

VOTE *Fisheries*

Fisheries

Overview

Appropriations sought for Vote Fisheries for the 2003/04 financial year total \$84.744 million. It is estimated that \$39.102 million (inclusive of GST) of this amount will be recovered from the fishing industry through the cost recovery provisions of the Fisheries Act 1996. A breakdown of the cost of services to be purchased is as follows:

- \$4.900 million (6% of the Vote) on purchasing policy advice to underpin the legal and conceptual framework for the sustainable and efficient utilisation of fisheries and to guide the implementation of policy.
- \$32.670 million (38% of the Vote) on purchasing research and other services relating to gathering and analysing data about New Zealand's fisheries to support decisions about sustainable utilisation and to provide information on the biodiversity of New Zealand's marine environment.
- \$9.523 million (11% of the Vote) on purchasing services to develop guidelines, regulations and processes that make the fisheries policy framework operational.
- \$10.176 million (12% of the Vote) on purchasing services associated with monitoring the effectiveness of delivery of contracted and devolved registry services to ensure consistency and compliance with contracted or devolved standards.
- \$21.248 million (25% of the Vote) on purchasing services and processes that promote compliance with fisheries laws and lead to the detection of those involved in illegal fisheries activities.
- \$3.997 million (5% of the Vote) on purchasing services related to the prosecution of offences detected against fisheries laws.

The remaining amount (\$2.230 million) (3% of the Vote) relates to the payment of compensation for quota reductions (\$1.940 million), levies on Crown-owned quota (\$190,000), and a capital contribution (\$100,000).

The Minister of Fisheries consults annually with fisheries stakeholders on the fisheries services to be provided by the Ministry of Fisheries and their associated costs. This process has been completed for the 2003/04 year and the figures contained in this document represent the costs of fisheries services to be delivered in 2003/04.

Details of the Ministry's appropriations appear in Parts B1, C and E of this Vote.

Terms and Definitions Used

CCAMLR	Commission for the Conservation of Antarctic Marine Living Resources
Cost recovery	The recovery of costs from the commercial fishing industry under the principles defined in the Fisheries Act 1996.
MFish	The Ministry of Fisheries
Stakeholders	<p>Persons and organisations who have a shared interest in the utilisation of fisheries resources and the sustainability of those resources. These include:</p> <ul style="list-style-type: none">• agencies and groups with interests in marine ecosystems and the fisheries environment• recreational fishers• commercial fishers and other members of the seafood industry. <p>The nature of the special relationship between the Crown and Māori based on the Treaty of Waitangi acknowledges the particular interest Māori have in the utilisation of fisheries resources and their sustainability</p>
Sustainability	The capacity of fisheries resources to meet the reasonably foreseeable needs of future generations.
Utilisation	Conserving, using, enhancing and developing fisheries resources to enable people to provide for their social, economic and cultural wellbeing.

Fisheries

VOTE MINISTER: Minister of Fisheries

ADMINISTERING DEPARTMENT: Ministry of Fisheries

The Minister of Fisheries is the Responsible Minister for the Ministry of Fisheries

Part A - Statement of Objectives and Trends

Part A1 - Objectives for Vote Fisheries

Related Government Outcomes

The appropriations in Vote Fisheries will assist in the achievement of the following Government Goals:

- Strengthen national identity and uphold the principles of the Treaty of Waitangi.
- Grow an inclusive, innovative economy for the benefit of all.
- Maintain trust in Government and provide strong social services.
- Improve New Zealanders' skills.
- Protect and enhance the environment.

Minister's priority and fisheries outcomes

The Minister's priority for fisheries management is to enhance the value and enjoyment of New Zealand's fisheries for all New Zealanders and to minimise the risks to New Zealand's marine environment from biosecurity threats.

To achieve this priority, the Ministry has established a single goal or fishery outcome - to "Maximise the value New Zealanders obtain through the use of sustainable fisheries resources and protection of the aquatic environment".

Underpinning this are three strategies:

- The health of the aquatic environment is protected.
- People are enabled to get the best value from the sustainable and efficient use of fisheries.
- The Crown delivers on its obligations to Māori with respect to fisheries.

These strategies are consistent with the Government's commitment to ecologically sustainable development and with the purpose of the Fisheries Act 1996 "to provide for the utilisation of fisheries while ensuring sustainability".

Ministry Key Work Focus

The Ministry's key work focus over the next two to three years will be to implement the initiatives required to achieve each of the above strategies. These strategies and the associated work areas for 2003/04 are set out in the Ministry's Statement of Intent for 2003/08.

Links Between the Output Classes and the Government's Outcomes

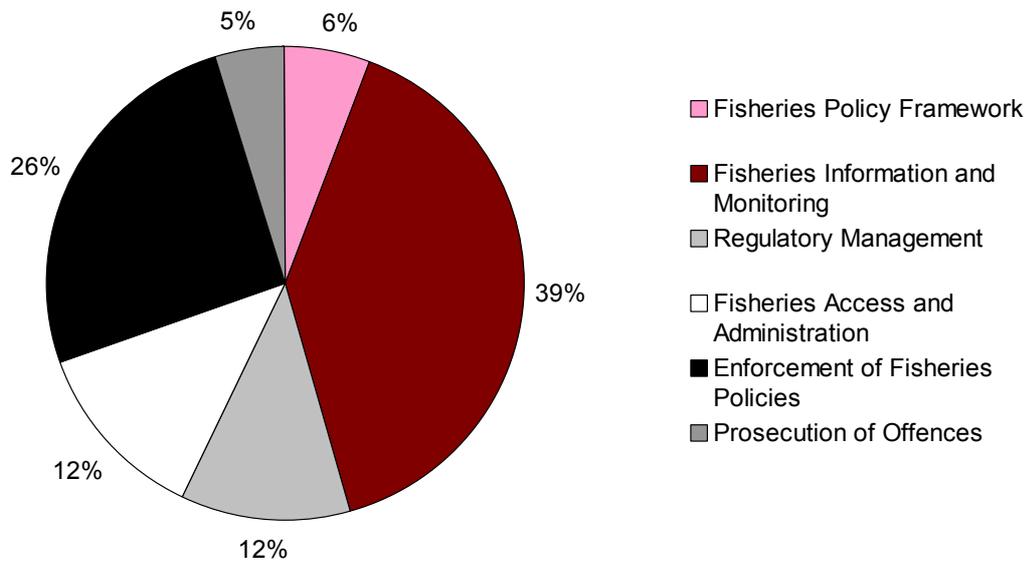
Each of the Ministry's output classes contributes, in varying degrees, to the Government goals. The links between the output classes and desired government outcomes follow.

Output Class	Related Outcomes
Policy Framework	Policy advice to underpin the legal and conceptual framework for the sustainable and efficient utilisation of fisheries and to guide the implementation of policy.
Fisheries Information and Monitoring	Provision of data about New Zealand's fisheries to support decisions about sustainable utilisation and the provision of information on the biodiversity of New Zealand's marine environment.
Regulatory Management	Guidelines, regulations and processes, which make the fisheries policy framework operational.
Fisheries Access and Administration	Monitoring the effectiveness of delivery of contracted and devolved registry services to ensure consistency and compliance with contracted or devolved standards.
Enforcement of Fisheries Policies	Promoting compliance with fisheries laws and detection of those involved in illegal fisheries activities.
Prosecution of Offences	Prosecuting those who offend against fisheries laws.

2003/04 Output Expenditure

Departmental output expenditure comprises 97% of the total Vote. The following chart shows the proportion of total output expenditure for each output class.

Figure 1 – Departmental expenditure by output class for 2003/04



Source: Ministry of Fisheries

Part A2 - Trends in Vote Fisheries

Output Trends: 1998/99 to 2003/04

Departmental

Total departmental output class expenditure has increased since 1998/99 as a result of the following initiatives:

- The full implementation of the Fisheries Act 1996.
- Increases to the baseline for fisheries research.
- Implementation of customary fishing regulations.
- Increased resourcing for international policy initiatives and the building of increased policy capability.
- Initiatives related to the development of New Zealand's biodiversity strategy.
- Implementation of policy related to aquaculture reforms.
- Introduction of new species into the Quota Management System.
- Increased funding to build Ministry capability.
- Funding to meet New Zealand's international obligations.
- Additional resourcing to provide for the health and safety of fisheries officers.

Crown revenue

Estimated revenue for 2003/04, at \$41.234 million, is forecast to be \$3.900 million below that for 2002/03. The main reasons for this decrease are a reduction of \$2.5 million in expected deemed values revenue and a reduction in revenue from forfeitures of \$790,000. In addition there is a reduction of \$900,000 in capital receipts related to proceeds from the sale of Crown-owned quota.

Reconciliation of New Initiatives to Appropriations

Initiative	Appropriations as shown in Part B	\$000 increase/(decrease)				
		2002/03	2003/04	2004/05	2005/06	2006/07
International conservation and management of highly migratory species	Policy Framework		281	361	361	359
	Fisheries Information and Monitoring		225	300	300	300
	Regulatory Management		281	366	366	386
Legal expenses for cases associated with cost recovery and the Quota Management System	Regulatory Management	1,714				
Costs associated with the inquiries into the management of the Scampi fishery	Policy Framework	1,688				
Additional resourcing for the future management of cost recovery	Regulatory Management		563	563	563	563
Health and Safety of Fisheries Officers	Enforcement of Fisheries Policies		840	1,828	2,630	2,532
Increased Policy capability	Policy Framework		546	546	546	546
Increased Fisheries Management capability	Regulatory Management		729	729	729	729
Improving estimates of recreational fishing harvest	Fisheries Information and Monitoring		281	-	-	-
Increased Science capability	Fisheries Information and Monitoring		313	313	313	313
Building capacity for auditing and monitoring Registry based services	Fisheries Information and Monitoring		48	52	54	59
	Fisheries Access and Administration		113	169	169	169
Total Initiatives		3,402	4,220	5,227	6,031	5,956

Trends in Vote Fisheries - Summary of Appropriations and Crown Revenue

Types of Appropriation	1998/99	1999/2000	2000/01	2001/02	2002/03		2003/04 Appropriations to be Used				2004/05	2005/06	2006/07	
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Budget \$000	Estimated Actual \$000	By the Department Administering the Vote		For Non-Departmental Transactions		Total \$000	Estimated \$000	Estimated \$000	Estimated \$000
							Annual \$000	Other \$000	Annual \$000	Other \$000				
Operating Flows														
Classes of Outputs to be Supplied	58,866	60,546	66,640	71,502	84,747	75,739	82,514	-	-	-	82,514	83,262	80,562	80,487
Benefits and Other Unrequited Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Other Expenses	5,468	3,615	3,535	1,782	2,557	2,557	-	-	2,130	-	2,130	190	190	190
Capital Flows														
Capital Contributions	-	-	10	-	268	268	100	-	-	-	100	-	-	-
Purchase or Development of Capital Assets	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Repayment of Debt	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Total Appropriations	64,334	64,161	70,185	73,284	87,572	78,564	82,614	-	2,130	-	84,744	83,452	80,752	80,677
Total Crown Revenue and Receipts	40,564	39,265	39,104	14,659	45,134	45,134	N/A	N/A	N/A	N/A	41,234	38,913	38,677	38,677

Part B - Statement of Appropriations

Part B1 - Details of Appropriations

	2002/03				2003/04		Description of 2003/04 Appropriations
	Vote		Estimated Actual		Vote		
Appropriations	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Departmental Output Classes (Mode B Gross)							
D1 Policy Framework	8,470	-	7,120	-	4,900	-	- Policy advice to underpin the legal and conceptual framework for the sustainable utilisation of fisheries and to guide the implementation of policy.
D2 Fisheries Information and Monitoring	32,615	-	26,138	-	32,670	-	- Research and other services relating to gathering and analysing data about New Zealand's fisheries to support decisions about sustainable utilisation and the provision of information about the biodiversity of New Zealand's marine environment.
D3 Regulatory Management	8,842	-	8,392	-	9,523	-	- Services to develop guidelines, regulations and processes, which make the fisheries policy framework operational.
D4 Fisheries Access and Administration	9,751	-	9,301	-	10,176	-	- Services associated with monitoring the effectiveness of delivery of contracted and devolved registry services to ensure consistency and compliance with contracted or devolved standards.
D5 Enforcement of Fisheries Policies	20,429	-	20,429	-	21,248	-	- Services and processes that promote compliance with fisheries laws and lead to detection of those involved in illegal fishing activities.
D6 Prosecution of Offences	4,640	-	4,359	-	3,997	-	- Services relating to the prosecution of offences detected against fisheries laws.
Total Appropriations for Departmental Output Classes (Mode B Gross)	84,747	-	75,739	-	82,514	-	

Other Expenses to be Incurred by the Crown							
Compensation for Quota Reductions	1,625	-	1,625	-	1,940	-	Compensation payable to commercial fishers for reductions in catch entitlements for species listed on the 4th schedule of the Fisheries Act 1996 that will occur when these species are introduced into the Quota Management System.
Crown-Owned Quota Levy	350	-	350	-	190	-	All owners of quota shall be liable for cost-recovery levies. This expenditure relates to the Crown's share of such levies.
Bad Debt Write-Off	100	-	100	-	-	-	This expenditure relates to the write off of unrecoverable Crown debts previously provided for in the provision for bad debts.
Settlement of Litigation	257	-	257	-	-	-	This expenditure relates to settlement costs from litigations.
Transfer of Quota	225	-	225	-	-	-	Transfer of quota from current Crown holdings.
Total Appropriations for Other Expenses to be Incurred by the Crown	2,557	-	2,557	-	2,130	-	
Capital Contributions to the Department							
Capital Investment	268	-	268	-	100	-	National Aquatic Biodiversity Information System.
Total Appropriations for Capital Contributions to the Department	268	-	268	-	100	-	
Total Appropriations	87,572	-	78,564	-	84,744	-	

Part C - Explanation of Appropriations for Output Classes

Part C1 - Departmental Output Classes

Output Class D1 - Policy Framework

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

The objectives of this output class are to:

- provide and improve a conceptual and legal framework for the sustainable and efficient utilisation of the fisheries resource
- 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.

The Policy Framework output class consists of the following outputs:

- sustainability and utilisation policy advice provided: review, develop and provide policy advice to enable the sustainable and efficient utilisation of aquatic fisheries resources
- international fisheries sustainability and utilisation advice provided: New Zealand fisheries management interests are protected and promoted through development of international frameworks and the ratification of international arrangements
- biodiversity advice provided: provide advice and manage contracts to meet New Zealand's Biodiversity Strategy objectives
- Ministerial services provided: Services provided to the Ministers responsible for Vote Fisheries. These include drafting of reports, replies to Ministerial correspondence, providing responses to Parliamentary questions and attendance at Select Committees as required.

Output Class D2 - Fisheries Information and Monitoring

This output class covers research and other service outputs relating to gathering and analysing data about New Zealand's fisheries to support decisions about sustainable utilisation and the provision of information on the biodiversity of New Zealand's marine environment. Research costs represent existing projects that have been consulted on in past years and proposed new projects.

The objectives of this output class are to:

- provide the information required to ensure the sustainable utilisation of New Zealand's fisheries resources
- manage fisheries to contribute to sustainable utilisation by scientifically evaluating:
 - sustainable yields from, and status of, fisheries resources

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

The Fisheries Information and Monitoring output class consists of the following outputs:

- utilisation and sustainability of New Zealand's fisheries resources measured:

Stock assessment reports produced on:

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

Research reports produced on:

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

- biodiversity of New Zealand's marine environment estimated:

Scientific reports produced on:

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

Research reports provided on:

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

- observer services provided in response to requests by the Ministry: observers deployed and data collated in response to Ministry requests

- observer services provided in response to requests from the industry: observers deployed and data collected in response to industry requests.

Output Class D3 - Regulatory Management

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

The objectives of this output class are to:

- provide advice to support sustainable fisheries
- assess special fisheries access requests
- provide support for international fisheries arrangements
- advise on legislative and government regulatory processes
- manage the cost-recovery process.

The Regulatory Management output class consists of the following outputs:

- utilisation and sustainability reported: reports provided to the Minister evaluating stock assessment advice and stakeholder views and providing recommendations on utilisation and sustainability of fisheries resources
- international utilisation and sustainability reported: Managing existing regional fisheries arrangements, including:
 - ensuring catch limits are set at sustainable levels
 - access and catch allocations for New Zealand are provided
 - monitoring New Zealand catch limits
 - compliance with catch certification processes
 - developing management tools consistent with the New Zealand management approach
- customary applications processed: receipt of applications from stakeholders to manage customary access, the evaluation of the applications and their subsequent approval or refusal
- cost recovery process managed: the process of determining and consulting on the fisheries management costs that are recovered from the commercial fishing industry.

Output Class D4 - Fisheries Access and Administration

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

The objectives of this output class are to:

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

The Fisheries Access and Administration output class consists of the following outputs:

- statutory decisions processes administered: the receiving, evaluation and subsequent decision to either approve or decline applications from stakeholders to farm aquatic life and to harvest aquatic life outside normal rules
- registry services managed: monitoring and delivery of contracted registry services to ensure consistency and compliance with contracted or devolved standards.

Output Class D5 - Enforcement of Fisheries Policies

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

The objectives of this output class are to take enforcement actions to:

- monitor fishing related activities
- detect non-compliance with fisheries policies
- provide recommendations for prosecution
- take other enforcement steps where appropriate
- collate and provide information on non-compliance to support policy and regulatory decision making processes.

The Enforcement of Fisheries Policies output class consists of the following outputs:

- commercial fishing rules enforced: a compliance capability is provided to take actions in commercial fisheries to encourage compliance and deter offending. These actions include monitoring, detection and provision of recommendations to prosecute
- customary fishing rules enforced: a compliance capability is provided to take actions in customary fisheries to encourage compliance and deter offending. These actions include monitoring and detection, as well as the provision of education and recommendations to prosecute.
- recreational fishing rules enforced: actions taken in recreational fisheries to encourage compliance and deter offending. These actions include monitoring and detection, as well as the provision of education and recommendations to prosecute

- New Zealand international fishing rules enforced: actions taken in New Zealand international fisheries to encourage compliance and deter offending. These actions include monitoring, detection and provision of recommendations to prosecute
- black market and poaching activities deterred: actions taken to apprehend black market and poaching offenders. These actions include monitoring, detection and provision of recommendations to prosecute.

Output Class D6 - Prosecution of Offences

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

The objective of this output class is to prosecute successfully those who have offended against fisheries laws.

The sole output in the Prosecution of Offences output class is prosecutions managed: fisheries-related prosecutions managed. This includes case preparation and presentation and management of forfeit property.

Part E - Explanation of Appropriations for Capital Flows

Part E1 - Capital Contributions

Net Worth of Entities Owned

Statement of Estimated and Forecast Net Worth

Entities Owned	Balance Date	Estimated Net Worth 2003 \$ million	Forecast Net Worth 2004 \$ million
Ministry of Fisheries	30 June	8.618	8.718

Part F - Crown Revenue and Receipts

Part F1 - Current and Capital Revenue and Receipts

	2002/03		2003/04	Description of 2003/04 Crown Revenue
	Budgeted \$000	Estimated Actual \$000	Budget \$000	
Current Revenue				
Non-Tax Revenue				
Conservation Levy	2,755	2,755	1,053	Recovery of costs incurred by the Government on conservation services.
Cost Recovery - Crown Quota	311	311	169	This revenue relates to cost recovery levies for quota held by the Crown.
Cost Recovery	31,040	31,040	33,024	Charging of costs of fisheries management undertaken by the Crown.
Deemed Values	8,000	8,000	5,500	Revenue expected to be paid by quota-holders who have overfished.
Fisheries Revenue from Forfeitures	1,290	1,290	500	Revenue from forfeit property, whether by sale or through redemption fees.
Foreign Licence Fees	-	-	300	Revenue from other nations fishing under licence in the New Zealand exclusive economic zone.
Infringement Notice Revenue	638	638	638	This revenue relates to the Infringement Notice System introduced as part of the Fisheries Act 1996.
Surrendered and Seized Fish	-	-	50	Income in lieu of disposal or surrender of fish when the fish are taken in excess of quota held.
Other Revenue	200	200	-	Miscellaneous Revenues
Total Non-Tax Revenue	44,234	44,234	41,234	
Total Current Revenue	44,234	44,234	41,234	
Capital Receipts				
Sale Proceeds of Quota	900	900	-	Revenue from the disposal of Crown-owned quota.
Total Capital Receipts	900	900	-	
Total Crown Revenue and Receipts	45,134	45,134	41,234	