18 Segment Information

The Ministry undertakes fisheries management activities throughout New Zealand.

Statement of Financial Performance

The variations from the initial 2002/03 Budget Night (Main) Estimates to Supplementary Estimates arise from:

	\$000
(i) an increase in legal expenses	1,524
(ii) scampi inquiry costs	1,500
(iii) an increase in observer coverage	1,447
(iv) a funding transfer from 2001/02 to 2002/03 for:	
– fisheries biodiversity research	1,465
– marine biosecurity research	1,424
– fisheries research	1,418
– prosecutions managed	184
(v) an increase in prosecution costs	964
(vi) an increase in processing of aquaculture applications	876
(vii) an increase in cost recovery activity costs	473
(viii) a transfer of funds from the Ministry of Agriculture and Forestry to the Ministry of Fisheries for biodiversity policy development	45
(ix) the cost of tendering Crown quota	35
(x) a transfer of the Oceans Policy function to the Ministry for the Environment	(500)
(xi) a transfer of funds from 2002/03 to 2003/04 for marine biosecurity research	(731)
(xii) a transfer of funds from 2002/03 to 2004/05 for observer services – incidental sea bird by-catch	(2,190)
Total	7,934

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 2002 to 30 June 2003 is recovered from the commercial fishing sector over the period 1 October 2002 to 30 September 2003.

The cost of fisheries services provided by the Ministry of Fisheries is accounted for through the departmental accounts 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 2003.

SCHEDULE OF REVENUE AND EXPENDITURE

FOR THE YEAR ENDED 30 JUNE

2002 Actual		Notes	2003 Actual	2003 Main Estimates	2003 Supp Estimates
\$000			\$000	\$000	\$000
Revenue:					
5,440	Cost recovery levies	1	34,095	34,758	34,106
5,500	Deemed value charges	2	24,260	5,500	8,000
3,700	Other	3	4,219	1,488	2,228
14,640	Total revenue	4	62,574	41,746	44,334
Expenditure:					
2,297	Operating	5	2,920	3,615	3,257
2,297	Total expenditure	4	2,920	3,615	3,257

SCHEDULE OF ASSETS AND LIABILITIES

AS AT 30 JUNE

2002 Actual		Notes	2003 Actual	2003 Main Estimates	2003 Supp Estimates
\$000			\$000	\$000	\$000
Current assets					
1,158	Cash and bank balances	6	1,990	1,314	918
6,295	Accounts receivable	7	20,497	6,838	7,393
7,453	Total current assets		22,487	8,152	8,311
Non-current assets					
3,232	Intangible assets	8	3,396	2,998	5,475
3,232	Total non-current assets		3,396	2,998	5,475
10,685	Total assets		25,883	11,150	13,786
Current liabilities					
1,344	Accounts payable	9	1,503	3,474	1,804
30,938	Over recovered revenue	10	30,938	–	31,938
32,282	Total current liabilities		32,441	3,474	33,742
32,282	Total liabilities		32,441	3,474	33,742

These schedules should be read in conjunction with the notes to the financial schedules on pages 138 to 141.

NOTES TO THE NON-DEPARTMENTAL FINANCIAL SCHEDULES

FOR THE YEAR ENDED 30 JUNE

1 Cost Recovery Levies

2002 Actual		2003 Actual	2003 Main Estimates	2003 Supp Estimates
\$000		\$000	\$000	\$000
3,480	Cost recovery levies – fisheries services	31,325	33,536	31,040
1,925	Cost recovery levies – conservation services	2,651	1,053	2,755
35	Cost recovery levies – Crown-owned quota	119	169	311
5,440	Total cost recovery levies	34,095	34,758	34,106

In the 2001/02 financial year, the Ministry provided \$27.5 million for the over recovery of cost recovery levies for the period 1 October 1994 to 30 June 2002.

2 Deemed Value Charges

138

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, the Ministry has revised the level of historical revenue recognised, which has resulted in an increase in the level of deemed value revenue in 2002/03 of \$17 million.

3 Other Revenue

2002 Actual		2003 Actual	2003 Main Estimates	2003 Supp Estimates
\$000		\$000	\$000	\$000
	Other revenue			
–	Interest	1,726	–	–
2,300	Forfeitures and redemptions	1,335	500	1,290
250	Infringement notices	388	638	638
17	Profit on sale of quota	327	–	100
1,133	Other	443	350	200
3,700	Total other revenue	4,219	1,488	2,228

4 Major Budget Variations

	\$000
(a) The major changes in revenue relating to activities managed by the Ministry, on behalf of the Crown, since the Budget night forecasts are due to:	
– A reduction in cost recovery levies which resulted from lower fisheries research costs, changes in TACCs and providing for forecast over recovery of 2002/03 levies	(652)
– An increase in deemed value revenue to be paid by quota holders who have overfished, based on current activity	2,500
– A forecast increase in revenue from forfeit property based on prosecution activity	790
– Lower revenue from foreign licence fees, and surrendered and seized fish	(350)
– Profit on sale of quota	100
– Other income	200
Total	2,588
(b) Non-departmental expenditure for 2002/03 decreased through:	
– A transfer in funding from 2002/03 to 2003/04 to reflect changes in timing for compensation payable to commercial fishers for reductions in quota	(1,000)
– The transfer of Crown-owned quota to external parties	482
– An increase in cost recovery levies on Crown-owned quota resulting from the introduction of new species into the quota management system and a review of the Crown tender policy	160
Total	(358)

139

5 Operating Expenditure

2002 Actual		2003 Actual	2003 Main Estimates	2003 Supp Estimates
\$000		\$000	\$000	\$000
141	Compensation for reductions in quota	1,613	2,625	1,625
737	Increase in provision for bad/doubtful debts	664	800	700
–	Settlement of litigation	228	–	257
–	Quota transfers	144	–	225
1,140	Bad debt write-offs	136	–	100
39	Cost recovery levies on Crown-owned quota	135	190	350
240	Trust account distribution	–	–	–
2,297	Total operating expenditure	2,920	3,615	3,257

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.

2002 Actual		2003 Actual	2003 Main Estimates	2003 Supp Estimates
\$000		\$000	\$000	\$000
713	Funding for payments on behalf of the Crown	1,494	1,314	918
50	Infringement receipts	362	–	–
395	Receipts on behalf of the Crown	134	–	–
1,158	Total cash and bank balances	1,990	1,314	918

140

7 Accounts Receivable

8,155	Debtors and other receivables	23,021	9,038	9,973
	Less:			
(1,860)	Provision for doubtful debts	(2,524)	(2,200)	(2,580)
6,295	Total receivables	20,497	6,838	7,393

8 Intangible Assets

2002 Actual		2003 Actual	2003 Main Estimates	2003 Supp Estimates
\$000		\$000	\$000	\$000
2,853	Crown-owned quota	3,154	2,619	5,096
379	Crown-owned ACE	242	379	379
3,232	Total intangible assets	3,396	2,998	5,475

Crown-owned quota and ACE are valued every six months at market valuation, as established by Mr Donal Boyle of Quota Broker Systems Ltd, an independent quota broker.

9 Accounts Payable

250	Creditors	3	–	–
352	Accrued expenses	20	361	362
742	GST payable on receipts on behalf of the Crown	1,480	3,113	1,442
1,344	Total payables and provisions	1,503	3,474	1,804

141

10 Over Recovered Revenue

This provision relates to the over recovery of cost recovery levies for the period 1 October 1994 to 30 June 2003.

30,938	Over recovery of cost recovery levies	30,938	–	31,938
30,938	Total over recovered revenue	30,938	–	31,938

STATEMENT OF RESOURCES

FOR THE YEAR ENDED 30 JUNE

Human Resources	Number
Full-time equivalents	
Female	105
Male	227

332

Honorary Fishery Officers	224
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These officers operate in an educational role and provide active surveillance of recreational fishing activities to ensure recreational fishers comply with fisheries legislation.

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	9,104	17
– Storage	4,163	5
– Land	2,835	1

Motor vehicles owned	Number
Sedan/hatch/station wagon	42
Utilities/vans	8
4-wheel drive	29
	79

Vessels	Number
Patrol vessels used to protect, manage and enhance New Zealand's fisheries resources	20

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; and
- 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.

143

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 late 2003, an internet-based version of this tool (NABIS) will be made available to the public.

Quota management systems

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 intelligence information about entities of interest to Ministry of Fisheries compliance activities
- Compliance Activity Monitoring System – stores the details of inspection and monitoring activities undertaken by Fishery Officers
- Offences and Infringement Notices System – stores the details of infringements and offence events detected by Fishery Officers and by internal processes for administration within the Infringements Processing Centre, and for usage by Fishery Officers and management for reporting purposes (Phase II still under development)
- Mistress System – records the details and outcomes of detected offences (to be replaced by Offences Phase II)
- DECIDENDII – records Court judgements for use in sentencing submissions
- Observer Trip Register – records historical and planned trips for Ministry of Fisheries observers.

Reference Data

Reference data is shared in common between many systems, including information about species, fishstocks, 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.

TERMS AND DEFINITIONS USED

ACE Annual Catch Entitlement. It confers upon the commercial fisher an entitlement to harvest a quantity of fish, seaweed or other aquatic life of the stock taken under the authority of that entitlement, and 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 costs from the commercial fishing industry under the principles defined in 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 held.

Individual Transferable Quota A property right within the quota management system that can be traded and transferred.

Mahinga kai Places where customary food gathering is undertaken.

Maori customary fishing Non-commercial fishing exercised in accordance with tikanga Maori.

Mātaitai 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 mātaitai reserve may be managed by tangata whenua for non-commercial purposes, through by-laws approved by the Minister.

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 the particular species for which quota is held by the fisher.

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

Stakeholder An individual, group or organisation impacted on by the processes and/or outputs of an organisation.

Statement of Intent Presented to Parliament at the same time as the Budget, the Statement of Intent (SOI) sets out the vision for the department, its 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 areas established under Part IX of the Fisheries Act 1996, where a committee nominated by the local Maori community may recommend the making of regulations to manage all types of fishing.

Tangata kaitiaki/tiaki, Tangata Tiaki/Kaitiaki Any person or persons appointed under the customary fishing regulations to manage customary food gathering or a mātaitai reserve.

Total Allowable Catch (TAC) The amount of fish able to be taken in any one year without impairing the future sustainable yields of the resources.

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 means conserving, using, enhancing and developing fisheries resources to enable people to provide for their social, economic and cultural well-being.

MINISTRY ORGANISATION

Executive Team

Chief Executive **Warwick Tuck**
Deputy Chief Executive **Stan Crothers**
Deputy Chief Executive **Peter Murray**

Business Managers

National Manager Fisheries Management **Michael Arbuckle**
Manager Policy and Treaty Strategy **Mark Edwards**
National Manager Compliance **Dave Wood**
Manager International and Biosecurity **Jane Willing**
Manager Service Delivery **Russell Burnard**
Chief Scientist **John Annala**
Chief Legal Adviser **Cathryn Bridge**
Chief Information Officer **John Hanson**
Manager Strategic Human Resources **Bruce McGregor**
Manager Corporate Planning and Services **Peter Boon**

LEGISLATION ADMINISTERED BY THE MINISTRY OF FISHERIES

AS AT 30 JUNE 2003

Public Acts

Fisheries Act 1983

Fisheries Act 1996

Fisheries (Quota Operations Validation) Act 1997

Maori Fisheries Act 1989

Marine Farming Act 1971

**Ministry of Agriculture and Fisheries
(Restructuring) Act 1995¹**

**Treaty of Waitangi (Fisheries Claims) Settlement
Act 1992**

Regulations

**The Ministry of Fisheries administers a
significant number of Regulations relating to
fisheries management within New Zealand.**

¹ Administered by the Ministry of Fisheries and the Ministry of Agriculture and Forestry.

MINISTRY DIRECTORY

Offices

Head Office PO Box 1020,
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Braidwood House, 5 Allen Bell Drive, Kaitaia
Phone 09 408 6024 Fax 09 408 6039

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Phone 09 820 1990 Fax 09 820 1980

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Phone 07 574 5100 Fax 07 577 9621

Whitianga Office Private Box 267,
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Opotiki Office PO Box 65,
23 Church Street, Opotiki
Phone 07 315 5232 Fax 07 315 6973

Hamilton Office PO Box 1408,
Waikato Mail Centre,
26 Devon Street, Frankton, Hamilton
Phone 07 846 7816 Fax 07 847 0915

Gisborne Office PO Box 646,
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

Wairarapa Office PO Box 146,
75-77 Ngamutawa Road, Masterton
Phone 06 370 3590 Fax 06 370 3594

Wellington Feltex House PO Box 862,
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Phone 04 460 4600 Fax 04 460 4601

Wellington District Compliance Office
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Phone 04 576 8040 Fax 04 576 8041

Nelson Office Private Bag 14,
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Phone 03 548 1069 Fax 03 546 9327

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

Dunedin Office Private Bag 1926,
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Phone 03 474 0333 Fax 03 477 6275

Invercargill Office PO Box 1065,
1st Floor, 137 Spey Street, Invercargill
Phone 03 214 2640 Fax 03 214 7728

Chatham Islands Office PO Box 72,
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Auditor

Ernst & Young – on behalf of the
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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





MINISTRY OF FISHERIES
Te Tautiaki i nga tini a Tangaroa

Sustainable fisheries in a healthy aquatic ecosystem