



# Statement of Intent

For the period July 2007 to June 2012

*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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Cover: *Tiaki te Moana – Its future is in our hands.*

This year's senior winner of the Ministry of Fisheries' School Art Competition was 14 year-old Riah King-Wall from Katikati. Her entry was an oil on canvas work.

## ■ Foreword

New Zealanders are fishers. It is part of our history, our culture and our economy. There is a passion for fishing that spans the country and communities.

The mana that comes from providing kaimoana for whānau and manuhiri cannot be readily quantified. For many, there is nothing like a day spent on the water hauling up lines and nets to see what luck, skill and determination has yielded. There is great joy gained from spending time with family and friends as skills in potting for lobster, diving for paua or digging for pipi and cockles are shared with the next generation of fishers.

Besides providing food for our families, fishers help maintain the New Zealand economy. Our commercial fisheries returned a billion dollars in exports last year. Recreational fishing made a significant contribution to seaside communities in New Zealand's popular weekend and holiday spots.

Along with tangata whenua, the Ministry of Fisheries works with a range of stakeholders – fishers, environmental interests, central and local government agencies, scientists and international organisations – to ensure we are managing our fisheries in a way that enables people to get the best value from them.

Best value means different things to different people, which is why this Statement of Intent is important. It helps stakeholders understand what the Ministry of Fisheries will be working on over the coming five years, and engage in our work. It provides the vision for the years beyond as we seek growth for the sector; but growth that is sustainable and that does not come at a cost to the aquatic environment.

The Ministry consulted over the past year on issues ranging from scientific research programmes to deemed values, fisheries plans and standards to Shared Fisheries, and more. This year consultation will continue to be a priority. It is through the work that we do together that we will continue to be world leaders in sustainable fisheries management.

This Statement of Intent (SOI) continues to support 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. The information contained in the SOI is consistent with the policies and performance expectations of the Government.

It also recognises that sustainable long-term strategies for our economy, environment, society and culture are pivotal to New Zealand's future. The Ministry will continue to provide leadership in this area. New Zealanders are fishers. Through a shared commitment to careful management of our fisheries, that will continue to be an everyday part of who we are.



**Hon Jim Anderton**  
Minister of Fisheries



**John Glaister**  
Chief Executive

## ■ New Zealand Fisheries at a Glance

### Environment

NZ Marine Fisheries Waters (EEZ and Territorial Sea)	4.4 million km <sup>2</sup>
NZ Coastline	15,000 km
Marine species described <sup>1</sup>	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	96
Individual stocks in the QMS	618
Information available on stock status <sup>2</sup>	65%
Stocks at or near target level <sup>3</sup>	85%

### Commercial Fisheries and Aquaculture

Total export value 2006 (FOB)	\$1.3 billion
Capture fisheries	\$1.1 billion
Aquaculture <sup>4</sup>	\$242 million
Direct subsidies	Nil
Total quota value <sup>5</sup>	\$3.8 billion
Persons with quota holding	1,678
Commercial fishing vessels	1,372
Processors and Licensed Fish Receivers	229
Direct employment (full time equivalents) <sup>6</sup>	7,155
Allowable take (TACC) <sup>7</sup>	589,000 tonnes
Actual take (in NZ EEZ)	517,000 tonnes

### Customary Fisheries

Tangata Tiaki appointed (South Island)	134
Tangata Kaitiaki appointed (North Island)	176
Temporary closures	5
Taiapure-local fisheries	8
Mātaitai reserves	6
Customary take provided for within the TAC	4,688 tonnes

### Recreational Fisheries<sup>8</sup>

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

### Ministry of Fisheries

Budget 2007/08 (excl GST)	\$93.7 million
Net assets	\$12.6 million
Staff as at 31 March 2007 (FTEs)	437
Honorary Fishery Officers	166

- 1 NZ Biodiversity Strategy, 2000.
- 2 Percentage of stocks calculated by weight and value, excluding squid.
- 3 Of the 99 stocks for which we have information for current stock size, 84 (85%) are at or near target levels. For the remainder of those stocks, rebuild strategies are in place. These represent the main commercial stocks.
- 4 Mussel, salmon and oyster exports for the calendar year 2006.
- 5 Statistics New Zealand. Fish monetary stock accounts. Calculated on basis of average quota trade price x TACC.
- 6 Census 2006.
- 7 Excludes 15 million individual oysters, which are not measured in tonnes.
- 8 1999/00 Survey of Recreational Fishing.

## Context in which the Ministry operates



## ■ 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 fisheries outcome “the value New Zealanders obtain through the sustainable use of fisheries resources and protection of the aquatic environment is maximised”, 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 Fisheries Act 1996, and the Māori Commercial Aquaculture Claims Settlement Act 2004.

Ministry staff helped define the following behavioural values of the Ministry. They reflect how we feel about being Ministry people, how we treat others, and how we expect to be treated in turn. These enduring values are part of our everyday working lives and express what is important to us as we work each day to achieve the Ministry’s goals and provide leadership to the sector:

- > Integrity – Ministry people are professional and widely trusted. We are honest and take responsibility. We strive to be open, transparent and impartial.

- > Respect – We respect each other, tangata whenua, stakeholders, the law, and the aquatic environment. We respect and value our role as guardians of our fisheries resources.
- > Constructive relationships – We understand the sector we work in and the needs and expectations of those we work with. We maintain constructive relationships, engaging effectively with others to achieve the best outcomes possible.
- > Achieving results – we approach our work with energy and drive, with a focus on achieving high quality results. We value teamwork and collaboration. We share information and recognise people’s contribution to our goals.
- > Continual improvement – We embrace continual improvement in the pursuit of excellence. We are agile learners and actively develop our skills, knowledge and behaviours. We are committed to helping our people to be successful.

### Our role

Our role is to act as the Government’s principal adviser on New Zealand’s fisheries management and the impacts of fishing on 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 New Zealand Fisheries Sector

Our 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 \$1.3 billion in 2006, of which some \$242 million was from aquaculture.

The New Zealand Seafood Industry Council (SeaFIC) provides overarching representation of the commercial fisheries 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. A new organisation, New Zealand Aquaculture, is scheduled to be established in mid-2007 to represent all parts of the aquaculture sector.

Currently, most commercial fisheries in New Zealand are represented by a Commercial Stakeholder Organisation (CSO). By working together, the Ministry and CSOs ensure commercial 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 Trustee Ltd.

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. The Ministry works at a national and regional level with a number of groups with strong interests in recreational fisheries.

### Environmental interests

Sustainability of fisheries and the aquatic environment is important to New Zealanders, and underpins the Fisheries Act 1996. The Ministry interacts at a national and regional level with a number of environmental groups with strong interests in the sustainability of fisheries and the effect of fishing on the aquatic environment.

### International fisheries

In recent years, 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 and 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:

- > Multi-laterally through organisations such as the United Nations Food and Agriculture Organization (FAO) and World Trade Organization (WTO) on issues of international fisheries governance, to develop international frameworks and rules for managing sustainability and market access.
- > Regionally through Regional Fisheries Management Organisations (e.g., Convention for the Conservation of Antarctic Marine Living Resources (CCAMLR); the Commission for the Conservation of Southern Bluefin Tuna (CCSBT); and Western and Central Pacific Fisheries Commission (WCPFC)). New Zealand is also working with other countries to develop a new high seas arrangement in the South Pacific to manage deep sea species.
- > Bi-laterally with individual countries on issues such as 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 established its Exclusive Economic Zone (EEZ) and assumed management control of all fishing in the EEZ.
- 1986:** The Quota Management System (QMS) was established to manage most major New Zealand fisheries. A further 50 species were 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 were settled.
- 1994:** A cost recovery programme requiring the commercial sector to pay the full costs of the services that support their fishing and aquaculture activities was established.
- 1995:** Ministry of Fisheries established. Fisheries research services delivered by contract.
- 1999:** Contract approved for devolved Registry services contracted out to 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. Commercial Fisheries Services Ltd appointed as an Approved Service Delivery Organisation to deliver specific devolved services previously provided by Government.

- 2004:** Aquaculture legislation and settlement of Māori aquaculture claims. Māori Fisheries Act legislation enables distribution of settlement assets directly to iwi.

More recent key developments include:

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

The Minister of Fisheries:

- > announced the Strategy to Manage the Environmental Effects of Fishing
- > approved a fisheries plan framework, to enable the Ministry co-ordinated development of objective-based management of fisheries.

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

First three draft standards, including harvest strategy standards, released for consultation.

Shared Fisheries proposals released for public consultation.

Three proof of concept fisheries plans completed (Foveaux strait oysters, Coromandel scallops and southern blue whiting fishery).



## ■ A World Leader

New Zealand is an acknowledged world leader in the management of fisheries. Key benefits from the approach adopted to manage its fisheries are:

*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 7,155 people directly and makes a valued contribution to regional economies. This is achieved without subsidy and with payment of cost recovery.

*Resolution of customary fishing claims* – New Zealand was one of the first (and only) 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.



## ■ Challenges

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

- a) Enable stakeholders to maximise value from the sustainable use of fisheries.
- b) Improve engagement by all stakeholders in fisheries management processes.
- c) Build constructive working relationships with Māori, and robust systems and processes, to deliver settlement obligations.
- d) Implement objectives-based management, including the development of fisheries plans and fisheries standards.
- e) Improve fisheries information and processes to support objectives-based management.
- f) Strengthen the operation of the rights-based framework, including addressing issues related to the management of shared fisheries.
- g) Continue to improve environmental performance, including undertaking research into impacts of fishing, the development and implementation of environmental standards, and establishment of Marine Protected Areas.
- h) Work with stakeholders to encourage sustainable aquaculture development.
- i) Improve compliance with the Fisheries Act 1996 and Regulations in the territorial sea and EEZ, and reduce illegal, unregulated and unreported fishing on the high seas.
- j) Contribute to improved management of international fisheries and better access for New Zealand fishers to fisheries beyond the New Zealand EEZ, and to international markets.
- k) Promote improvements in marine sector management through initiatives such as the Oceans Policy.

# Strategy for New Zealand's Fisheries





## ■ Managing for Outcomes

People and organisations involved in fishing 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 a credible and effective management system.

The Ministry of Fisheries uses statements of desired outcomes to guide its activities. These describe what we want to achieve and how it will be achieved, using incentives, management measures, and fisheries services.

Statements of outcomes start wide in scope, but become more specific when describing particular measures, services or activities. The results that must be produced by both fishers and managers to achieve the outcomes will be clearly defined.

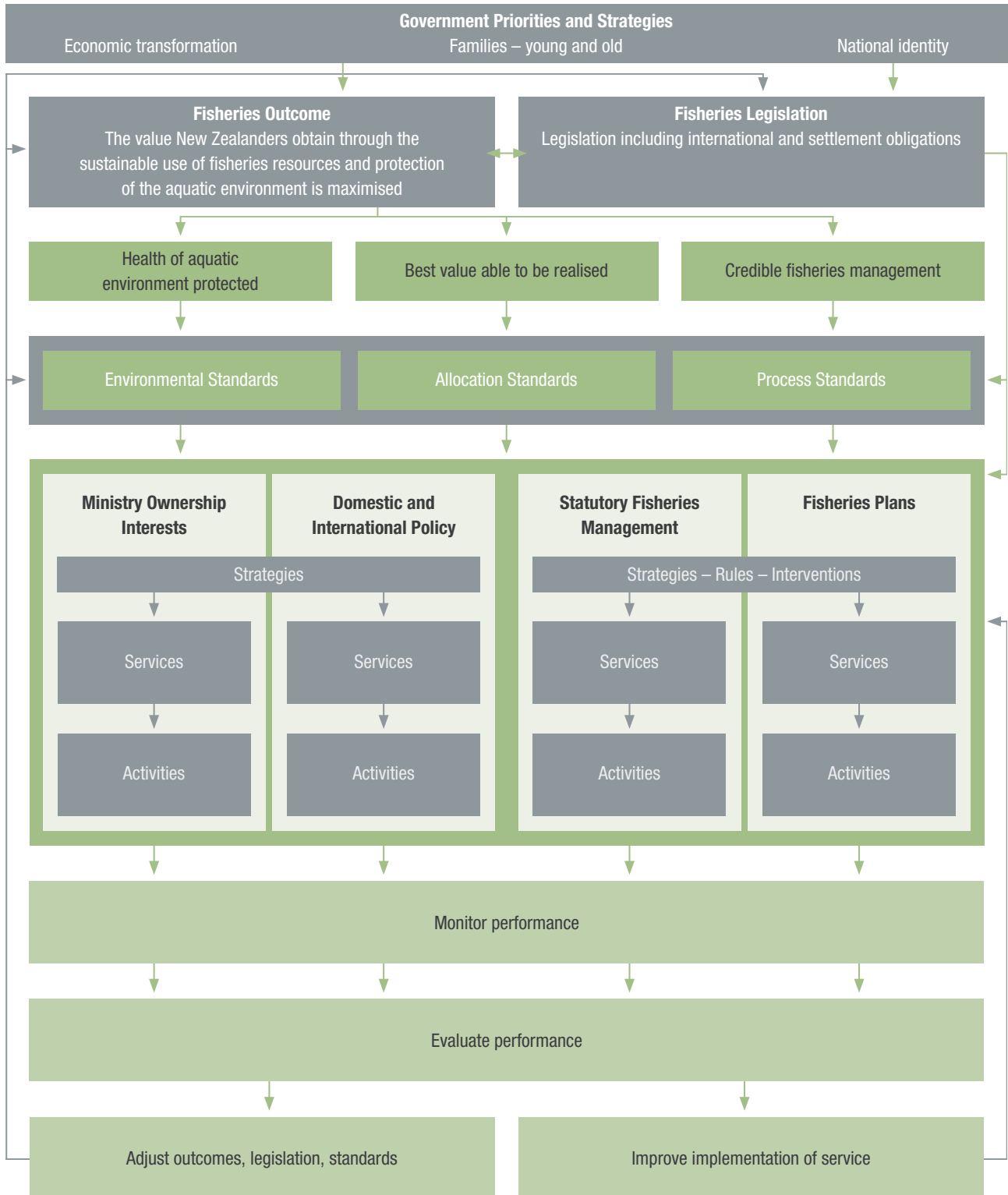
Managing for fisheries outcomes consists of the following parts:

- > 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.
- > Monitoring and evaluation.

These provide a clear basis for interacting with tangata whenua and stakeholders on proposed management of fisheries. They also provide a basis for monitoring and evaluating what is delivered both in respect of outcomes and implementation. The last four parts listed above will be contained in fisheries plans.

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

## Objectives-based management



## ■ Achieving Outcomes

The Ministry's 2007/12 Statement of Intent identifies three outcomes that contribute to the achievement of the overall fisheries outcome.

Delivering on the Crown's obligations to Māori and New Zealand's international fisheries obligations is fundamental to the Ministry. These obligations influence all activities undertaken to achieve our overall fisheries outcome and 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.

## ■ The health of the aquatic environment is protected

This contributing outcome covers the Fisheries Act 1996 obligations to ensure sustainability and work with other agencies to address impacts on the environment and fisheries resources not caused by fishing.

If the aquatic environment is to produce value for current and future generations, stocks need to be managed to target levels and the adverse effects of fishing need to be addressed. We need to understand the nature of ecosystems (composition, diversity, stability, productivity) and extent of the resources we are managing. Fisheries managers, working with stakeholders, have a dual role in this outcome. They work with other interest groups and government agencies, and within international forums, to increase understanding of resources and develop better ways of managing the impacts of all human activities affecting the aquatic environment. And they advise on specifying limits on fishing activity and develop mechanisms to encourage people to operate within those limits.

### Providing incentives to improve environmental performance of fisheries

The Ministry wants to improve environmental performance of fisheries by giving stakeholders incentives to develop innovative ways to meet performance standards. Different incentives are used depending on the type of fishery and fishing method. Key mechanisms include encouraging tangata whenua and stakeholders to be involved in fisheries plans and the incentives provided by cost recovery and regulation.

### Setting standards for 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 complex communities on the seabed. In each case, effective management requires incentives for

For more detailed background on this and a broader discussion on why the Ministry and Government manages fisheries, see <http://www.fish.govt.nz/en-nz/Publications/SOI+2006-2011/default.htm>.

The following sections summarise the issues and approaches to be adopted by the Ministry to achieve its three contributing outcomes. Each section is followed by a table setting out the Ministry roles and the strategies and detailed work elements that will be applied over the next few years. The right side of the table indicates which outputs in the output plan (later in this SOI) relate to the specific work elements outlined in the programme to support achievement of the outcomes.

fishers to modify their fishing activities to stay within the acceptable levels of impact on the aquatic environment.

To set effective standards the Ministry needs information on different parts of the aquatic environment (e.g., 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

An effective compliance regime achieves the desirable level of compliance; an efficient one achieves that goal at least cost using a combination of incentives and penalties. 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.

### Contributing to processes that manage impacts not caused by fishing

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. Information on fishers and aquatic resources may also be useful in setting limits for non-fishing activities, both domestically and internationally. In some cases this requires the Ministry to participate in processes leading to decisions on the management of non-fishing activities.

The health of the aquatic environment is protected		Linkage to Outputs				
Strategies	Detailed Work Elements	Fisheries Policy	Fisheries Information	Fisheries Operations	Fisheries Compliance	Aquaculture Settlement
		<b>Providing frameworks and incentives to improve environmental performance of fisheries</b>				
Advising government on new tools to improve environmental performance	Supporting development of marine reserves legislation					
Developing fisheries plans framework	Review fisheries plan framework					
Promoting policies and governance arrangements for sustainable management of fisheries beyond the New Zealand EEZ	Engagement within multilateral fora such as the FAO, UN, and within RFMOs, on frameworks and measures					
Work within international fora to eliminate subsidies that contribute to overcapacity	Support MFAT delegations to the WTO Rules Negotiating Group on fisheries subsidies					
Develop and advise government on new frameworks, decision-making processes and tools to improve environmental performance	Review of fisheries legislation					
<b>Setting standards for fishing activity</b>						
Setting standards that define the acceptable level of risk to the health of the aquatic environment from the use of fisheries	Gathering information required to develop and set standards; including facilitating research on effects of fishing on the marine environment, seabirds and marine mammals					
	Develop standards and associated frameworks including risk assessment and mitigation methodology					
Operating existing frameworks and processes for managing the adverse effects of fishing on the aquatic environment	Implementing the marine protected areas strategy in priority areas					
	Implementing the strategy for managing the environmental effects of fishing					
	Coordinating fisheries and environmental assessment programme and monitoring research					
	Reviewing fisheries sustainability measures					
	Develop and implement national plans of action for at risk species					
	Developing fisheries plans					

The health of the aquatic environment is protected		Linkage to Outputs				
Strategies	Detailed Work Elements	Fisheries Policy	Fisheries Information	Fisheries Operations	Fisheries Compliance	Aquaculture Settlement
<b>Setting standards for fishing activity</b>						
Setting sustainable catch limits for stocks managed by RFMOs, and for other high seas stocks	Continuing engagement to develop effective measures within RFMOs and to manage high seas fishing activities					
<b>Achieving compliance with environmental standards set for fishing activity</b>						
Encouraging fisher compliance with environmental standards	Producing information brochures, signage and educational material to inform fishers about their responsibilities, the rules, and the rationale for those rules					
Gathering information required to monitor fisher performance against environmental standards	Operating catch and effort reporting systems					
	Undertaking observation, surveillance and inspection services					
	Reviewing coverage of vessel monitoring system in the commercial fleet					
Undertaking enforcement and prosecution action against deliberate serious offending	Initiating investigation and where necessary prosecution activity, infringement fee and forfeiture processes					
<b>Contributing to processes that manage impacts not caused by fishing</b>						
Participating in the development of new frameworks and decision-making processes, that manage the use of non-fisheries resources	Providing input to the development of Oceans Policy					
	Providing input to reviewing the NZ Coastal Policy Statement					
	Providing input to RMA coastal plan processes and the development of aquaculture management areas					
Helping to set standards that define the level of acceptable risk to key ecosystem processes arising from the use of non-fisheries resources	Supporting Ministry for the Environment and regional council work on setting standards for the aquatic environment					
Providing fisheries information that assists other agencies to operate existing frameworks and decision-making processes that manage the use of non-fisheries resources	Providing input to RMA consent application 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 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

Commercial fishers access to limited resources is through the Quota Management System (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.

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

Customary fishing 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 allocations. 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 a limit to be effective there must be appropriate incentives and penalties to motivate fishers to keep within the limits.

To manage levels of access by each sector, we need adequate and timely information on levels of participation (fishing effort) and catch for all sectors, including recreational and customary fishing, and acceptable levels of compliance.

### 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 between sectors. Although access rights of other sectors are allowed for when setting the commercial allocation, 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 continue to make allocation decisions. Proposals to improve the allocation process for shared fisheries will be evaluated by Government in 2007/08.

Information on the value of fisheries to the customary and recreational sectors is generally poor, which makes allocation decisions more difficult. The strategy of increasing stakeholder's involvement in fisheries management, particularly through fisheries plans, will allow 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 fisheries plans which include management strategies, interventions and services which are linked to clear objectives. In shared fisheries, the Government can help by getting sectors to talk to each other to develop best value strategies.

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 becomes 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.

The Ministry works with the fishing industry to advance New Zealand's fisheries interests beyond the New Zealand EEZ, both at a bilateral level and within Regional Fisheries Management Organisations, where opportunities exist to increase the value of the New Zealand commercial fisheries sector.

### Economic transformation

Increasing the value achieved from fisheries can also be achieved through the Government's economic transformation agenda which seeks to encourage development and assist in resolving impediments.

Aquaculture has been identified by Government as a priority industry for growth and is on the economic transformation agenda. Government wants to support this industry in achieving its goal to become a sustainable billion dollar business by 2025.

The Ministry leads an across-government team working closely with regional authorities and key stakeholders to support sustainable aquaculture development. The team comprises the Ministry for the Environment, Department of Conservation, Ministry of Economic Development, Te Puni Kokiri and NZ Trade and Enterprise.

### Protecting and increasing value

Value to fishers may be reduced where non-fishing activity impacts on stocks or the functioning of the aquatic ecosystem. The Ministry's role here is to develop, along with other government agencies, improved frameworks that address these impacts and allow decisions about different uses to enable the greatest overall benefit to New Zealand.



People are able to realise the best value from the sustainable and efficient use of fisheries		Linkage to Outputs				
Strategies	Detailed Work Elements	Fisheries Policy	Fisheries Information	Fisheries Operations	Fisheries Compliance	Aquaculture Settlement
<b>Recognising the nature of value</b>						
Developing our understanding of the full range of values able to be gained from the use of fisheries resources	Developing methodology for identifying and gathering information on current and potential value					
	Undertaking and facilitating socio-economic research regarding value, (from extractive and non-extractive uses) especially in the recreational and customary fisheries sectors					
<b>Enabling best value to be realised within each fishing sector</b>						
Maintaining and developing systems that can facilitate investment and trading of access rights within the commercial fishing sector	Operating QMS frameworks					
	Reviewing TAC/TACCs and fisheries utilisation measures					
	Operating catch balancing system					
	Monitoring delivery of devolved and contracted registry services					
	Introducing fish stocks into the QMS					
Ensuring obligations set out in the Treaty of Waitangi (Fisheries Claims) Settlement Act 1992 and historical settlements are met	Completing Ministry Treaty Strategy					
	Meeting obligations with respect to the introduction of new species in to the QMS					
	Giving effect to customary fishing regulations – appointment of kaitiaki					
	Ensuring obligations set out in individual historical settlement legislation, deeds of settlement, and heads of agreement are met with respect to fisheries					
Ensuring obligations set out in the Māori Commercial Aquaculture Claims Settlement Act 2004 are met	Continuing to quantify 'pre-commencement' water space					
	Maintaining 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 obligations by 2008					

People are able to realise the best value from the sustainable and efficient use of fisheries		Linkage to Outputs				
Strategies	Detailed Work Elements	Fisheries Policy	Fisheries Information	Fisheries Operations	Fisheries Compliance	Aquaculture Settlement
<b>Specifying limits within which each fishing sector can maximise value</b>						
Setting standards that define the acceptable level of risk within which fishers can extract value from the use of fisheries resources	Setting standards to manage catch per year, or other period					
	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					
<b>Achieving compliance with access standards set for fishing</b>						
Encouraging fisher compliance with access standards	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					
Gathering information required to monitor fisher performance against access standards	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					
Ensuring fisher compliance with standards relating to international, commercial, customary and recreational fishing rules	Analysing information to detect general, and specific, non-compliance					
	Inspecting fishing boats, gear and catches					
Undertaking enforcement and prosecution action against deliberate serious offending	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		Linkage to Outputs				
Strategies	Detailed Work Elements	Fisheries Policy	Fisheries Information	Fisheries Operations	Fisheries Compliance	Aquaculture Settlement

#### Enabling best value to be realised across fisheries sectors

Ensuring obligations set out in Treaty of Waitangi (Fisheries Claims) Settlement Act 1992 are met	Giving effect to customary fishing regulations - establishment of mātaimai, taiapure and temporary closed areas					
Increasing across-sector value by transferring access in accordance with administrative and statutory processes, procedures and tests	Reviewing TAC/TACCs allowances, 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					
Providing more certainty around processes to adjust the level of access provided to each fisheries sector	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					

#### Providing opportunities to increase value

Providing stakeholders with the opportunity to increase value by working collaboratively across fisheries sectors to reach best solutions	Working with tangata whenua and stakeholders to develop fisheries plans					
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#### Economic transformation through aquaculture

Contribute to Government economic transformation theme initiatives	Participating in the government Economic Transformation Agenda					
	Continuing support of aquaculture industry sector strategy					

People are able to realise the best value from the sustainable and efficient use of fisheries		Linkage to Outputs				
Strategies	Detailed Work Elements	Fisheries Policy	Fisheries Information	Fisheries Operations	Fisheries Compliance	Aquaculture Settlement
<b>Protecting and increasing value</b>						
Increasing the value realised from fisheries resources by adding to benefits and/or reducing costs	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					
	Reviewing fisheries cost recovery framework					
	Progressing the deemed values review as directed					
	Working with tangata whenua and stakeholders to develop fisheries plans					
Promoting and protecting New Zealand's international fisheries interests	Negotiate well defined access rights for the New Zealand fishing industries beyond our EEZ, including within RFMOs					
	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 and reducing trade barriers globally					

## ■ Credible Fisheries Management

### Developing management structures 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 interacts with around 80 iwi and a far larger number of hapū on matters affecting their fishing interests.

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. Regional iwi forums are being established as a key mechanism to provide for input and participation.

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 and setting standards. Their involvement in fisheries management increases their understanding of the process and 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 with sectors, Ministry staff and sector group representatives can discuss issues of concern and options to resolve the issues. Multi-sector forums will also focus on establishing standards and developing fisheries plans.

### Objectives-based management

In the 2005/08 Statement of Intent, the Ministry introduced the term 'objectives-based approach to fisheries management'. The key mechanism to effect this approach is the process to develop fisheries plans. It is important to develop clear links between the strategies and services proposed for a particular fishery and the objectives stipulated in the relevant fisheries plan. These plans will increasingly 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 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 2007/08, the Ministry will continue to develop standards. We will also work with stakeholders to develop fisheries plans including evaluating risks for the fisheries and determining 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 reliable. Critical information includes the status of fish stocks, impacts of fisheries on the aquatic environment, ownership of quota shares and annual catch entitlement (ACE), and the total amount of each fish stock harvested by each sector. 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 structure and its implementation are contributing to New Zealand's social, economic and cultural well-being. Monitoring includes identifying appropriate performance indicators, collecting and managing information required to assess performance, and conducting regular performance assessments. The three main areas where monitoring can most effectively be used to evaluate management performance are outcomes, standards and fisheries plans objectives.

### Promoting sound fisheries management policies and principles internationally

The Ministry of Fisheries actively engages in the work of multilateral organisations including the OECD, FAO and the United Nations, and within the RFMOs of which we are a member, to promote effective fisheries management policies and practices. The Ministry places a focus on strong governance arrangements, robust science processes, allocation of access, and effective monitoring control and surveillance mechanisms to tackle IUU fishing. The Ministry also engages in capacity development work with Pacific Island countries to assist those countries in the development of enduring and effective fisheries management regimes.



Credible fisheries management		Linkage to Outputs				
Strategies	Detailed Work Elements	Fisheries Policy	Fisheries Information	Fisheries Operations	Fisheries Compliance	Aquaculture Settlement
<b>Developing credible management frameworks in support of government policy</b>						
Providing high quality policy advice to the Minister of Fisheries and Government	Provide advice to Minister as requested	■				
Providing credible organisational governance and risk management in support of the government's ownership interest in the Ministry	Implement investment and change strategies to achieve long term healthy organisation	■	■	■	■	■
Achieving a constructive whole of government approach in developing, contributing to and implementing policy	Maintain good policy development and implementation process	■	■	■	■	■
<b>Acting in accordance with Treaty Principles</b>						
Ensuring staff are informed of the relevance of Treaty Principles and their application in the fisheries management context	Complete the Ministry Treaty Strategy	■	■	■	■	■
	Build competencies in appropriate staff	■	■	■	■	■
<b>Encouraging tangata whenua and stakeholder engagement in fisheries management</b>						
Describing and setting standards for all fisheries management planning and administration processes – strategic planning; operational plans; fisheries plans	Improving fisheries information availability – expanding communication and public awareness programme; upgrading external website		■	■		
	Engaging tangata whenua and stakeholders in the standards-setting process, and development of fisheries plans		■	■		
	Developing stakeholder information and relationship strategies		■	■		
	Developing and 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 forums		■	■			

Credible fisheries management		Linkage to Outputs				
Strategies	Detailed Work Elements	Fisheries Policy	Fisheries Information	Fisheries Operations	Fisheries Compliance	Aquaculture Settlement
<b>Encouraging tangata whenua and stakeholder engagement in fisheries management</b>						
Describing and setting standards for all fisheries management planning and administration processes – strategic planning; operational plans; fisheries plans	Continuing meetings programme with environmental NGOs, commercial stakeholder organisations, SeaFIC Policy Council, and Te Ohu Kai Moana Trustee Limited					
	Facilitating the development of organisations coordinating stakeholder group engagement					
Building stakeholder capacity to engage in fisheries management	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					
Improving the quality of Ministry processes to engage with tangata whenua and stakeholder representative organisations	Operating the Ministry's feedback and complaints procedure					
	Defining management units for all fisheries resources					
<b>Developing objectives-based management</b>						
Managing all fisheries resources in accordance with defined objectives which are consistent with standards	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 through 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		Linkage to Outputs				
Strategies	Detailed Work Elements	Fisheries Policy	Fisheries Information	Fisheries Operations	Fisheries Compliance	Aquaculture Settlement
<b>Developing objectives-based management ... continued</b>						
Establishing transparent links between all management interventions, services, and fisheries management objectives	Develop fisheries plans					
<b>Monitoring and reporting on performance of fisheries</b>						
Developing the Ministry's web-based fisheries information report on status and management of New Zealand's fisheries resources	Develop a comprehensive web strategy					
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	Establish performance indicators based on standards					
<b>Promoting sound fisheries management policies and principles internationally</b>						
Actively engage in the work of multilateral organisations, within RFMOs, and with other countries to promote effective fisheries management policies and practices	Engagement within FAO, OECD and UN, and within RFMOs, on fisheries management issues, including the performance review of RFMOs					
	Capacity development work with Pacific Island countries with a focus on Cook Islands, Niue, Tonga and Tokelau					
<b>Maintaining and developing long term organisational capability</b>						
Strengthening Ministry capacity to meet standards and meet organisational and fisheries objectives	Implement Organisational Development Plan					
Maintaining and, where necessary, improving organisational management support, information and finance systems	Operating finance, legal, human resources, information technology, information management and administration services					
Ensuring compliance with policies and standards that support organisational managers	Implement Organisational Development Plan					
Ensuring that budget limits are not exceeded	Monitor financial management by managers					

## ■ Measuring Performance

The Public Finance Act 1989 requires departments to report on:

- > the impacts, outcomes, or objectives achieved or contributed to by departments, (including possible unintended impacts negative outcomes)
- > the cost-effectiveness of the interventions that the department delivers or administers
- > the department's organisational health and capability to perform its functions and conduct its operations effectively.

### Impacts, outcomes or objectives contributed to by the Ministry

The previous section on achieving outcomes details the Ministry's contribution to the achievement of the overall fisheries outcome "the value New Zealanders obtain through the sustainable use of fisheries resources and protection of the aquatic environment is maximised". The three contributing outcomes – 'health of the aquatic environment protected', 'people are able to realise the best value from the sustainable and efficient use of fisheries resources', and 'credible fisheries management' – each contain strategies and work areas that enable the Ministry to work towards the overall outcome.

The table overleaf provides some examples of how the Ministry's performance can be measured at different levels. These are only indicative since the supporting structures and processes are still being developed. Improved specificity of outcomes will inform the selection of performance indicators. The frameworks and indicators will be subject to consultation with stakeholders.

### Cost-effectiveness of the interventions

The Ministry is moving towards an objectives-based fisheries management approach that will:

- > manage all fisheries resources in accordance with defined objectives which are consistent with standards
- > establish transparent links between all management interventions, services, and fisheries management objectives.

Within five years, fisheries plans for all of New Zealand's key fisheries will have been developed. Cost effectiveness will be a key consideration in the development of each plan.

The Ministry is also reviewing international benchmarking undertaken by the OECD on cost effectiveness to assess New Zealand's performance. Further work by the FAO may provide additional measures.

### Organisational health and capability

In the section on Maintaining Long-term Capability, the Ministry has set out the work streams necessary to maintain and improve its ability to deliver on the fisheries outcome. The focus of the Ministry's capability development initiatives is the Organisational Development Plan (ODP) – a three year plan commenced in 2006 to ensure the outcomes and strategies set out in the Ministry's Statement of Intent are strongly reflected in, and drive, the organisation's structure, processes, priorities and investments decisions.



## Measuring performance

### 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 interventions are linked to objectives in the context of fisheries plans.	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"> <li>1 Regional Fisheries Management Organisations established for high seas fishing of major interest to New Zealand.</li> <li>2 As a minimum, the allocation of access to high seas fisheries will reflect New Zealand's participation in those fisheries.</li> </ol>	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 in confidence levels as measured by independent surveys.	Establish and develop an accessible and comprehensive website encompassing all Ministry activities.
Management decisions are based on defined objectives.	The percentage of stocks for which there are defined objectives is increasing.	Develop objectives for fisheries.
Cost effective fisheries management.	The costs of management relative to value of production are similar or lower than comparable jurisdictions.	Examine management regime to improve cost effectiveness.
Credible and cost effective stock assessments.	There is adequate research to support TAC decisions for target fisheries.	Undertake data collection and analysis to provide a sound scientific basis for TAC decisions.

## ■ Managing Risks

Within the fisheries sector, there is a variety of risks that need to be managed, including:

- > overfishing of target stocks
- > adverse impacts of fishing on the ecosystem
- > inefficient use of resources
- > integrity of management systems
- > capacity of the Ministry to deliver on its organisational objectives
- > capacity of stakeholders to engage in fisheries management processes.

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 programme
- > monitoring Ministry services and obligations.



## ■ Maintaining Long-term Capability

For the Ministry to deliver on its obligations the organisation must be robust, efficient and continually improving. The focus of the Ministry's capability development initiatives is the Organisational Development Plan (ODP) commenced in 2006.

This is a three year plan to ensure the outcomes and strategies set out in the Ministry's Statement of Intent are strongly reflected in, and drive, the organisation's structure, processes, priorities and investments decisions. The ODP also encompasses a number of initiatives to continually improve the efficiency and effectiveness of the Ministry.

The ODP represents an opportunity to improve significantly the way we operate. Redesign of, and improvements to, existing processes and the development of new processes – particularly fisheries plans – will provide the basis for the Ministry to move to a more cross-business group approach to our work. At the same time as changing business processes we will also implement our People Strategy to assist in staff development and building the capability of the organisation. Investments have been made, and will continue to be made, in the infrastructure necessary to support and facilitate the successful delivery of Statement of Intent outcomes.

The table at the end of this section shows the organisation to support outcome achievements and the linkage to the State Services Development Goals.

### Recent investments

In the past three years significant infrastructure investments have included:

#### Modernisation of the finance system

The primary objective of the finance system investment was the replacement of a dated system with current technology to ensure that the Ministry has a sound financial systems base to meet its obligations, over the next 5-10 years, for accurate and timely financial management and reporting. The secondary objective was to increase the degree of integration of key resource management tools and information to support new approaches to fisheries management. Both of these objectives were met. Core accounting, time recording, credit card expenditure and research contract information are now all held in one integrated industry-standard system. In achieving this, the Ministry has also remediated the risks inherent in the previous system being a technology that was no longer being supported.

#### Accommodation

In 2006 the Ministry completed the consolidation of its three downtown Wellington offices in to a single head office based in ASB house. This consolidation on to a single site provides the opportunity for greatly increased staff interaction and synergy gains. Investments were also made in offices in Christchurch and Petone to support the Ministry's initiatives to develop its compliance investigative capability. Offices in Nelson, Kaitaia and Whitianga were also improved to better meet the needs of front line operational staff.

These investments provided an opportunity to develop and implement Ministry-wide accommodation policies covering accommodation and environmental standards, including sustainable practice initiatives.

#### Website redevelopment

To facilitate the provision of information to stakeholders and other interested parties, and to meet government standards, the Ministry updated its primary website [www.fish.govt.nz](http://www.fish.govt.nz) and its interactive web-based mapping tool [www.nabis.govt.nz](http://www.nabis.govt.nz). Feedback from stakeholders guided the redesign, with information now more readily locatable and accessible. The result of the investment has been an increase in visitor numbers and positive feedback from stakeholders on the improvements. Further development of our website functionality and content will be made to improve access to Ministry information and processes.

#### Document and records management

To meet its obligations under the Public Records Act 2006, and to facilitate the sharing of information and the development of internal and external collaborative relationships, a major document and records management project was commenced. The objective of the project is to implement best practice information, and document and records management processes as a basis to capture and then easily retrieve and share information. This project is currently moving from the planning to implementation phase. Implementation will be completed during 2007.

## Governance, accountability and monitoring

Appropriate organisational governance is important to the Ministry achieving good outcomes. The Ministry operates a range of governance committees; the objectives of these committees are to ensure that:

- > there are clear objectives, performance standards and accountabilities established for delivery of the agreed outcomes, outputs and services
- > the Ministry maximises the effective utilisation of public resources
- > the Ministry's core operating infrastructure and capability is maintained and developed
- > the Ministry establishes appropriate risk identification and management processes
- > Governance mechanisms will be continually reviewed and adapted to meet emerging needs.

## People strategy

The Ministry's People Strategy is designed to ensure that the Ministry attracts, develops and retains the people needed to achieve its organisational goals. The Ministry strives to be recognised as an employer of choice in the Public Sector and to maintain a strong culture of performance and continual learning and improvement. In support of continual learning and improvement a competency based capability development programme will be progressively rolled out through the entire organisation. This follows on from a successful pilot programme implemented by the Ministry's compliance team. Organisational management and leadership development programmes are also under development in association with the Leadership Development Centre.

## Stakeholder relationships and communication

To support and facilitate tangata whenua and stakeholder engagement in the strategic management of New Zealand's fisheries the Ministry is progressing the objectives based management of fisheries through multi-party fishery plan teams. Infrastructure is being developed to assist this engagement and to enable the efficient operation of these teams. Significant resource will be invested in web-based capability to share information with tangata whenua, stakeholders and other interested parties and to also facilitate consultation and collaboration processes.

## Sustainable work practices

Through sustainable work practices the Ministry has its role to play in helping to preserve the unique quality of life that New Zealanders enjoy. The Ministry is committed to minimising its environmental footprint. This will be achieved by working with all staff to ensure that all of the Ministry's work practices, procurement decisions and resource allocation decisions are as sustainable as practical.

## Information

Significant information investments underway include:

### Human Resource Information System (HRIS)

To support the implementation and ongoing effective and efficient management of competency, management and leadership development initiatives the Ministry will invest in HRIS capability. This investment will be supported by the standardisation of HR processes and templates.

### Updating unique applications

Replacement of aging IT architecture and systems is underway with the migration of the Ministry's technology platform to the Microsoft.Net framework. Standardisation of the Ministry's technology platform will also reduce maintenance and systems development costs.

### Electronic capture of observer data

Ministry observers collect very significant amounts of scientific data to support the robust assessment of fish stocks. Investment is being made in moving data recording from a paper based system to an electronic system. In addition to data being available to fisheries managers and scientists much faster this investment will also result in a significant reduction in operating costs.

## Procurement

The Ministry is implementing a category management approach to procurement to maximise the value obtained from expenditure on goods and services. This approach includes the consolidation of the Ministry's total purchases in to a limited number of categories, the rationalisation of items purchased within each category and the utilisation of government syndicated purchasing arrangements or public tendering to maximise value. Purchase decisions are made consistent with the Ministry's sustainability objectives.

Maintaining the Ministry's Organisation to Support Outcome Achievements	Linkage to State Sector Goals						
Work streams and detailed work elements for 2007/08	Employer of Choice	Excellent State Servants	Networked State Services	Coordinated State Agencies	Accessible State Services	Trusted State Services	
<b>People</b>							
Alignment of organisational recruitment, training and development and performance management processes to SOI outcomes and strategies							
Implementing research based competency frameworks							
Implementing management and leadership development programmes							
Developing measures to monitor the Ministry's performance in achieving State Services Development Goals							
<b>Stakeholder relationships and communications</b>							
Increase the knowledge of the fisheries sector amongst tangata whenua, stakeholders and the general public							
Development and implementation of a consultation standard and supporting processes							
Develop a co-ordinated tangata whenua and stakeholder consultation calendar to facilitate stakeholder consultation planning and effective engagement							
Develop and maintain a single tangata whenua and stakeholder contact database							
<b>Sustainable work practices</b>							
Establish and publish the Ministry's principles and values for sustainable work practices							
Establish a baseline environmental footprint for the Ministry and then identify and prioritise opportunities to minimise the Ministry's footprint including: <ul style="list-style-type: none"> <li>• Implementing recycling and waste minimisation practices</li> <li>• Ensuring sustainable design and operation is a key element of all building developments and asset acquisitions</li> </ul>							

Maintaining the Ministry's Organisation to Support Outcome Achievements	Linkage to State Sector Goals						
Work streams and detailed work elements for 2007/08	Employer of Choice	Excellent State Servants	Networked State Services	Coordinated State Agencies	Accessible State Services	Trusted State Services	
<b>Sustainable work practices ... continued</b>							
Ensuring that sustainable practice is an appropriately weighted consideration in all procurement decisions							
<b>Information</b>							
Implement best practice processes for the capture, storage, use and dissemination of information							
Provide tangata whenua, stakeholders and general public user friendly Web based access to information and Web based collaboration and consultation opportunities							
Complete the document and records management system implementation							
<b>Organisation risk management</b>							
Establish and implement an organisational risk management framework and associated assessment, mitigation and monitoring processes							
<b>Asset management</b>							
Review asset utilisation and asset replacement policies with the objective of maximising value from asset investments							
<b>Procurement policies and processes</b>							
Rationalise and standardise procurement within defined categories including leveraging government syndicated purchasing arrangements and establishing partnerships with key suppliers							
Evaluate alternative options to achieve operating efficiency (e.g. video conferencing replacing air travel)							

## ■ Additional Fisheries Services for 2007/08

Achieving the Ministry's vision relies on the commitment and ability of its people, the quality of the services and the strength of the relationships with others who have an interest and involvement in the fishery. This requires investment in the Ministry and the wider fisheries sector. The proposals set out in this section have been approved as part of the Government's 2007 Budget.

Proposal (\$000 GST excl)	2007/08	Crown	Cost recovered
Environmental certification of fisheries	1,150	1,150	0
Legal expenses	500	500	0
Inshore trawl catch effort form	232	0	232
International Polar Year	1,000	1,000	0
South Pacific Regional Fisheries Management Organisation	1,000	1,000	0
<b>Total</b>	<b>3,882</b>	<b>3,650</b>	<b>232</b>

### Environmental certification of fisheries

Environmental certification is important for marketing New Zealand seafood internationally. Seafoods certified by the Marine Stewardship Council (MSC), the only internationally recognised certifier of seafood products from sustainable fisheries, are widely promoted in overseas markets. Certification should result in improved market access, increased export earnings and higher profitability for New Zealand companies. The costs are included in the Fisheries Policy Advice departmental output expense under output New Zealand fisheries policy advice provided.

### Increase in Ministry of Fisheries' baseline for Crown legal expenses

This initiative sets the Ministry of Fisheries baseline for Crown legal expenses at a more realistic level, enabling the Crown to continue to defend its fisheries management decisions. The costs are included in the Fisheries Operations departmental output expense under output New Zealand fisheries utilisation and sustainability reported.

### Inshore trawl catch effort form

Improvements in fisheries management can be obtained through the reporting of spatial information by commercial fishers at a finer scale than is currently achieved. Development of a new Catch and Effort return for vessels 28 metres and under in length will meet these information needs. The costs are included in the Fisheries Operations departmental output expense under output New Zealand fisheries utilisation and sustainability reported.

### International polar year

New Zealand science participation in the Census of Antarctic Marine Life (CAML), a circum-Antarctic biodiversity survey, is a high priority. Specific outcomes are expected to include assessments of ocean acidification arising from climate change, improved understanding of ecosystem processes and taxonomic identification of new species. The costs are included in the Fisheries Information departmental output expense under output utilisation and sustainability of New Zealand's fisheries resources measured.

### South Pacific Regional Fisheries Management Organisation (SPRFMO)

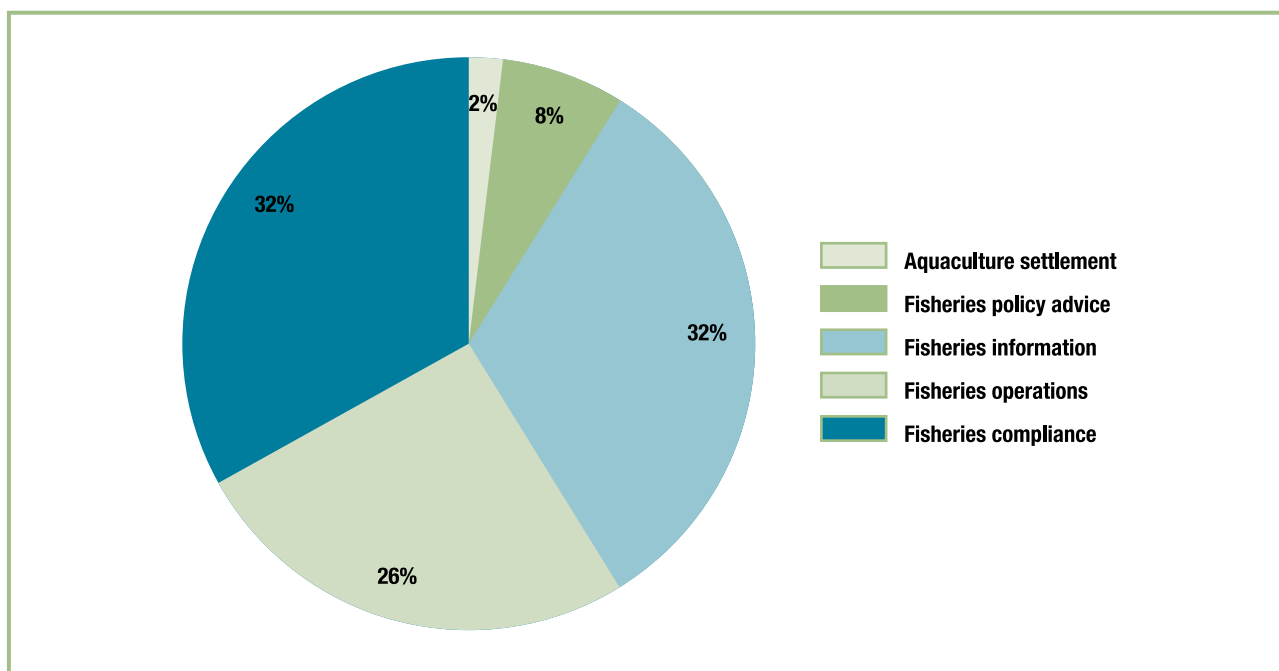
New Zealand is a co-sponsor of an initiative to establish a new Regional Fisheries Management Organisation to manage non-tuna fisheries in high seas parts of the South Pacific Ocean. This initiative provides funding for New Zealand to host the SPRFMO interim secretariat for two years from 1 July 2007 to 30 June 2009. The costs are included in Other Expenses to be Incurred by the Crown – Contributions to International Organisations.

## Financial Overview

In 2007/08 the Ministry is planning, through Vote: Fisheries, to:

- > receive \$91.0 million in revenue from the Crown and \$2.7 million from other purchasers of services, from which it will supply the five departmental output expenses for Vote: Fisheries detailed in the output plan.
- > incur output expenses of \$93.7 million in providing these services.

The split of departmental output expenses for 2007/08 is set out below.



### Conventions

Unless otherwise stated:

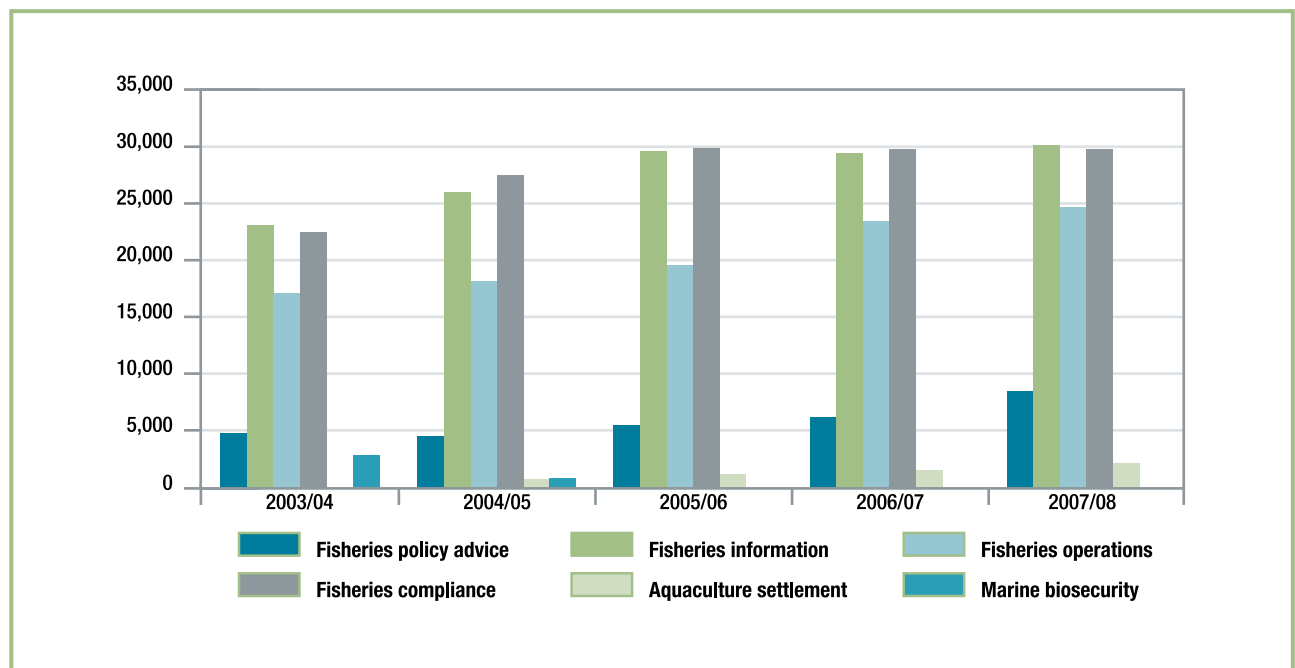
- > all financial information is expressed in \$000s
- > all financial measures are on a GST exclusive basis
- > a variance calculation shown in brackets ( ) signifies an increase in expenditure or a decrease in revenue.

## ■ 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

	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 SOI	2007/08 Plan
Fisheries policy advice	4,493	4,127	5,758	6,185	7,966
Fisheries information	22,604	25,946	27,029	29,138	29,926
Fisheries operations	16,992	17,615	20,209	22,950	24,398
Fisheries compliance	22,069	27,448	30,717	29,615	29,635
Marine biosecurity	2,366	603	0	0	0
Aquaculture settlement	0	517	1,003	1,553	1,812
<b>Total</b>	<b>68,524</b>	<b>76,256</b>	<b>84,716</b>	<b>89,441</b>	<b>93,737</b>

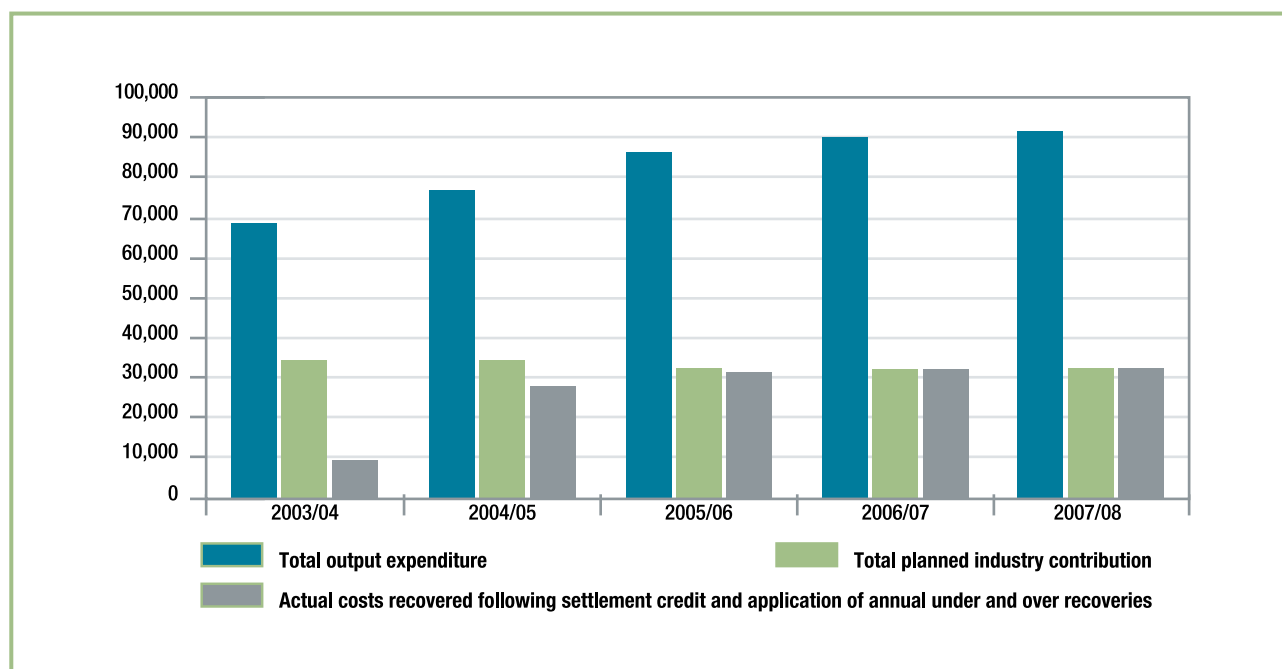


### Fiscal trend for research services

	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 SOI	2007/08 Plan
Antarctic and Deepwater	905	3,236	3,311	1,896	2,631
Hoki and Middle Depths	3,681	4,717	4,152	5,513	4,229
Inshore Finfish, Eel and Snapper	1,269	1,923	1,343	1,789	2,076
Pelagic	951	1,075	1,867	1,589	1,209
Shellfish and Rock Lobster	2,152	1,587	1,964	2,292	2,770
Non Commercial Fisheries	689	2,035	1,831	1,505	1,584
Aquatic Environment	535	540	1,481	1,899	1,692
Other Research	1,865	2,174	1,965	2,423	1,450
Biodiversity research	3,099	1,884	1,490	2,106	1,803
Biosecurity research	1,781	1,192	0	0	0
International Polar Year	0	0	0	0	1,000
<b>Total</b>	<b>16,927</b>	<b>20,362</b>	<b>19,404</b>	<b>21,013</b>	<b>20,444</b>

### 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.



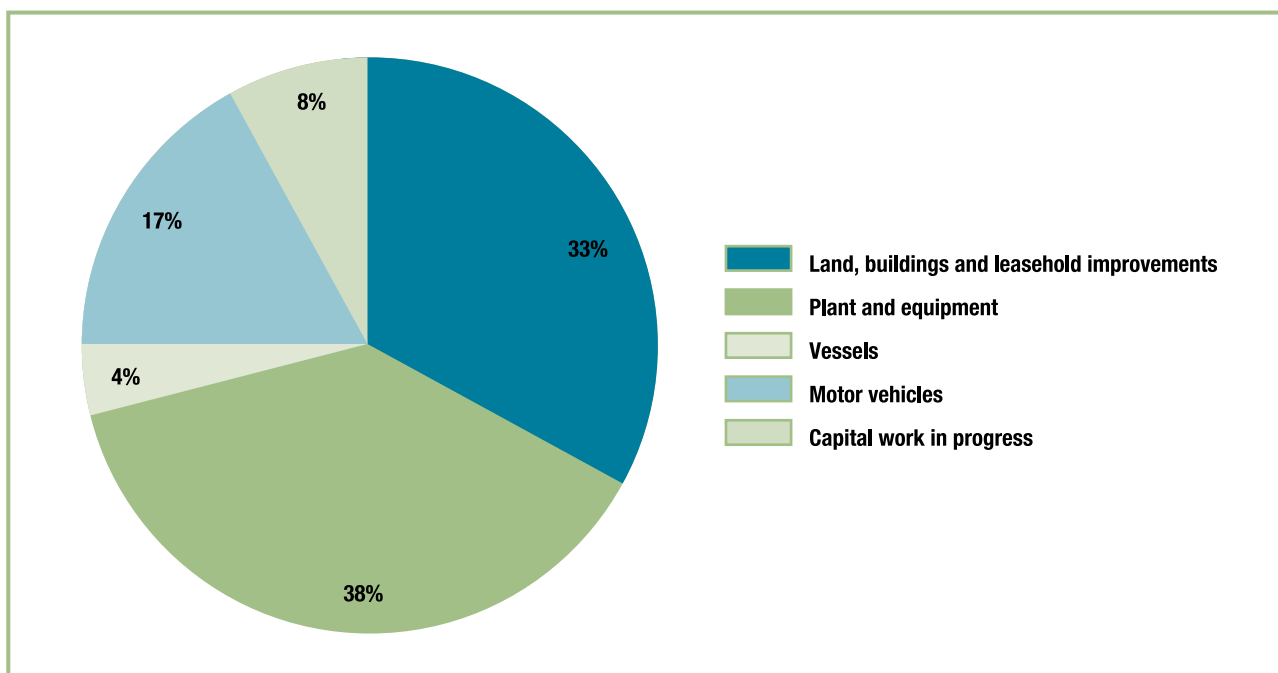
	<b>2003/04 Actual</b>	<b>2004/05 Actual</b>	<b>2005/06 Actual</b>	<b>2006/07 SOI</b>	<b>2007/08 Plan</b>
Total output expenditure	68,524	76,265	85,744	89,441	93,737
Total planned industry contribution	33,800	34,068	33,955	32,516	33,255
Actual costs recovered following settlement credit and application of annual under and over recoveries	8,987	27,433	32,738	33,682	33,255

### Departmental charges

	<b>2003/04 Actual</b>	<b>2004/05 Actual</b>	<b>2005/06 Actual</b>	<b>2006/07 SOI</b>	<b>2007/08 Plan</b>
Transshipment and Observer charges	1,280	774	834	1,429	1,369
Permit fees	166	148	166	150	180
Marine farming fees	515	90	395	400	150
Other	295	630	1,272	848	1,003
<b>Total</b>	<b>2,256</b>	<b>1,642</b>	<b>2,667</b>	<b>2,827</b>	<b>2,702</b>

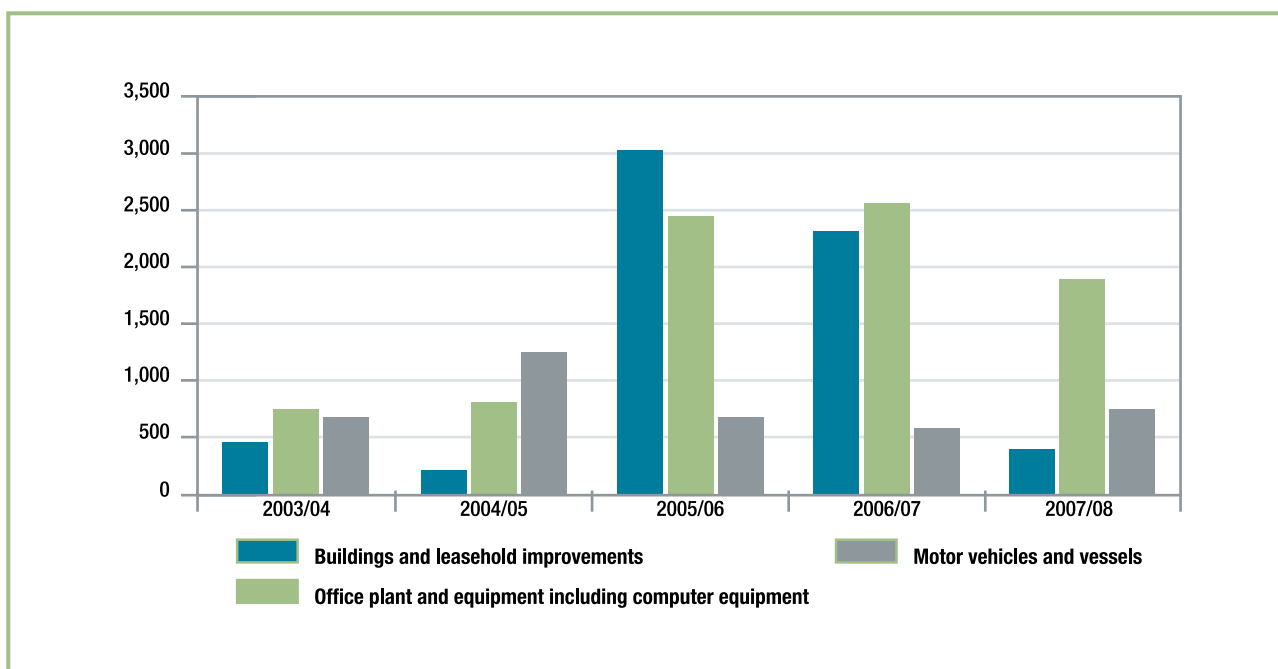
## ■ Asset Management

### Departmental non-current asset forecast for 30 June 2008



### Capital expenditure programme

For details please refer to the table included in the forecast financial statements.



## The Output Plan



## ■ Fisheries Services to be Provided in 2007/08

This section contains the specific outputs and services to be delivered in 2007/08 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 2007 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 approved services to be delivered in 2007/08.

### Departmental output expenses

The table overleaf sets out the departmental output costs, and shows:

- > the full cost of the outputs
- > the amounts to be recovered from the commercial fishing sector through cost recovery levies and transaction charges
- > the net Crown cost for 2007/08
- > a comparison with the full cost of each output for 2006/07.

### Capacity indicators

The specific services provided in 2007/08 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. Each Departmental Output Expense shows the capacity allocated to that area.

### Link to Government themes and Ministry outcomes

Ministry services/outputs contribute to the following Government themes:

- > Economic transformation – improving the sustainable use and management of natural resources (ET – sustainability)
- > Economic transformation – increasing international connection of firms (ET – connections)
- > National identity – recreation, conservation and the environment (NI – recreation)
- > National identity – reconciliation (NI – reconciliation)
- > National identity – promoting effective international rules (NI – rules)
- > National identity – rules-based systems that support security and prosperity and promote New Zealand values (NI – security)
- > National identity – eliminating poverty through development partnerships (NI – partnerships)

Ministry outcomes are:

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

The link from outputs to Government themes and Ministry outcomes is shown on the following page.

## Links from Ministry outputs to Government themes and Ministry outcomes

Service/output	Government themes							Ministry contributing outcomes		
	Economic Transformation		National identity							
	Sustainability	Connections	Recreation	Reconciliation	Rules	Security	Partnerships	Health of the aquatic environment	Best Value	Credible Management
<b>Fisheries Policy Advice</b>										
NZ Fisheries policy advice provided										
• Adding value to the fisheries sector										
• Improving environmental performance										
• Developing fisheries outcomes and a monitoring framework										
• Providing for the delivery of obligations to Māori										
International fisheries policy advice provided										
• Policy advice										
• Representing New Zealand										
• Capability development with Pacific Island countries										
Ministerial services provided										
<b>Fisheries information</b>										
Utilisation and sustainability of New Zealand's fisheries resources measured										
Observer services provided										
<b>Fisheries operations</b>										
New Zealand fisheries utilisation and sustainability reported										
Deed of Settlement implemented										
Statutory decision processes administered										
Aquaculture permit applications processed										
Registry services managed										
<b>Fisheries compliance</b>										
Commercial fisheries compliance										
Non-commercial fisheries compliance										
New Zealand's international fisheries compliance										
Poaching and black-market activities deterred										
Prosecutions managed										
<b>Aquaculture settlement</b>										
Aquaculture settlement implemented										

**Departmental output expenses – Allocation of costs for 2007/08**

\$000 Departmental Output Expense	2006/07 Full Cost	Full Cost	2007/08 Industry Recovered		Net Crown Cost
			Levies	Transaction Charges	
<b>Fisheries policy advice</b>					
New Zealand fisheries policy advice provided	2,975	4,201	0	0	4,201
International fisheries policy advice provided	2,415	2,701	0	0	2,701
Ministerial services provided	795	1,064	0	0	1,064
<b>Sub total</b>	<b>6,185</b>	<b>7,966</b>	<b>0</b>	<b>0</b>	<b>7,966</b>
<b>Fisheries information</b>					
Utilisation and sustainability of New Zealand's fisheries resources measured	25,490	25,913	15,174	0	10,739
Observer services provided	3,648	4,013	2,644	1,369	0
<b>Sub total</b>	<b>29,138</b>	<b>29,926</b>	<b>17,818</b>	<b>1,369</b>	<b>10,739</b>
<b>Fisheries operations</b>					
New Zealand fisheries utilisation and sustainability reported	11,297	12,679	0	0	12,679
Deed of Settlement implemented	5,366	5,859	0	0	5,859
Statutory decision processes administered	433	332	302	30	0
Aquaculture permit applications processed	858	785	0	150	635
Registry services managed	4,996	4,743	4,593	150	0
<b>Sub total</b>	<b>22,950</b>	<b>24,398</b>	<b>4,895</b>	<b>330</b>	<b>19,173</b>
<b>Fisheries compliance</b>					
Commercial fisheries compliance	8,125	8,843	8,843	0	0
Non-commercial fisheries compliance	6,417	5,731	0	0	5,731
New Zealand's international fisheries compliance	617	739	0	0	739
Poaching and black-market activities deterred	11,046	10,506	0	0	10,506
Prosecutions managed	3,410	3,816	0	0	3,816
<b>Sub total</b>	<b>29,615</b>	<b>29,635</b>	<b>8,843</b>	<b>0</b>	<b>20,792</b>
<b>Aquaculture settlement</b>					
Aquaculture settlement implemented	1,553	1,812	0	0	1,812
<b>Sub total</b>	<b>1,553</b>	<b>1,812</b>	<b>0</b>	<b>0</b>	<b>1,812</b>
<b>Total departmental output expenses</b>	<b>89,441</b>	<b>93,737</b>	<b>31,556</b>	<b>1,699</b>	<b>60,482</b>
<b>2006/07 SOI</b>		<b>89,441</b>	<b>30,537</b>	<b>1,979</b>	<b>56,925</b>

## Reconciliation between the 2006/07 and 2007/08 appropriations

	Total	Industry	Crown
<b>Vote: Fisheries Baseline as per 2006/07 SOI</b>	<b>89,441</b>	<b>32,516</b>	<b>56,925</b>
<b>Less</b>			
Fiordland marine management implementation	(22)	0	(22)
Biosecurity data management	(150)	0	(150)
Secondment to UNFAO	(246)	0	(246)
IUU fishing	(25)	0	(25)
Mapping benthic biodiversity	(500)	0	(500)
National Maritime Coordination Centre	(53)	0	(53)
Reduction in expense – aquaculture	(216)	0	(216)
<b>Plus</b>			
Compliance Health and Safety funding	32	0	32
Wellington accommodation	45	0	45
Deed of Settlement implementation programme	445	0	445
Develop objectives-based fisheries management	750	0	750
Serious Offences funding	20	20	0
Observer funding	267	267	0
State Sector Retirement Savings Scheme	487	0	487
Maori aquaculture settlement carry forward	200	0	200
Research into sea-bed habitats and biodiversity in New Zealand	380	0	380
Increase in legal expenses	500	0	500
Activity changes	0	220	(220)
Inshore trawl catch effort form	232	232	0
Environmental certification of fisheries	1,150	0	1,150
International Polar Year	1,000	0	1,000
<b>Vote: Fisheries baseline as per 2007/08 SOI</b>	<b>93,737</b>	<b>33,255</b>	<b>60,482</b>

## ■ 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.

## ■ New Zealand Fisheries Policy Advice Provided

### Services to be provided

The services provided by the Ministry's Fisheries Policy group over the next five years cover a range of policy development activities, in the following key areas:

#### 1 Adding value to the fisheries sector

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.

It includes reforms to improve the policy setting for allocation of shared fisheries (those fisheries in which commercial, recreational and Māori customary fishers all have significant interests), and to improve Ministry engagement with fisheries stakeholders (especially non-commercial stakeholders and the public). It also involves contributing to the Government's focus on economic transformation.

#### 2 Improving environmental performance

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

It includes reviewing the Fisheries Act 1996 to consider whether improvements to the regulatory environment are needed, and reform areas involving other government agencies that address adverse effects of activities on the marine environment, including impact on fisheries resources and habitats.

#### 3 Developing fisheries outcomes and a monitoring approach

The focus of this work area is better prescribing fisheries management outcomes and appropriate monitoring approaches. Fisheries outcomes will inform the operation of an objectives-based approach to fisheries management. The monitoring approach will include development of effectiveness measures and reporting on indicators of the achievement of fisheries outcomes. The work area also includes a contribution to the development of fisheries standards (led by the Fisheries Operations group).

#### 4 Providing for the delivery of obligations to Māori

This work includes completing the Ministry's Treaty Strategy that will specify how the Ministry's obligations to Māori align with the outcomes framework and how these are implemented in different areas of the Ministry's work. A review of the implementation of the Treaty Strategy in order to identify areas for improvement will also be undertaken.

The Fisheries Policy group also contributes to the settlement of the historical Treaty claims of individual iwi and hapū, and supports Crown negotiations and the consideration of applications made under the foreshore and seabed legislation.

A comprehensive range of policy support will be provided across these four categories of policy services, 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.

### Capacity

In 2007/08, an estimated 25,800 hours of Ministry resource will be used to produce the services listed above.

### Performance indicators

- 1 The quantity and nature of the specific services to be provided by the Fisheries Policy group in 2007/08 will be supplied on the basis agreed between the Minister of Fisheries (the Minister) and the Chief Executive of the Ministry. Timeframes for specific services will be agreed between the Minister and the Chief Executive of the Ministry (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.
- 2 All reports will comply with the Ministry's quality standards for analysis and advice outlined in this document.
- 3 Reporting at agreed intervals during the year will enable the Minister to assess actual performance in output delivery against those expectations. 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. The monitoring approach (above) provides for development of more specific effectiveness measures.

### Cost

	2006/07 SOI	2007/08 Plan	Change
Plan	2,975	4,201	(1,226)
Amount to be recovered from industry	0	0	0
Percentage to be recovered from industry	0	0	-

## ■ International Fisheries Policy Advice Provided

### Services to be provided

The Ministry's International team provides the following services in order to further New Zealand's fisheries policy objectives and interests internationally:

#### 1 Policy advice

Policy advice is provided to the Minister on a broad range of international fisheries issues including the development of international principles and standards to promote the sustainable use of fisheries resources, New Zealand's negotiating position in regional fisheries management organisations, and the advancement of New Zealand's fisheries interests multilaterally and bilaterally including trade policy. Much of this advice is developed in consultation and collaboration with the Ministry of Foreign Affairs and Trade for provision to joint Ministers.

Key policy issues include Illegal, Unregulated and Unreported (IUU) fishing, protection of marine biodiversity on the high seas, fisheries management and allocation issues within Regional Fisheries Management Organisations (RFMOs), and the performance of RFMOs. Advice is often centred around New Zealand's negotiating position on key issues in advance of international fisheries meetings, and the seeking of endorsement and direction from Ministers in advance of those meetings.

#### 2 Representing New Zealand

Following endorsement of New Zealand's policy positions, the International team then advances those positions by representing New Zealand internationally. The International team actively engages in multilateral forums such as the United Nations, the FAO, the WTO and the OECD to negotiate improved principles and standards to promote the sustainable use of fisheries resources. International plays a lead role in negotiations in regional fisheries management organisations (CCAMLR, CCSBT, WCPFC, SPRFMO) to ensure sustainable use and secure access for the New Zealand fishing sector. International staff also represent New Zealand in bilateral fisheries discussions and negotiations including in the context of bilateral cooperation arrangements and trade access negotiations for New Zealand fisheries products.

Depending on the context, the Ministry's International team either leads New Zealand's delegations to international forums or actively participates in delegations led by the Ministry of Foreign Affairs and Trade. The number of meetings and the nature of the International team's involvement in New Zealand's delegations to those meetings provide an indicator of the extent to which the International team is engaged in representing New Zealand in international fisheries forums.

An important component of the team's role, and a key contributor to the team's effectiveness, is the forming and maintaining of strong working relationships with counterparts in other countries and with individuals working within multilateral organisations and RFMO Secretariats.

Outcomes of discussions and negotiations will be reported back to Ministers at the conclusion of significant international meetings, including the extent to which New Zealand's primary objectives were met. While New Zealand delegations have limited ability to control the outcomes of international meetings, the extent to which New Zealand has been able to influence the outcomes of those meetings will be reflected in the report back.

### 3 Capacity development with Pacific Island countries

The International team leads and coordinates the Ministry's input into capacity building work with Pacific Islands countries, including work with the Pacific Islands Forum Fisheries Agency (FFA). The Ministry's Capacity Development Framework sets out how the Ministry works with Pacific Island countries with a focus on Cook Islands, Niue, Tokelau and Tonga, including the aim of establishing enduring relationships between the Ministry and fisheries departments in those countries to assist in long term cooperation. The team works closely with NZAID on the fisheries related aspects of New Zealand's overseas development assistance (ODA) to Pacific Island countries.

#### Capacity

In 2007/08, an estimated 16,400 hours of Ministry resource will be used to produce the services listed above.

#### Performance indicators

- 1 All briefing papers and reports to the Minister will comply with the Ministry's quality standards for analysis and advice outlined in this document. 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. Whenever possible, advice papers will be provided at least 2 weeks in advance of international meetings to ensure that Ministers have sufficient time to consider the issues and make the necessary decisions. Reporting at agreed intervals during year will enable the Minister to assess actual performance in output delivery against expectations.
- 2 It is expected that the International team will provide advice in relation to and representative of New Zealand's interests at approximately 20 multilateral or regional meetings of 3 days to 2 weeks duration, annually.
- 3 Capacity building initiatives with Pacific Island countries will be conducted in accordance with the Ministry's Capacity Development Framework (which includes monitoring and evaluation provisions) and, where finalised, under the terms of high level cooperation arrangements between the Ministry and its Pacific Island counterparts. Feedback will be sought, both from the countries and/or agencies themselves and from NZAID, on the extent to which the Ministry's capacity building work is achieving positive results and contributing to desired outcomes.

#### Cost

	2006/07 SOI	2007/08 Plan	Change
Plan	2,415	2,701	(286)
Amount to be recovered from industry	0	0	0
Percentage to be recovered from industry	0	0	-

## ■ Ministerial Services Provided

### Services to be provided

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.

### Capacity

The Ministerial Services team comprises two staff. The Ministry also provides, to the Minister of Fisheries on secondment, one Private Secretary (Fisheries).

In 2007/08, an estimated 12,600 hours of total Ministry resource will be used to produce the services listed above.

### Performance indicators

The percentage of ministerial drafts provided to the Minister without error where error could have been avoided will be	95%
The percentage of draft ministerial replies completed within 15 working days of receipt unless specified as urgent will be not less than	95%
The percentage of draft responses to Parliamentary questions provided for the Minister's signature without error where error could have been avoided will be	100%
The percentage of responses to oral Parliamentary questions delivered on time	100%
The percentage of responses to written Parliamentary questions delivered on time	100%
The percentage of urgent replies completed within 5 days	100%
Advice and reports to Select Committees and Cabinet Committees will be in accordance with prescribed requirements, error free and on time	100%

### Cost

	2006/07 SOI	2007/08 Plan	Change
Plan	795	1,064	(269)
Amount to be recovered from industry	0	0	0
Percentage to be recovered from industry	0	0	-

## ■ Departmental Output Expense – Fisheries Information

### Description

This departmental output expense covers research that is largely science based (primarily stock assessments and environmental assessments), 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 new projects.

### Objectives

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

- > the 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
- > relevant cultural factors that may need to be included in the management decision process
- > specific measures needed to implement the appropriate management strategy.

## ■ Utilisation and Sustainability of New Zealand's Fisheries Resources Measured

### Services to be provided

As an input into current and future fisheries management decisions, fisheries research needs are identified, projects undertaken and results reported to provide scientific 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.

In addition, 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. 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).

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 monitor whether or not fisheries are decreasing as a result of overfishing, 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. No overheads are applied to contracted services, although the overhead costs related to maintaining the programme are apportioned over direct costs.

Medium term research plans for fisheries groups, aquatic environment issues and biodiversity are reviewed and updated annually in consultation with stakeholders and form the framework for ongoing or new research requirements. Currently there are 13 Research Planning Groups which meet periodically, but primarily in the July-September period, to write project proposals and plan and prioritise research needs based on the medium term research plans and other relevant documents. A Research Coordinating Committee conducts an overall prioritisation process during a 2-day meeting in early to mid October.

Stakeholders submit written comments based on the output from the RCC and the Ministry takes account of the comments and provides written responses. New results from the research programme are presented annually to a number of Ministry-led working groups that convene to assess a range of fishstocks, environmental effects of fishing and biodiversity issues. 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 Fishery Assessment Plenary documents.

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. Environmental research findings are reviewed and assessed by this working group. The Ministry is in the process of developing an aquatic environment assessment plenary document summarising the relevant issues, the current state of knowledge about the issues and progress that has been made assessing and mitigating environmental effects of fishing.

Biodiversity research programmes are 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 and to identify essential components without which the marine environment could not continue to sustain productivity. This work has implications for the overall health of the aquatic environment and the long-term sustainability of our fisheries.

For 2007/08, the Ministry will continue the approach adopted in 2006/07 and classify research projects into two categories with the intention of more fully utilising the research appropriation. Tier 1 projects are those that can be accommodated within the approved funding levels. Tier 2 projects 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 not be cost recovered.

## Capacity

The current full time staff complement necessary to undertake this work is 17 scientists with either stock assessment or environmental assessment expertise. In 2007/08, an estimated 37,000 hours of Ministry resource will be used to produce the services listed above.

There is also a team of 9 in the Research Data Management Group. This group ensures that the Ministry's scientific data is collected, processed, archived and made available to support management decisions. Research Data Management is responsible for the Ministry's geospatial data, including the National Aquatic Biodiversity Information System (NABIS) web site.

## Performance indicators

- 1 Update medium-term research plans for all fisheries groups with October-September fishing years, for the aquatic environment, (except Antarctic fisheries) and for biodiversity, in accordance with defined quality standards, by 31 October 2007.
- 2 Finalise the development of new research project proposals for fisheries and the aquatic environment for 2008/09 and produce the draft annual Fisheries Research Services plan in accordance with defined quality standards, by 30 November 2007.
- 3 Produce a report from the mid-year fishery assessment plenary in accordance with defined quality standards, by 30 November 2007.
- 4 Provide written responses to stakeholder submissions on the draft annual Fisheries Research Services for 2008/09, by 15 December 2007.
- 5 Enhance the NABIS website to allow users to retrieve the underlying electronic data that describes maps (provide a web mapping service) and allow users to use NABIS as a portal to query five of the biodiversity databases owned by the Ministry but located at National Institute for Water and Atmospheric Research Ltd (NIWA), by 31 March 2008.
- 6 Update the Antarctic medium-term research plan in accordance with defined quality standards, by 31 May 2008.
- 7 Produce research proposals for biodiversity projects for 2008/09 in accordance with defined quality standards, by 31 May 2008.
- 8 Complete the review of stock status for all newly assessed stocks and produce a report from the fishery assessment plenary in accordance with defined quality standards, by 31 May 2008.
- 9 Produce a draft aquatic environment assessment plenary document in accordance with defined quality standards, by 30 June 2008.
- 10 Complete the external audit of three current research projects, by 30 June 2008.
- 11 Complete the tender evaluation, contract award and monitoring of new research projects for the 2007/08 financial year, by 30 June 2008.
- 12 Review and provide quality assurance for all final research reports submitted by research providers for research projects completed prior to 30 April 2008, by 30 June 2008.

### Notes:

The quality standards adopted for measures 1, 2, 6 and 7 above are those defined in the document 'Format and Content of Medium Term Research Plans and Project Summaries Proposed by the Research Planning Groups', dated 30 July 2006).

The quality standards adopted for measures 3, 8 and 9 above are those defined in the Fisheries Research Services 2003/2004 Tender Document: Part II: A – Appendix II B, Form 2).

A brief commentary on these can be found on pages 66 of this document. For a fuller description, readers are referred to the Ministry web site [www.fish.govt.nz](http://www.fish.govt.nz).

## Cost

	2006/07 SOI	2007/08 Plan	Change
Plan	25,490	25,913	(423)
Amount to be recovered from industry	14,914	15,174	(260)
Percentage to be recovered from industry	59	59	-

## Observer Services Provided

### Services to be provided

Observers provide an independent source of high quality scientific and other information from commercial fishing operations. This information is a valuable input into the management of New Zealand's fisheries resources, particularly the setting of sustainability levels and the monitoring of the environmental impact of fishing activities. Observers are also used by external agencies (e.g. the Department of Conservation (DoC)), to gather the specific fisheries related information required to meet their organisational obligations.

Observer coverage planning is a component of the Ministry's, and DoC's, research planning processes. Observer deployments are made consistent with the annual coverage plan and data collection specifications.

The targeted cost of Observer coverage is an average of \$525 per coverage day, exclusive of GST. The actual cost of coverage varies between fisheries depending on the continuity of sea days and the shore day to sea day ratio required to achieve coverage days. These cost drivers are reflected in a lower cost per coverage day for deep sea coverage compared to inshore coverage.

### Capacity

To ensure sufficient observer capacity to facilitate delivery of the observer coverage plan a pool of approximately 45 observers is required. These are employed on a casual/part time basis. To maintain capacity at the required level there are 2 intakes of observers per year, typically in May and October. Each intake process includes rigorous assessment and interview steps followed by a 3 week training programme based at the New Zealand School of Fisheries in Nelson. To complete their practical training successful graduates are then paired with experienced observers for their initial sea deployments.

In 2007/08, an estimated 11,200 hours of Ministry resource will be used to manage the services listed above, and an estimated 110,000 hours to deliver the 7,460 planned sea days.

### Performance indicators

- 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 of \$525 +/- 10% per day.
- 3 Observer coverage of 7,460 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.

### Cost

	2006/07 SOI	2007/08 Plan	Change
Plan	3,648	4,013	(365)
Amount to be recovered through levies	2,219	2,644	425
Amount to be recovered through transaction charges	1,429	1,369	(60)
Percentage to be recovered from industry	100	100	-

## ■ Departmental Output Expense – Fisheries Operations

### Description

This departmental output expense provides for:

- > The development of standards, guidelines, regulations, fisheries plans and processes that make fisheries policy operational
- > Services to monitor the delivery of contracted and devolved registry services to ensure consistency and compliance with contracted or devolved standards
- > Delivering on obligations arising from the Fisheries Deed of Settlement obligations
- > The management and dissemination of information received from registry agencies
- > Management of 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

This departmental output expense is designed to achieve:

- > Appropriate standards defining acceptable impacts of fishing
- > Appropriate allocation of rights to utilise fisheries
- > Objective-based fisheries plans that maximise value from fisheries
- > Effective participation for tangata whenua in fisheries management.

## ■ New Zealand Fisheries Utilisation and Sustainability Planned and Reported

### Services to be provided

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

- > Maintenance of the rights-based structure
- > Development and implementation of fisheries plans and standards
- > Implementation of 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
- > Advice on the fishing-related impacts of biosecurity decisions
- > Advice on the management tools used to protect biodiversity.

## Capacity

In 2007/08, an estimated 105,000 hours of Ministry resource will be used to produce the services listed above.

## Performance indicators

- 1 Develop fisheries plans and standards in accordance with timeframes agreed with iwi and stakeholders.
- 2 Provide concurrence reports on marine reserve applications 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.
- 3 Provide final advice papers to the Minister of Fisheries on proposed sustainability measures and management controls, and new species to be introduced into the QMS in sufficient time to implement decisions prior to the relevant fishing year.
- 4 Provide advice and support from a fisheries management perspective on the formulation of strategic goals for the marine biosecurity system and advice on biosecurity risks.
- 5 Undertake work to finalise Stage One of the Marine Protected Areas Policy and implement Stage Two by 31 Dec 2007, in accordance with the work programme for the implementation of the Policy.
- 6 All advice to decision-makers will be delivered in accordance with the standards for policy advice listed in the section immediately following the output expense section.

## Cost

	2006/07 SOI	2007/08 Plan	Change
Plan	11,297	12,679	(1,382)
Amount to be recovered from industry	0	0	0
Percentage to be recovered from industry	0	0	-

## ■ Deed of Settlement Implemented

### Services to be provided

Assist tangata whenua to better contribute to the sustainable management of New Zealand fisheries, through the effective use of the Ministry's pou hononga, pou takawaenga and fisheries analyst resources. An important aspect of their work involves assisting in the process for the appointment of tangata tiaki and tangata kaitiaki. Building and maintaining our relationship with tangata whenua and assisting them to engage in the development of fisheries plans is an important way in which the Ministry discharges its obligations for encouraging participation from iwi. The services we provide also include developing capacity within tangata whenua to manage customary access and to provide assistance with use of customary management tools.

### Capacity

In 2007/08, an estimated 49,750 hours of Ministry resource will be used to produce the services listed above.

### Performance indicators

- 1 Tangata Tiaki appointments by the Minister of Fisheries, under the Fisheries (South Island Customary Fishing) Regulations 1999, cover 90% of the South Island by June 2008.
- 2 Tangata Kaitiaki appointments by the Minister of Fisheries, under the Fisheries (Kaimoana Customary Fishing) Regulations 1998, cover 40% of the North Island by June 2008.
- 3 Increased provision of quarterly catch landing reports of Tangata Kaitiaki and Tangata Tiaki appointed under the Fisheries (Kaimoana Customary Fishing) Regulations 1998 or the Fisheries (South Island Customary Fishing) Regulations 1999.
- 4 Increased input and participation of tangata whenua into fisheries management processes (detailed in s 12 of the Fisheries Act 1996) by engaging with hapū and iwi through the creation and operation of 13 regional forums.
- 5 Advice is provided to the Minister of Fisheries, as required, on the establishment of mātaimai reserves, taiapure-local fisheries and on other area management proposals.

### Cost

	2006/07 SOI	2007/08 Plan	Change
Plan	5,366	5,859	(523)
Amount to be recovered from industry	0	0	0
Percentage to be recovered from industry	0	0	-

## ■ Statutory Decision Processes Administered

### Services to be provided

This output provides for:

- > The issue of freshwater farm licences
- > The issue of fish transfer authorisations
- > The issue of special permits
- > The management of transitional aquaculture registrations under the Fisheries Act 1996.

### Capacity

In 2007/08, an estimated 3,600 hours of Ministry resource will be used to produce the services listed above.

### Performance indicators

- 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 in accordance with the appropriate legislative requirements 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

	2006/07 SOI	2007/08 Plan	Change
Plan	433	332	101
Amount to be recovered from industry	433	302	(131)
Amount to be recovered through transaction charges	0	30	30
Percentage to be recovered from industry	100	100	-

## ■ Aquaculture Permit Applications Processed

### Services to be provided

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

### Capacity

In 2007/08, an estimated 10,900 hours of Ministry resource will be used to produce the services listed above.

### Performance indicators

- 1 The Ministry will resolve all applications made under the Fisheries Act 1983 by 30 June 2008.
- 2 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.

### Cost

	2006/07 SOI	2007/08 Plan	Change
Plan	858	785	73
Amount to be recovered from industry	400	150	(250)
Percentage to be recovered from industry	47	19	-

## ■ Registry Services Managed

### Services to be provided

Accurate and timely registry information (including permit holder register, vessel registers, quota and ACE ownership, and catch data) is collected under contract or by a devolved agency 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. These services also include the administration and registry services aspects of the introduction of new species into the Quota Management System.

### Capacity

In 2007/08, an estimated 8,900 hours of Ministry resource will be used to produce the services listed above.

### Performance indicators

- 1 Contracted and devolved services are delivered in a manner consistent with the relevant standards and specifications as held by the Ministry.
- 2 Allocate quota for species declared by the Minister to be subject to the Quota Management System 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

	2006/07 SOI	2007/08 Plan	Change
Plan	4,996	4,743	253
Amount to be recovered from industry	4,996	4,743	(253)
Percentage to be recovered from industry	100	100	-

## ■ Departmental Output Expense – Fisheries Compliance

### Description

Fisheries Compliance will support objectives-based fisheries management and strive to achieve optimal levels of compliance with the fisheries laws that underpin the sustainable utilisation of New Zealand fisheries and protection of the aquatic environment.

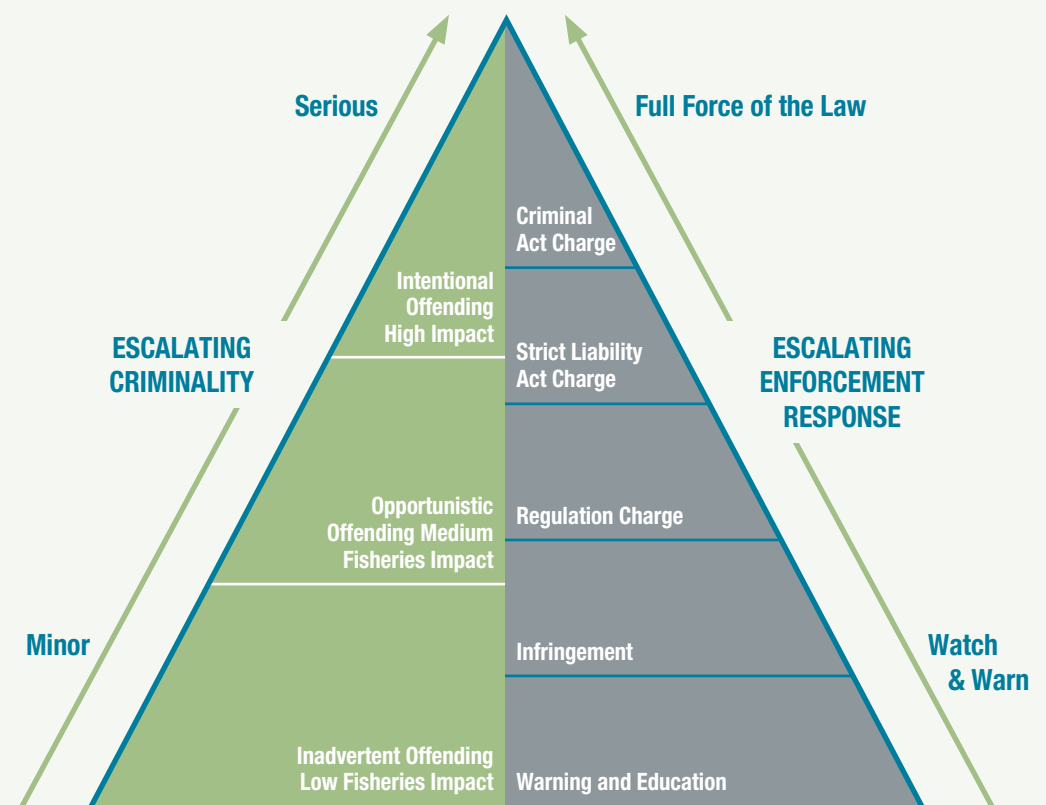
### Objectives

To achieve this, Fisheries Compliance will adopt two core strategic objectives:

- > To promote high levels of voluntary compliance with fisheries laws;  
Promoting voluntary compliance relies on a combination of Ministry initiatives aimed at obtaining stakeholder 'buy-in', increasing knowledge of the rules and aligning incentives with compliance.
- > To create an effective deterrence against illegal activity;  
This involves detecting illegal activity and implementing an enforcement response that will create a deterrent to both the offender and others.

To guide staff in enforcement activity an enforcement response model has been adopted. Its purpose is to link escalating criminality with a predictable and consistent escalating enforcement response.

### Fishery Enforcement Response Model



In order to determine the effectiveness of the services provided below the following will be monitored:

Service	Effectiveness measure
<b>Commercial fisheries compliance</b>	
Vessel Inspections (at port, at sea, landings) monitored	Increasing levels of voluntary compliance, target $\geq 80\%$
Licensed Fish Receiver inspections	Increasing levels of voluntary compliance, target $\geq 85\%$
Monthly Harvest returns monitored and unfurnished and late returns followed up	Increasing levels of voluntary compliance, target $\geq 90\%$
<b>Non-commercial fisheries compliance</b>	
Inspections (vessels, vehicles and persons)	Increasing levels of voluntary compliance, target $\geq 90\%$
<b>Poaching and black-market activities deterred</b>	
Dealer in fish inspections	Decreasing levels of offences detected $\leq 20\%$

## Services to be provided

### Commercial fisheries

For the commercial output, compliance services will be delivered to monitor, inspect and investigate commercial fishers, those fishing outside the EEZ and other participants in the commercial fishing industry to support the integrity of the Quota Management System and the international fisheries rules and agreements.

### Non-commercial fisheries

For the non-commercial output, compliance services will be delivered to educate, monitor and inspect recreational and customary fishers.

### Poaching and black-market

For the poaching and black-market output, compliance services will be delivered to detect and prosecute key offenders and disrupt the supply of poached or black-market seafood through effective monitoring, inspection and investigations.

### Prosecutions

For the prosecution output, Fisheries Compliance will be focused on successfully prosecuting serious fisheries offending and achieving deterrent penalties.

## Capacity

The estimated effort, measured in hours of Ministry resource, in each of the Compliance areas services are:

Commercial fisheries compliance	82,000
Non-commercial fisheries compliance	52,900
New Zealand's International fisheries compliance	4,800
Poaching and black-market activities deterred	99,000
Prosecutions managed	21,000

## Performance indicators

### Services to be provided to improve levels of voluntary compliance

Commercial fisheries compliance	Quantity	Quality/Timeliness
Vessel Inspections (at port, at sea, landings) monitored	1500	90% vessel inspections entered into system by 5th day of following month Act or regulation breaches followed up in inspection
Licensed Fish Receiver inspections	200	90% of LFR inspections entered into system by 5th day of following month Act or regulation breaches followed up in inspection
Monthly Harvest Return monitored and unfurnished and late returns followed up	1250	Unfurnished returns followed up within 2 months of due date Late returns followed up within 14 days of receipt
Non-commercial fisheries compliance	Quantity	Quality/Timeliness
Inspections (vessels, vehicles and persons)	15,000	85% of inspections entered into system by 12th day of following month
Kaitiaki trained and/or educated Education programme delivered (includes signage, brochures, contacts)	100	90% of planned activities delivered
Manage Honorary Fishery Officer volunteers	160	Trained and hold HFO warrants

### Services to be provided to create an effective deterrent

Commercial fisheries compliance	Quantity	Quality/Timeliness
Commercial investigations commenced	10	
International investigations commenced	2	
Investigations undertaken categorised as high and medium risk against the 'Risk Based Compliance Strategy'		75%
Prosecution decision making is consistent with Crown Law Office Prosecution Guidelines and Compliance policy statements		100%
Successful prosecutions achieved under the Fisheries Act 1996		90%
Successful prosecutions achieved under Fisheries regulations		75%

Poaching and black-market activities deterred	Quantity	Quality/Timeliness
Poaching and black-market patrols undertaken	400-500	
Dealer in fish (DIF) inspections	1000	90% DIF inspections entered into system by 5th day of following month
0800 4 Poacher calls logged	1400	
Poaching and black-market investigations commenced	12	
Investigation undertaken categorised as high and medium risk against the 'Risk Based Compliance Strategy'		75%
Prosecution decision making is consistent with Crown Law Office Prosecution Guidelines and Compliance policy statements		100%
Successful prosecutions achieved under the Fisheries Act 1996		90%
Successful prosecutions achieved under Fisheries regulations		75%

## Cost

	2006/07 SOI	2007/08 Plan	Change
Commercial fisheries compliance	8,125	8,843	(718)
Non-commercial fisheries compliance	6,417	5,731	686
New Zealand's International fisheries compliance	617	739	(122)
Poaching and black-market activities deterred	11,046	10,506	540
Prosecutions managed	3,410	3,816	(406)
	29,615	29,635	(20)
Amount to be recovered from industry	8,125	8,843	(718)
Percentage to be recovered from industry (commercial compliance only)	100	100	-

## ■ Departmental Output Expense – Aquaculture Settlement

### Description

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

### 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
- > Support the government's economic transformation initiatives in relation to aquaculture.

### Services to be provided

- 1 Progressing the implementation of this Act in an effective and efficient manner; ensuring that all legislative timetables are met. This includes:
  - > ensuring potential beneficiaries understand the settlement. This will be achieved in partnership with the trustee for the settlement
  - > development of a valuation methodology for the settlement obligation by 31 December 2007
  - > establishing processes to support the settlement option of purchasing established marine farms from 1 January 2008
  - > supporting the Minister's review, as required by the Act, of the assessment of the Crown's compliance with the settlement. The planning for the review is to be started by 31 December 2007.
- 2 Maintaining the aquaculture settlement register and the associated space required in each region to meet the settlement obligation.
- 3 Monitoring the performance of Te Ohu Kai Moana Trustee Ltd as trustee of the settlement process both in terms of funding and performance of their statutory role.

### Capacity

In 2007/08, an estimated 4,500 hours of Ministry resource will be used to produce the services listed above.

## Performance indicators

- 1 Administering the Māori Commercial Aquaculture Claims Settlement Act 2004 in a way that is consistent with the principles of the Treaty of Waitangi and in such a way as to not create further grievances.
- 2 Maintaining the aquaculture settlement register and the associated space required in each region to meet the settlement obligation through regular updates of the register and the Ministry's web site, and an annual audit of the register.
- 3 Progressing the implementation of the Māori Commercial Aquaculture Claims Settlement Act 2004 in an effective and efficient manner; ensuring that all legislative timetables are met. This includes:
  - > ensuring potential beneficiaries understand their rights and obligations under the settlement. This will be achieved in partnership with the trustee for the settlement through responding to particular iwi needs as they arise
  - > developing, by 31 December 2007, a valuation methodology for the settlement obligation
  - > establishing, by 1 January 2008, processes to support the settlement option of purchasing established marine farms
  - > supporting the Minister's review, as required by legislation, of an assessment of the Crown's compliance with the settlement, with the planning for the review to be commenced by 31 December 2007.
- 4 Reviewing, on a quarterly basis, the performance of Te Ohu Kai Moana Trustee Ltd in terms of its statutory role as trustee, including its mandating of Iwi and regional agreements and its financial management.

## Cost

	2006/07 SOI	2007/08 Plan	Change
Plan	1,553	1,812	(259)
Amount to be recovered from industry	0	0	0
Percentage to be recovered from industry	0	0	-

## ■ Standards Adopted by the Ministry

### Policy advice quality standards

The standards used to assess the quality of policy advice provided to the Minister are.

#### **Purpose**

The aim or purpose is clearly stated and it answers the questions set.

#### **Logic**

The assumptions behind the advice are explicit, and the argument logical and supported by facts.

#### **Accuracy**

The facts are accurate and all material facts are included.

#### **Options**

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

#### **Consultation**

There is evidence of adequate consultation with interested parties and possible objections to proposals/content are identified.

#### **Practicality**

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

#### **Presentation**

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

#### **Quality management**

The product quality will be supported by a process that provides for:

- > circulation of drafts for critiquing by government agencies and affected stakeholders
- > internal peer review and checking procedures
- > adherence to the Ministry's policy framework
- > consistency with relevant legislative obligations
- > specific requirements set by the Minister.

These standards are to be applied in all areas where the Ministry provides advice to decision-makers.

## Fisheries and biodiversity research

Medium Term Research Plans will have both a wider and medium term (3 to 5 year) view. They will integrate individual related projects on a species or fishery or research area or topic. These medium term plans should list the proposed projects for the 2007/08 fishing year as well as the research needs and directions for the subsequent 2 to 4 years. They should include a description of likely new research projects required during this period. They should clearly address why the projects are being proposed, including the anticipated results and how these contribute to and/or support other projects in the medium term plan. They should also indicate how the projects support decision-making in relation to the sustainable utilisation of fisheries. The medium term plans must be based on the document 'Ministry of Fisheries Strategic Research Directions' and any strategic research plans and fishery plans developed for the appropriate species/fishery or research area. These medium term plans will be 'rolling' plans that will be reviewed and evaluated at least annually.

The medium term plan should contain the following elements:

### 1) **Background**

The background should contain a brief description of:

- > the important attributes of the fishery or research area or topic
- > the available information on the fishery or research topic, such as information on stock status, sustainable yields, known environmental impacts
- > the need or rationale for carrying out research on the fishery or research topic.

### 2) **Description of the programme and associated projects that will contribute information on the species/fishery or research topic in the medium term**

Programmes should be directed at addressing wider research issues or needs. Programmes will often be made up of a number of research projects that all contribute to addressing the research issues of the programme. Some examples of research programmes include the determination of stock structure and the relationships between stocks; estimation of abundance, or stock size, or biomass; estimation of productivity; determination of the environmental impacts of fishing. The rationale or need for carrying out research to address the issues or needs of the programme should be briefly described.

For each programme, the proposed research activities for the medium term should be briefly described. This description should include:

- > relevant past research, including key outputs. For example, if a time series of surveys is involved, then these should be specified and key results summarised
- > the key outputs of proposed future research, with associated milestones, should be identified.

### 3) **Summary of proposed research for the next 3 to 5 years**

This should be presented in a standardised form for ease of comparison between programmes.

Research Planning Groups may wish to group medium term research plans together by species or groups of species. For example, the draft Deepwater Medium Term Research Plan covers the major orange roughy and oreo fisheries.

## ■ 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.

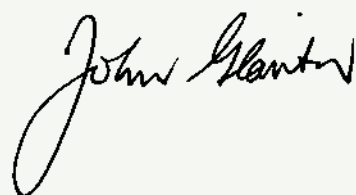
As Chief Executive of the Ministry of Fisheries, I acknowledge, in signing this statement, my responsibility for the information contained in this Statement of Intent.

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 (2007/08 Estimates) Bill.

Signed



**John Glaister**  
Chief Executive

May 2007

Countersigned



**Paul Laplanche**  
Chief Financial Officer

May 2007

## ■ Forecast Financial Statements

### Statement of accounting policies

#### 1 Reporting entity

The Ministry of Fisheries is a Government Department as defined by section 2 of the Public Finance Act 1989. For the purposes of financial reporting the Ministry of Fisheries is a public benefit entity.

#### 2 Reporting period

The reporting period for these forecast financial statements is the year ended 30 June 2008.

#### 3 Basis of preparation

##### *(a) Statement of compliance*

These forecast financial statements have been prepared pursuant to section 38 of the Public Finance Act 1989. The financial statements comply with Applicable Financial Reporting Standards which include New Zealand equivalents to International Financial Reporting Standards ("NZIFRS").

This is the first set of forecast financial statements prepared based on NZIFRS.

##### *(b) Basis of measurement*

The general accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on an historical cost basis have been followed. The accrual basis of accounting has been used unless otherwise stated.

##### *(c) Functional and presentation currency*

These forecast financial statements are presented in New Zealand dollars (\$) which is the Ministry's functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest thousand.

##### *(d) Use of estimates and judgements*

The preparation of forecast financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### 4 Significant accounting policies

##### *(a) Revenue*

##### **Sale of goods**

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery of the goods to the customer.

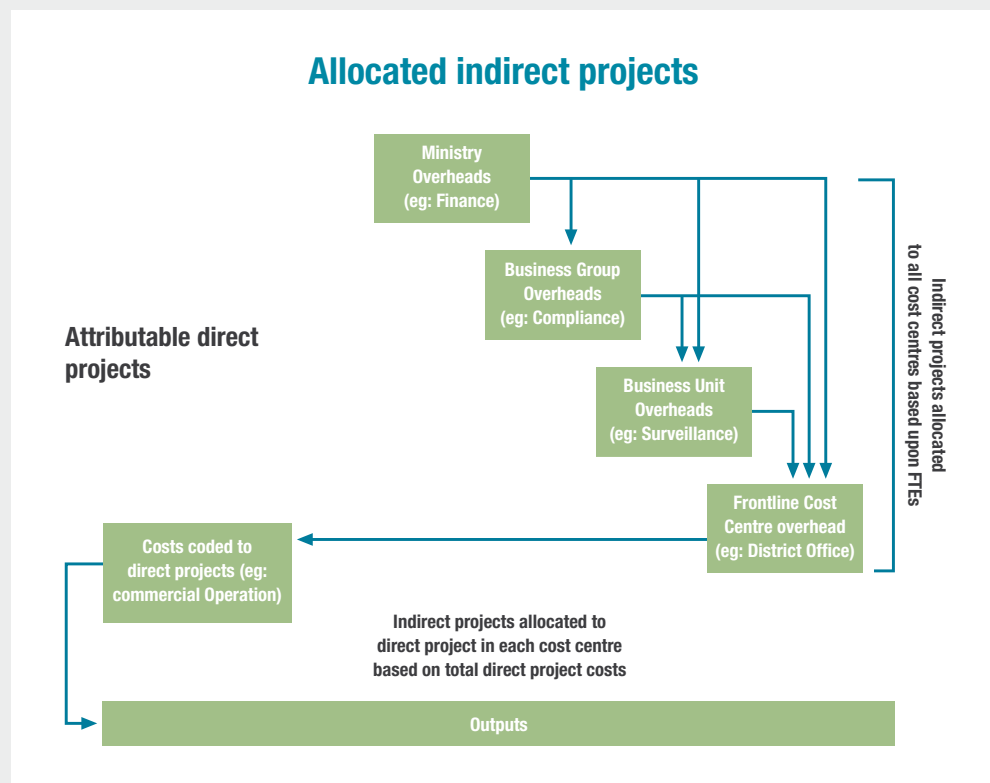
## Rendering of services

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.

### (b) 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 below.



### (c) Financial instruments

#### Non-derivative financial instruments

The Ministry is party to financial instruments as part of its normal operations. These financial instruments include cash, trade and other receivables and trade and other payables. All financial instruments are recognised in the Balance Sheet, and all revenues and expenses in relation to financial instruments are recognised in the Income Statement.

#### Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified and approved.

#### Trade and other payables

Trade and other payables are stated at cost.

**(d) Leased assets**

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

**(e) Property, plant and equipment**

Motor vehicles and plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment in value.

Land, buildings and vessels are measured at deemed cost less accumulated depreciation. The deemed cost of land, buildings and vessels as at 30 June 2007, the date of transition to NZIFRS, was determined by reference to fair value, as established by an independent valuation for the Ministry of Fisheries in January and April 2003 respectively, with subsequent additions at cost.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, and any other costs directly attributable to bringing the asset to a working condition for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

For the purpose of these financial statements, land and buildings, although owned by the Crown, are deemed as being owned by the Ministry as principal occupier or user.

Only property, plant and equipment with a cost in excess of \$5,000 is capitalised.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year the item is derecognised.

**(f) Depreciation**

Depreciation of property, plant and equipment, other than freehold land and work in progress, is provided on a straight-line basis at rates calculated to allocate the cost of an item, less any estimated residual value, over its estimated useful life. 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 or useful life, whichever is the shorter.

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

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

### ***(g) Intangible assets***

#### **Software**

Research costs are expensed as incurred.

Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Ministry intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use, or more frequently when an indicator of impairment arises during the reporting year indicating that the carrying value may not be recoverable.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

#### **Subsequent expenditure**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the Income Statement when incurred.

#### **Amortisation**

Amortisation is recognised in the Income Statement on a straight-line basis over the estimated useful lives of the intangible assets from the date that they are available for use. The estimated economic useful lives are: Software development costs up to 10 years. The amortisation method is reviewed at each financial year-end.

### ***(h) Provisions***

A provision is recognised if, as a result of a past event, the Ministry has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

#### ***(i) Employee entitlements***

Provision is made in respect of the Ministry's liability for annual leave, long service leave, retirement leave and sick 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 a six monthly actuarial valuation based on the present value of expected future entitlements.

Sick leave has been recognised on the basis of the average number of days all employees have exceeded their annual entitlement, averaged over the last three financial years.

#### ***(j) Foreign currency***

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

***(k) 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.

***(l) Goods and Services Tax (GST)***

All financial information is expressed exclusive of GST, except for trade and other receivables, and trade and other payables, which are expressed inclusive of GST in the Balance Sheet.

The amount of GST payable to or due from the Department of Inland Revenue at balance date is included in trade and other payables or trade and other receivables as appropriate.

***(m) Taxation***

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

***(n) 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.

***(o) Taxpayers' funds***

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

## ■ Explanation of Transition to NZIFRS

These are the Ministry's first forecast financial statements prepared in accordance with NZIFRS.

The accounting policies set out above have been applied in preparing the forecast financial statements for the year ending 30 June 2008.

In preparing its NZIFRS balance sheet, the Ministry has adjusted the amounts reported in previous financial statements prepared in accordance with its old basis of accounting (previous GAAP). An explanation of how the transition from previous GAAP to NZIFRS has affected the Ministry's financial position is set out in the following table and the accompanying notes.

### Balance sheet *(In thousands of New Zealand dollars)*

	Notes	30 June 2008 (Main Estimates)		NZIFRS
		Previous GAAP	Effect of transition to NZIFRS	
<b>Taxpayers' funds</b>				
General funds	1, 3	12,067	591	12,658
Revaluation reserves	1	722	(722)	0
<b>Total taxpayers' funds</b>		<b>12,789</b>	<b>(131)</b>	<b>12,658</b>
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents		2,702	0	2,702
Prepayments		300	0	300
Trade and other receivables		18,791	0	18,791
<b>Total current assets</b>		<b>21,793</b>	<b>0</b>	<b>21,793</b>
<b>Non-current assets</b>				
Property, plant and equipment	2	11,374	(2,650)	8,724
Intangible assets	2	0	2,650	2,650
<b>Total non-current assets</b>		<b>11,374</b>	<b>0</b>	<b>11,374</b>
<b>Total assets</b>		<b>33,167</b>	<b>0</b>	<b>33,167</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables		14,828	0	14,828
Provisions – employee entitlements		2,000	(1,347)	653
<b>Total current liabilities</b>		<b>16,828</b>	<b>(1,347)</b>	<b>15,481</b>
<b>Non-current liabilities</b>				
Provisions – employee entitlements		3,550	(1,478)	5,028
<b>Total non-current liabilities</b>		<b>3,550</b>	<b>(1,478)</b>	<b>5,028</b>
<b>Total liabilities</b>	<b>3</b>	<b>20,378</b>	<b>131</b>	<b>20,509</b>

There are no material differences between the Income Statement presented under NZIFRS and the Income Statement presented under previous GAAP, nor between the Cash Flow Statement presented under NZIFRS and previous GAAP.

**Notes to explanation of transition to NZIFRS**

- 1 At 30 June 2008, an amount of \$722,000 has been reclassified from a revaluation reserve recognised under previous GAAP to general funds. The amount represents the balance on the revaluation reserve at 30 June 2007 in respect of assets that are measured on the basis of deemed cost under NZIFRS.
- 2 Under previous GAAP, computer software development expenditure was classed as property, plant and equipment. Under NZIFRS, these expenditures are classed as an intangible asset. The effect is to increase intangible assets by a forecast net book value of \$2,650,000 at 30 June 2008, and decrease property, plant and equipment by a corresponding amount.
- 3 In accordance with NZIFRS, provision has been made for sick leave. The effect is to increase liabilities for employee entitlements by \$131,000 at 30 June 2008, and decrease taxpayer's funds by the same amount.

## ■ Income Statement

for the year ending 30 June

	2006 Actual	2007 Supplementary Estimates	2007 Estimated Actual	2008 Plan
<b>Revenue:</b>				
Crown	83,398	92,132	89,216	91,035
Department	1,688	1,816	1,816	1,190
Other	979	1,151	1,151	1,512
<b>Total revenue</b>	<b>86,065</b>	<b>95,099</b>	<b>92,183</b>	<b>93,737</b>
<b>Expenditure:</b>				
Personnel	37,485	41,415	41,415	42,938
Operating	44,084	50,229	47,313	46,615
Depreciation	2,446	2,560	2,560	3,225
Capital charge	701	895	895	959
<b>Total expenditure</b>	<b>84,716</b>	<b>95,099</b>	<b>92,183</b>	<b>93,737</b>
<b>Net surplus</b>	<b>1,349</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

## Balance Sheet at 30 June

	2006 Actual	2007 Supplementary Estimates	2007 Estimated Actual	2008 Plan
<b>Taxpayers' funds:</b>				
General funds	12,062	12,067	12,067	12,658
Revaluation reserve	727	722	722	0
<b>Total taxpayers' funds</b>	<b>12,789</b>	<b>12,789</b>	<b>12,789</b>	<b>12,658</b>
<i>Represented by:</i>				
<b>Current assets</b>				
Cash and cash equivalents	1,412	2,077	2,077	2,702
Prepayments	521	300	300	300
Trade and other receivables	18,565	18,791	18,791	18,791
<b>Total current assets</b>	<b>20,498</b>	<b>21,168</b>	<b>21,168</b>	<b>21,793</b>
<b>Non-current assets</b>				
Intangible assets	0	0	0	2,650
Property, plant and equipment	11,359	11,699	11,699	8,724
<b>Total non-current assets</b>	<b>11,359</b>	<b>11,699</b>	<b>11,699</b>	<b>11,374</b>
<b>Total assets</b>	<b>31,857</b>	<b>32,867</b>	<b>32,867</b>	<b>33,167</b>
<b>Current liabilities</b>				
Trade and other payables	12,810	14,928	14,928	14,828
Provision for				
• Repayment of surplus to the Crown	1,349	0	0	0
• Employee entitlements	2,119	2,000	2,000	653
Unearned revenue	76	0	0	0
<b>Total current liabilities</b>	<b>16,354</b>	<b>16,928</b>	<b>16,928</b>	<b>15,481</b>
<b>Term liabilities</b>				
Provision for employee entitlements	2,714	3,150	3,150	5,028
<b>Total liabilities</b>	<b>19,068</b>	<b>20,078</b>	<b>20,078</b>	<b>20,509</b>
<b>Net assets</b>	<b>12,789</b>	<b>12,789</b>	<b>12,789</b>	<b>12,658</b>

(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 Actual	2007 Supplementary Estimates	2007 Estimated Actual	2008 Plan
<b>Cash flows from operating activities</b>				
<i>Cash provided from:</i>				
Supply of outputs to:				
Crown	87,668	91,756	88,840	91,035
Department	1,309	1,816	1,816	1,190
Other parties	619	933	933	1,512
<i>Cash expended on:</i>				
Cost of producing outputs:				
Output expenses	(81,752)	(88,696)	(85,780)	(89,253)
Capital charge	(701)	(895)	(895)	(959)
<b>Net cash flow from operating activities</b>	<b>7,143</b>	<b>4,914</b>	<b>4,914</b>	<b>3,525</b>
<b>Cash flows from investing activities</b>				
<i>Cash provided from:</i>				
Sale of property, plant and equipment	386	0	0	0
<i>Cash expended on:</i>				
Purchase of physical assets	(6,141)	(2,900)	(2,900)	(2,900)
<b>Net cash flow from investing activities</b>	<b>(5,755)</b>	<b>(2,900)</b>	<b>(2,900)</b>	<b>(2,900)</b>
<b>Cash flows from financing activities</b>				
<i>Cash provided from:</i>				
Capital contribution from the Crown	4,025	0	0	0
<i>Cash disbursed for:</i>				
Payment of surplus to the Crown	(6,638)	(1,349)	(1,349)	0
<b>Net cash flow from financing activities</b>	<b>(2,613)</b>	<b>(1,349)</b>	<b>(1,349)</b>	<b>0</b>
Net increase/(decrease) in cash held	(1,225)	665	665	625
Add opening cash balance	2,637	1,412	1,412	2,077
<b>Closing cash and cash equivalent balance</b>	<b>1,412</b>	<b>2,077</b>	<b>2,077</b>	<b>2,702</b>

(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 Actual	2007 Supplementary Estimates	2007 Estimated Actual	2008 Plan
<b>Net surplus</b>	<b>1,349</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Add non-cash items:</b>				
Depreciation	2,446	2,560	2,560	3,225
<b>Total non-cash items</b>	<b>2,446</b>	<b>2,560</b>	<b>2,560</b>	<b>3,225</b>
<b>Movements in working capital items</b>				
<i>(Increase)/decrease in:</i>				
Trade and other receivables	3,805	(226)	(226)	0
Prepayments	(177)	221	221	0
Inventories	17	0	0	0
<i>Increase/(decrease) in:</i>				
Trade and other payables	(919)	1,810	1,810	(100)
Employee entitlements	746	549	549	400
Unearned revenue	(106)	0	0	0
<b>Net increase/(decrease) in working capital movements</b>	<b>3,366</b>	<b>2,354</b>	<b>2,354</b>	<b>300</b>
<i>Add/(less) investing activity items:</i>				
Net (gain)/loss on sale of property, plant and equipment	(18)	0	0	0
<b>Total investing activity items</b>	<b>(18)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net cash flows from operating activities</b>	<b>7,143</b>	<b>4,914</b>	<b>4,914</b>	<b>3,525</b>

(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 Actual	2007 Supplementary Estimates	2007 Estimated Actual	2008 Plan
<b>Taxpayers' funds at the start of the period</b>	8,764	12,789	12,789	12,789
Movements during the year (other than flows to and from the Crown):				
Provision for sick leave	0	0	0	(131)
Add/(deduct) net surplus/(deficit)	1,349	0	0	0
<b>Total recognised revenues and expenses for the period</b>	<b>1,349</b>	<b>12,789</b>	<b>12,789</b>	<b>12,658</b>
Adjustment for flows to and from the Crown				
Provision for repayment of surplus	(1,349)	0	0	0
Add capital contributions	4,025	0	0	0
<b>Taxpayers' funds at the end of the period</b>	<b>12,789</b>	<b>12,789</b>	<b>12,789</b>	<b>12,658</b>

## ■ Details of Forecast Non-current Assets by Category as at 30 June 2008

	Cost	Accumulated Depreciation	Net Book Value
Land	147	0	147
Buildings and leasehold improvements	7,100	3,481	3,619
Plant and equipment	22,269	17,968	4,301
Vessels	914	447	467
Motor vehicles	3,784	1,828	1,956
Capital work in progress	884	0	884
<b>Total non-current assets</b>	<b>35,098</b>	<b>23,724</b>	<b>11,374</b>

Non-current assets include property, plant and equipment, and intangible assets – computer software.

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

## Statement of Forecast Commitments as at 30 June

	2006 Actual	2007 SOI	2007 Estimated Actual	2008 Plan
<b>Capital commitments</b>	0	100	100	100
Operating commitments				
Less than one year	20,239	21,597	23,411	23,190
One to two years	9,259	9,436	12,398	7,860
Two to five years	12,677	7,941	13,100	12,725
More than five years	7,932	6,102	7,759	5,270
<b>Total operating commitments</b>	<b>50,107</b>	<b>45,076</b>	<b>56,668</b>	<b>49,045</b>
<b>Total commitments</b>	<b>50,107</b>	<b>45,176</b>	<b>56,768</b>	<b>49,145</b>

## Departmental Capital Expenditure for the year ending 30 June

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

	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 SOI Budget	2007 Estimated Actual	2008 Forecast
Buildings and leasehold improvements	273	445	231	3,004	0	2,293	380
Office plant and equipment including computer equipment	972	751	738	2,448	2,382	2,547	1,902
Motor vehicles	732	664	1,105	680	518	478	658
Vessels	118	3	118	9	0	120	90
<b>Total</b>	<b>2,095</b>	<b>1,863</b>	<b>2,192</b>	<b>6,141</b>	<b>2,900</b>	<b>5,438</b>	<b>3,030</b>

The forecast capital expenditure for the 2007/08 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.

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

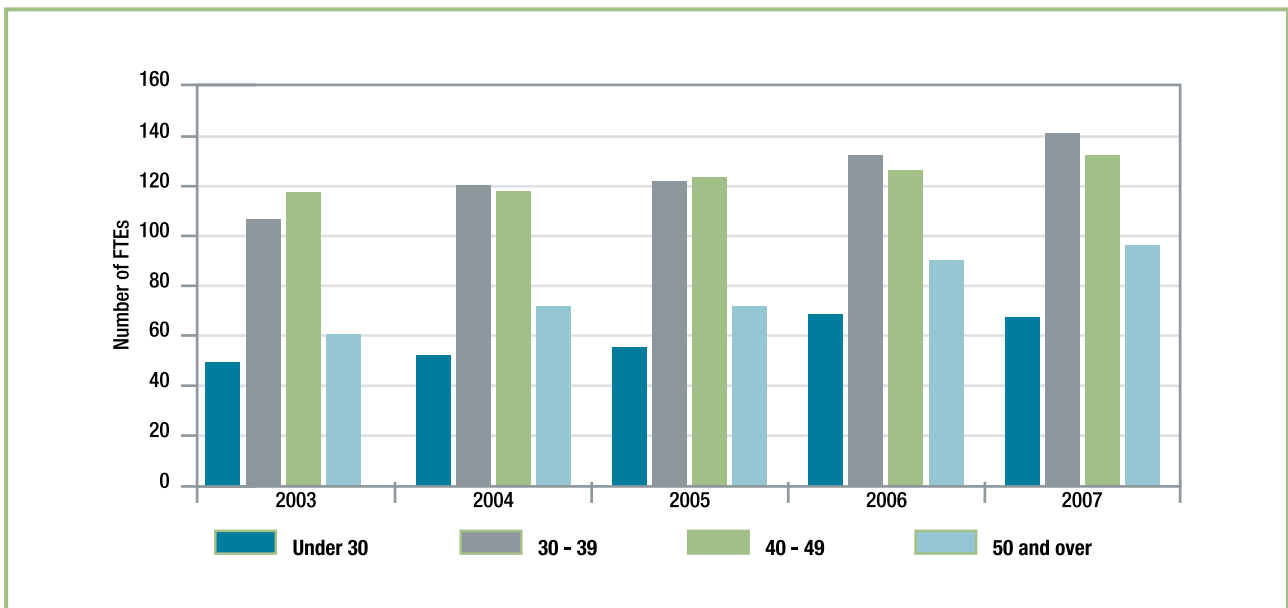
## Information on the Ministry



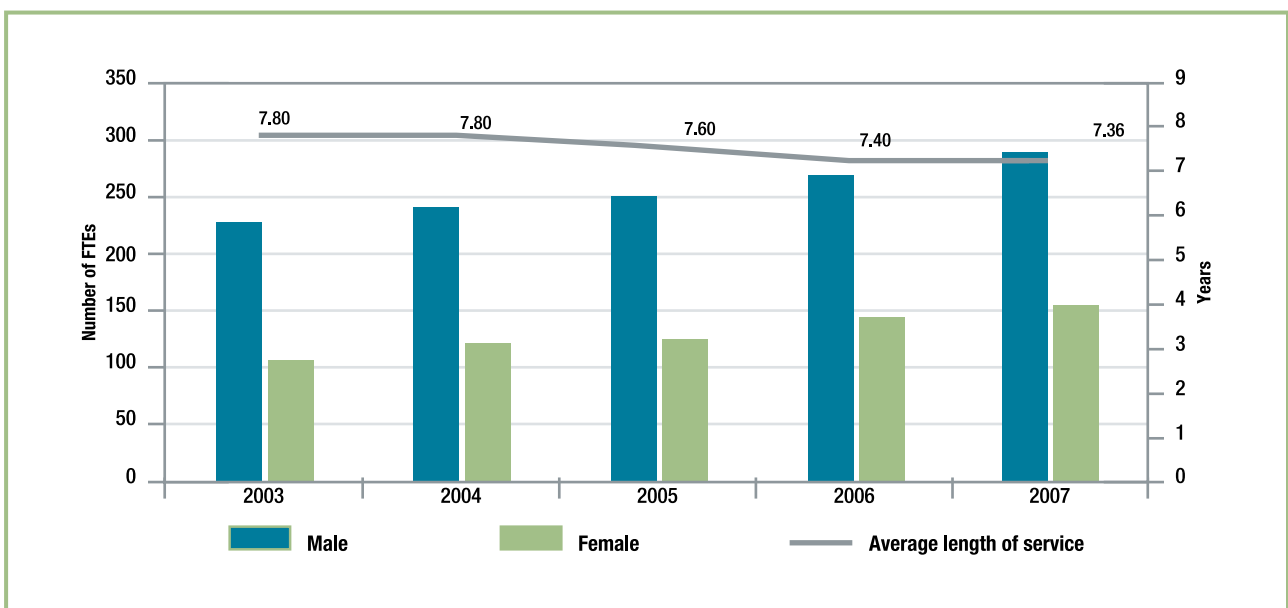
## Staff

The following graphs provide basic statistics of the Ministry's staff over the last five years. The statistics are for the years ended 30 June except for 2006/07 which is at 31 March 2007.

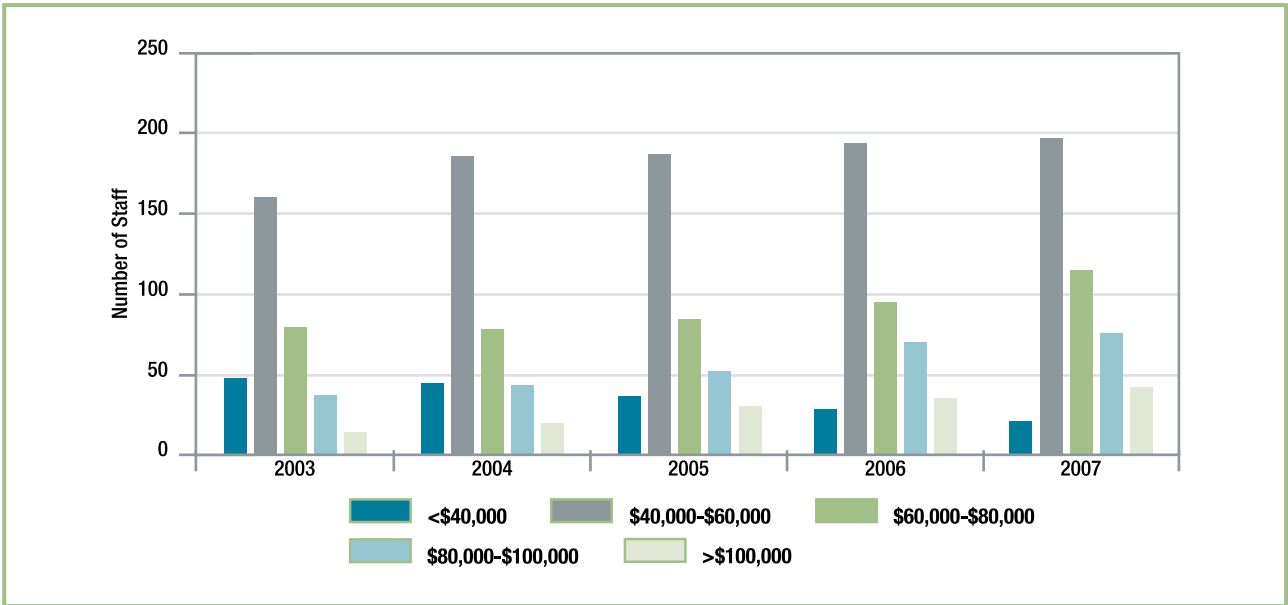
### Number of full time equivalent staff by: Age



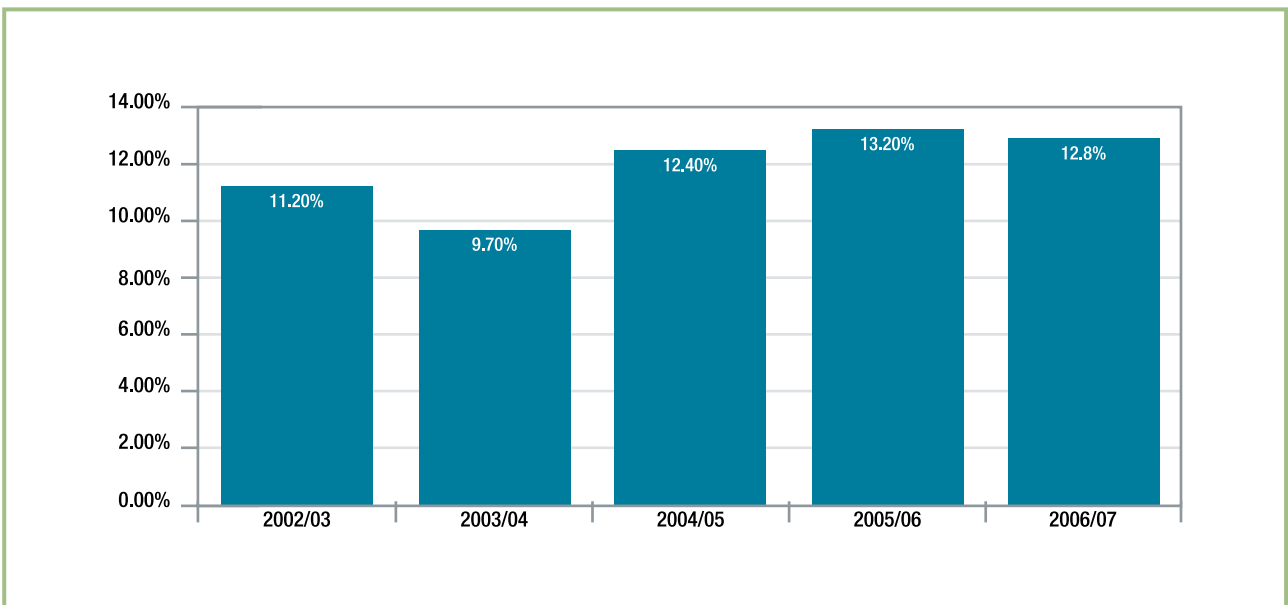
### Gender / average length of service across the Ministry



### Average salary by salary band across the Ministry



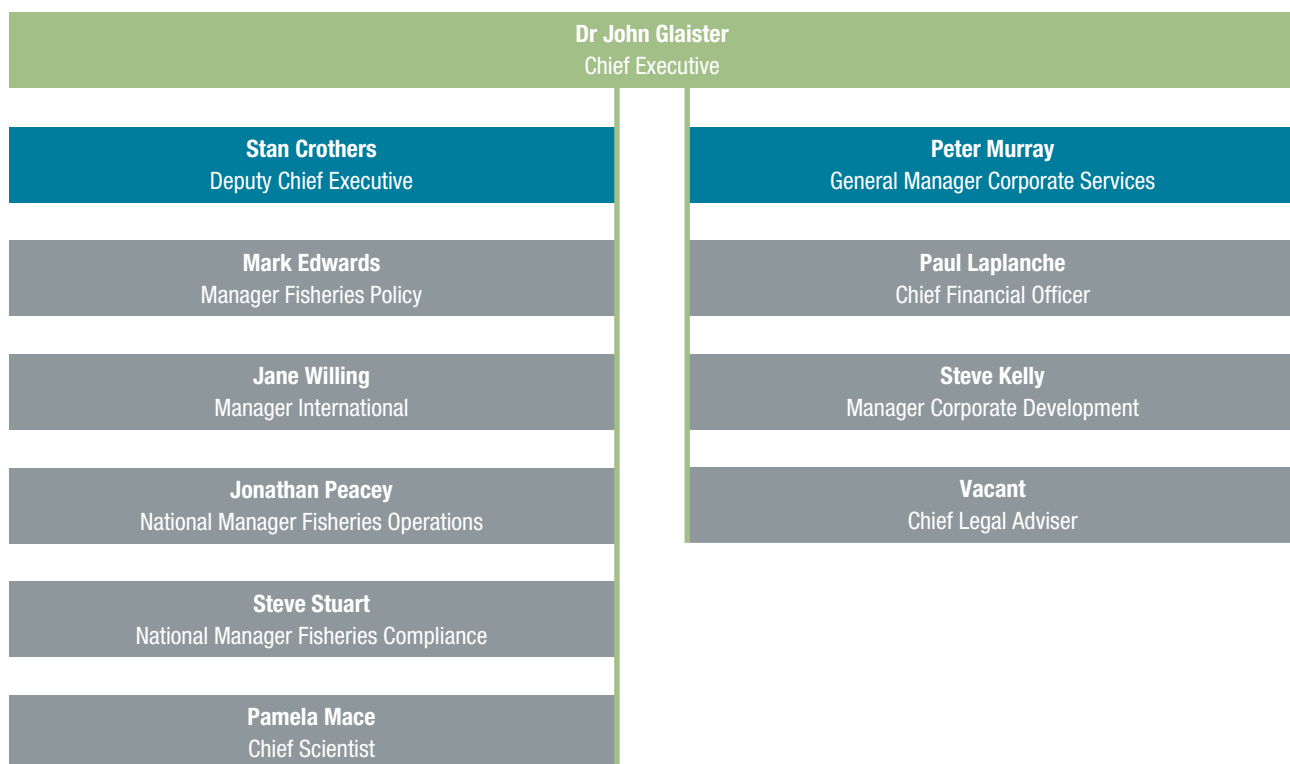
### Māori staff within the Ministry



## Employee turnover

	2005	2006	2007 (31 March)
Death	1	0	0
Dismissed	1	1	0
Resignation	36	33	38
Ceased fixed term	5	7	9
Parental leave	0	14	7
Redundancy	7	1	4
Turnover	13.1%	13.4%	(annualised) 13%

## Structure



## ■ Relationships

The Ministry is increasingly pursuing multi-agency approaches with agencies with broader maritime and border protection responsibilities. These relationships are important. The list below, while not exhaustive, notes the areas where 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.

### Department of Conservation

- > Ensuring ecological sustainability by providing improved contracting outcomes for fisheries-related research on protected species.
- > 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:
  - reduce incidental mortality of seabirds in New Zealand fisheries as far as possible, taking into account advances in technology, knowledge and financial implications
  - 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
  - meet the obligations under the Fisheries Act 1996 (s9), to avoid remedy or mitigate the effects of fishing on the aquatic environment.
- > Development of Conservation services levies in the cost recovery programme.

### 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 fora.
- > 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 (NZDF)

- > 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 providing 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 Customs providing for operational arrangements of mutual cooperation and assistance and information sharing, including 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

- > Improving New Zealand's economic performance through the Growth and Innovation Framework.

### 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 Kokiri, 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, New Zealand Customs, Maritime New Zealand, and the New Zealand Food Safety Authority on fisheries related issues as they arise.

The Ministry of Fisheries has regular contact and interaction with a number of regional fisheries (eg Forum Fisheries Agency), and international organisations (eg United Nations Food and Agriculture Organization).

## 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.



**RFMO:**

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

**Tangata whenua:**

In relation to a particular area, means the hapū, 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.

