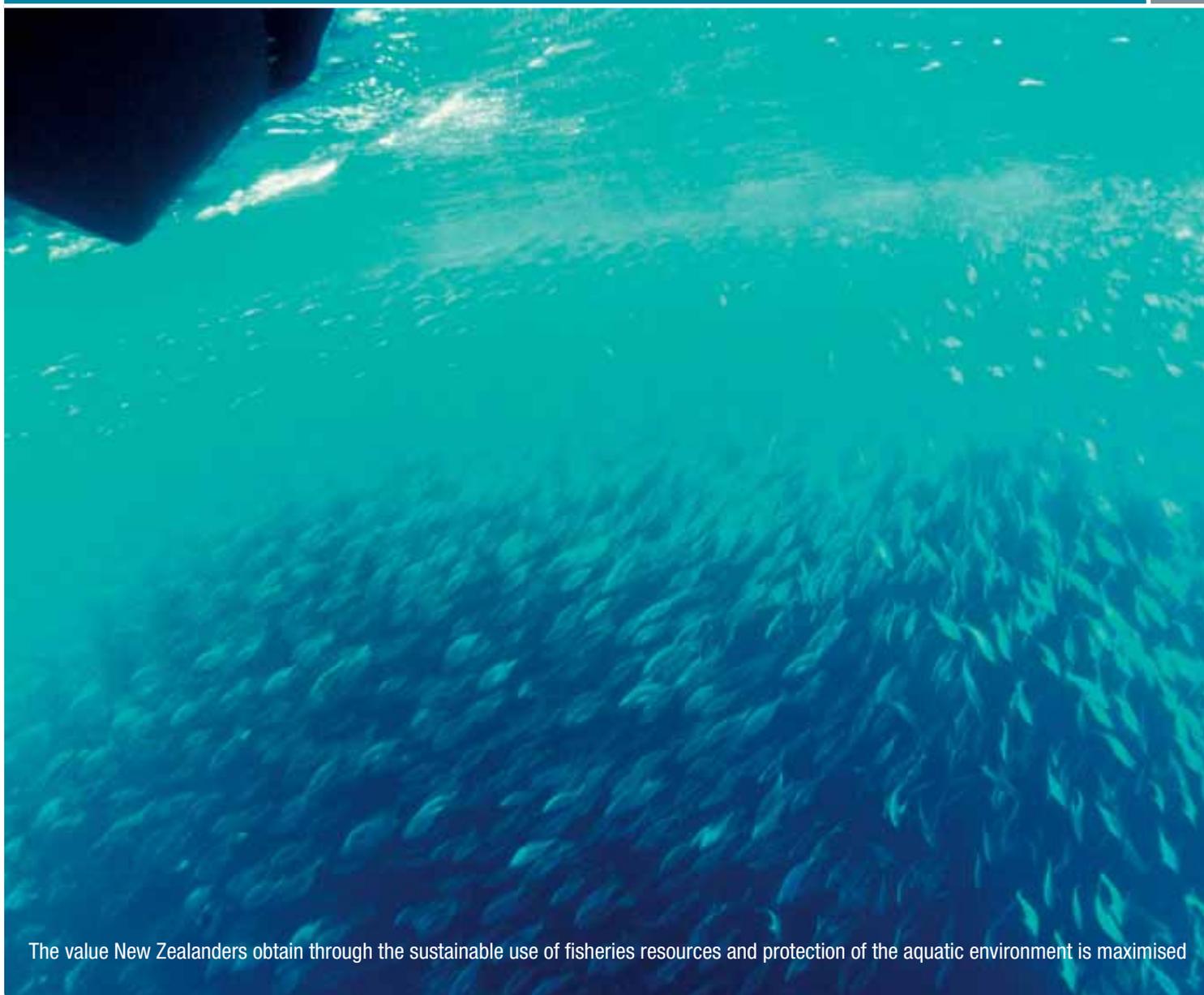




Statement of Intent

For the period July 2006 to June 2011

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



The value New Zealanders obtain through the sustainable use of fisheries resources and protection of the aquatic environment is maximised

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■ Foreword

New Zealand's fisheries are one of this country's most important renewable natural resources. As our fifth largest export earner, their management remains critical to the nation's economic and environmental well-being.

This Statement of Intent (SOI) supports the Government's priorities of economic transformation through maximising the value obtained by New Zealanders from the nation's natural resources, and that of national identity. It enlarges on the pathway set out in last year's SOI and shows how the Ministry has assumed a stronger leadership role in the fisheries sector and initiated increased engagement with stakeholders on a wide range of issues.

The *Strategy to Manage the Environmental Effects of Fishing* announced in 2005 is particularly important. Environmental performance standards are now being developed, providing greater certainty on the limits of acceptable environmental effects of fishing.

Equally important is developing an objectives-based approach to fisheries management. We will develop fisheries plans stating what we want to achieve for specific fisheries (the objectives), and associated implementation strategies (including research, regulations, and compliance) to achieve those objectives. The Ministry will work to ensure standards are met and to involve tangata whenua and stakeholders in setting objectives that increase the value of the fishery.

Over the next few years, the Ministry will concentrate its efforts on establishing fisheries plans. During the 2005/06 year, three proof-of-concept plans were developed and these will be used to refine the process for developing plans for other fisheries.

New Zealanders recognise the importance of our oceans and fisheries, and we understand there are different views on how best to manage these resources and how we use them.

With greater public awareness of what fisheries management is for and the issues that can affect our oceans and fisheries, the Ministry, tangata whenua and stakeholders will be better placed to manage this ecologically, socially, culturally and economically significant resource.

The SOI supports Government priorities and is consistent with the policies and performance expectations of the Government. As part of wider State Sector reforms, statements of intent are the core departmental accountability document at the annual operational and strategic levels. This SOI details the outcomes, direction, priorities, and services for the Ministry for 2006/07 and later years.



Hon Jim Anderton
Minister of Fisheries



John Glaister
Chief Executive

■ New Zealand Fisheries at a Glance

NZ Marine Fisheries Waters (EEZ and Territorial Sea)	4.4 million km ²
NZ Coastline	15,000 km
Marine species described ¹	8,000
Species commercially fished	130
Productivity of the fishery	Medium
Ecosystems	Diverse
Climate	Sub-tropical to sub-Antarctic

Quota Management System stocks

Number of species/species complexes in the QMS	92
Individual stocks in the QMS	592
Information available on stock status ²	60-70%
Stocks at or near target level ³	82%

Commercial Fisheries and Aquaculture

Total export value 2004 (FOB)	\$1.2 billion
Capture fisheries	\$1.0 billion
Aquaculture	\$200 million
Direct subsidies	Nil
Total quota value ⁴	\$3.5 billion
Persons with quota holding	2,200
Commercial fishing vessels	1,502
Processors and Licensed Fish Receivers	239
Direct employment (full time equivalents) ⁵	10,500
Direct and Indirect employment (full time equivalents)	26,000
Annual take (in NZ EEZ)	525,000 tonnes

Customary Fisheries

Tangata Tiaki appointed (South Island)	124
Tangata Kaitiaki appointed (North Island)	135
Temporary closures	6
Taiapure-local fisheries	7
Mātaihai reserves	5
Estimated annual take	not known

Recreational Fisheries⁶

Estimated participation (as a % of the total NZ population)	20%
Estimated annual take	25,000 tonnes

Ministry of Fisheries

Budget 2006/07 (excl GST)	\$89.4 million
Net assets	\$12.8 million
Staff as at 31 March 2006 (FTEs)	401
Honorary Fishery Officers	156

- 1 NZ Biodiversity Strategy, 2000.
- 2 Percentage of stocks calculated by weight and value.
- 3 Of the 93 stocks for which we have information for current stock size, 76 (82%) are at or near target levels. For the remainder of those stocks, rebuild strategies are in place. These represent the main commercial stocks.
- 4 Statistics New Zealand. Fish monetary stock accounts. Calculated on basis of average quota trade price x TACC.
- 5 McDermott Fairgray Group, 2000, Economic impact assessment for NZ regions. Prepared for the NZ Seafood Industry Council.
- 6 1999/00 Survey of Recreational Fishing.

Context in which the Ministry operates



■ The Ministry's Role

Mission and Values

The mission, established when we were formed in 1995, is expressed in our Māori name – Te Tautiaki i nga tini a Tangaroa – which means 'the guardian of the multitudes of Tangaroa', gifted to the Ministry by tangata whenua.

Our goal is to "Maximise the value New Zealanders obtain through the sustainable use of fisheries resources and protection of the aquatic environment". This goal helps to deliver on the Government's priorities of economic transformation and enhancing national identity.

Our mission and how we work supports wider Public Service values:

- > We are proud to be part of the New Zealand public service and will maintain the highest standards of professional behaviour. We will meet our obligations as public servants to:
 - > Fulfil our lawful obligations to the 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 public service into disrepute through our private activities.
- > We recognise the status of Māori as tangata whenua. Our behaviour will, at all times, be consistent with the responsibilities of the Crown as partner to the Treaty of Waitangi and our specific legal obligations under the Treaty of Waitangi (Fisheries Claims) Settlement Act 1992, the Māori Commercial Aquaculture Claims Settlement Act 2004 and the Fisheries Act 1996.

- > In our day to day work we will act in ways consistent with our own behavioural values, which are:
 - > Leadership – developing effective and innovative means to allow people to contribute to and support the Ministry to deliver on its mission.
 - > Relationships and people – developing, internally and externally, constructive and collaborative relationships built on trust.
 - > Working in teams – sharing information and knowledge through superior team work and networking.
 - > Achieving results – creating an organisation that encourages and recognises people's contribution and dedication to the Ministry's mission.

Our Role

Our role is to act as the Government's principal adviser on New Zealand's fisheries management and on matters related to the aquatic environment, including issues that may impact on the continued viability of fisheries or other marine resources.

A critical part of that role in the next few years will be to exercise stronger leadership in the fisheries sector, particularly in developing an objectives-based approach to fisheries management. We will work with tangata whenua and stakeholders to set standards and develop fisheries plans, specifying objectives for fisheries and the strategies and services necessary to achieve those objectives.

At the same time we will continue to deliver on the broad range of services approved by the Minister of Fisheries that are funded through Parliamentary appropriation.

■ The Fisheries Sector

The New Zealand fisheries sector comprises four major interest groups.

Commercial fishers

New Zealand's commercial fishing sector has built up over the last 30 years. Eight fishing companies provide 80 percent of production but there are a large number of medium and smaller, usually inshore, fishing operations. Export earnings amounted to \$1.2 billion in 2004, of which some \$200m was from aquaculture.

The New Zealand Seafood Industry Council (SeaFIC) provides overarching representation of the commercial sector. It promotes the interests of all fishing industry sectors by providing economic information and advice, co-ordinating industry resources, and enhancing the industry's profile in the community.

Currently, most commercial fisheries in New Zealand are represented by a Commercial Stakeholder Organisation (CSO). By working together, the Ministry and CSOs ensure stakeholder views are represented in New Zealand's fisheries resources management.

Customary fishers

Māori have important rights as tangata whenua. The 1992 Deed of Settlement provided Māori with a substantial stake in commercial fishing. It provided for customary non-commercial fishing to be managed by tangata whenua and established rights for tangata whenua to have input and participation into sustainability processes. In 2004, Parliament approved the distribution to iwi of substantial fisheries assets and this is now being implemented by Te Ohu Kai Moana.

The exercise of non-commercial fishing rights is important to tangata whenua. There is an obligation on the Crown to consult about those rights and to develop policies to help recognise their use and management practices.

Along with the practice of gathering customary food, the places where Māori gather it are special to tangata whenua. This is recognised under the customary fishing regulations, which provide for mātaihai reserves to be established. These are traditional fishing grounds and areas of significance to tangata whenua. All non-commercial fishing in reserves is managed, through bylaws, by Kaitiaki.

Recreational fishers

Around 20 percent of New Zealanders exercise their right to go fishing in the sea for personal use. This public right is subject to restrictions under the recreational fishing regulations, which include daily bag limits and a range of method restrictions, size limits and seasonal closures. Recreational rights are not well defined and there is no single representative body that covers all recreational fishers.

Environmental interests

The Ministry interacts with a number of environmental groups with strong interests in the sustainability of fisheries and the effect of fishing on the environment at a national and regional level and their contribution is valued.

New Zealand operates in a global environment.

International Fisheries

In recent years, the New Zealand commercial fishing companies have maximised the value gained from fishing in the EEZ and are looking for new opportunities to harvest, process and distribute seafood offshore. Harvesting activity in both the high seas and within the EEZs of other countries has a number of associated risks and opportunities. Poor governance frameworks and high levels of illegal, unregulated, unreported fishing occur in many regions. Opportunities exist to work in joint venture arrangements with key Southern Hemisphere countries to gain efficiencies in processing, distribution and marketing operations.

The Ministry works with other states and international agencies at a number of levels:

- a) Multi-laterally through such organisations as the United Nations Food and Agriculture Organization and World Trade Organization on issues of international fisheries governance, to develop international frameworks and rules for managing sustainability and market access.
- b) Regionally through Regional Fisheries Management Organisations (eg CCAMLR, CCSBT and WCPFC), and including developing a new high seas arrangement in the South Pacific to manage deep sea species.
- c) Bi-laterally with individual countries on issues such as co-operation and trade agreements (eg Argentina, Chile, South Africa and Australia).

■ The Last Thirty Years

Management of New Zealand fisheries has improved greatly in the last 30 years:

- 1978:** New Zealand establishes its Exclusive Economic Zone (EEZ) and assumes management control of all fishing in the EEZ.
- 1986:** The Quota Management System (QMS) is established to manage most major New Zealand fisheries. A further 50 species are introduced into the QMS in 2004. Species comprising 95 percent of the total commercial harvest are now managed in this way.
- 1992:** Māori fishing claims arising from the Treaty of Waitangi are settled.
- 1994:** A cost recovery programme requires the commercial sector to pay the full costs of the services that support their fishing and aquaculture activities.
- 1999:** Approved service providers can supply specified fisheries services that are required by government. Since 2001, registry services have been provided by an industry-owned company, Commercial Fisheries Services Ltd (FishServe).
- 2001:** Implementation of key elements of the Fisheries Act 1996 including the new catch balancing regime based on Annual Catch Entitlements.
- 2004:** Aquaculture legislation and settlement of Māori aquaculture claims.

Key developments in the last two years include:

- 2005:** The Government approves a Marine Protected Areas Strategy designed to maintain biodiversity across the range of New Zealand's ocean habitats.

The Minister of Fisheries

- i) announces the Strategy to Manage the Environmental Effects of Fishing.
- ii) approves a fisheries plan framework, to enable the Ministry co-ordinated development of objective-based management of fisheries.

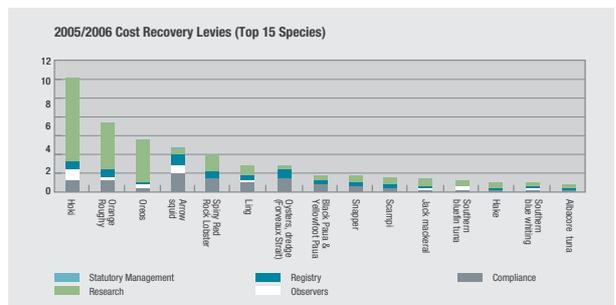
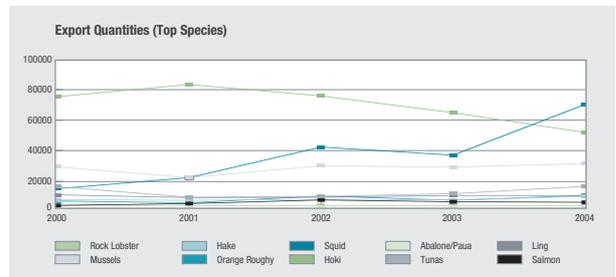
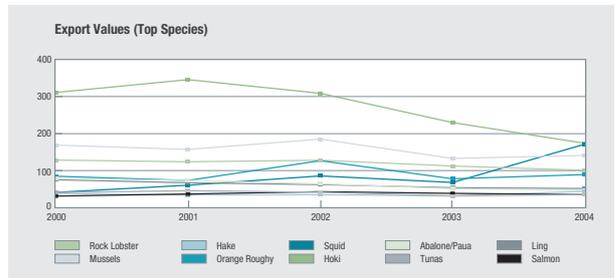
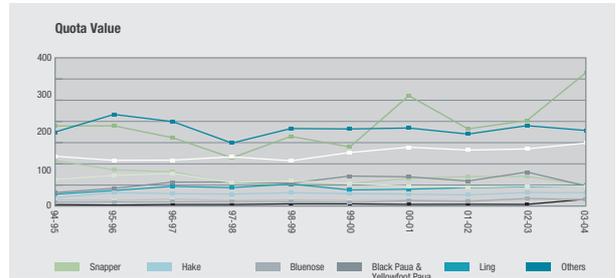
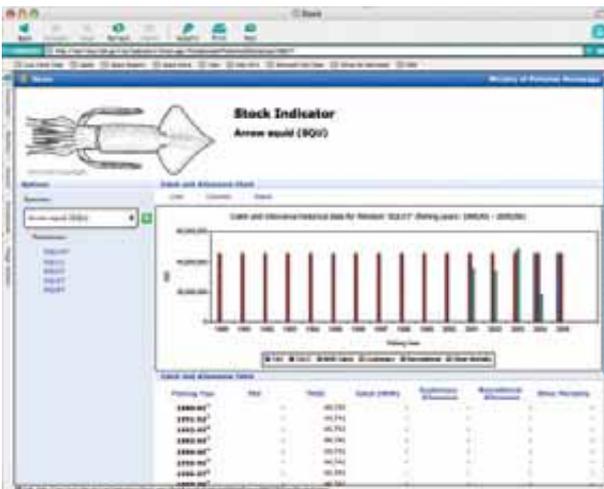
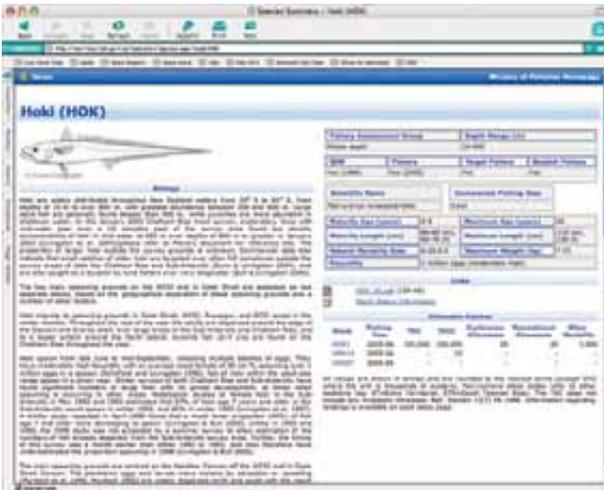
- 2006:** Commercial sector proposes closing 31% of the EEZ to bottom trawling and dredging.

New Zealand is now an acknowledged world leader in the management of fisheries through:

- > *Sustainable harvests:* with most of our commercial fisheries harvested at a sustainable level.
- > *A valuable seafood industry:* that is the fifth largest export earner for New Zealand, employs 10,000 people directly and makes a valued contribution to regional economies.
- > *Resolution of customary fishing claims:* where New Zealand was one of the first countries to resolve customary claims to fishing in a comprehensive manner.
- > *A high quality and popular marine recreational fishery:* where approximately 20% of New Zealanders participate in recreational fishing.

Status of the Fisheries

In December 2005, the Ministry launched a new section on its website - www.fish.govt.nz - dealing with the status of fish stocks. This provides information on the current state of New Zealand's commercial fisheries and will be progressively upgraded to monitor progress against outcomes, standards, fisheries plans and Ministry work programmes. The Ministry's long-term objective is for this site to become the authoritative source of information on New Zealand's fisheries. Fisheries information now available on the site includes species biology and distribution, sustainability, utilisation, quota and export values and volumes, along with information about cost recovery levies.





■ Challenges

Over the next few years the Ministry has to meet a number of important challenges to meet the Government's priorities of economic transformation and enhancing national identity:

- > Improve engagement with all stakeholders.
- > Implement objectives-based management through fisheries plans and develop associated standards.
- > Progress the rights-based framework, including the management of shared fisheries.
- > Continue progress on improving environmental performance, including research into bottom trawling and ecosystem effects of fishing.
- > Participating in the development of a representative system of marine protection utilising a range of tools.
- > Fulfil our obligations under the Deed of Settlement and Māori aquaculture settlement, and extend our Treaty settlement capacity.
- > Participate in initiatives to assist stakeholders to maximise value, including through the Government's Growth and Innovation Framework.
- > Improve the compliance levels within the Fisheries Act 1996 and Regulations.
- > Reduce the incidence of illegal, unregulated, unreported fishing.
- > Promote improved frameworks for international fisheries management and improved access for New Zealand fishers.
- > Seek improvements in marine sector management arrangements through initiatives including Oceans Policy.

Strategy for New Zealand's Fisheries





■ Managing for outcomes

People and organisations involved in fisheries generally share our goal of sustainable fisheries. We want the best value from our fisheries resources, while keeping the aquatic ecosystem strong and healthy. For this, we need an effective management system.

The Ministry of Fisheries uses an 'outcomes' framework. This sets out what we want to achieve and how we will do it using incentives, management interventions, and fisheries services.

Statements about outcomes tend to be general and wide in scope, but become more specific as we consider particular services or activities. The results that must be produced by both fishers and managers to achieve our outcomes are clearly defined.

The framework is divided into:

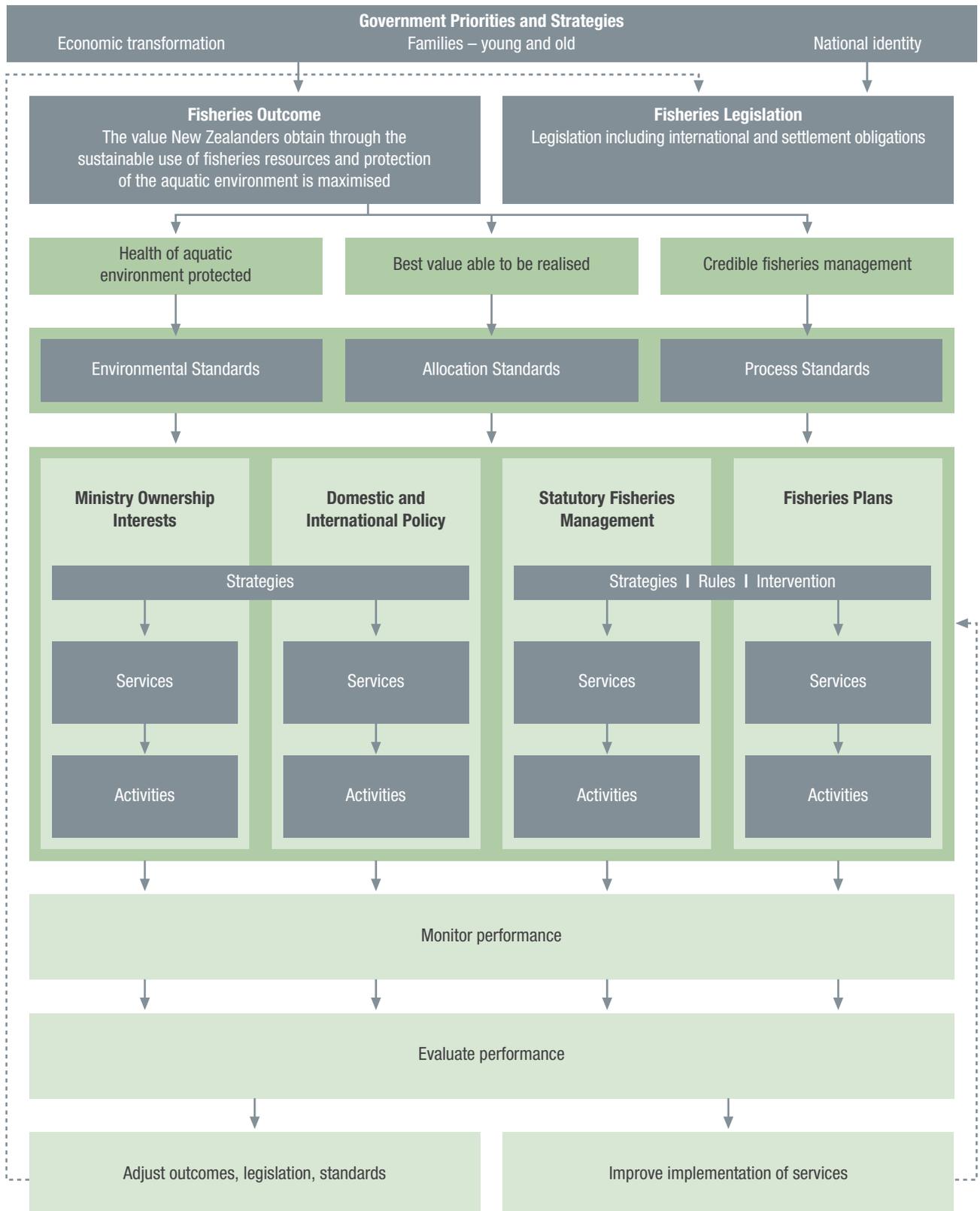
- > Outcomes – desired results across fisheries.
- > Standards – required levels of performance.
- > Objectives – desired results for a specific fishery.
- > Rules – Strategies – Interventions – management measures to meet standards and achieve objectives.
- > Services – management activities to enable rules to be complied with.

All these layers are linked. This enables tangata whenua and stakeholders to comment on, or critique, specific options. It also provides a clear basis for monitoring and evaluating what is delivered.

As with any management system, we regularly compare what we intended to achieve with actual performance. This means that, if necessary, we can set or amend particular standards, objectives, rules, or the level of fisheries service that is provided.

The basic features of the outcomes framework are set out in the following diagram.

Outcomes framework





■ Achieving outcomes

The Ministry's 2005/08 Statement of Intent identified four outcomes that contribute to the achievement of the overall fisheries outcome.

Delivering on the Crown's obligations to Māori is fundamental to the Ministry and informs all activities undertaken to support achievement of our overall fisheries outcome. For this reason the outcome relating to meeting the Crown obligations to Māori has been folded into each of the three contributing outcomes:

- > The health of the aquatic environment is protected.
- > People are able to realise the best value from the sustainable and efficient use of fisheries resources.
- > Credible fisheries management.

For more detailed background on this and a broader discussion on why the Ministry and Government manages fisheries, see www.fish.govt.nz/information/corp-docs/proposals/.

The section below summarises the issues and approach to be adopted by the Ministry in achieving its three contributing outcomes.

■ The health of the aquatic environment is protected

Role of fisheries managers

If the aquatic environment is to produce value for current and future generations the ecosystem must remain healthy. We need to understand its nature (composition, diversity, stability, productivity) and extent of the resources we are managing and how ecosystems work. Fisheries managers have a dual role in this outcome. They work with other government agencies to develop better ways of managing the impacts of all human activities affecting the aquatic environment. And they specify limits on fishing activity and develop mechanisms to encourage people to operate within those limits.

Contributing to processes that manage impacts from use of non-fisheries resources

The Ministry cannot directly control non-fishing activities that affect the health of the aquatic environment. The Ministry may, however, help develop new policies and ways of managing human activities that affect the aquatic environment, including non-fishing activities. The information it has on fishers and aquatic resources may also be useful in setting limits for non-fishing activities. In some cases this requires the Ministry to participate in processes leading to decisions on the management of non-fishing activities.

Providing incentives to improve environmental performance of fisheries

In 2005, the Ministry strengthened its focus on improving the environmental performance of the fisheries sector.

The Ministry wants to achieve this by setting standards and giving stakeholders incentives to develop innovative ways to meet performance standards. Different incentives are used depending on the type of fishery and fishing method.

Specifying limits on fishing activity

Fishing generates benefits for the fisher but affects the aquatic environment. For example, catching fish may lead to the incidental capture of seabirds or disturbance to plant life on part of the seafloor. In each case, effective management requires incentives for fishers to modify their fishing activities to stay within the limits set for levels of effect on the aquatic environment.

To set effective limits the Ministry needs information on different parts of the aquatic environment (eg, fish, birds, seals, habitat) and the risks to them resulting from fishing. The high cost of getting good information on aquatic ecosystems means that decisions often need to be made with limited information.

Ensuring environmental standards are met

Compliance involves a combination of incentives and penalties. An effective compliance regime achieves the desirable level of compliance; an efficient one achieves that goal at least cost. Since self-control is the cheapest form of enforcement, any compliance regime should endeavour to obtain the desirable level through voluntary compliance wherever practical.

Education and information may encourage fishers to keep within limits, but penalties will always be needed to ensure some standards are met. Currently the majority of penalties are provided by the Courts, (usually fines) imposed after conviction.

The table on the following page sets out the Ministry's role in achieving this contributing outcome and the work that we will do over the next few years to get to that point.

The right side of the table indicates which outputs in the output plan later in this SOI will have responsibility for undertaking the specific work elements involved in the programme to support achievement of the outcomes.

The health of the aquatic environment is protected - work plan

Ministry Role	Strategies
<i>Contributing to processes that manage impacts from use of non-fisheries resources</i>	<ul style="list-style-type: none"> > Participating in the development of new frameworks and decision-making processes, that manage the use of non-fisheries resources
<i>Providing frameworks and incentives to improve environmental performance of fisheries</i>	<ul style="list-style-type: none"> > Helping to set standards that define the level of acceptable risk to key ecosystem processes arising from the use of non-fisheries resources > Providing fisheries information that assists other agencies to operate existing frameworks and decision-making processes that manage the use of non-fisheries resources
<i>Specifying limits on fishing activity</i>	<ul style="list-style-type: none"> > Advising government on new tools to improve environmental performance > Developing fisheries plans framework > Promoting policies and governance arrangements for sustainable management of high seas fisheries > Supporting development of marine reserves legislation
<i>Achieving compliance with environmental standards set for fishing activity</i>	<ul style="list-style-type: none"> > Setting standards that define the acceptable level of risk to the health of the aquatic environment from the use of fisheries > Operating existing frameworks and processes for managing the effects that the use of fisheries resources may have on the aquatic environment
<i>Achieving compliance with environmental standards set for fishing activity</i>	<ul style="list-style-type: none"> > Encouraging fisher compliance with environmental standards > Gathering information required to monitor fisher performance against environmental standards > Undertaking enforcement and prosecution action against deliberate serious offending

Detailed Work Elements	Linkage to Outputs				
	Fisheries Policy	Fisheries Information	Fisheries Operations	Fisheries Compliance	Aquaculture Settlement
> Providing input to the development of Oceans Policy	■				
> Supporting development of marine reserves legislation	■		■		
> Providing input to reviewing the NZ Coastal Policy Statement	■		■		
> Providing input to RMA coastal plan processes and development of aquaculture management areas			■		
> Supporting Ministry for the Environment and regional council work on setting standards for the aquatic environment			■		
> Providing input to RMA consent application processes			■		
	■				
	■		■		
	■				
	■				
> Gathering information required to develop and set standards; including facilitating research on effects of fishing on the marine environment, seabirds and marine mammals		■			
> Developing the standards setting framework including risk assessment and mitigation methodology			■		
> Implementing the marine protected areas strategy in priority areas			■		
> Implementing the strategy for managing the environmental effects of fishing			■		
> Facilitating fisheries stock assessment and monitoring research		■			
> Reviewing fisheries sustainability measures, including removal of live shark fins			■		
> Develop and implement national plans of action for at risk species			■		
> Developing of fisheries plans			■		
> Continuing engagement to develop effective regional fisheries management organisations and international High Seas agreements	■				
> Producing information brochures, signage and educational material to inform fishers about their responsibilities, the rules, and the rationale for those rules				■	
> Operating catch and effort reporting systems		■			
> Undertaking observation, surveillance and inspection services		■		■	
> Reviewing coverage of vessel monitoring system in the commercial fleet				■	
> Initiating investigation and where necessary prosecution activity, infringement fee and forfeiture processes				■	

■ People are able to realise the best value from the sustainable and efficient use of fisheries

Recognising the nature of value

Best overall value is achieved when fisheries resources are used by those who obtain the most value from them. To obtain the overall best value from the use of fisheries the Ministry must recognise the full range of values and understand how they are generated. This value is generated in many ways. It includes value gained from a thriving seafood industry; from the pleasure of fishing for recreation; and from customary fisheries. Value is also gained from non-extractive uses such as viewing fisheries in a healthy aquatic environment.

Value is not limited to the present generation. If we do not manage how much fish can be harvested today, then future generations may have fewer species available to them. At the same time, reducing the number of fish caught now could mean fewer jobs in the fishing industry.

Achieving best value within each fishing sector

In the commercial sector, scarcity of resources is managed by rationing access through the QMS. In the QMS individuals can choose their level of access and adjust their access by trading quota shares or catch entitlements. Those who value commercial fishing rights most are expected to buy them from those who are unable to generate as much value from them. Trading allows investment to flow to the most valuable use within the commercial sector.

In the recreational sector, the amount of fish actually taken by the sector depends on the number of people fishing and how often they fish. Individual daily bag limits and restrictions on the use of bulk fishing methods help to control the amount of fish taken.

In the customary sector, the level of access is managed by kaitiaki and depends on the number and type of authorisations granted to take fish for customary purposes.

Specifying limits within which each fishing sector can maximise value

Whether access is allocated by a market, or through government decision, it is important that fishers operate within the limits of their allocation. Allowing people to exceed the limits encourages others to do the same and reduces incentives to co-operate and invest in increasing the value obtained from a fishery. As with environmental standards, for an allocation standard to be effective there must be appropriate incentives and penalties to motivate fishers to keep within the limits.

The government's ability to manage the level of access allocated to the recreational and customary sectors is limited by the lack of accurate, timely information on the amount of fish taken.

Achieving best value across fisheries sectors

To achieve overall best value from fisheries resources, there needs to be the ability to transfer some rights to use the resources. There is currently no mechanism by which stakeholders can adjust levels of access to fisheries resources across sectors. Instead, transfers can only be achieved through government allocation decisions. Unless and until mechanisms are put in place for stakeholders to have a greater role in determining levels of access for their sector, the government will need to make allocation decisions.

Information on the value of fisheries to the customary and recreational sectors is generally poor, which makes allocation decisions more difficult. It is hoped that the strategy of increasing stakeholder's involvement in fisheries management will encourage stakeholders to provide more information on how they value fisheries.

Providing opportunities to increase value

Opportunities to increase value from fisheries can come from increasing the benefits obtained from fishing, or by reducing costs. The Ministry believes that stakeholders are well placed to identify how benefits from fishing can be increased and costs reduced. Therefore, the Ministry believes stakeholders should have an increased role in developing management strategies, interventions and services for fisheries. Government can help by getting sectors to talk to each other to develop best value strategies and by ensuring management measures are linked to clear objectives.

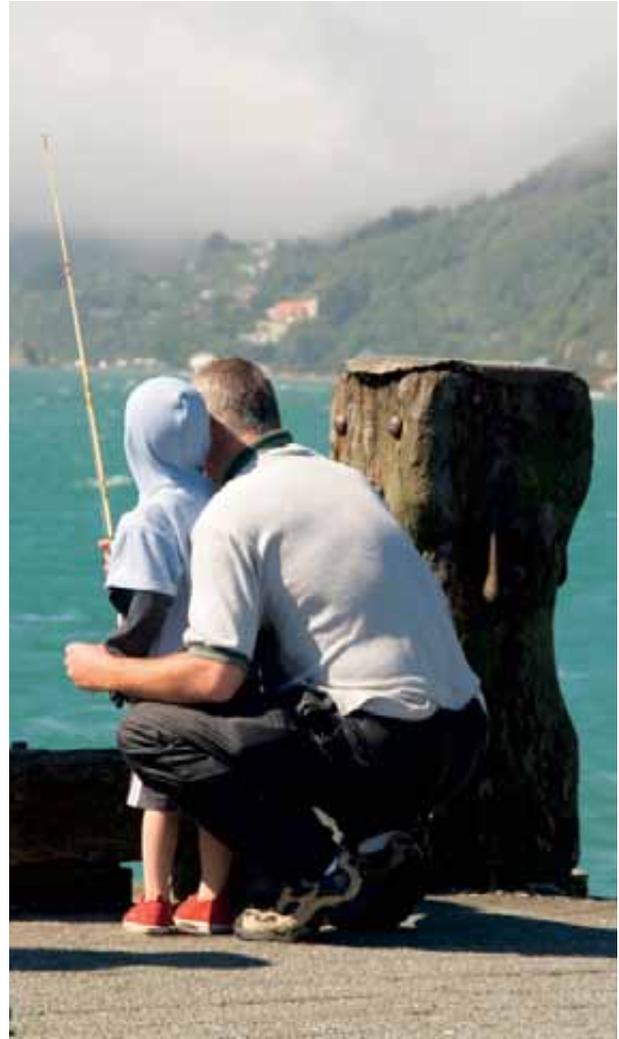
The Ministry can also contribute to initiatives to increase the value that fishers obtain from the fishery. Examples include the reduction and removal of international trade barriers, and facilitating development of sector growth strategies. The Ministry will become involved in these activities particularly where only the government can undertake certain roles, for instance when representing New Zealand's interests at international multilateral trade negotiations.

Protecting value

Value to a sector may be reduced where non-fishing activity reduces the benefit to the fisher, either in the short term or long-term. The Ministry's role here is to develop, along with other government agencies, a framework that allows the tradeoffs to be resolved for greatest overall benefit.

The table on the following page sets out the Ministry's role in achieving this contributing outcome and the work that we will do over the next few years to get to that point.

The right side of the table indicates which outputs in the output plan later in this SOI will have responsibility for undertaking the specific work elements involved in the programme to support achievement of the outcomes.



People are able to realise the best value from the sustainable and efficient use of fisheries - work plan

Ministry Role	Strategies
<i>Recognising the nature of value</i>	<ul style="list-style-type: none"> > Developing our understanding of the full range of values able to be gained from the use of fisheries resources
<i>Enabling best value to be realised within each fishing sector</i>	<ul style="list-style-type: none"> > Maintaining and developing systems that can facilitate investment and trading of access rights within the commercial fishing sector > Ensuring obligations set out in Treaty of Waitangi (Fisheries Claims) Settlement Act 1992 are met > Ensuring obligations set out in the Māori Commercial Aquaculture Claims Settlement Act 2004 are met > Ensuring obligations set out in individual historical settlement legislation, deeds of settlement, and heads of agreement are met with respect to fisheries
<i>Specifying limits within which each fishing sector can maximise value</i>	<ul style="list-style-type: none"> > Setting standards that define the acceptable level of risk within which fishers can extract value from the use of fisheries resources
<i>Achieving compliance with access standards set for fishing</i>	<ul style="list-style-type: none"> > Encouraging fisher compliance with access standards > Gathering information required to monitor fisher performance against access standards > Ensuring fisher compliance with standards relating to international, commercial, customary and recreational fishing rules > Undertaking enforcement and prosecution action against deliberate serious offending

Detailed Work Elements	Linkage to Outputs				
	Fisheries Policy	Fisheries Information	Fisheries Operations	Fisheries Compliance	Aquaculture Settlement
> Undertaking and facilitating socio-economic research to identify options available to realise value from extractive and non-extractive uses					
> Developing methodology for identifying and gathering information on current and potential value					
> Undertaking and facilitating socio-economic research regarding value, especially in the recreational and customary fisheries sectors					
> Operating QMS frameworks					
> Reviewing TAC/TACCs and fisheries utilisation measures					
> Operating deemed value catch balancing system					
> Monitoring delivery of devolved and contracted registry services					
> Introducing fish stocks into the QMS					
> Meeting obligations with respect to the introduction of new species in to the QMS					
> Giving effect to customary fishing regulations – appointment of kaitiaki					
> Continuing to quantify ‘pre-commencement’ water space					
> Establishing a settlement assets register					
> Ensuring delivery of aquaculture water space or equivalent					
> Commencing preparation of a plan describing the Crown’s performance in meeting settlement obligation by 2008					
> Setting standards to manage catch per year, or other period					
> Setting standards to manage methods of fishing, seasons and areas					
> Setting standards to manage the provision of information about fishing activity and catch					
> Setting standards to manage product flow by fishers, marine farmers, fish receivers and processors					
> Engaging tangata whenua and stakeholders in standard setting and rule making processes					
> Producing information brochures, signage and educational material to inform fishers about their responsibilities, the rules, and the rationale for those rules					
> Operating catch and effort reporting systems					
> Undertaking observation, surveillance and inspection services					
> Reviewing coverage of vessel monitoring system in the commercial fleet					
> Working with New Zealand Defence Forces and other enforcement agencies					
> Analysing information to detect general, and specific, non-compliance					
> Inspecting fishing boats, gear and catches					
> Targeting poaching and black market activities					
> Initiating investigation and where necessary prosecution activity, infringement fee and forfeiture processes					

People are able to realise the best value from the sustainable and efficient use of fisheries - work plan

Ministry Role	Strategies
<p><i>Enabling best value to be realised across fisheries sectors</i></p>	<ul style="list-style-type: none"> <li data-bbox="480 575 1584 645">> Ensuring obligations set out in Treaty of Waitangi (Fisheries Claims) Settlement Act 1992 are met <li data-bbox="480 651 1584 808">> Increasing across-sector value by transferring access in accordance with administrative and statutory processes, procedures and tests <li data-bbox="480 815 1584 994">> Providing more certainty around processes to adjust the level of access provided to each fisheries sector
<p><i>Providing opportunities to increase value</i></p>	<ul style="list-style-type: none"> <li data-bbox="480 1001 1584 1111">> Providing stakeholders with the opportunity to increase value by working collaboratively across fisheries sectors to reach best solutions
<p><i>Protecting and increasing value</i></p>	<ul style="list-style-type: none"> <li data-bbox="480 1117 1584 1547">> Increasing the amount of value realised from fisheries resources by adding to benefits and or reducing costs <li data-bbox="480 1554 1584 1581">> Promoting and protecting New Zealand's international fisheries interests

Detailed Work Elements	Linkage to Outputs				
	Fisheries Policy	Fisheries Information	Fisheries Operations	Fisheries Compliance	Aquaculture Settlement
> Giving effect to customary fishing regulations – establishment of mātaimai, taiapure and temporary closed areas					
> Reviewing TAC/TACCs and fisheries utilisation measures					
> Progressing residual marine farming permit applications					
> Operating register of aquaculture agreements as required for AMA developments					
> Provide advice on marine reserve concurrence requests					
> Reviewing the management of shared fisheries access and allocations framework					
> Undertaking and facilitating socio-economic research to identify options and support tradeoffs made across uses					
> Gathering information required to determine the share that each fishing sector has of the total access available					
> Participating in the development of Ministry-led fisheries plans					
> Maintaining existing commitments to the development of stakeholder led fisheries plans					
> Participating in the development of new policy framework initiatives that have the potential to increase benefit gained					
> Providing input to development of Oceans Policy					
> Reviewing jurisdiction arrangements for management of freshwater fisheries					
> Participating in the government growth and innovation framework					
> Continuing support to development of aquaculture industry sector strategy					
> Reviewing fisheries cost recovery framework					
> Progressing the deemed values review as directed					
> Participating in the development of Ministry-led fisheries plans					
> Maintaining existing commitments to the development of stakeholder-led fisheries plans					
> Securing well defined access rights for New Zealand fishing industry beyond our EEZ					
> Continuing to promote multilateral, regional and bilateral engagement and influence					
> Continuing development of cooperation arrangements, strategic alliances, capacity building and formal bilaterals					
> Undertaking a leadership role in developing mechanisms to address illegal, unregulated and unreported fishing in international fisheries					
> Securing international market access for New Zealand fisheries products					

■ Credible fisheries management

Developing management frameworks in support of Government policy

The Ministry provides policy advice to the Minister on legislative and policy reforms to improve the value obtained from New Zealand fisheries.

In many initiatives the Ministry works with other Government agencies (eg the Ministry for the Environment, Department of Conservation and the Ministry of Foreign Affairs and Trade) in a whole of Government approach. Further details of the Ministry's working relationships with other government agencies are provided in the section on Ministry background information at the back of this document.

Acting in accordance with Treaty principles

The Ministry must act in accordance with Treaty principles: the principle of partnership; the principle of active protection, and the principle of redress. It has to act reasonably, honourably, and in good faith, and to make informed decisions. Acting in this way will strengthen relationships with Māori and avoid grievances.

Tangata whenua and stakeholder engagement in fisheries management

The Ministry interacts with tangata whenua on a number of different levels. Māori are now the largest quota owners in New Zealand's commercial fishing industry. Tangata whenua can manage their non-commercial customary fishing activity through customary regulations. Māori are also recreational fishers. To engage with tangata whenua across this range of interests the Ministry consults with over 100 iwi and hapū on matters affecting their fisheries.

In addition to implementing the customary fishing regulations, the Ministry has ongoing obligations to provide for the input and participation of tangata whenua in sustainability decisions that affect their non-commercial interests. The Ministry's Treaty Strategy initiative aims to build better working relationships with tangata whenua, and improve the delivery of legislative obligations.

An important contributor to credibility is effective engagement with tangata whenua, stakeholders, other government organisations, and the public in management of fisheries. Stakeholders should have an increasingly important role to play in other areas of management such as providing input to decision-making frameworks and setting standards. Their involvement in fisheries management increases their understanding of the process and increases their willingness to commit to actions and strategies that will deliver long-term benefits.

Constructive engagement requires the Ministry to focus on relationship management, communication, and building tangata whenua and stakeholder capacity to participate effectively in management processes. The Ministry will engage with different fisheries sectors separately and together. By engaging separately with each sector, Ministry staff and sector group representatives can discuss issues of concern and options to resolve the issues. Multi-sector forums will focus on establishing standards and developing fisheries plans.

Objectives-based management

In the 2005/08 SOI, the Ministry introduced the term 'objectives-based approach to fisheries management' to describe the Ministry process of developing management plans. It is important to develop clear links between the strategies and services proposed for a particular fishery and the objectives determined in the relevant fisheries plan. These plans will form the basis of Ministry advice to the Minister on proposed management measures and purchase of fisheries services. All plans will be required to meet relevant performance standards.

The key elements of the fishery plan approach are:

- > Setting standards
- > Working with stakeholders to determine objectives setting out how best overall value can be achieved for a fishery
- > Using risk assessment and analysis of costs and benefits to identify key management issues and evaluate alternative implementation strategies
- > Specifying management measures and fisheries services that will allow the fishery to meet relevant standards and best achieve fisheries objectives
- > Prioritising allocation of Ministry resources
- > Providing a clearer basis for monitoring and reporting on the performance of fisheries management.

During 2006/07, the Ministry will determine interim standards and develop preliminary plans that describe the current management regime for the majority of fisheries and fisheries objectives. In subsequent years it will work with stakeholders to evaluate risks for the fisheries and determine required interventions and services. The Ministry believes it will take up to five years to have fully developed fisheries plans in place for most fisheries.

Monitoring and reporting on performance of fisheries

Tangata whenua and stakeholders need to know that the information used to make decisions is robust. Critical information includes the status of fish stocks and impacts on the aquatic environment, ownership of quota shares and annual catch entitlement (ACE), and the amount of each fish stock harvested by each fisher and in total. Critical decision-making processes include Total Allowable Catch (TAC) and total allowable commercial catch (TACC) setting, determining other management controls, and setting cost recovery charges.

Stakeholders need to have confidence that decisions are properly implemented and that performance is monitored and reported upon. Monitoring is necessary to assess whether, and how, the fisheries management framework and its implementation are contributing to New Zealand's social, economic and cultural development. Monitoring includes identifying appropriate performance indicators, collecting and managing information to support monitoring, and evaluating this material. The three main areas where monitoring can most effectively be used to evaluate management performance are outcomes, standards and fisheries plans objectives.

The table on the following page sets out the Ministry's role in achieving this contributing outcome and the work that we will do over the next few years to get to that point.

The right side of the table indicates which outputs in the output plan later in this SOI will have responsibility for undertaking the specific work elements involved in the programme to support achievement of the outcomes.



Credible fisheries management - work plan

Ministry Role	Strategies
<i>Developing credible management frameworks in support of government policy</i>	<ul style="list-style-type: none"> <li data-bbox="485 577 1302 640">> Enhancing and maintaining legislative and policy frameworks in support of government policy objectives <li data-bbox="485 651 1235 678">> Providing high quality policy advice to the Minister of Fisheries and Government <li data-bbox="485 689 1406 752">> Providing credible organisational governance and risk management in support of the government's ownership interest in the Ministry <li data-bbox="485 763 1329 824">> Achieving a constructive whole of government approach in developing, contributing to and implementing policy
<i>Acting in accordance with Treaty Principles</i>	<ul style="list-style-type: none"> <li data-bbox="485 833 1418 893">> Ensuring staff are informed of the relevance of Treaty Principles and their application in the fisheries management context
<i>Encouraging tangata whenua and stakeholder engagement in fisheries management</i>	<ul style="list-style-type: none"> <li data-bbox="485 907 1370 967">> Ensuring that tangata whenua and stakeholders understand Ministry processes and associated process standards
	<ul style="list-style-type: none"> <li data-bbox="485 1505 1107 1532">> Building stakeholder capacity to engage in fisheries management
	<ul style="list-style-type: none"> <li data-bbox="485 1720 1342 1780">> Improving the quality of Ministry processes to engage with tangata whenua and stakeholder representative organisations
<i>Developing objectives-based management</i>	<ul style="list-style-type: none"> <li data-bbox="485 1832 1390 1892">> Managing all fisheries resources in accordance with defined objectives which are consistent with standards <li data-bbox="485 2033 1350 2094">> Establishing transparent links between all management interventions, services, and fisheries management objectives

Detailed Work Elements	Linkage to Outputs				
	Fisheries Policy	Fisheries Information	Fisheries Operations	Fisheries Compliance	Aquaculture Settlement
> Describing and setting standards for all fisheries management planning and administration processes – strategic planning; operational plans; fisheries plans	■		■		
> Improving the availability of fisheries information – expanding communication and public awareness programmes; upgrading external website	■		■	■	
> Engaging tangata whenua and stakeholders in the standards-setting process, and development of fisheries plans			■		
> Developing stakeholder information and relationship strategies			■		
> Delivering the Ministry’s Treaty Strategy	■				
> Establishing and supporting regional iwi forums			■		
> Building capacity to engage in fisheries management			■		
> Continuing to support engagement by providing information on fisheries management processes	■	■	■	■	
> Supporting the Minister’s National Recreational Fisheries Advisory Committee			■		
> Supporting regional recreational fishing advisory groups			■		
> Continuing meetings programme with environmental NGOs, commercial stakeholder organisations, SeaFIC Policy Council, and Te Ohu Kai Moana Trustee Limited	■	■	■	■	■
> Facilitating the development of organisations that can coordinate stakeholder group engagement	■				
> Developing standards relating to mandate, governance and operating procedures of representative organisations and stakeholders			■		
> Supporting Tangata whenua and stakeholder representative organisations to build the administrative and financial capacity required to engage more effectively			■		
> Gathering information from tangata whenua and stakeholder groups on Ministry performance			■		
> Operating the Ministry’s complaints and feedback procedure	■				
> Defining management units for all fisheries resources	■				
> Establishing guidelines for setting fisheries management objectives	■				
> Setting management strategies, rules and interventions			■		
> Defining services that achieve fisheries management objectives and standards			■		
> Delivering objectives-based management via fisheries plans			■		
> Defining the processes and standards by which all management interventions, services, compliance and fisheries management objectives will be carried out			■		

Credible fisheries management - work plan

Ministry Role	Strategies
<i>Monitoring and reporting on performance of fisheries</i>	<ul style="list-style-type: none"> <li data-bbox="486 577 1353 636">> Developing the Ministry's web-based fisheries information report on status and management of New Zealand's fisheries resources <li data-bbox="486 651 1369 745">> Monitoring, evaluating and reporting on the performance of fisheries management frameworks against specified fisheries outcomes to assess the need for adjustment and improvement of the frameworks
<i>Maintaining and developing long term organisational capability</i>	<ul style="list-style-type: none"> <li data-bbox="486 754 1425 786">> Strengthening Ministry capacity to meet standards and deliver organisational and fisheries objectives <li data-bbox="486 1193 1409 1256">> Maintaining and, where necessary, improving organisational management support, information and finance systems <li data-bbox="486 1267 1299 1299">> Ensuring compliance with policies and standards that support organisational managers <li data-bbox="486 1491 924 1523">> Ensuring that budget limits are not exceeded

Detailed Work Elements	Linkage to Outputs				
	Fisheries Policy	Fisheries Information	Fisheries Operations	Fisheries Compliance	Aquaculture Settlement
> Operating improved and better integrated processes for management of fisheries;					
> Recruiting, retaining and developing staff with the required skill and experience to enable objectives and standards to be met					
> Developing further measures to ensure the health and safety of all staff in their work environment					
> The design and delivery of a comprehensive staff capability development programme					
> Implementation of the career progression framework in the Compliance business. Ongoing senior management development following assessments carried out as part of the 2005 formation of the Senior Managers Team					
> Development plans for Compliance staff following assessments against new technical and behavioural competency standards					
> HR planning for succession and development plans for key roles across the Ministry					
> Operating finance, legal, human resources, information technology, information management and administration services					
> Defining management processes and performance standards					
> Setting standards relating to working conditions					
> Ensuring that accountability for achieving performance standards is known for all processes					
> Ensuring that organisational management performance is monitored, evaluated and incentives are provided to achieve performance standards					

■ Measuring progress

Progress will need to be measured at multiple levels of the outcomes framework. The table below provides some examples of how the elements link together. These are only indicative since the underlying frameworks are still being developed, and will be subject to consultation with stakeholders.

Health of aquatic environment protected

Outcome	Standard	Intervention
QMS stocks are at a sustainable level	The percentage of QMS stocks at or above target level is increasing	Annual review of Total Allowable Catch (TAC) and sustainability measures
The viability of protected species is not reduced by the impact of fishing	Fishing related mortality does not prevent the sealion population from increasing to 90% of carrying capacity	Determining fishing related mortality levels and restricting by-catch to these levels
Impact of fishing does not adversely affect habitat	10% of New Zealand waters are in some form of protection by 2020	Implement spatial management tools to protect required amounts of habitat

People are able to realise best value from the sustainable and efficient use of fisheries

Outcome	Standard	Intervention
Stakeholders are able to increase value achieved from commercial use	All fisheries plans will review interventions to ensure they are linked to objectives	Fisheries plans for all major commercial fisheries reviewed each 5 years
New Zealand's interests reflected in management of high seas fisheries	<ol style="list-style-type: none"> 1 Regional Fisheries Management Organisations (RFMOs) established for high seas fishing of major interest to New Zealand. 2 As a minimum, the allocation of access to high seas fisheries will reflect New Zealand's participation in those fisheries. 	Active participation in the development and operation of all relevant RFMOs
Non-commercial values in fisheries provided for	All decisions on shared fisheries explicitly consider non-commercial values.	Review of TAC/TACCs and sustainability measures.

Credible fisheries management

Outcome	Standard	Intervention
There are high levels of compliance	Incremental reduction in levels of offending detected	Detection and prosecution of offenders. Effective education
Input and participation by tangata whenua provided for	All iwi have access to a regional forum	Establish and support regional forums
Stakeholders and public have confidence in the management of New Zealand's fisheries	Incremental increase confidence levels as measured by independent surveys	Establish and develop an accessible and comprehensive website encompassing all Ministry activities

■ Managing risks

Fisheries are a scarce resource that needs to be managed both in terms of access and harvest level if we are to ensure that the resource is available for future generations. To achieve this, the Ministry needs to manage risks at different levels.

Risks to the fishery are managed through a series of activities and services:

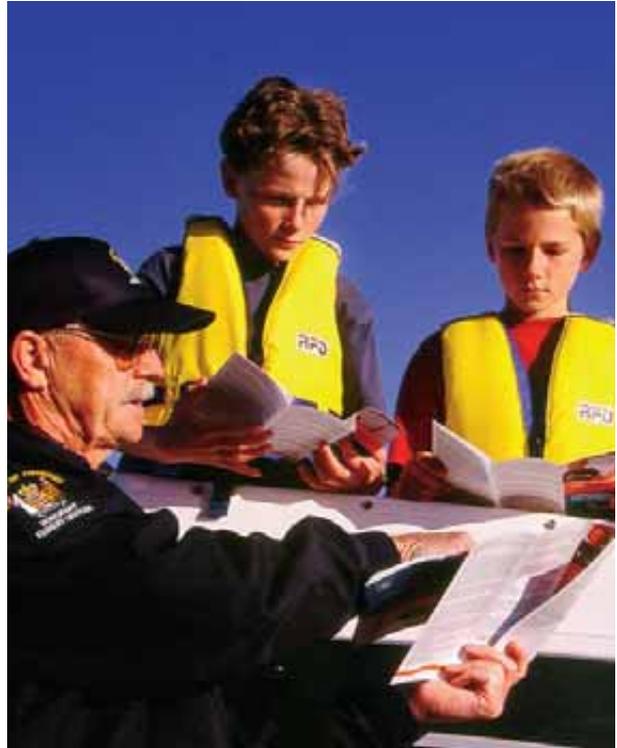
- > the research planning process that determines the required research projects to be undertaken in any year
- > stock assessment working groups
- > information reported by fishers in their monthly harvest returns
- > information gathered by the Ministry's Compliance and Observer functions
- > the annual sustainability round that is consulted on with stakeholders to agree changes to management controls and the consequential regulatory amendments
- > regular advice to the Minister of Fisheries on management controls and sustainability measures.

Risks to tangata whenua and stakeholders' interests are managed through:

- > information flows from harvest returns, compliance rates and scientific information
- > transparent decision making
- > input and participation in a range of management processes
- > consultation and engagement through forums and other communication mechanisms
- > specific participation on working groups
- > capacity building both in the Ministry and the fisheries sector.

Organisational risks are managed by Ministry business group managers and monitored through the Ministry's Risk Management Committee, its organisational governance committees, and legal advice. Risks managed in this way include:

- > maintaining organisational capacity and capability
- > legal risk from processes and decisions
- > financial management processes
- > disaster recovery programmes
- > monitoring Ministry services and obligations.



■ Maintaining long-term capability

The Ministry was established in 1995 as a stand-alone agency with a sole focus on fisheries. It commenced with minimum infrastructure and constrained resources. In the past five years new and expanded services have been funded by Government, which has resulted in the need and opportunity to review and enhance basic core infrastructure for the Ministry. The 2005/06 year has seen the culmination of a range of strategic and significant investments in the organisation that include:

- > implementation of a feedback and complaints process for stakeholders to express their views and concerns in an objective way
- > new external web site platform and content management systems to enable improved stakeholder access to fisheries and Ministry information
- > new records and document management systems and procedures to maintain historical records, and access to new information, which will be rolled out over 2006/07
- > new core financial management systems to be implemented for the start of the 2006/07 financial year
- > tangata whenua and stakeholder relationship management tools and forums to support Ministry engagement with tangata whenua and stakeholders
- > consolidation of all the Ministry's Wellington CBD based staff in one building from early in the 2006/07 year
- > management and leadership development
- > focus on individual staff development outcomes.

The Ministry needs to develop and maintain its organisational capability, invest in its people and be flexible to changes in the environment. Changed senior management and governance arrangements were completed in 2005/06. Work now in progress includes:

- > realignment of the front line business groups, with initial work on designing a three-year organisational development plan for those businesses
- > realignment on a national basis of the Compliance group
- > developing the capability to take a stronger, more proactive leadership role in managing fisheries
- > developing capability and improving flexibility through consultative change right throughout the organisation
- > better-integrated fisheries focused systems and processes as the transition to fisheries plans progresses.

For 2006/07 and beyond, the Ministry will focus on:

- > extracting maximum value from recent core infrastructure initiatives
- > staff development and recruiting staff with the rights skills and experience
- > providing systems that enable decisions to be made consistently and accurately, and in accordance with relevant standards
- > taking advantage of technological innovation to inform stakeholders and the wider public about the fisheries management issues, processes and results
- > ensuring that the services delivered to meet the fisheries outcomes are efficient and effective
- > setting and adhering to approved financial management standards.

State Services development goals

The State Services Commission has established a series of goals for the New Zealand Public Service and the Ministry is now working on a number of initiatives to contribute to the achievement these development goals. The following table explains the Ministry's contributions.

Ministry initiatives to meet State Services development goals

The State Services Commission has established six challenging goals for the public sector, which the Ministry has adopted.

Goal 1: Employer of Choice – Ensure the State Services is an employer of choice, attractive to high achievers with a commitment to service.

We provide our staff with:

- > A compelling vision, mission and goals
- > Attractive working environments with diverse range of good people to work with
- > Ample interesting challenges and encouragement
- > Many learning opportunities
- > Flexible working practices, where possible.

Goal 2: Excellent State servants – Develop a strong culture of constant learning in the pursuit of excellence.

We provide support for:

- > Active learning and development
- > A culture of continuous improvement.

Goal 3: Networked State Services – Use technology to transform the provision of services for New Zealanders.

We contribute by:

- > Using new website platforms and enhanced records and document management system, to provide access to and significantly enhance information and services through our website. Access to services through online media will increase over time.

Goal 4: Coordinated State agencies – Ensure the total contribution of government agencies is greater than the sum of its parts.

Our approach is to:

- > Collaborate with many State agencies across our range of services, and develop and deliver new policy advice and services and rely on a number of departments for specific support in managing our fisheries.

Goal 5: Accessible State Services – Enhance access, responsiveness and effectiveness, and improve New Zealanders' experience of State Services.

To improve accessibility:

- > We facilitate forums using open and transparent processes
- > We are redeveloping our external websites to enable better-informed tangata whenua, stakeholders and members of the public
- > We have introduced a feedback and complaints procedure to ensure that we are responsive to issues raised by external parties.

Goal 6: Trusted State Services – Strengthen trust in the State Services, and reinforce the spirit of service.

For our staff:

- > Integrity and honesty of our staff is mission critical. We have developed and launched our own Ministry Code of Conduct with a strong focus on integrity
- > Individual business groups have also developed their own values charters.

■ Additional services for 2006/07

The Ministry has five proposed additional services for the 2006/07 financial year. These are:

Support for the development of an objective-based fisheries management approach

This will be implemented through the expanded development of fisheries plans. The proposed programme promotes greater involvement by stakeholders, and is more transparent and efficient.

Implementation of the Government's marine protected area strategy (MPA)

This policy, which is being implemented jointly by the Ministry of Fisheries and the Department of Conservation, promotes an integrated approach to marine protection and to achieve the Government's goal of a comprehensive and representative network of MPAs, protecting 10 percent of biodiversity by 2020.

Illegal, unregulated and unreported fishing (IUU)

The funding for this initiative represents New Zealand's contribution to a three-year pilot project, designed to detect, prevent and eliminate IUU fishing. It is strategically important for New Zealand because three of the species targeted by IUU fishers – Patagonian Toothfish, Orange Roughy and Tuna – are immediately adjacent to New Zealand's fisheries waters.

Improved information on effects of bottom trawling and ecosystem effects of fishing

This will increase our understanding of the effects of bottom trawling on seabed habitat and aspects of biodiversity, and develop an understanding of the wider consequences of fishing for ecosystem functioning and fisheries productivity.

Settlement negotiations capacity

This initiative is intended to increase the Ministry of Fisheries' capacity to participate and positively contribute to the settlement of individual treaty claims. It is also intended to provide capacity for the Ministry to support the Crown's initiatives to address applications by whānau, hapū and iwi for Territorial Customary Rights and Customary Rights Orders.

The following table shows the new services and the associated costs for 2006/07. Although none of the services are directly subject to cost recovery, there will be slightly lower cost recovery levies due to a wider spread of Ministry overheads on increased total output costs.

Service	\$000
Support for the development of an objective-based fisheries management approach	750
Implementation of the Government's marine protected area strategy	500
Illegal, unregulated and unreported fishing (IUU)	125
Improved information on effects of bottom trawling and ecosystem effects of fishing	200
Settlement negotiations capacity	150
Total	1,725

These initiatives have been included in the Estimates for 2006/07. The Ministry will consult on them immediately following the tabling of Budget 2006, with a final determination to be made by the Minister of Fisheries on these proposed changes to the nature and extent of fisheries services for 2006/07 by the end of June 2006.

The Output Plan

Fisheries services to be provided in 2006 – 2007



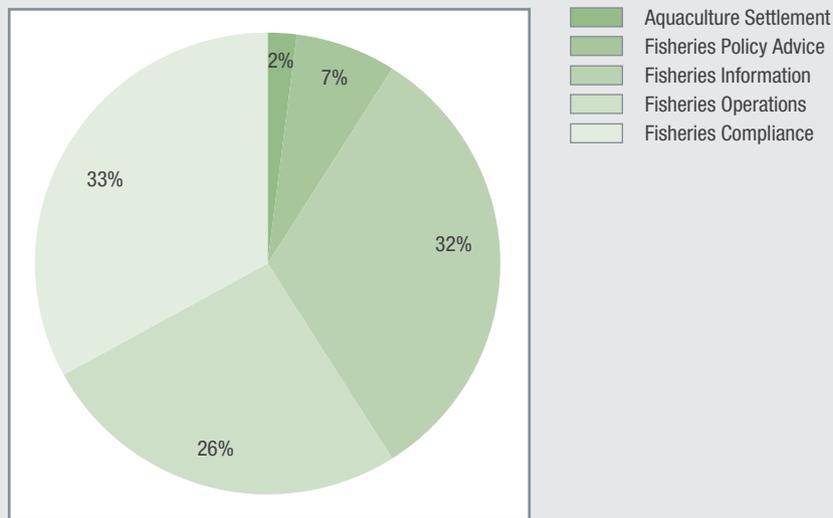
Financial overview

In 2006/07 the Ministry is planning, through Vote: Fisheries, to:

- > receive \$86.6 million in revenue from the Crown and \$2.8 million from other purchasers of services, from which it will supply the five departmental output expenses for Vote: Fisheries detailed in the Statement of Forecast Service Performance in this report
- > incur output expenses of \$89.4 million in providing these services.

The split of departmental output expenses for 2006/07 is set out below.

Financial Overview



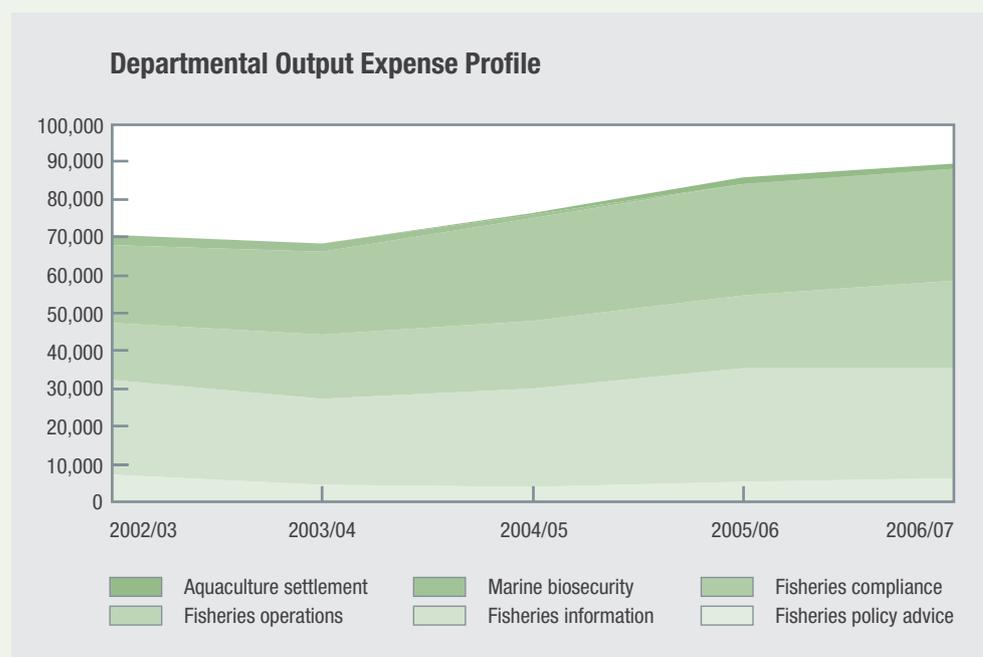
Conventions

Unless otherwise stated:

- > all financial information is expressed in \$000s
- > all financial measures are on a GST exclusive basis
- > a variance calculation shown in brackets () signifies an increase in expenditure or a decrease in revenue.

■ Expenditure profile

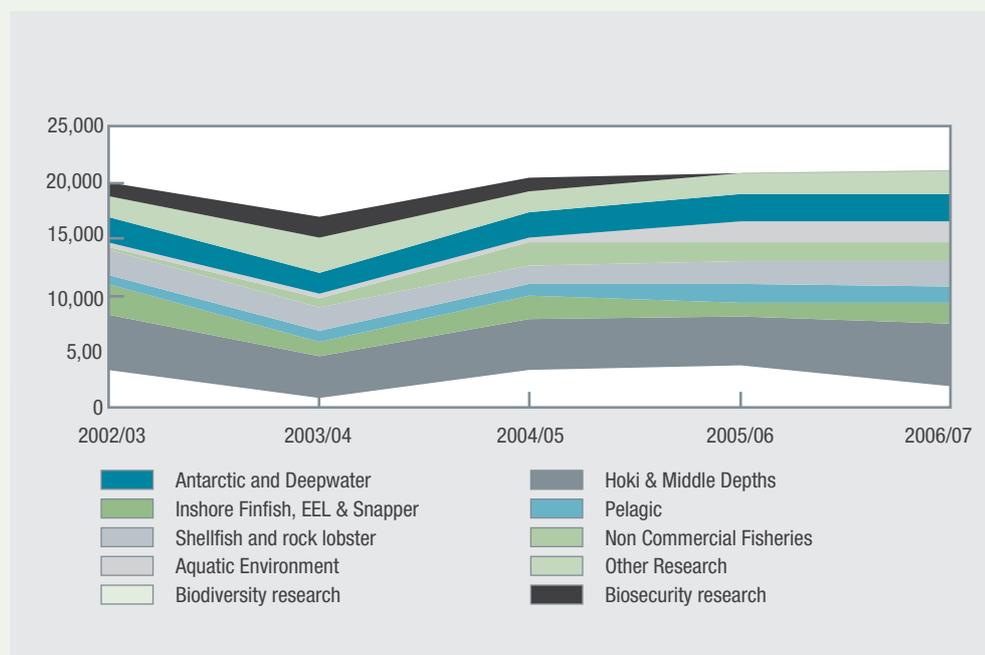
The following graphs and tables show various trends in expenditure and revenue for the Ministry over the last five years.



Departmental Output Expense profile

	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 SOI	2006/07 Plan
Fisheries policy advice	7,118	4,493	4,127	5,446	6,185
Fisheries information	25,121	22,604	25,946	29,642	29,138
Fisheries operations	14,960	16,992	17,615	19,232	22,950
Fisheries compliance	20,659	22,069	27,448	29,742	29,615
Marine biosecurity	2,803	2,366	603	0	0
Aquaculture settlement	0	0	517	1,682	1,553
Total	70,661	68,524	76,256	85,744	89,441

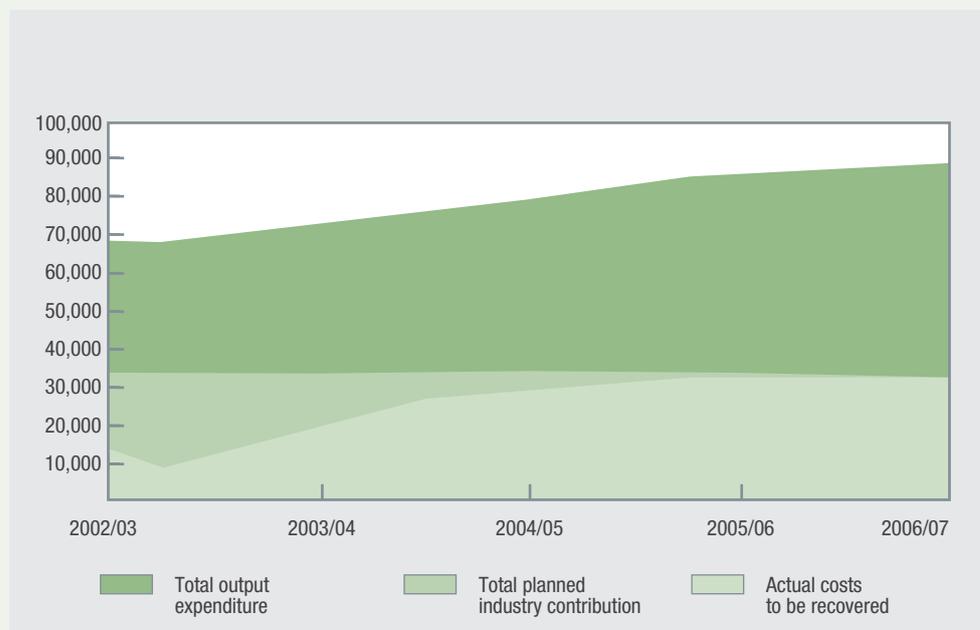
Fiscal Trend of Research Services – showing the split between fisheries research, biodiversity research and biosecurity research



	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 SOI	2006/07 Plan
Antarctic and Deepwater	3,235	905	3,236	3,703	1,896
Hoki & Middle Depths	5,067	3,681	4,717	4,291	5,513
Inshore Finfish, EEL & Snapper	2,624	1,269	1,923	1,300	1,789
Pelagic	906	951	1,075	1,634	1,589
Shellfish and rock lobster	2,137	2,152	1,587	1,996	2,292
Non Commercial Fisheries	380	689	2,035	1,841	1,505
Aquatic Environment	377	535	540	1,680	1,899
Other Research	2,115	1,865	2,174	2,543	2,423
Biodiversity research	1,942	3,099	1,884	1,835	2,106
Biosecurity research	1,217	1,781	1,192	0	0
Total	20,000	16,927	20,362	20,822	21,013

Cost recovery levies as a proportion of total departmental output expenditure

The following graph and table show the total planned costs to be recovered from industry and the actual costs following the settlement credit and application of annual under and over recoveries.



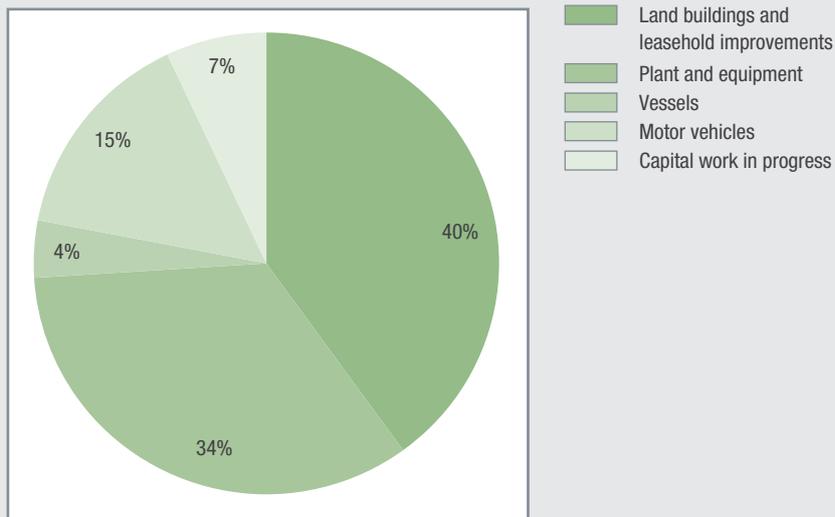
	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 SOI	2006/07 Plan
Total output expenditure	70,661	68,524	76,265	85,744	89,441
Total planned industry contribution	33,735	33,800	34,068	33,955	32,516
Actual costs recovered following settlement credit and application of annual under and over recoveries	33,185	8,987	27,433	32,738	32,516

Departmental charges

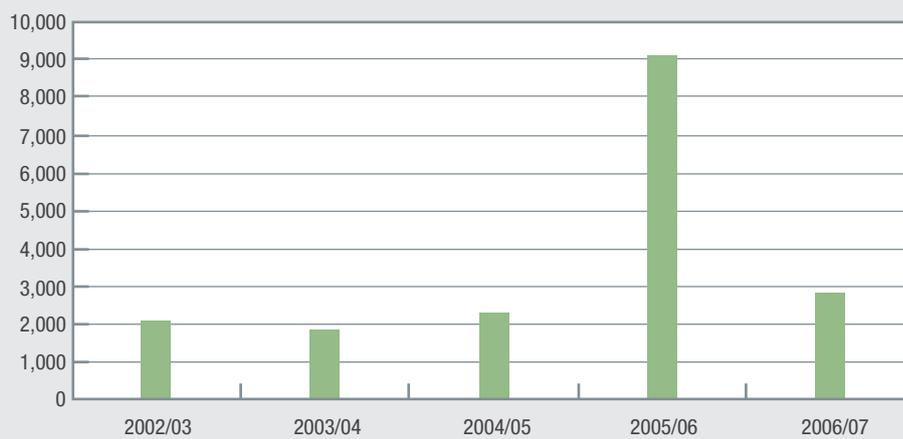
	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 SOI	2006/07 Plan
Transshipment and Observer charges	1,543	1,280	774	1,358	1,429
Boat registration fees	274	166	148	150	150
Marine farming fees	566	515	90	915	400
Other	125	295	630	934	848
Total	2,508	2,256	1,642	3,357	2,827

■ Asset management

Departmental property, plant and equipment forecast for June 2007



Capital expenditure programme



■ Fisheries services to be provided in 2006 – 2007

This section contains the specific outputs and services to be delivered in 2006/07 to support the achievement of the contributing outcomes listed earlier in this SOI.

Consultation on the provision of fisheries services

These services have been determined by the Minister of Fisheries following consultation by the Ministry with iwi and stakeholders earlier in 2006 on the services to be delivered. The consultation documents are shown on the Ministry's web site, together with the advice provided to the Minister to enable him to determine the services as decided on 28 March 2006.

Explanation of year-on-year changes

Explanations for significant changes in services (+/- 10%) between 2005/06 and 2006/07 are noted in the information supplied for each Departmental Output Expense.

Fisheries research

In previous years, the consultation process for fisheries research has been confined to research projects that could be funded within the proposed budget level. For 2006/07 the Ministry has consulted on all its proposed fisheries research projects. The reason for this is to ensure that the Ministry can fully utilise the research budget and gain the best return on its investment in this area, by substituting research projects that will not proceed.

To give effect to this, there are two tiers of projects. The tier 1 projects are those that fall within the approved funding levels. Projects outside the approved funding levels will only be undertaken where tier 1 projects are withdrawn/cancelled, and after consultation on the cost recovery levies. Recovery of costs through levies will only be applied to those projects that are actually undertaken. Any tier 2 project that remains outside the approved funding levels will also not be cost recovered.

Revision of departmental service structure

There is one change in the Ministry's service structure for 2006/07 – "Cost recovery process managed" has been deleted. There are also changes in the performance expectations of most services. The revised expectations are noted within each of the services.

Statement of forecast service performance for departmental output expenses for the year ending 30 June 2007

Parliament has provided \$89.441 million in departmental appropriations for Vote: Fisheries in 2006/07 for the management of New Zealand's fisheries. These are classified into five Departmental Output Expenses with related service expectations. For the 2006/07 financial year, the estimated costs of services to be provided by the Ministry are set out in the following table, along with the amounts estimated to be recovered from the commercial fishing industry through cost recovery levies and individual transaction charges.

Departmental Output Expense/Service	Full Cost	Industry Recovered		Net Crown Cost
		Levies	Transaction Charges	
Fisheries policy advice				
New Zealand fisheries policy advice provided	2,975	0	0	2,975
International fisheries policy advice provided	2,415	0	0	2,415
Ministerial services provided	795	0	0	795
Sub total	6,185	0	0	6,185
Fisheries information				
Utilisation and sustainability of New Zealand's fisheries resources measured	23,097	14,914	0	8,183
Biodiversity of New Zealand's marine environment estimated	2,393	0	0	2,393
Observer services provided	3,648	2,219	1,429	0
Sub total	29,138	17,133	1,429	10,576
Fisheries operations				
New Zealand fisheries utilisation and sustainability reported	10,388	0	0	10,388
Deed of Settlement implemented	5,366	0	0	5,366
Statutory decision processes administered	433	433	0	0
Aquaculture permit applications processed	858	0	400	458
Registry services managed	4,996	4,846	150	0
Biosecurity advice provided	356	0	0	356
Biodiversity advice provided	553	0	0	553
Sub total	22,950	5,279	550	17,121
Fisheries compliance				
Commercial fisheries compliance	8,125	8,125	0	0
Non-commercial fisheries compliance	6,417	0	0	6,417
New Zealand's international fisheries compliance	617	0	0	617
Poaching and black market activities deterred	11,046	0	0	11,046
Prosecutions managed	3,410	0	0	3,410
Sub total	29,615	8,125	0	21,490
Aquaculture settlement				
Aquaculture settlement implemented	1,553	0	0	1,553
Sub total	1,553	0	0	1,553
Total departmental output expenses	89,441	30,537	1,979	56,925
2005/06 Plan	85,744	31,735	2,423	51,586

Reconciliation between the 2005/06 and 2006/07 Appropriations

	Total	Industry	Crown
Vote: Fisheries Baseline as per 2005/06 SOI	85,744	34,158	51,586
Less			
MSA funding	(102)		(102)
Compliance Health and Safety funding	(76)	(19)	(57)
Growth and Innovation Framework	(26)		(26)
Plus			
Fiordland marine management implementation	173		173
Serious Offences funding	189	189	
Wellington accommodation rationalisation	553		553
Conservation and management of highly migratory species	16		16
Capacity for auditing and monitoring Registry services	5	5	
Observer funding	11	11	
Deed of Settlement implementation	444		444
FAO secondment	285		285
IUU fishing	125		125
Improved information on effects of bottom trawling	200		200
Settlement negotiations capacity	150		150
Developing an objectives-based fisheries management approach	750		750
Implementing Government's Marine Protected Area Strategy	500		500
Activity changes	0	(1,828)	1,828
Research carry forward into 2006/07	500		500
Vote: Fisheries baseline as per 2006/07 SOI	89,441	32,516	56,925

■ Departmental Output Expense – Fisheries Policy Advice

Description

This includes the services that ensure development and review of policy and legal frameworks to enable best value from the sustainable and efficient use of fisheries resources.

Objectives

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

Financial performance

In 2006/07, the appropriation for this departmental output expense is \$6,815,000, an increase of \$739,000 over the 2005/06 SOI.

Explanation of year on year changes

New Zealand fisheries policy advice provided

For 2006/07 this output includes additional funding of \$150,000 per annum to enable the Ministry to support the Crown's initiatives to address applications by whānau, hapū and iwi for Territorial Customary rights and Customary Rights Orders.

In addition, the Ministry will also participate in, and contribute to, the increased individual treaty settlement negotiations arising from the increased work programme of the Office of Treaty Settlements, but it will do this with funding drawn from a reprioritisation of its existing baseline.

International fisheries policy advice provided

This output includes the costs associated with the secondment of a Ministry official to the United Nations Food and Agriculture Organization for a period of up to three years (\$285,000 in 2006/07) and funding to cover increased participation in international fisheries arrangements.

■ New Zealand fisheries policy advice provided

Explanation

This service provides advice on policy development aimed at:

- > protecting the health of the aquatic environment
- > enabling New Zealanders to get the best value from the sustainable and efficient use of fisheries resources
- > ensuring the Crown delivers on its international obligations relating to fishing and those obligations arising from the Treaty of Waitangi (Fisheries Claims) Settlement Act 1992
- > achieving a credible fisheries management regime.

The work programme being undertaken by the Ministry's Fisheries Policy group over the next three years covers a range of policy development activities, in the following key areas:

Fisheries reform

Legislative and policy reforms to enhance the management of, and value obtained from, New Zealand fisheries, including:

i) Allocation and sector engagement

This work area includes reforms to improve the tools for intersectoral allocation and to improve Ministry engagement with fisheries stakeholders (especially non-commercial stakeholders and the public).

ii) Environmental performance

This work area includes reforms to enhance the environmental performance of the fisheries sector, including managing the impact of fishing on the environment and at-risk species, and managing the impact of other activities on fisheries resources and habitats.

iii) Adding value to fisheries sectors

This work area deals with reforms to add value to New Zealand's fisheries sectors, including tools to enable stakeholders to take responsible initiatives to add value and tools to ensure efficient delivery of services. Work in this area will contribute to the Government's Sustainable Development Programme of Action and the Growth and Innovation Framework.

Fisheries outcomes and monitoring

This work area deals with establishing fisheries outcomes, and monitoring and reporting on indicators of their achievement.

Marine sector policy development

This work area is to provide a contribution to legislative and policy reforms to improve the management of New Zealand's marine resources, including a significant contribution to the Oceans Policy. It involves leading and/or contributing to multi-departmental and whole-of-government initiatives.

Expected results

Quantity, quality and timeliness

- 1 The quantity and nature of advice will be supplied on the basis agreed (as amended from time to time) between the Minister of Fisheries (the Minister) and the Chief Executive of the Ministry for 2006/07. Reporting at agreed intervals during the year will enable the Minister to assess actual performance in output delivery against those expectations.

- 2 All reports will comply with the Ministry's quality standards for analysis and advice outlined earlier in this document.
- 3 The Minister will be formally requested, at agreed intervals during the year, to indicate his or her level of satisfaction with the overall quality of the outputs produced based on these standards.
- 4 Timeframes will be agreed between the Minister and the Chief Executive of the Ministry for the financial year 2006/07 (amended as necessary by agreement during the year). Advice will be delivered within the agreed and/or statutory timeframes so that Ministers have sufficient time to consider the issues and take appropriate action.
- 5 A comprehensive range of services will be provided as agreed with the Minister. These will include:
 - > policy analysis and advice, and the provision of associated legislative advice
 - > advice on the implementation of Government policy
 - > the capacity to react quickly and provide support for the Minister in Cabinet Committees, including relevant briefings on significant issues and evaluation of policy initiatives with relevance to the Government's outcomes for fisheries management
 - > conducting consultation processes with sector stakeholders, government agencies and the public
 - > initial promulgation of government policy, where such communication is separate from ongoing implementation
 - > oral and written briefings and preparation of speech notes.

Cost

	2005/06 SOI	2006/07 Plan	Change
Plan	2,578	2,975	(397)
Amount to be recovered from industry	0	0	0
Percentage to be recovered from industry	0	0	0

■ International fisheries policy advice provided

Explanation

This service contributes to the development of bilateral, regional and multilateral frameworks for managing international fisheries, with the aim of:

- > protecting the health of the aquatic environment
- > enabling New Zealanders to get the best value from the sustainable and efficient use of fisheries resources
- > strengthening governance arrangements for high seas fisheries
- > facilitating sustainable economic growth through increased international trade.

The focus is the sustainable use of international fisheries resources through the establishment of robust management regimes. The Ministry works to promote and protect New Zealand's fisheries interests through:

- > engagement and influence in international institutions (eg the fisheries committees or working groups of Asia Pacific Economic Cooperation (APEC), the United Nations Food and Agriculture Organization (FAO), the United Nations (UN) and the Organisation for Economic Cooperation and Development (OECD)), to improve the sustainable use of fisheries resources
- > engagement and influence in regional fisheries management organisations (RFMOs) and arrangements to ensure the sustainable use of fisheries resources (eg the Commission for the Conservation of Southern Bluefin Tuna (CCSBT), the Western and Central Pacific Fisheries Commission (WCPFC), the Convention for the Conservation of Antarctic Marine Living Resources (CCAMLR) and the South Tasman Rise (STR))
- > promotion of strong governance arrangements for the sustainable management of fisheries resources beyond the New Zealand Exclusive Economic Zone
- > participation in multilateral negotiations that set trade rules and input into the development of regional and bilateral trade agreements.

Expected results

Quantity, quality and timeliness

- 1 Multilateral negotiations, eg FAO, UN, OECD, WTO
 - > New Zealand objectives approved by Ministers prior to meetings.
 - > New Zealand objectives delivered to the meeting and report provided to Ministers and appropriate Posts.
- 2 Regional Fisheries Management Organisations, eg CCSBT, WCPFC, CCAMLR
 - > New Zealand negotiating position approved prior to the meetings.
 - > New Zealand's position delivered to the meeting and report provided to Ministers and appropriate Posts.
- 3 New Zealand membership maintained for RFMO's to ensure environmental sustainability and fisheries access for New Zealand industry
 - > Bilateral discussions undertaken.
 - > Report prepared and provided to Ministers and appropriate Posts.

Cost

	2005/06 SOI	2006/07 Plan	Change
Plan	1,908	2,415	(507)
Amount to be recovered from industry	0	0	0
Percentage to be recovered from industry	0	0	0

■ Ministerial services provided

Explanation

This service includes the drafting of reports and advice to Ministers and to Select and Cabinet Committees, replies to ministerial correspondence and responses to Parliamentary questions.

All government departments are required to provide services to the portfolio Minister(s) to enable them to carry out their statutory functions.

Expected results

Quality and timeliness

Drafts provided that are error free and on time

1	Ministerial correspondence.	100%
2	Parliamentary questions.	100%
3	Advice and reports to Select Committees and Cabinet Committees.	100%
4	Ministerial correspondence completed within 15 working days of receipt.	95%
5	Urgent replies completed within 5 days.	100%
6	Responses to oral Parliamentary questions.	100%
7	Responses to written Parliamentary questions.	100%
8	Advice and reports to Select Committees and Cabinet Committees.	100%

Cost

	2005/06 SOI	2006/07 Plan	Change
Plan	960	795	165
Amount to be recovered from industry	0	0	0
Percentage to be recovered from industry	0	0	0

■ Departmental Output Expense – Fisheries Information

Description

This departmental output expense covers research that is largely science based (stock assessment, environmental assessment), and other activities relating to gathering and analysing data about New Zealand's fisheries to support decisions about sustainable utilisation, as well as the provision of information on the biodiversity of New Zealand's marine environment. Research costs represent existing projects that have been consulted on in past years, and proposed projects.

Objectives

Provide the information required to ensure the sustainable use of New Zealand's fisheries resources, by scientifically evaluating:

- > status of fisheries resources
- > sustainable yields from fisheries resources
- > the effects of fishing on the aquatic environment, including on the viability of associated or dependent species, and on biological diversity
- > alternative strategies for achieving the desired level of yield while avoiding, remedying or mitigating adverse effects of fishing on the aquatic environment
- > analysis of relevant cultural factors that may need to be included in the management decision process
- > the specific measures needed to implement the appropriate management strategy.

Financial performance

In 2006/07, the appropriation for this departmental output expense is \$29,138,000, a reduction of \$504,000 from the 2005/06 SOI.

Explanation of year-on-year changes

Utilisation and sustainability of New Zealand's fisheries resources measured

The Fisheries Research Services proposed for 2006/07 are the outcome of the research planning process carried out from August to November 2005.

Research on stock monitoring and assessment underpins the setting of sustainable catch limits within the QMS.

The Ministry is also taking initial steps to address effects of fishing on the environment. The revised medium term research plan for the aquatic environment sets out a programme of research into the effects of fishing on marine ecosystems (including seamounts) and protected species (seabirds and marine mammals).

Specific changes include:

- > A \$1,000,000 transfer from this output to Departmental Output Expense – Fisheries Operations – output New Zealand fisheries utilisation and sustainability reported to underpin the development of fisheries plans.
- > An amount of \$500,000 set aside to contribute funding for research into mapping benthic biodiversity to be undertaken as part of Oceans 2020 in 2006/07.
- > New initiative funding of \$200,000 to commence research into the effects of bottom trawling and ecosystem effects of fishing.

Observer services provided

The observer delivery plan for 2006/07 is expected to deliver a total of around 7,300 observer days for the three clients of the service – the Ministry, the Department of Conservation and industry stakeholders.

■ Utilisation and sustainability of New Zealand's fisheries resources measured

Explanation

As an input into current and future fisheries management decisions, fisheries research needs are identified, projects undertaken and results reported to provide increased information on:

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

The Ministry contributes to the maintenance of sustainable fisheries in New Zealand through research designed to increase information on stock status levels, and add to the body of knowledge used to advise the Minister of Fisheries on appropriate utilisation for future years. Research is undertaken on individual fisheries at a frequency necessary to ensure the stock is not decreased through overfishing, thereby maintaining its value, and to enable the Ministry to maintain the currency of the information. This output also includes the costs associated with the capacity required to maintain the fisheries research programme.

Medium term research plans are reviewed and updated annually in consultation with stakeholders and form the framework for ongoing or new research requirements. New results from research programmes are presented annually to a number of Ministry-led working groups that convene to assess a range of fishstocks. Relevant results are used in providing advice to the Minister regarding sustainable yields from fish stocks, and the technical details for each fishery are summarised in working group reports that are published annually in the Fishery Assessment Plenary.

The effects of fishing on the environment are largely addressed through the aquatic environment working group, but there is overlap with the biodiversity research programme and research programmes of other government agencies. The aquatic environment medium term research plan is also updated and consulted on with all stakeholders on an annual basis. The environmental research findings are reviewed and assessed by this working group. The Ministry intends to develop a plenary document that will provide a forum for summarising the relevant issues and progress made in the New Zealand context through research contracts.

This output also includes the costs associated with the capacity required to maintain the fisheries research programme.

For 2006/07, the Ministry has classified research projects into two categories with the intention of more fully utilising the research appropriation.

Tier 1 projects are those that can be funded within the proposed budget levels. Tier 2 represents those that are unable to be funded, but which the research planning groups considered of a sufficiently high priority to be included in the consultation process, and undertaken in the event of tier 1 project costs falling below appropriations.

Expected results

Quantity, quality and timeliness

- 1 By 31 August 2006, produce medium-term research plans in accordance with the defined quality standards.
- 2 By 31 December 2006, produce research proposals for 2007/08 in accordance with the defined quality standards.
- 3 By 30 November 2006, produce a report from the mid-year fishery assessment plenary in accordance with the defined quality standards.
- 4 By 30 December 2006, produce a draft framework for an environment assessment plenary document in accordance with the defined quality standards.
- 5 By 31 May 2007, produce a report from the fishery assessment plenary in accordance with the quality standards.
- 6 Actively manage the research budget to ensure that the funding made available from tier 1 projects not proceeding is applied to tier 2 projects that can be funded.

Notes: The quality standards adopted for measures 2 and 3 above are those defined in the document 'Format and Content of Project Summaries and Medium Term Plans proposed by the Research Planning Group' dated 9 July 2001)

The quality standards adopted for measures 4 and 5 above are those defined in the Fisheries Research Services 2003/2004 Tender Document: Part II: A – Appendix II B, Form 2 and Appendix III B)

Cost

	2005/06 SOI	2006/07 Plan	Change
Plan	23,419	23,097	322
Amount to be recovered from industry	15,742	14,914	828
Percentage to be recovered from industry	67	65	–

Biodiversity of New Zealand's marine environment estimated

Explanation

In order to implement the New Zealand Biodiversity Strategy and support the environmental principles set out in section 9 of the Fisheries Act 1996, the Ministry has a number of research programmes in place to generate high quality baseline information. There are also some new programmes that initiate research into the functional role of different organisms in a range of habitats. Each programme has been carefully designed to progress our ability to identify key species, key communities and key habitats that contribute to the value of maintaining a rich and diverse marine environment, but perhaps more importantly to identify essential components without which the marine environment could not continue to sustain productivity. This work has implications therefore not only to biodiversity per se, but also to the overall health of the aquatic environment and the long-term sustainability of our fisheries. These programmes aim to improve our ability to:

- > protect the richness and health of the marine biodiversity of New Zealand and the Ross Sea region
- > ascertain the role of different organisms and habitats in maintaining the health and sustainability of our aquatic environment
- > contribute to required information to set environmental standards under the Strategy to Manage the Environmental Effects of Fishing (SMEEF).

Expected results

Quantity, quality and timeliness

- 1 By 31 October 2006, update the biodiversity medium-term research plans in accordance with the quality standards (as defined in the document 'Format and Content of Project Summaries and Medium Term Plans proposed by the Research Planning Group' dated 9 July 2001).
- 2 By 30 November 2006, produce an evaluation of how biodiversity could be incorporated into the draft framework for an environment assessment plenary document.
- 3 By 28 February 2007, produce research proposals for 2007/08 in accordance with the quality standards (as defined in the document 'Format and Content of Project Summaries and Medium Term Plans proposed by the Research Planning Group' dated 9 July 2001).

Cost

	2005/06 SOI	2006/07 Plan	Change
Plan	2,403	2,393	10
Amount to be recovered from industry	0	0	0
Percentage to be recovered from industry	0	0	0

■ Observer services provided

Explanation

Observers provide an independent source for the collection of high quality information from fishing operations. This is a valuable input into the management of New Zealand's fisheries resources, particularly the setting of sustainability levels and management controls.

Observer services are also used by external agencies (eg the fishing industry and the Department of Conservation (DoC)) to gather specific information for those agencies and as an input into their management requirements. Provision of observer services is based on the Ministry's capacity to supply the requisite number of observers with the required skill levels to cover requests from internal and external sources.

Expected results

Quantity, quality and timeliness

- 1 Information and/or data collected by observers throughout the year, in accordance with agreed client specifications.
- 2 Observer coverage delivered for an average cost not exceeding \$500 per day.
- 3 Observer coverage (sea days) delivered to within +/- 10% of the agreed annual plan at either a species level or fishing area(s)/method level, depending on client specification.
- 4 Clear and transparent processes are operated to identify variations to the observer annual plan, and communicate these changes to clients and stakeholders.
- 5 Effective processes are in place to implement any changes required to the plan through the course of the operating year.

Cost

	2005/06 SOI	2006/07 Plan	Change
Plan	3,820	3,648	172
Amount to be recovered through levies	2,462	2,219	(243)
Amount to be recovered through transaction charges	1,358	1,429	71
Percentage to be recovered from industry	100	100	–

■ Departmental Output Expense – Fisheries Operations

Description

This provides for:

- > the development of standards, guidelines, regulations, fisheries plans and processes that make the fisheries policy framework operational
- > services to monitor the delivery of contracted and devolved registry services to ensure consistency and compliance with contracted or devolved standards
- > implementation of Fisheries Deed of Settlement obligations
- > the management and dissemination of information received from registry agencies for use by the Ministry in managing other output expenses
- > a number of Ministry statutory decision processes
- > a capacity to contribute to the formulation of strategic goals for the biosecurity system
- > a capability to contribute to the New Zealand Biodiversity Strategy.

Objectives

- > Allocate rights to utilise fisheries resources
- > Develop fisheries plans to outline the Crown's contribution to achieving fisheries outcomes
- > Evaluate fisheries plans in order to provide advice to the Minister
- > Enable tangata whenua to participate effectively in fisheries management
- > Monitor the management of New Zealand fisheries
- > Develop and implement standards for the management of fisheries resources
- > Contribute to the advice on biosecurity issues in New Zealand
- > Contribute to the New Zealand Biodiversity Strategy.

Financial performance

In 2006/07, the appropriation for this departmental output expense is \$22,950,000, an increase of \$3,718,000 over the 2005/06 SOI.

Explanation of year on year changes

New Zealand fisheries utilisation and sustainability reported

Fisheries Plans

As noted in the 2005/08 Statement of Intent and this current document, the Ministry is placing increased emphasis on working with stakeholders in the development of fisheries plans in order to better define what we want to achieve from fisheries and to clearly link the management interventions and services to those objectives.

The increased levels of funding in this output to facilitate that approach are provided through:

- > a transfer of \$1,000,000 funding from output "Utilisation and sustainability of New Zealand's fisheries resources measured"
- > further reprioritisation totalling \$1,100,000 within the Vote
- > new initiative funding of \$750,000.

Marine Protected Areas (MPAs)

Government has approved a marine protected areas policy. The policy is a new and integrated approach to marine protection and provides further support for the NZ Biodiversity strategy. The policy will provide an integrated process, including regional consultation, for establishing a network of MPAs around New Zealand.

The Ministry is jointly implementing this policy with the Department of Conservation. In the 2006/07 year the Ministry is funding the policy through:

- > new initiative funding of \$500,000; and
- > internal reprioritisation \$464,000.

Deed of Settlement implemented

The additional funding for this output reflects the continuation of the new initiative approved by the Government in the 2004 Budget to increase the capacity of Māori to participate in fisheries management processes and also to enable the Ministry to meet its Deed of Settlement obligations and comply with the principles of the Treaty of Waitangi.

Statutory decision processes administered

Aquaculture permit applications processed

In previous years, these functions were shown under the one heading – “Statutory decision processes administered”. For 2006/07 they have been split into two separate outputs to better reflect the nature of the work.

Registry services managed

The changes in this output reflect a reduction in the contract price for the services provided by Commercial Fisheries services Ltd (FishServe).

Biodiversity advice provided

The change to this output reflects the increased effort being applied to the Marine Protected Areas Strategy.

■ New Zealand fisheries utilisation and sustainability reported

Explanation

This provides for fisheries management advice on utilisation and sustainability through:

- > implementation and maintenance of the rights-based framework
- > development and implementation of fisheries plans and standards
- > implement the Government's Marine Protected Areas Strategy
- > advice on marine reserve applications
- > advice on proposed aquaculture management areas
- > implementation of regulatory amendments
- > implementation of the Government's aquaculture reforms.

Expected results

Quantity, quality and timeliness

- 1 Complete a programme for the development of Fisheries Plans by 30 September 2006 and continue the development of fisheries plans based on this agreed programme of work.
- 2 Evaluate and provide recommendations to the Minister on fisheries plans within three months of receipt of the final draft of a plan.
- 3 The initial set of generic and interim standards for fisheries plans will be developed by 30 December 2006.
- 4 As and when required, concurrence reports on marine reserve applications will be provided to the Minister of Fisheries following receipt of a request by the Minister of Conservation within a timeframe agreed with the Minister of Fisheries for each request, and within the terms of the Marine Reserves Protocol.
- 5 As and when required, a reservation or determination is issued within the timeframes set in section 186E of the Fisheries Act 1996 to the relevant regional council following receipt of advice from the council that an aquaculture management area is proposed.
- 6 Final advice papers provided to the Minister of Fisheries on the proposed sustainability measures and management controls to be implemented for the 1 October 2006 and 1 April 2007 fishing years will be completed in sufficient time to implement decisions prior to the relevant fishing year.
- 7 Final advice papers will be provided to the Minister of Fisheries by 30 June 2007 on:
 - > Setting out the TACs/TACCs for new species to be introduced into the QMS on 1 October 2007 and
 - > Proposing new species to be introduced into the QMS on 1 October 2008.

Cost

	2005/06 SOI	2006/07 Plan	Change
Plan	6,376	10,388	(4,012)
Amount to be recovered from industry	0	0	0
Percentage to be recovered from industry	0	0	0

■ Deed of Settlement implemented

Explanation

This provides for the delivery of many of the services needed to fulfil the Ministry's Treaty and Fisheries Deed of Settlement obligations. It includes Pou Hononga, Extension and other resources to build and maintain relationships, develop capacity within tangata whenua to manage customary access and assistance with use of customary management tools.

Expected results

Quantity, quality and timeliness

- 1 As required, and within allowable resources, provide timely advice on the implementation of the Fisheries (Kaimoana Customary Fishing) Regulations 1998 or the Fisheries (South Island Customary Fishing) Regulations 1999, including:
 - > appointment and training of Kaitiaki
 - > establishment of mātaítai reserves
 - > establishment of taiapure/local fisheries
 - > other customary management proposals
- 2 Continue to develop and support 13 regional forums to engage with iwi and hapū.

Cost

	2005/06 SOI	2006/07 Plan	Change
Plan	4,994	5,366	(372)
Amount to be recovered from industry	0	0	0
Percentage to be recovered from industry	0	0	0

■ Statutory decision processes administered

Explanation

This output provides for fisheries management advice on:

- > freshwater farm applications
- > administration of existing marine and freshwater farm authorisations
- > the issuing of special permits
- > management of transitional aquaculture registrations under the Fisheries Act 1996.

Expected results

Quantity, quality and timeliness

- 1 95% of all applications made under the Freshwater Fish Farming Regulations 1983, transitional issues and applications for fish farm registration under the Fisheries Act 1996 will be determined within six months of the date of receipt.
- 2 95% of applications for special permits will be determined within six months of the date of receipt of completed applications and to the following prescription:
 - > appropriate consultation is carried out in accordance with section 97(2) of the Fisheries Act 1996 on each application, prior to a decision to approve or decline the application
 - > the purpose for which a special permit is issued is consistent with those specified in section 97(1) of the Fisheries Act 1996
 - > in compliance with the procedures in the *Special Permit Manual*.

Cost

	2005/06	2006/07	Change
Plan	1,428	433	995
Amount to be recovered from industry	1,428	433	995
Percentage to be recovered from industry	100	100	0

■ Aquaculture permit applications processed

Explanation

This output provides for fisheries management advice on management of the backlog of permit applications under the Fisheries Act 1983.

Expected results

Quantity, quality and timeliness

- 1 The Ministry will resolve all applications made under the Fisheries Act 1983 by 1 July 2008.

Cost

	2005/06 SOI	2006/07 Plan	Change
Plan	0	858	(858)
Amount to be recovered from industry	0	400	(400)
Percentage to be recovered from industry	0	47	–

■ Registry services managed

Explanation

Accurate and timely registry information is collected under contract or by a devolved agency (including permit holder register, vessel registers, quota and ACE ownership, catch data) to support sustainability and utilisation decisions within each fishery. The Ministry is required to ensure contracted or devolved registry services are delivered in a manner consistent with the standards and specifications for those services.

Expected results

Quantity, quality and timeliness

- 1 Within one month of the end of each quarter, produce quarterly reports for registry-based services, with actual performance compared against:
 - > expectations as defined by the Minister of Fisheries in respect of services provided through the Approved Service Delivery Organisation
 - > expectations as defined by the Chief Executive in respect of services delivered by the Service Delivery Agency and in accordance with the Ministry's agreed monitoring programme. Breaches of standards are to be managed in accordance with the auditing, monitoring and sanctions policy approved by the Minister of Fisheries.
- 2 By 1 October 2006, allocate quota for species declared by the Minister to be subject to the Quota Management System for 1 October 2006, the allocation to 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.
- 3 Ensure sufficient progress is made to enable quota for species declared by the Minister to be subject to the Quota Management System for 1 October 2007, to be implemented by that date; the allocation 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.

Cost

	2005/06 SOI	2006/07 Plan	Change
Plan	5,173	4,996	177
Amount to be recovered through levies	5,023	4,846	177
Amount to be recovered through transaction charges	150	150	0
Percentage to be recovered from industry	100	100	0

■ Biosecurity advice provided

Explanation

This output provides a capability for the Ministry to contribute to the formulation of strategic goals for the biosecurity system, monitor the performance of the system against specified outcomes and to provide advice on biosecurity risks to fisheries interests. The funding also enables the Ministry to provide specific management services to the Ministry of Agriculture and Forestry (MAF) following the transfer of marine biosecurity functions to MAF.

Expected results

Quantity, quality and timeliness

- 1 As and when required, provide advice to Ministers on the fishing-related impacts of biosecurity decisions.
- 2 Provide MAF, as the lead biosecurity agency, with advice and support from a fisheries management perspective on the formulation of strategic goals for the marine biosecurity system and advice on biosecurity risks. This advice should wherever possible help to minimise the risks to the aquatic environment from biosecurity threats. Work will be done in accordance with timelines and priorities determined by MAF in consultation with other interested agencies, including MFish.

Cost

	2005/06 SOI	2006/07 Plan	Change
Plan	398	356	42
Amount to be recovered from industry	0	0	0
Percentage to be recovered from industry	0	0	0

■ Biodiversity advice provided

Explanation

In the 2000 Budget, the Ministry was provided with additional funding to enable it to contribute to the New Zealand Biodiversity Strategy. The Strategy covers a broad range of activities across several departments. This output covers a range of work designed to improve understanding of marine biological diversity and improve the management tools by which it is protected.

Expected results

Quantity, quality and timeliness

- 1 In accordance with the work programme for the implementation of the Marine Protected Area Policy, by 30 June 2007 work will have been undertaken to finalise Stage One of the Policy and implement Stage Two.
- 2 The Ministry intends to have Cabinet decisions on the fishing industry proposals for Benthic Protected Areas in the deepwater environment by 22 December 2006.
- 3 A Threat Management Plan for Hector's and Maui's dolphins will be sent to the Minister of Fisheries and Minister of Conservation by 31 December 2006.
- 4 Planning and prioritisation of the next phase for the implementation of the New Zealand Biodiversity Strategy following completion of the five year review will be undertaken by 30 June 2007.

Cost

	2005/06 SOI	2006/07 Plan	Change
Plan	654	553	101
Amount to be recovered from industry	0	0	0
Percentage to be recovered from industry	0	0	0

■ Departmental Output Expense – Fisheries Compliance

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

The objectives are to:

- > promote voluntary compliance
- > monitor fishing-related activities
- > detect non-compliance with fisheries policies
- > take enforcement steps where appropriate
- > collate and provide information on non-compliance to support policy and regulatory decision-making processes
- > provide recommendations for prosecution
- > successfully prosecute those who have offended against fisheries laws.

Financial performance

In 2006/07, the appropriation for this departmental output expense is \$29,615,000, a reduction of \$127,000 from the 2005/06 SOI.

Explanation of year-on-year changes

Customary fishing rules enforced and Recreational fishing rules enforced

Now amalgamated into a new single output named Non-commercial fisheries compliance.

Poaching and black market activities deterred

The funding level reflects the Minister's requirement for increased effort in the deterrence of poaching and black market activities, particularly in paua. Along with a small increase \$188,000 in funding from the new initiative in Budget 2005, there has also been a reprioritisation of effort and funding away from non-commercial fisheries compliance into this output.

This output expense also includes an additional \$125,000 in 2006/07 to enable New Zealand to contribute to a three-year pilot project designed to detect, prevent and eliminate IUU fishing.

Terms used in the following outputs

- * The term *completed* indicates that the investigation file has been closed and all matters subsequent to prosecution have been dealt with in accordance with law and policy.
- ** The focus of the investigations group will be on serious offending and cases undertaken will be prioritised against the 'risk based compliance strategy', however, it is recognised that some work undertaken will be important and necessary for other reasons.
- *** The term *finalised* indicates that a decision to prosecute has been made and informations have been laid. Alternatively, a decision has been made and documented to finalise the investigation by a means other than prosecution.

Commercial fisheries compliance

Description

Under this output the Ministry of Fisheries provides services to monitor, inspect and investigate commercial fishers to support the integrity of the Quota Management System.

Expected results

Quantity, quality and timeliness

Observations and inspections

1	Landings of fish observed	100 – 150
2	Vessels inspected	500 – 550
3	Licensed Fish Receivers (LFR) inspected	100 – 150
4	The quality of the observed landings, vessel and LFR inspections will be in accordance with surveillance plans for each district and will be not less than	90%

Monthly harvest returns

5	Monthly harvest returns provided within 30 days after month end	95%
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Investigation cases

6	Investigations commenced	10
7	Investigations completed*	5
8	Cases undertaken categorised as high and medium risk against the 'Risk Based Compliance Strategy'	75%**
9	Prosecution decision making is consistent with Crown Law Office prosecution Guidelines and Compliance policy statements	100%
10	The number of cases investigated that are finalised*** within 18 months of commencement will be not less than	80%

Cost

	2005/06 SOI	2006/07 Plan	Change
Plan	7,995	8,125	(130)
Amount to be recovered from industry	7,995	8,125	(130)
Percentage to be recovered from industry	100	100	0

■ Non-Commercial fisheries compliance

Explanation

Under this output the Ministry of Fisheries provides services to educate, monitor, inspect and investigate recreational and customary fishers.

Expected results

Quantity, quality and timeliness

1	Intermediate schools visited to promote fisheries compliance (or to deliver education programmes)	180-200
2	Non-commercial patrols* undertaken during the year	700-780
3	Kaitiaki appointees trained in fisheries compliance matters	90-100
4	Carry out recreational and customary patrols in accordance with Surveillance plans for each district	90% achieved

Cost

	2005/06 SOI	2006/07 Plan	Change
Plan	8,334	6,417	1,917
Amount to be recovered from industry	0	0	0
Percentage to be recovered from industry	0	0	0

* Non-commercial patrols include:

- > Recreational patrols and inspections
- > Kaitiaki liaison
- > Enforcement of customary regulations
- > Community based education, brochures and signage
- > Management of Honorary Fishery Officers.

■ New Zealand's international fisheries compliance

Explanation

Under this output the Ministry of Fisheries provides technical advice into international fisheries frameworks, supporting New Zealand's international obligations, liaison with Monitoring, Control and Surveillance (MCS) practitioners especially in the South Pacific and providing investigative responses to offending that impacts on New Zealand's international obligations.

Expected results

Quantity, quality and timeliness

1	Investigation cases commenced	2
2	Investigation cases completed*	1
3	Technical advice will be provided where requested	100%
4	Cases undertaken categorised as high and medium risk against the 'Risk Based Compliance Strategy'	50%**
5	Case management and legal review processes are in place to ensure prosecution decision-making is consistent with Crown Law Office prosecution guidelines and Compliance policy statements	100%
6	Cases investigated are finalised*** within 12 months of commencement	Min 50%
7	Technical advice is relevant, timely and accurate	100%

Cost

	2005/06 SOI	2006/07 Plan	Change
Plan	562	617	(55)
Amount to be recovered from industry	0	0	0
Percentage to be recovered from industry	0	0	0

Poaching and black market activities deterred

Explanation

Under this output the Ministry of Fisheries provides services to detect and prosecute key offenders and disrupt the supply of poached or black-market seafood through effective monitoring, inspection and investigations so that fisheries resources are available for legitimate users.

Expected results

Quantity, quality and timeliness

1	Poaching and black market patrols undertaken	400-500
2	Investigation cases commenced	12
3	Investigation cases completed*	5
4	Cases undertaken categorised as high and medium risk against the 'Risk Based Compliance Strategy'	Min 75%**
5	Case management and legal review processes are in place to ensure prosecution decision making is consistent with Crown Law Office prosecution guidelines and Compliance policy statements	100%
6	Cases investigated are finalised*** within 12 months of commencement	Min 80%

Cost

	2005/06 SOI	2006/07 Plan	Change
Plan	9,078	11,046	(1,968)
Amount to be recovered from industry	0	0	0
Percentage to be recovered from industry	0	0	0

Prosecutions managed

Explanation

Under this output the Ministry of Fisheries delivers services that relate to the prosecution of offences against fisheries laws and regulations.

Expected results

Quantity, quality and timeliness

1	Prosecution cases initiated within statutory timeframes	100%
2	Successful prosecutions achieved under the Fisheries Act 1996	90%
3	Successful prosecutions achieved under Fisheries regulations	75%
4	Prosecution cases meet prima facie requirements	95%

Cost

	2005/06 SOI	2006/07 Plan	Change
Plan	3,773	3,410	363
Amount to be recovered from industry	0	0	0
Percentage to be recovered from industry	0	0	0

■ Departmental Output Expense – Aquaculture Settlement

Description

This output provides for the implementation of the Māori Commercial Aquaculture Claims Settlement Act 2004.

Objectives

Administration of the legislated settlement in order to:

- > ensure Crown obligations in relation to the settlement are met
- > provide for the durability and integrity of the settlement
- > protect the relationship between the Crown and Māori
- > comply with the Crown's obligations under the principles of the Treaty of Waitangi.

Financial performance

In 2006/07, the appropriation for this departmental output expense is \$1,553,000, a reduction of \$129,000 from the 2005/06 SOI.

Explanation

The Act provides for a settlement of Māori interests in commercial aquaculture, including the provision of 20% of new space in aquaculture management areas and the provision of 20% equivalent of existing space allocated since September 1992.

Expected results

Quantity, quality and timeliness

- 1 Progress the implementation of the Act in an effective and efficient manner; ensuring that all legislative timetables are met (ie s23(1))
- 2 Maintain aquaculture settlement register and calculate the space required in each region to meet the settlement obligation.
- 3 Provision of advice to Minister on the proportion of new space to be allocated to iwi within each region, when established for a region, and supporting the Order-in-Council process.
- 4 Monitor the performance of Te Ohu Kai Moana Trustee Ltd as trustee of the settlement process both in terms of funding and performance of their role as trustee.

Cost

	2005/06 SOI	2006/07 Plan	Change
Plan	1,682	1,553	129
Amount to be recovered from industry	0	0	0
Percentage to be recovered from industry	0	0	0

■ Policy advice quality standards

The standards for policy advice are set out below.

- > The aim or purpose is clearly stated and the advice addresses the issues or questions posed.
- > The problem or issue to address is identified, including underlying causes, size and materiality.
- > The context for advice is set out, including wider Government policy, relevant legislation and Ministry policy frameworks.
- > The assumptions behind the advice are explicit, and the argument is logical and supported by facts.
- > The facts are accurate and all material facts are included.
- > An adequate range of options has been presented and each has been assessed for benefits, costs and consequences to the Government and affected stakeholders.
- > There is evidence of adequate consultation with interested parties, and possible objections to proposals/content are identified and considered.
- > The format meets Cabinet Office requirements; the material is effectively, concisely and clearly presented, has short sentences in plain English and is free of grammatical or spelling errors.
- > The product quality will be supported by a process that provides for circulation of drafts for critiquing by other government agencies, other affected stakeholders, and managerial and other internal peer review and checking procedures.
- > The problems of implementation, technical feasibility, timing or consistency with other policies/reports have been considered.

Statement of Responsibility

The information contained in this statement of intent has been prepared in accordance with the requirements of section 38 of the Public Finance Act 1989.

As Chief Executive of the Ministry of Fisheries, I acknowledge, in signing this statement, my responsibility for the information contained in this statement of intent.

The performance forecast for each class of departmental output expenses in the statement of forecast service performance is as agreed with the Minister responsible for Vote: Fisheries administered by the Ministry of Fisheries.

The forecast financial performance to be achieved by the Ministry of Fisheries in the statement of forecast service performance and the forecast financial statements is as agreed with the Minister of Fisheries who is the Minister responsible for the financial performance of the Ministry of Fisheries.

The information contained in this statement of intent is consistent with existing appropriations, and with the appropriations set out in the Appropriation (2006/07 Estimates) Bill.

Signed



John Glaister
Chief Executive

April 2006

Countersigned



Paul Laplanche
Manager Finance

April 2006

■ Forecast financial statements

Statement of significant underlying assumptions

These forecast financial statements have been prepared:

- > on the basis of Government policies and the Ministry's Statement of Intent 2006/2011
- > on a going-concern basis
- > on the basis of assumptions about future events that are expected to take place within the forecast period.

Statement of significant accounting policies

Statutory base

The forecast financial statements for the Ministry of Fisheries for the year ending 30 June 2007 contained in this report have been prepared in accordance with the requirements listed under section 38 of the Public Finance Act 1989, including the requirement to comply with generally accepted accounting practice (GAAP).

Reporting entity

The Ministry of Fisheries is a government department as defined by section 2 of the Public Finance Act 1989.

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.

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.

Debtors and receivables

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

Leased assets

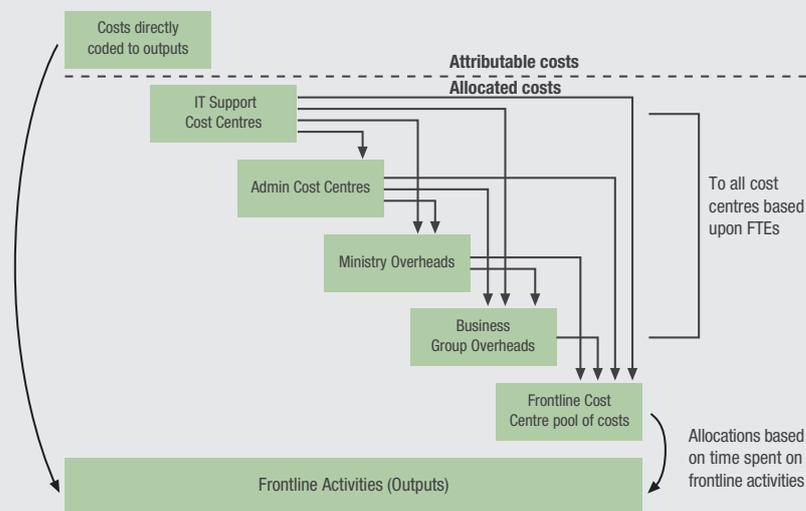
Payments made under operating leases are recognised in the Statement of Financial Performance on a systematic basis over the period of the lease.

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

Cost allocation

Those costs that can be specifically attributed to an output are charged directly to that output.

All other costs are assigned through a methodology introduced in 2003/04 that cascades input costs to outputs as illustrated opposite.



Property, plant and equipment

Land, buildings and vessels 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) – cost less depreciation. Only property, plant and equipment with a cost in excess of \$5,000 is capitalised.

Depreciation

Other than freehold land and work in progress, depreciation 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

The cost of leasehold improvements is capitalised and depreciated over the unexpired period of the lease.

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 the items Debtors and Receivables, and Creditors and Payables, which are inclusive of GST in the Statement of Financial Position.

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

Taxation

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

Commitments

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

Taxpayers' funds

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

Changes in accounting policies

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

■ Statement of forecast financial performance for the year ending 30 June

	2006	2006	2007
	Supplementary Estimates	Estimated Actual	Plan
Revenue:			
Crown	87,938	80,047	86,614
Department	1,333	1,333	1,809
Other	1,528	1,528	1,018
Total revenue	90,799	82,908	89,441
Expenditure:			
Personnel	38,227	38,227	39,525
Operating	49,279	41,388	46,653
Depreciation	2,560	2,560	2,500
Capital charge	733	733	763
Total expenditure	90,799	82,908	89,441
Net surplus	0	0	0

(The Statement of Accounting Policies should be read in conjunction with these financial statements)

■ Statement of forecast financial position at 30 June

	2006	2006	2007
	Supplementary Estimates	Estimated Actual	Plan
Taxpayers' funds:			
General funds	12,052	12,052	12,052
Revaluation reserve	737	737	737
Total taxpayers' funds	12,789	12,789	12,789
<i>Represented by:</i>			
Current assets			
Cash	2,813	2,813	2,713
Prepayments	300	300	300
Inventory	46	46	46
Debtors and receivables	15,745	15,745	15,745
Total current assets	18,904	18,904	18,804
Non-current assets			
Property, plant and equipment	13,963	13,963	14,363
Total assets	32,867	32,867	33,167
Current liabilities			
Creditors and payables	15,478	15,378	15,478
Provision for employee entitlements	2,000	2,000	2,000
Total current liabilities	17,478	17,378	17,478
Term liabilities			
Provision for employee entitlements	2,600	2,700	2,900
Total liabilities	20,078	20,078	20,378
Net assets	12,789	12,789	12,789

(The Statement of Accounting Policies should be read in conjunction with these financial statements)

■ Statement of forecast cash flows for the year ending 30 June

	2006	2006	2007
	Supplementary Estimates	Estimated Actual	Plan
Cash flows from operating activities			
<i>Cash provided from:</i>			
Supply of outputs to:			
Crown	94,478	86,587	86,614
Department	1,333	1,333	1,809
Other parties	1,282	1,282	1,018
<i>Cash expended on:</i>			
Cost of producing outputs			
Output expenses	(84,802)	(76,911)	(85,878)
Capital charge	(733)	(733)	(763)
Net cash flow from operating activities	11,558	11,558	2,800
Cash flows from investing activities			
<i>Cash provided from:</i>			
Sale of property, plant and equipment	394	394	0
<i>Cash expended on:</i>			
Purchase of physical assets	(9,163)	(9,163)	(2,900)
Net cash flow from investing activities	(8,769)	(8,769)	(2,900)
Cash flows from financing activities			
<i>Cash provided from:</i>			
Capital contribution from the Crown	4,025	4,025	0
<i>Cash disbursed for:</i>			
Payment of surplus to the Crown	(6,638)	(6,638)	0
Net cash flow from financing activities	(2,613)	(2,613)	0
Net increase/(decrease) in cash held	176	176	(100)
Add opening cash balance	2,637	2,637	2,813
Closing cash balance	2,813	2,813	2,713

(The Statement of Accounting Policies should be read in conjunction with these financial statements)

■ Reconciliation of net surplus to net cash flows from operating activities for the year ending 30 June

	2006	2006	2007
	Supplementary Estimates	Estimated Actual	Plan
Net surplus	0	0	0
Add non-cash items:			
Depreciation	2,560	2,560	2,500
Total non-cash items	2,560	2,560	2,500
Movements in working capital items			
<i>(Increase)/decrease in:</i>			
Debtors and receivables	6,625	6,625	0
Prepayments	44	44	0
Inventories	(29)	(29)	0
<i>Increase/(decrease) in:</i>			
Creditors and payables	1,748	1,648	100
Employee entitlements	610	710	200
Net increase/(decrease) in working capital movements	8,998	8,998	300
Net cash flows from operating activities	11,558	11,558	2,800

(The Statement of Accounting Policies should be read in conjunction with these financial statements)

■ Statement of forecast movements in taxpayers' funds as at 30 June

	2006	2006	2007
	Supplementary Estimates	Estimated Actual	Plan
Taxpayers' funds at the start of the period	8,764	8,764	12,789
<i>Movements during the year (other than flows to and from the Crown):</i>			
Add/(deduct) net surplus/(deficit)	0	0	0
Total recognised revenues and expenses for the period	8,764	8,764	12,789
<i>Adjustment for flows to and from the Crown:</i>			
Add capital contributions	4,025	4,025	0
Taxpayers' funds at the end of the period	12,789	12,789	12,789

■ Details of forecast property, plant and equipment by category as at 30 June 2007

	Cost	Accumulated Depreciation	Net Book Value
Land	147	0	147
Buildings and leasehold improvements	8,346	2,679	5,667
Plant and equipment	21,154	16,338	4,816
Vessels	948	394	554
Motor vehicles	3,926	1,778	2,148
Capital work in progress	1,031	0	1,031
Total property, plant and equipment	35,552	21,189	14,363

(The Statement of Accounting Policies should be read in conjunction with these financial statements)

■ Statement of forecast commitments as at 30 June

	2006	2006	2007
	SOI	Estimated Actual	Plan
Capital commitments	100	100	100
Operating commitments			
Less than one year	18,299	21,923	21,597
One to two years	7,837	9,553	9,436
Two to five years	8,116	12,445	7,941
More than five years	1,041	8,157	6,102
Total operating commitments	35,293	52,078	45,076
Total commitments	35,393	52,178	45,176

(The Statement of Accounting Policies should be read in conjunction with these financial statements)

■ Departmental Capital Expenditure for the year ending 30 June

(to be incurred in accordance with section 24 of the Public Finance Act 1989)

	2002	2003	2004	2005	2006	2006	2007
	Actual	Actual	Actual	Actual	Suppl Estimates	Estimated Actual	Forecast
Buildings and Actual leasehold improvements	72	273	445	231	5,407	5,407	0
Office plant and equipment including computer equipment	2,271	972	751	738	3,072	3,072	2,382
Motor vehicles	772	732	664	1,105	684	684	518
Vessels	0	118	3	118	0	0	0
Total	3,115	2,095	1,863	2,192	9,163	9,163	2,900

The forecast capital expenditure for the 2006/07 financial year is primarily routine replacement and upgrade of the department's information technology and motor vehicle fleet to enable efficient and effective delivery of the services set out in this Statement of Intent.

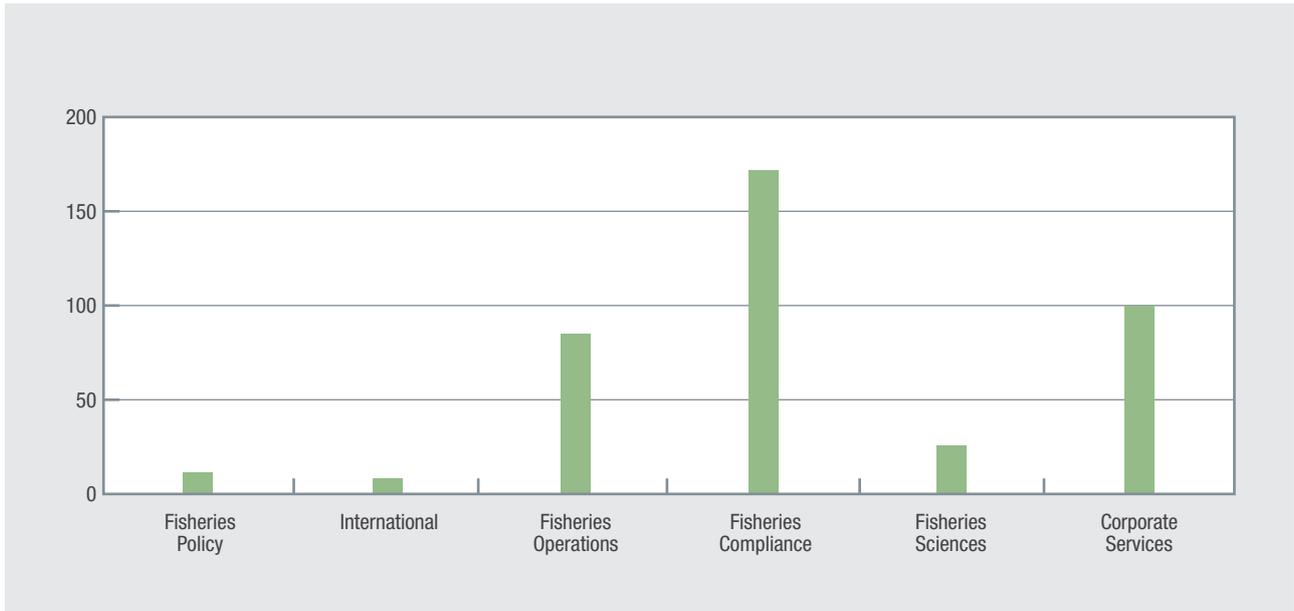
Ministry background information



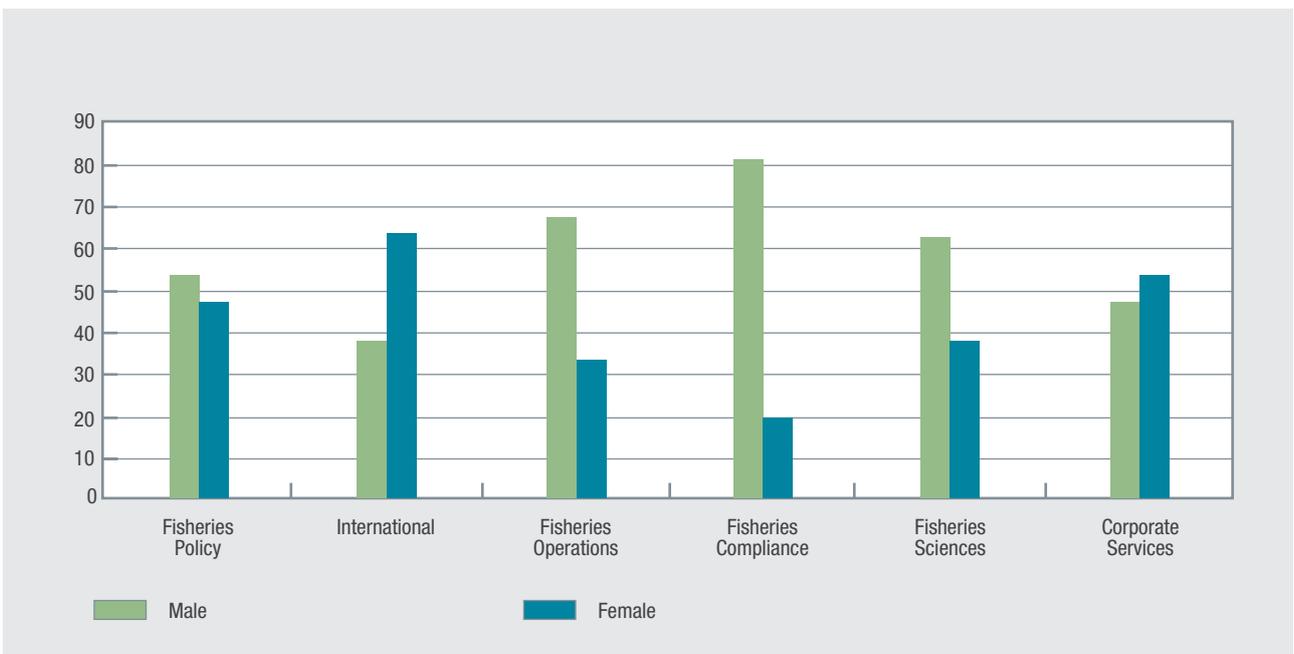
■ Staff

The following graphs provide basic statistics of the Ministry's staff as at 31 March 2006.

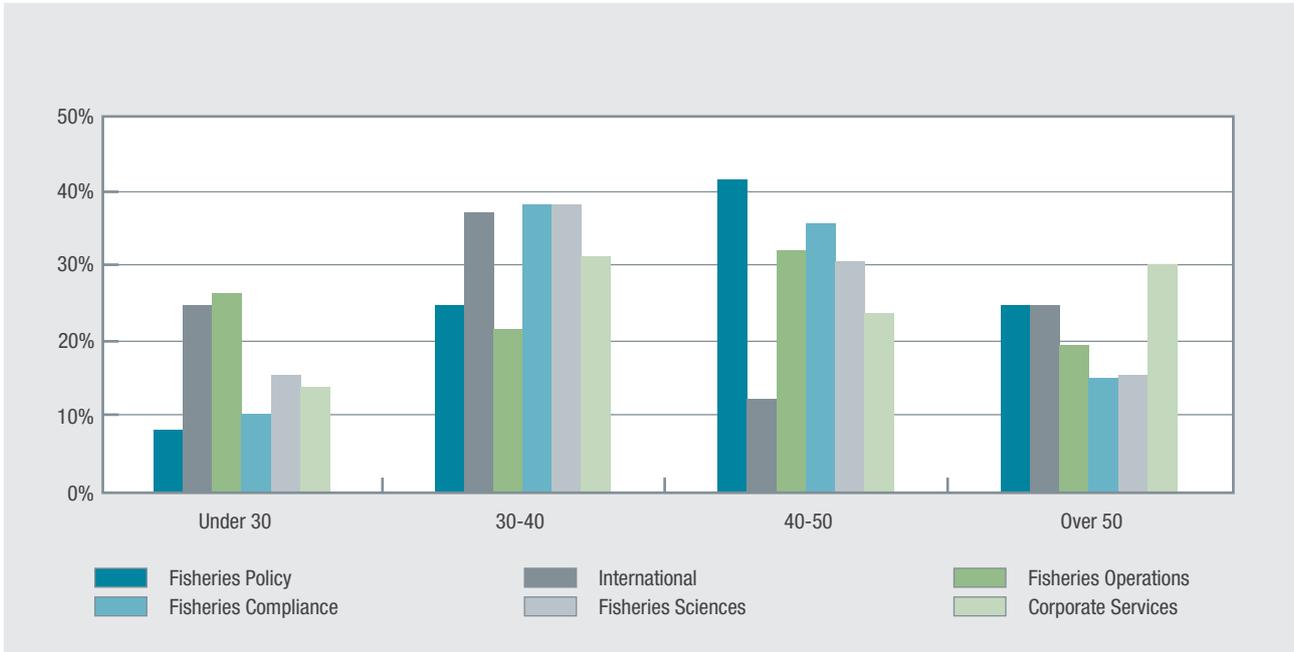
401 permanent Full Time Equivalent staff



67% of staff are male and 33% are female



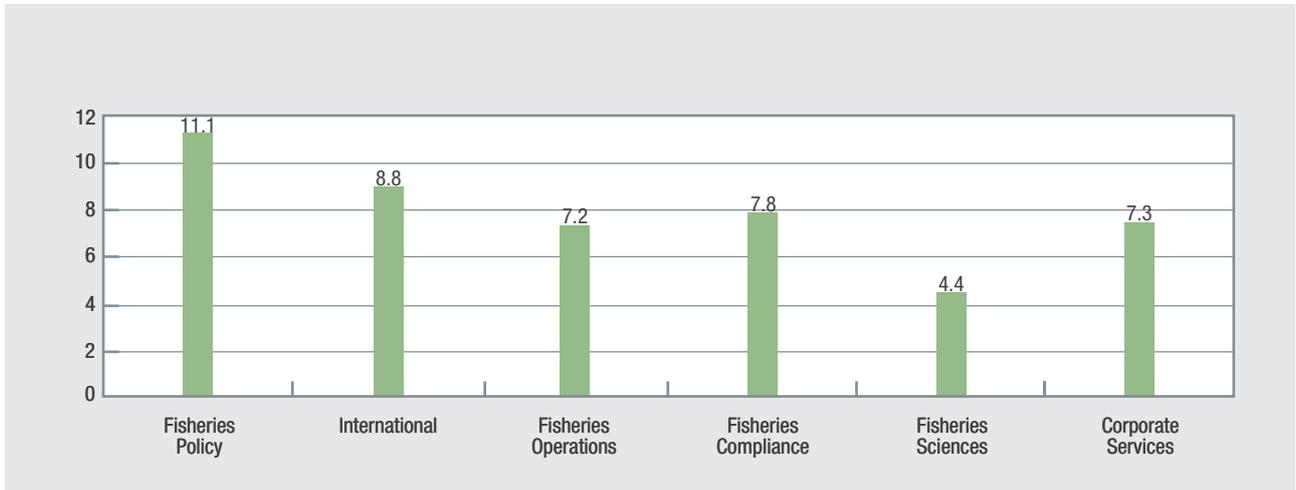
The average age is 41 years



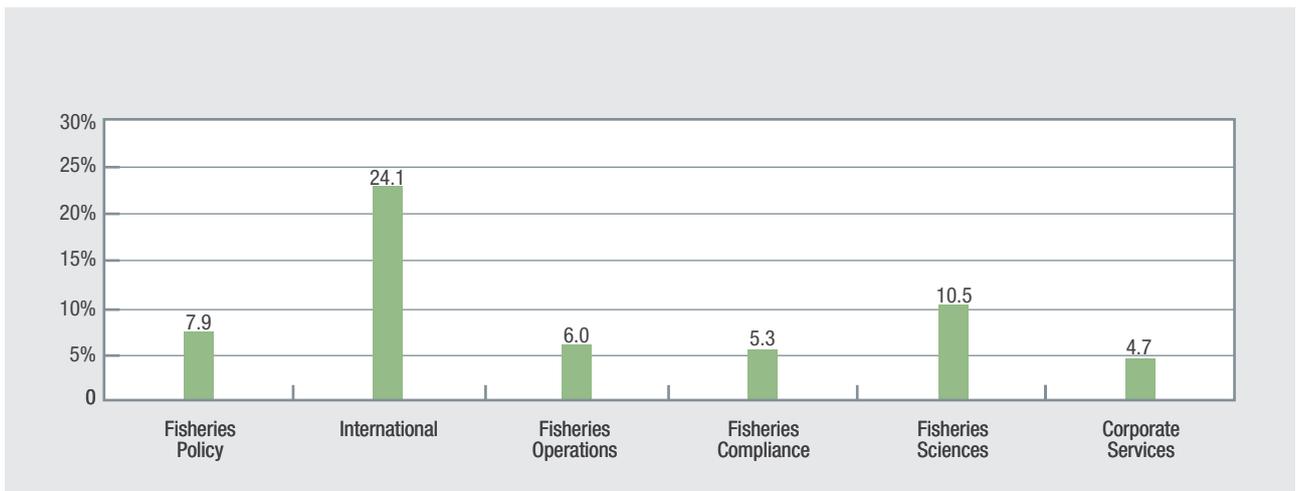
The average FTE salary is \$66,500



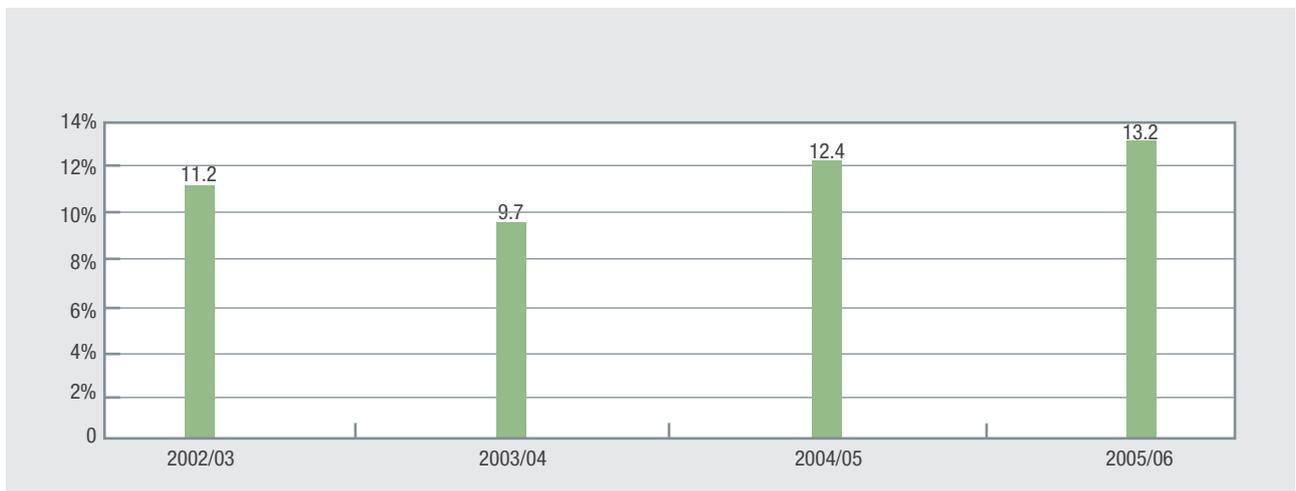
Average length of service is 7.5 years.



Annualised Core Unplanned Turnover for the year ending 31 March 2006 is 9.5%



Māori staff within the Ministry



■ Structure



■ Relationships

The Ministry works with other government departments and external stakeholders on the development and maintenance of fisheries policy and international fisheries arrangements that give rise to access to international and high seas fisheries for New Zealand fishers. The Ministry is increasingly pursuing multi-agency approaches with agencies with broader maritime and border protection responsibilities. The relationship the Ministry has with these organisations is increasingly important. The list below, while not exhaustive, notes the shared outcomes contributed to by the Ministry and the departments/agencies involved in those outcomes.

Department of Conservation

- > Ensuring ecological sustainability by providing improved contracting outcomes for fisheries-related research on protected species.
- > Development of Conservation services levies in the cost recovery programme.
- > Developing and implementing a strategy for establishing a network of areas that protect marine biodiversity – marine protected areas strategy.
- > Preserving as far as is practicable all indigenous freshwater fisheries, and freshwater fish habitats, while maximising the value New Zealanders obtain through the sustainable use of fisheries resources and protection of the aquatic environment.
- > Implementing the National Plan of Action for Seabirds to:
 - a) reduce incidental mortality of seabirds in New Zealand fisheries as far as possible, taking into account advances in technology, knowledge and financial implications;
 - b) ensure the long-term viability of protected seabird species is not threatened by their incidental catch in New Zealand fisheries waters or by New Zealand flagged vessels in high seas fisheries;
 - c) meet the obligations under the Fisheries Act 1996 (s9), to avoid remedy or mitigate the effects of fishing on the aquatic environment.

Ministry for the Environment

- > There is a coherent national picture of how the New Zealand environment is collectively managed and the delivery of services is seen to be efficient.
- > The community is involved in action for the environment.
- > New Zealand's environmental legislation is visibly effective and appropriate.
- > Government and industry work together to achieve sustainable results.
- > New Zealand industry competes, is profitable and grows sustainably.

Ministry for the Environment, Department of Conservation, Te Puni Kokiri, New Zealand Trade and Enterprise

- > Implementation of the aquaculture reforms.

Ministry of Agriculture and Forestry

- > Implementing the marine biosecurity frameworks through effective management of marine biosecurity research contracts.

Ministry of Foreign Affairs and Trade

- > Coordination of operational and strategic objectives for international fisheries.
- > Collaboration on New Zealand delegations to multilateral, regional and bilateral fisheries.
- > Institutional strengthening and capacity-building work with Pacific Island fisheries agencies.
- > Collaboration on fisheries trade issues including removal of subsidies and input into negotiation of free trade agreements.
- > Support New Zealand fishing industry in securing access to fisheries beyond the EEZ.

New Zealand Defence Forces

- > The New Zealand Defence Forces (NZDF) have responsibilities for surface and aerial surveillance of the EEZ. The Ministry and NZDF share information to ensure surveillance efforts and assets are directed at the areas of highest risk and fisheries-related surveillance capacity is efficiently utilised.

New Zealand Police

- > The Ministry has a Memorandum of Understanding with New Zealand Police that provides for operational arrangements of mutual cooperation and assistance. This includes the provision of operational support in specific enforcement operations, training and development of personnel, and sharing of information and intelligence.

New Zealand Customs

- > The Ministry has a Memorandum of Understanding with New Zealand Customs that provides for operational arrangements of mutual cooperation and assistance and information sharing. This includes working together at airports and other exit points from New Zealand to monitor the flow of fish product from New Zealand and to detect and apprehend smugglers of illegal product (usually paua).
- > The Ministry and other agencies with maritime or border protection responsibilities including New Zealand Customs, are working on a range of projects that strengthen collective approaches to maritime monitoring and surveillance.

- > The Ministry also provides a seconded position to the National Maritime Control Centre located at NZDF to coordinate information sharing and asset deployment.

Ministry of Economic Development

- > Use of the Growth and Innovation Framework to improve economic performance within New Zealand.

Other external relationships

Ministry of Research, Science and Technology (MoRST) and Foundation for Research, Science and Technology (FRST)

The Ministry works with MoRST and FRST to determine research and funding priorities in fisheries research and minimise the overlap of research between funding organisations.

Other

The Ministry works with the Treasury, Te Puni Kōkiri, the Office of Treaty Settlements, the Department of Prime Minister and Cabinet, the Ministry of Justice, State Services Commission, the Ministry of Economic Development, the Department of Labour, the Environmental Risk Management Authority, and New Zealand Customs on fisheries related issues as they arise.

Treaty Partner: relationships with tangata whenua

The Ministry interacts with tangata whenua on a number of different levels. It continues to implement the customary fishing regulations and has ongoing consultation obligations under the Fisheries Act 1996. Māori are now the largest players in New Zealand's commercial fishing industry. Tangata whenua can manage their non-commercial customary fishing activity through customary regulations. Māori are also substantial recreational fishers.

External service providers

FishServe

In 1999 the Fisheries Act 1996 was amended to enable more flexible delivery of fisheries management services. Many registry-based services are now devolved to FishServe (a commercial company established by SeaFIC) as an Approved Service Delivery Organisation (ASDO) or provided under contract through SeaFIC. The Minister sets standards and specifications for devolved services, while the Chief Executive sets standards and specifications for contracted services.

National Institute for Water and Atmospheric Research (NIWA)

The Ministry's research projects are let through a contestable tendering process where tenders are evaluated through an earned value basis, combining aspects of both quality and cost. NIWA undertakes most of these. NIWA also maintains, on behalf of the Ministry, the research databases and other research information.

Stakeholder groups

New Zealand Seafood Industry Council (SeaFIC)

SeaFIC is a company whose shares are principally held by commercial stakeholder organisations. Its primary role is the promotion and development of the New Zealand seafood industry.

Te Ohu Kai Moana Trustee Ltd

Te Ohu was established as part of the Treaty of Waitangi (Fisheries Claims) Settlement Act 1992. It holds in trust assets provided by the Crown prior to and after the Settlement. Its primary role is to validate the status of iwi organisations, allocate assets and audit iwi organisations' operations.

Environmental sector

The Ministry interacts with a number of environmental groups with strong interests in the sustainability of fisheries and the effect of fishing on the environment:

- > Environmental and Conservation Organisations of New Zealand (ECO)
- > Royal Forest and Bird Protection Society
- > Greenpeace
- > World Wide Fund for Nature

Recreational fisheries interests

The Ministry interacts with a range of groups representing recreational interests.

■ Legislation administered by the Ministry as at 1 July 2006

The management of fisheries in New Zealand is administered through a series of Public Acts and Regulations.

Public Acts

- Fisheries Act 1996
- Fisheries (Quota Operations Validation) Act 1997
- Māori Fisheries Act 1989
- Treaty of Waitangi (Fisheries Claims) Settlement Act 1992
- Māori Commercial Aquaculture Claims Settlement Act 2004
- Māori Fisheries Act 2004
- Aquaculture Reform (Repeals and Transitional Provisions) Act 2004.

Regulations

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

Glossary

ACE:

Annual Catch Entitlement. An entitlement to harvest a quantity of fish, aquatic life, seaweed or other stock, taken in accordance with a fishing permit and any conditions and limitations imposed by or under the Fisheries Act 1996.

Aquatic 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.

Fisheries plan:

A plan approved by the Minister of Fisheries under section 11A of the Fisheries Act 1996. Fisheries plans specify what the government, tangata whenua, and stakeholders want to achieve for specific fisheries (the objectives), and associated implementation strategies and services (including research, regulations, and compliance) to achieve the objectives.

Fisheries stakeholders:

Those groups who derive value from the use of fisheries resources or have a strong interest in the sustainable use of fisheries resources, including commercial and recreational fishers, and environmental interests.

Kaitiaki:

A person appointed under the customary fishing regulations who can authorise customary non-commercial food gathering. The term includes Tangata Tiaki/Kaitiaki under the Fisheries (South Island Customary Fishing) Regulations 1995, and Tangata Kaitiaki/Tiaki under the Fisheries (Kaimoana Customary Fishing) Regulations 1998.

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 bylaws approved by the Minister.

Outcome:

A desirable future condition of all or part of the social or physical environment towards which fisheries management effort is directed.

Pou Hononga:

Relationship managers appointed to improve the Ministry's formal relationships with Māori based on the Crown's obligations under the Deed of Settlement and Treaty of Waitangi settlements.

RFMO:

Regional Fisheries Management Organisation is the term used to describe multi-lateral organisations with responsibility for coordinating management of highly migratory fish stocks and fish stocks that straddle national fisheries management boundaries.

Tangata whenua:

In relation to a particular area, means the hapu, or iwi, that is Māori and holds mana whenua (customary authority) over that area.

Standard:

A performance level required to be achieved by fishers or fisheries managers.

Taiapure:

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

Taonga:

Treasures.

Offices and Contact Details

The Ministry's national office is the main contact point. From here calls are able to be transferred to all other Ministry offices. The national office contact points are

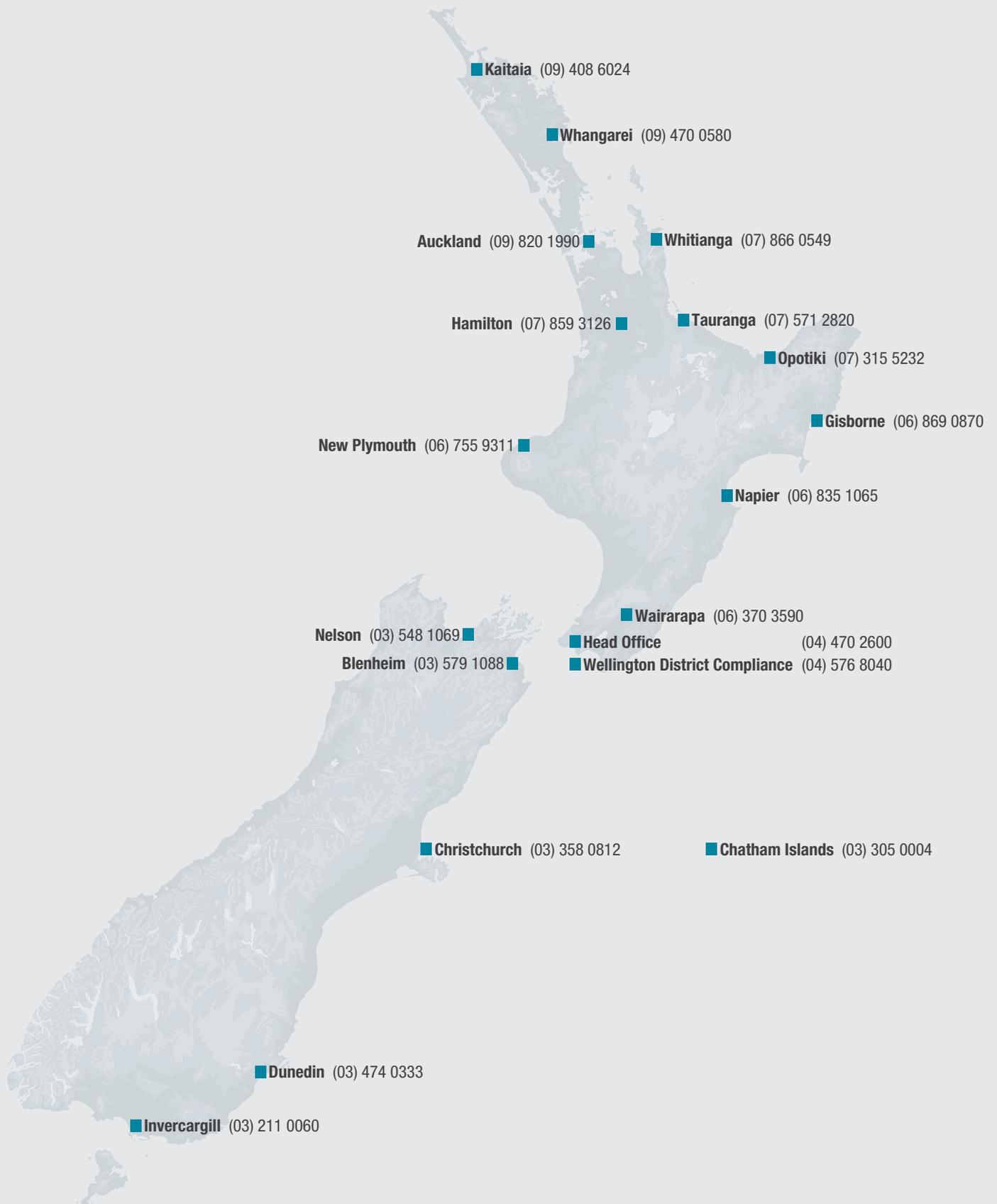
Phone (04) 470 2600

Fax (04) 819 4601

Refer to the map on the next page for all other office telephone numbers.

In addition to the main number, calls can also be made using the **0800 4 RULES (0800 4 78537)** and **0800 4 POACHER (0800 4 76224)** free calling numbers.

Internet homepage: www.fish.govt.nz; www.starfish.govt.nz
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