

VOTE Fisheries

VOTE Fisheries

OVERVIEW

Appropriations sought for Vote Fisheries for the 1998/99 financial year total \$62.308 million. It is estimated that \$36.7 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:

- \$1.501 million on purchasing policy advice on strategic fisheries matters and international fishing matters from the Ministry.
- \$8.450 million on purchasing operational advice from the Ministry on measures dealing with the sustainability of fish stocks, allocation of access, management and monitoring of statutory processes relating to the Quota Management System, maintenance of customary Māori fisheries interests, the Crown's obligations under the Treaty of Waitangi, implementation of the Fisheries Act 1996, educating fisheries stakeholders about fisheries laws and providing support to the Minister of Fisheries.
- \$2.786 million on purchasing services related to the development of standards and specifications, the negotiation and monitoring of contracts for fisheries research and for the management of the cost recovery process.
- \$19.024 million on purchasing services related to compliance with fisheries laws and the detection of illegal fishing activity.
- \$2.856 million on purchasing services related to the prosecution of offences detected against fisheries laws.
- \$11.984 million on purchasing permit and registration functions, administering the Quota Management System, recording specific information on catch returns and debt collection activities.
- \$15.517 million on purchasing fisheries research activities.

The remaining amount (\$190,000) relates to levies on Crown-owned quota.

The Fisheries Act 1996 requires the Minister of Fisheries to consult with fisheries stakeholders on the nature and extent of required fisheries services and their costs. For this reason, the final nature and extent and hence cost of services funded through Vote Fisheries for the 1998/99 financial year will not be determined until the completion of consultations with stakeholders.

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

Terms and Definitions Used

Cost recovery	<i>The recovery from the commercial fishing industry of Crown costs incurred to manage New Zealand's fisheries resources as a result of the existence or activities of the commercial fishing industry</i>
Deemed values	<i>Charges for fish caught in excess of quota holding</i>
HFO	<i>Honorary Fisheries Officer</i>
Monthly balances	<i>The difference between the amount of each species of fish caught by the quota holder and the total quota by species available to that fisher during the fishing year</i>
NIWA	<i>National Institute for Water and Atmospheric Research Ltd</i>
Quota	<i>A tradeable property right to fish particular species held by the fisher</i>
Quota Management System (QMS)	<i>The primary mechanism for managing commercial fisheries in New Zealand</i>
Stakeholders	<p><i>Persons and organisations who have a shared interest in the utilisation of fisheries resources and the sustainability of those resources. These include:</i></p> <ul style="list-style-type: none"> <i>• agencies and groups with interests in marine ecosystems and the fisheries environment</i> <i>• recreational fishers</i> <i>• commercial fishers and other members of the seafood industry.</i> <p><i>The nature of the special relationship between the Crown and Māori acknowledges the particular interest Māori have in the utilisation of fisheries resources and their sustainability</i></p>
Sustainability	<i>Maintaining the potential of fisheries resources to meet the reasonably foreseeable needs of future generations</i>
TAC	<i>Total Allowable Catch. The amount of fish to be taken in any one year without impairing the future sustainable yields of the resources</i>
Utilisation	<i>Conserving, using, enhancing and developing fisheries resources to enable people to provide for their social, economic and cultural wellbeing</i>

Footnotes

Note 1	<i>Not applicable as Crown revenue is not appropriated.</i>
Note 2	<i>Appropriations are stated GST inclusive (where applicable).</i>

VOTE 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

Environment 2010

In 1995, the Environment 2010 Strategy set out a framework for all government environmental policies, including fisheries. The overall vision for the New Zealand environment to 2010 was:

“a clean, healthy and unique environment sustaining nature and people’s needs and aspirations”,

and within this, the goal for fisheries was described as

“To conserve and manage New Zealand’s fisheries for the benefit of all New Zealanders by providing for sustainable utilisation of fisheries resources, including commercial, recreational and customary Māori take”.

Fisheries Act 1996

Consistent with this goal, the Fisheries Act 1996 provides a legislative framework for managing fisheries with both a sustainability and utilisation approach. In the Act: ensuring sustainability means

“(a) Maintaining the potential of fisheries resources to meet the reasonably foreseeable needs of future generations; and

(b) Avoiding, remedying, or mitigating any adverse effects of fishing on the aquatic environment”;

and utilisation means

“conserving, using, enhancing, and developing fisheries resources to enable people to provide for their social, economic and cultural wellbeing”.

Ministry Strategy

The Minister of Fisheries and the Government are responsible for the health and wellbeing of New Zealand’s fisheries with the Ministry being the chief advisor to the Minister. As part of developing its strategic direction, the Ministry is building a framework for managing the long-term future of our fisheries.

The Ministry's strategy is to facilitate an approach to managing fisheries which encourages fishery users to support good, long-term ecological management practices and assist in the protection of fishing rights. This strategy, *Fisheries 2010*, will allow stakeholders - Māori, environmental groups, recreational fishers, the commercial fishing industry and the wider public - to be involved in setting the goals for the fishery in the context of a healthy aquatic ecosystem and to determine the way in which these goals will be achieved.

To achieve healthy fisheries, the Ministry needs to promote a consensus amongst competing interests. Without this agreement on a common direction, there is likely to be increasing conflict among stakeholders, contributing to undesirable environmental outcomes, including a reduction in sustainability levels of the fisheries resources and, eventually, a commercial industry which is unable to remain internationally competitive, thus lessening its importance to the New Zealand economy.

The goal of sustainability is underpinned by scientific research, but it also requires vigilance to ensure fisheries resources are not threatened by illegal fishing activity. Illegal fishing places stress on all the resources and eventually jeopardises the interests of all stakeholders. By entering into strategic alliances with other New Zealand enforcement agencies, the Ministry will improve its capacity to monitor activity within New Zealand fisheries waters and to disseminate more widely its message about voluntary compliance with our fisheries laws.

Outputs Purchased by the Minister

The Minister of Fisheries will purchase outputs directly from the Ministry and also via the Ministry from external sources which:

- provide policy advice on strategies for the sustainable use of the fishery resource
- provide operational advice, including implementation of the Fisheries Act 1996
- encourage compliance with and enforce fisheries laws which support sustainable management policies
- manage the cost recovery consultation process with fisheries stakeholders
- provide services supporting fisheries legislation, including registries management, the collection of fisheries information and the allocation of fishing rights
- manage Crown receipts and payments
- negotiate, manage and fund contracts for research and other fisheries services that support the sustainable use of the fisheries resource.

Cost Recovery

- The cost recovery provisions of the Fisheries Act 1996 require the Minister of Fisheries to consult with stakeholders to determine the nature and extent and costs of fisheries services for the forthcoming financial year.

- The Crown has adopted the principle that costs incurred by it as a result of the existence of the commercial fishing industry should be recovered from the industry. Levies and charges, which set the amounts to be paid by individual fishers, are then determined in time for the commencement of the fishing year on 1 October each year.
- The final nature and extent of services to be provided, and hence the costs to be borne by the Crown, will not therefore be determined until the completion of the consultation process.

Links Between the Output Classes and the Government's Outcomes

The links between the classes of outputs to be purchased by the Crown and the Government's desired outcome for fisheries follow. All outputs contribute to the Government's broad strategic direction in fisheries management.

Departmental Output Classes	Related Outcomes
Policy Advice	<p>Contributes to the Government's strategic direction in fisheries management through:</p> <ul style="list-style-type: none"> • strategic policy in relation to Māori fisheries, improvement of the rights-based framework, environmental monitoring and compliance strategies • international fisheries regimes and agreements and market access for New Zealand seafood <p>by: promoting a coordinated, consensus-based approach to the development of policy and management of the New Zealand fishery; promoting and protecting New Zealand's position in the development and operation of international fisheries management arrangements; and pursuing strategies to facilitate access for New Zealand seafood products in international markets.</p>

Departmental Output Classes	Related Outcomes
Operational Advice	<p>Contributes to the Government's strategic direction in fisheries utilisation and management by: the setting of Total Allowable Catch (TAC) limits and sustainability controls; progressive introduction of other species into the Quota Management System (QMS); allocation of access among stakeholder groups; advice on statutory process such as providing for special permits and marine and freshwater authorisations; implementing the Fisheries Act 1996; and providing advice relating to customary Māori fisheries.</p>
Government Service Specification and Purchasing	<p>Contributes to the Government's strategic direction in fisheries management in:</p> <ul style="list-style-type: none"> • service standards and specifications • management of the cost recovery process • management of contracts <p>through: advice on the level and standard of services and research to be undertaken; managing the consultation process whereby levies are set for the recovery from the commercial fishing industry of its share of the costs of providing required fisheries services; managing the process whereby contracts are issued for the provision of specific fisheries services; and measurement and analysis of the results from the contract regime.</p>

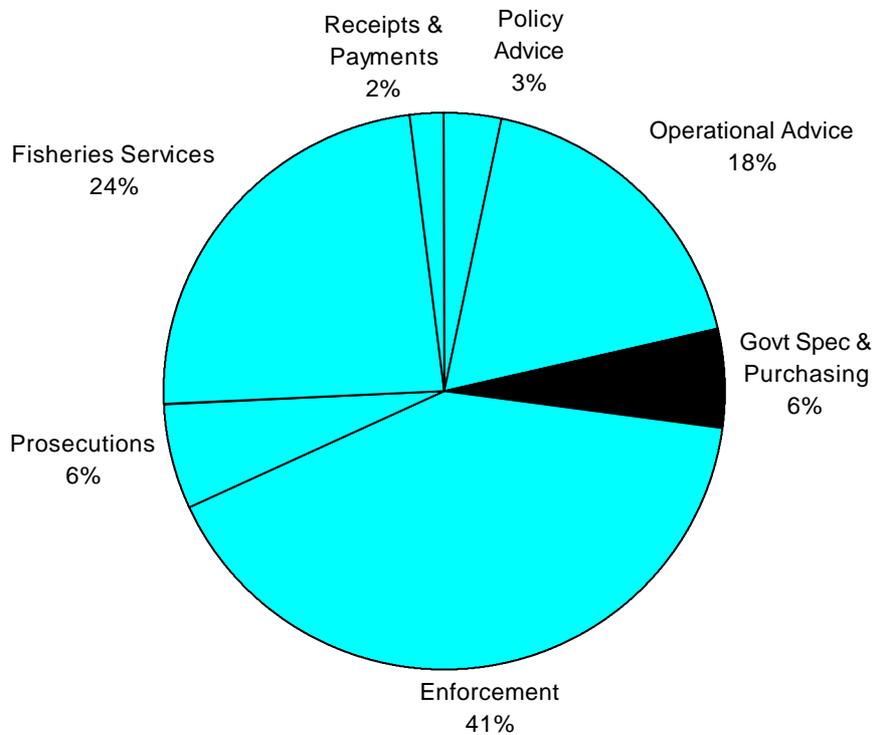
Departmental Output Classes	Related Outcomes
Enforcement of Fisheries Policies	Contributes to the Government's strategic direction in fisheries management in promoting high levels of voluntary compliance with fisheries laws by detecting offences through the monitoring and surveillance of fishing, the inspection of fishing vessels, collection and analysis of intelligence, audit and examination of business records and investigation of illegal fishing activities. Resource sustainability is enhanced by a high level of compliance with fisheries laws and keeping compliance costs to a minimum.
Prosecution of Offences	Contributes to the Government's strategic direction in fisheries management in maintaining sustainability by prosecuting offenders and thus providing a deterrent effect to others, thereby influencing the level of compliance with the laws that promote sustainable utilisation. A reduction in illegal fishing allows those who comply with fisheries laws to add value to the economy.
Fisheries Services	Contributes to the Government's strategic direction in fisheries management in registration, information and observation services by: collecting, recording, analysing and reporting information relating to vessel catch returns; monitoring the by-catch of marine mammals and sea-birds; and supervising the dumping of small or damaged fish.
Administration of Crown Receipts and Payments	Contributes to the Government's strategic direction in fisheries management in efficient and effective revenue collection and debt management by: providing an administrative and accounting service for the collection of cost recovery levies and other fisheries charges; and the timely follow-up of all debts.

Non-Departmental Output Class	Related Outcomes
Fisheries Research	Contributes to the Government's strategic direction in fisheries management in research into New Zealand's fisheries stocks by providing advice on specific research needs in order to support decision-making in relation to sustainable utilisation.

1998/99 Output Expenditure

Analysis of output expenditure for 1998/99 is as follows:

Figure 1 - Appropriation by Output Class (GST inclusive)



Part A2 - Trends In Vote Fisheries

The Ministry of Fisheries was established as a stand-alone organisation from 1 July 1995 following the separation of the functions of the Ministry of Agriculture and Fisheries into three organisations - the Ministry of Agriculture, the Ministry of Fisheries and the National Institute for Water and Atmospheric Research Ltd (NIWA).

Although no changes are forecast in the 1998/99 Vote structure from that used in the 1997/98 *Estimates*, the Ministry has been examining differing approaches to the delivery of services to the commercial fishing sector. The approaches are to:

- improve the effectiveness of consultation and decision-making processes
- enable some non-core services to be purchased by stakeholders
- devolve registry functions to stakeholders.

Following decisions by the Government, the Ministry has now commenced working with stakeholders on the progressive implementation of the revised approaches.

Output Trends: 1993/94 to 1998/99

Departmental

Total departmental expenditure was relatively constant during the period 1993/94 to 1995/96, but had increased to \$59 million by 1997/98 as a result of the following initiatives:

- implementation of the Fisheries Act 1996
- the introduction of a pilot eel management programme in the South Island
- increased enforcement in the North Island east coast snapper fishery
- more effective coverage of fishing company audits
- increased enforcement effort in recreational fisheries.

Funds totalling \$2 million were returned to the Crown in 1997/98 following the deferral of the implementation of national customary fishing regulations. This expenditure is budgeted to occur in 1998/99.

Crown

Expenditure

Non-departmental expenditure increased significantly in 1997/98 due to payment of \$10 million to the fishing industry as a consequence of the matters validated by the Fisheries (Quota Operations Validation) Act 1997.

Revenue

At this stage, revenue for 1998/99 is forecast to be \$2.4 million below 1997/98 owing, in the main, to lower cost recovery levies.

Trends in Vote Fisheries - Summary of Appropriations and Crown Revenue

Types of Appropriation	1993/94	1994/95	1995/96	1996/97	1997/98		1998/99 Appropriations to be Used				Total \$000
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Budget \$000	Estimated Actual \$000	By the Department Administering the Vote		For Non-Departmental Transactions		
							Annual \$000	Other \$000	Annual \$000	Other \$000	
Operating Flows											
Classes of Outputs to be Supplied	53,435	53,684	54,825	54,461	59,965	59,570	46,601	-	15,517	-	62,118
Benefits and Other Unrequited Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-
Borrowing Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-
Other Expenses	41,499	17,016	1,023	6,338	10,674	10,504	-	-	190	-	190
Capital Flows											
Capital Contributions	-	-	9,182	1,568	1,079	1,079	-	-	-	-	-
Purchase or Development of Capital Assets	-	-	-	-	-	-	N/A	N/A	-	-	-
Repayment of Debt	-	-	-	-	-	-	N/A	N/A	-	-	-
Total Appropriations	94,934	70,700	65,030	62,367	71,718	71,153	46,601	-	15,707	-	62,308
Total Crown Revenue and Receipts (see note 1)	35,242	55,239	42,510	35,495	43,450	42,454	N/A	N/A	N/A	N/A	40,236

Part B - Statement of Appropriations

Part B1 - Details of 1998/99 Appropriations (see note 2)

Appropriations	1997/98				1998/99		Description of 1998/99 Appropriations
	Vote		Estimated Actual		Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Departmental Output Classes (Mode B Gross)							
D1 Policy Advice	1,311	-	1,311	-	1,501	-	Strategic policy advice and international fisheries policy advice.
D2 Operational Advice	7,467	-	7,410	-	8,450	-	Policy advice on fisheries' sustainable utilisation, including advice on sustainability measures, allocation of access, Māori fisheries, and education and information on fisheries laws.
D3 Government Service Specification and Purchasing	2,338	-	2,225	-	2,786	-	Advice on the level, standards and specifications for contestable and non-contestable fisheries services, managing the cost recovery regime and managing contracts for contestable fisheries services.
D4 Enforcement of Fisheries Policies	15,706	-	15,481	-	19,024	-	Services to promote the highest level of compliance with fisheries laws and to effectively deter non-compliance.
D5 Prosecution of Offences	2,973	-	2,973	-	2,856	-	Services relating to the prosecution of offences against fisheries laws.
D6 Fisheries Services	13,992	-	13,992	-	11,117	-	Registration and information services which support fisheries legislation and policy.

D7 Administration of Crown Receipts and Payments	961	-	961	-	867	-	Services for the management of Crown receipts and payments.
Total Appropriations for Departmental Output Classes (Mode B Gross)	44,748	-	44,353	-	46,601	-	Refer to Part C1 for a full description.
Non-Departmental Output Classes							
O1 Fisheries Research	15,217	-	15,217	-	15,517	-	Scientific fisheries research services to support decision-making in relation to the sustainable utilisation of fisheries.
Total Appropriations for Non-Departmental Output Classes	15,217	-	15,217	-	15,517	-	Refer to Part C2 for further information.
Other Expenses to be Incurred by the Department							
Departmental Change Management Costs	111	-	111	-	-	-	Provides for transitional personnel costs associated with implementing the Fisheries Act 1996.
Total Appropriations for Other Expenses to be Incurred by the Department	111	-	111	-	-	-	
Other Expenses to be Incurred by the Crown							
Crown-owned Quota Levy	190	-	20	-	190	-	All owners of quota shall be liable for cost recovery levies. This expenditure relates to the Crown's share of such levies.
Fisheries Refunds	13	-	13	-	-	-	Provides for a deemed value payment.

Part B1 - Details of 1998/99 Appropriations (Continued)

	1997/98				1998/99		Description of 1998/99 Appropriations
	Vote		Estimated Actual		Vote		
Appropriations	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Other Expenses to be Incurred by the Crown (Continued)							
Quota Register	10,000	-	10,000	-	-	-	Provides for the \$10 million quota validation fund to be paid to the fishing industry as a consequence of the matters validated by the Fisheries (Quota Operations Validation) Act 1997.
Scallop Enhancement	360	-	360	-	-	-	Transfer of funds remaining in the Scallop 7 trust account to the Challenger Scallop Enhancement Company by way of a grant for the specific purpose of implementing the southern scallop enhancement programme.
Total Appropriations for Other Expenses to be Incurred by the Crown	10,563	-	10,393	-	190	-	
Capital Contributions to the Department							
Fisheries Act 1996	1,079	-	1,079	-	-	-	Capital required to implement the Fisheries Act 1996.
Total Appropriations for Capital Contributions to the Department	1,079	-	1,079	-	-	-	
Total Appropriations	71,718	-	71,153	-	62,308	-	

Part C - Explanation of Appropriations for Output Classes

Part C1 - Departmental Output Classes

Output Class D1 - Policy Advice

Description

Under this class of outputs the Minister of Fisheries purchases strategic policy advice and advice relating to international fisheries.

The aims of this output class are:

Strategic policy advice

- To monitor and improve the legislative and policy framework for the sustainable utilisation of fisheries resources.

International fisheries

- To advise on market access for New Zealand seafood via international regimes and agreements.

Quantity, quality, timeliness and cost

The Minister will expect advice to be delivered in accordance with the following standards:

Quantity

- As required by the number of policy issues that arise during the year.

Quality

- The aims of papers will be clearly stated and answer any questions that have been set.
- Assumptions behind the advice will be explicit, the argument logical and supported by facts.
- The facts in the papers will be accurate and all material facts will be included.
- An adequate range of options will be presented and assessed for benefits, costs and consequences to fisheries management.
- Evidence will exist of adequate consultation with interested parties where applicable, and possible objections to the proposals will be identified.
- Problems of implementation, technical feasibility, stakeholder compliance costs, enforcement implications and timing and consistency with other policies will be considered.

- Material presented will meet Cabinet Office requirements.
- 95% of first drafts of ministerial correspondence will be accepted by the Minister.
- The Minister's views on quality of advice will be sought through appropriate means on a six-monthly basis.

Timeliness

- All reports and verbal advice will be delivered within the agreed or statutory timeframe.
- 95% of first drafts of ministerial correspondence will be prepared within 15 working days of receipt.

Cost

This output class will be provided within the appropriated sum of \$1.501 million (inclusive of GST).

Year	Cost GST incl \$000	Cost GST excl \$000	Total Revenue GST excl \$000	Revenue Crown GST excl \$000	Revenue Other GST excl \$000
1998/99	1,501	1,334	1,334	1,334	0
1997/98	1,311	1,165	1,165	1,165	0

Output Class D2 - Operational Advice

Description

Under this class of outputs the Minister of Fisheries purchases operational advice relating to the ongoing management of fisheries. This output class aims to:

- implement policy through advice to the Minister that supports sustainability of the fisheries
- inform and educate stakeholders
- provide ministerial servicing.

Outputs to be delivered under this class include:

- advice on sustainability measures including the setting of catch limits, maintenance and monitoring of sustainability controls, mitigating the adverse effects of fishing and the introduction of new species to the QMS
- advice on allocation of TACs to stakeholder groups and allocation of access to fishing and aquaculture
- advice on statutory issues related to the management and monitoring of the QMS and other statutory processes

- provision of advice on the implementation and management of customary Māori fisheries
- provision of advice on matters relating to Treaty partnership obligations
- implementation of the Fisheries Act 1996
- development and delivery of educational programmes and materials and dissemination of information to stakeholders about fisheries laws and government policies on fisheries
- providing services to the Minister of Fisheries in respect of ministerial correspondence, parliamentary questions, official information requests, attendance at select committees and briefings for the Minister.

Quantity, quality, timeliness and cost

The Minister will expect advice to be delivered in accordance with the following standards:

Quantity

- As required by the number of operational issues which arise throughout the year.

Quality

- The aims of the papers have been clearly stated and they answer any questions that have been set.
- The assumptions behind the advice are explicit, the argument logical and supported by facts.
- The facts in the papers are accurate and all material facts have been included.
- An adequate range of options has been presented and assessed for benefits, costs and consequences to fisheries management.
- Evidence exists of adequate consultation with interested parties where applicable, and possible objections to the proposals have been identified.
- Problems of implementation, technical feasibility, stakeholder compliance costs, enforcement implications and timing and consistency with other policies have been considered.
- The material presented meets Cabinet Office requirements.
- 95% of first drafts of ministerial correspondence are accepted by the Minister.
- The Minister's views on quality of advice will be sought through appropriate means on a six-monthly basis.
- Educational and informational materials are widely disseminated.

Timeliness

- All reports and verbal advice will be delivered within the agreed or statutory timeframe.
- 95% of first drafts of ministerial correspondence will be prepared within 15 working days of receipt.
- Special permit applications will be processed within six months of receipt.
- Marine and freshwater aquaculture applications will be processed within three months of receipt.
- Freshwater transfer authorisations will be processed within one month of receipt.

Cost

This output class will be provided within the appropriated sum of \$8.450 million (inclusive of GST).

Year	Cost GST incl \$000	Cost GST excl \$000	Total Revenue GST excl \$000	Revenue Crown GST excl \$000	Revenue Other GST excl \$000
1998/99	8,450	7,511	7,511	7,363	148
1997/98	7,467	6,637	6,637	6,475	162

Output Class D3 - Government Service Specification and Purchasing

Description

In this output class the Minister of Fisheries purchases services covering: the provision of advice on the level, standards and specifications to be applied to contestable services; management of the cost recovery regime; and contracting of contestable fisheries research services. The aims of this output class are to:

- provide service standards and specifications
- manage the cost recovery process in an orderly and timely manner
- manage the contestability regime for fisheries research services on a sound commercial basis
- manage the resulting contracts
- ensure activities in this output class are carried out in a sound legal manner.

Outputs to be delivered under this class are:

- service specification

- management of the cost recovery process, including providing advice to the Minister on the:
 - nature and extent of required fisheries services in the forthcoming year
 - results of the consultation process with fisheries stakeholders
 - costs to be borne by the commercial fishing industry and the Crown in respect of fisheries services
 - quantum of levies to be paid by the commercial fishing industry under the cost recovery regime
- management of contracts, including:
 - soliciting interest for the provision of new services, investigating new service providers and informing potential new service providers of the opportunities available
 - selecting of appropriate service providers for contestable services
 - negotiating of contracts.

Quantity, quality and timeliness

Government service specification and purchasing

- Ministry research priorities for 1999/2000 will be agreed and documented by 31 October 1998.
- Fisheries research standards and specifications for the 1999/2000 year will be reviewed and documented by 8 December 1998.
- Stock assessment standards and specifications for the year 2000 stock assessment meetings will be reviewed and documented by 8 December 1998.
- A framework for draft research proposals for the 1999/2000 year will be developed and documented by 8 December 1998.
- Rolling five-year research plans will be reviewed and distributed by 14 May 1999.
- The report from the Fishery Assessment Plenary will be completed to agreed standards by 14 May 1999.
- Contracted scientific advice on sustainability issues will be provided as required and to agreed standards.

Cost recovery

- The consultation process will include representatives of those parties approved by the Minister.
- The information provided for consultation will be complete and accurate.

- The quantum of levies and the proportions to be paid by industry and the Crown will be specified and verifiable.
- Cost recovery levies will be set and announced to take effect from 1 October 1998.

Contract management

- All contracts awarded to service providers will:
 - include a statement of purpose
 - identify the parties to the contract
 - specify the term of the contract
 - provide for the disposition of risks
 - provide the best service for the best price
 - include a formal contract variation process
 - state the time, amount and method of payment
 - specify outputs and agreed measures of performance
 - provide for reporting arrangements
 - state how the results are to be assessed
 - provide for sanctions for non-performance
 - specify mechanisms for disputes resolution
 - be in accordance with New Zealand law.
- All contracts for the provision of fisheries research services for the 1998/99 financial year will be finalised by 1 October 1998. The value of contracts in 1998/99 is estimated at \$15.517 million inclusive of GST.
- All contracts will be completed with all deliverables delivered in accordance with the Conditions of Contract and to the complete satisfaction of the Ministry and the contractor.
- Scientific evaluation of progress reports on contestable services will be completed within 14 days of receipt of the report.
- Scientific evaluation of final reports on contestable services will be completed to the agreed standards within 28 days of receipt of the report.
- Scientific audit of contestable research services will be completed to agreed standards and within the agreed timetable.

Cost

This output class will be provided within the appropriated sum of \$2.786 million (inclusive of GST).

Year	Cost GST incl \$000	Cost GST excl \$000	Total Revenue GST excl \$000	Revenue Crown GST excl \$000	Revenue Other GST excl \$000
1998/99	2,786	2,476	2,476	2,476	0
1997/98	2,338	2,078	2,078	2,078	0

Output Class D4 - Enforcement of Fisheries Policies

Description

Under this class of outputs the Minister of Fisheries purchases services which support the sustainable utilisation of New Zealand's fisheries by promoting compliance with fisheries laws and detecting illegal activity.

The aims of this output class are:

- to achieve the highest levels of voluntary compliance with fisheries laws and deter non-compliance.

To achieve these aims, this output class detects offences against fisheries laws through: the monitoring and surveillance of fishing and fish product flows; the inspection of vessels, licensed fish receivers and dealers in fish product; the collection and analysis of information and intelligence; the audit and investigative examination of business records; and the investigation of illegal fishing activities.

Outputs to be delivered under this class are:

- detection of commercial offences
- detection of poaching and blackmarket offences
- detection of international offences
- detection of non-commercial offences.

Quantity, quality and timeliness

Detection of commercial offences

- An estimated 47 enforcement operations completed and reported.
- 100% of enforcement operations completed and reported in accordance with the *Fisheries Officers Manual*.
- 100% of case files completed in accordance with the *Fisheries Officers Manual*.

- 100% of the proportion of three total substantive audits carried out in accordance with the Chief Investigating Accountant's specifications.
- 100% of vessels over 28 metres in length (whether New Zealand registered and foreign licensed or foreign chartered) monitored through the vessel monitoring system.
- Fisheries compliance priority areas and requirements provided prior to each RNZAF flight for fisheries enforcement.

Detection of poaching/blackmarket offences

- An estimated 25 enforcement operations completed and reported.
- 100% of enforcement operations completed and reported in accordance with the *Fisheries Officers Manual*.
- 100% of case files completed in accordance with the *Fisheries Officers Manual*.
- 100% of the proportion of three total substantive audits carried out in accordance with the Chief Investigating Accountant's specifications.

Detection of international offences

- 100% of foreign vessels inspected.
- 100% of case files completed in accordance with the *Fisheries Officers Manual*.
- 100% of New Zealand vessels fishing international waters monitored/inspected for compliance with requirements of treaties, approvals and licences.
- Fisheries compliance priority areas and requirements provided prior to each RNZAF flight for fisheries enforcement.

Detection of non-commercial offences

- An estimated six enforcement operations completed and reported.
- 100% of enforcement operations completed and reported in accordance with the *Fisheries Officers Manual*.
- 100% of case files completed in accordance with the *Fisheries Officers Manual*.
- Establish and maintain an Honorary Fisheries Officer (HFO) and Fishcare volunteer network.
- All HFOs fully aware of their duties, powers and responsibilities.

Cost

This output class will be provided within the appropriated sum of \$19.024 million (inclusive of GST).

Year	Cost GST incl \$000	Cost GST excl \$000	Total Revenue GST excl \$000	Revenue Crown GST excl \$000	Revenue Other GST excl \$000
1998/99	19,024	16,910	16,910	16,400	510
1997/98	15,706	13,961	13,961	13,351	610

Output Class D5 - Prosecution of Offences

Description

Under this class of outputs the Minister of Fisheries purchases services relating to the prosecution of offences detected against fisheries laws.

The aims of this output class are:

- to achieve the highest levels of voluntary compliance with fisheries laws and to effectively deter non-compliance via prosecutions.

To achieve these aims, this output class prosecutes offences detected against fisheries law and ensures that evidence and forfeit property are maintained in a cost-effective manner and are disposed of if so directed by the Minister.

Outputs to be delivered under this class are:

- management and advocacy, which incorporates the actual management and co-ordination of prosecutions, legal advice and court appearances and the management of expert witnesses whose technical expertise aids prosecutions
- evidence and forfeit management, which involves the management of storage for seized and forfeited property (and disposal of forfeited property if so directed by the Minister).

Quantity, quality and timeliness

Management and advocacy

- 100% of cases initiated within statutory time limits.
- 85% of the fisheries cases successfully prosecuted.
- Less than 5% of the cases dismissed because a prima facie case has not been established.
- 100% of witnesses available to the court.
- 100% of witnesses deliver evidence.

Evidence and forfeit management

- 100% of seized or forfeit property maintained in a reasonable condition.
- 100% of forfeit property disposed of in accord with ministerial direction.
- 80% of forfeit property disposed of within 90 days of the ministerial direction to dispose of the property.

Cost

This output class will be provided within the appropriated sum of \$2.856 million (inclusive of GST).

Year	Cost GST incl \$000	Cost GST excl \$000	Total Revenue GST excl \$000	Revenue Crown GST excl \$000	Revenue Other GST excl \$000
1998/99	2,856	2,539	2,539	2,539	0
1997/98	2,973	2,643	2,643	2,643	0

Output Class D6 - Fisheries Services*Description*

Under output class Fisheries Services, the Minister purchases registration and information services which support fisheries legislation and policy.

The aims of this output class are to:

- provide client-responsive and timely quota management and access services within the statutory framework of the Fisheries Acts 1983 and 1996
- process, utilise and manage statutory information collected, in a secure and accurate manner
- provide observation services to collect and monitor information to meet the specific requirements of research and compliance activities.

In achieving these aims, this output class delivers services, primarily to the commercial fishing industry, in the areas of quota management processes, access to commercial fisheries, management of statutory reporting, records management and observation services. Such services are required to be delivered in accordance with the provisions of fisheries legislation.

Outputs to be delivered under this class are:

- observation services - the collection of real time information by monitoring vessel activity and catch at sea and monitoring the transferring of fish product at sea or in port

- management of statutory reporting - services for the processing of statutory fishing returns, including data integrity analysis, the management of statutory reporting requirements and the storage of fishing returns and operating records of Fisheries Services
- registry services - for the registration and processing of statutory requirements, information and customer services for the commercial industry.

Quantity, quality and timeliness

Observation services

- An estimated 4,330 observer seadays will be used to collect biological and catch effort data in accordance with *Observer Manuals* as follows:
 - middle depth fisheries 2,050 seadays
 - deepwater fisheries 950 seadays
 - squid trawl fisheries 600 seadays
 - tuna longline fisheries 400 seadays
 - scampi trawl fisheries 250 seadays
 - inshore fisheries 80 seadays
- Supervise and monitor the following activities
 - transhipments 900 seadays
 - inport unloadings 200 seadays
 - vessel-specific conversion factors 150 seadays
 - specific industry requests 400 seadays
 - abandonment of fish 280 seadays
 - conservation services 831 seadays

Management of statutory reporting

- An estimated 170,000 to 200,000 statutory returns received, managed and subjected to data integrity analysis within prescribed operational standards.
- All statutory documents stored and archived in accordance with operational policy and standards.

Registry services

- An estimated 7,000 to 9,000 quota transactions will be undertaken with a processing error rate of less than 5%.

- An estimated 100,000 to 150,000 monthly balance reports will be processed within six weeks of the end of the relevant month.
- An estimated 300 to 750 monthly balance reviews will be processed, within three weeks of receipt.
- An estimated 1,800 to 2,300 fishing permit applications will be approved, within five working days of receipt of correct information.
- An estimated 2,000 to 2,500 vessel registration applications will be approved, within five working days of receipt of correct application details.
- An estimated maximum of 200 new client registrations will be processed, with the details correctly recorded on the database.
- An estimated 1,500 to 2,500 calls will be received per month by the Fisheries Information Service (0800 number), with less than 5% of calls diverted to an answer service.
- Half-yearly reviews of the Crown quota portfolio will be undertaken to determine and maintain management priorities.

Cost

This output class will be provided within the appropriated sum of \$11.117 million (inclusive of GST).

Year	Cost GST incl \$000	Cost GST excl \$000	Total Revenue GST excl \$000	Revenue Crown GST excl \$000	Revenue Other GST excl \$000
1998/99	11,117	9,882	9,882	8,117	1,765
1997/98	13,992	12,437	12,437	10,672	1,765

Output Class D7 - Administration of Crown Receipts and Payments

Description

Under this class of outputs the Minister of Fisheries purchases accounting services relating to the collection of Crown revenue and the management of payments.

The aims of this output class are to:

- provide accurate and timely invoices and statements to account holders detailing monthly Crown and departmental charges
- operate an effective and efficient revenue collection and debt management system in relation to the collection of Crown and departmental revenue. The significant sources of revenue are deemed values and cost recovery levies.

Under this output class the following output will be delivered:

- Administration of Crown Receipts and Payments, which includes invoicing, receipting and allocating payments and collecting all statutory and departmental charges.

Quantity, quality and timeliness

- All accounts will be issued by the 12th of the month following the accounting run.
- An estimate of between 15 and 25 debt investigations will be undertaken each month.
- A reduction of 5% of overall debt each quarter compared with the same quarter in the previous year will be achieved.
- Cash will be collected as per forecast.
- All monthly and quarterly reports will meet the reporting requirements.

Cost

This output class will be provided within the appropriated sum of \$867,000 (inclusive of GST).

Year	Cost GST incl \$000	Cost GST excl \$000	Total Revenue GST excl \$000	Revenue Crown GST excl \$000	Revenue Other GST excl \$000
1998/99	867	771	771	771	0
1997/98	961	854	854	854	0

Part C2 - Non-departmental Output Classes

Output Class O1 - Fisheries Research

Description

Under this class of outputs the Minister of Fisheries purchases scientific fisheries research services to support decision-making in relation to the sustainable utilisation of fisheries. The management of fisheries to produce the goal of sustainable utilisation is based upon scientific evaluation of:

- sustainable yields from fisheries resources
- the effects of fishing on the aquatic environment, including on the viability of associated or dependent species
- the effects of fishing on the biological diversity of the aquatic environment

- 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, economic and social factors that may need to be included in the management decision process
- the specific measures needed to implement the preferred strategy.

The goal of fisheries research is to provide the information required to ensure the sustainable utilisation of New Zealand's fisheries resources. The research required by the Minister falls into six key research areas, each of which has its own specific goal. These research areas and associated goals are:

- fisheries resources - to provide the information on sustainable yields and stock status required for the sustainable utilisation of New Zealand's fisheries resources
- harvest levels - to determine the nature and extent of the commercial and recreational catch, Māori customary take and illegal catch and fishery-induced mortality
- aquaculture and enhancement research - to provide information to ensure that aquaculture and enhancement activities are sustainable and to determine the effects on wild fisheries and the aquatic environment
- aquatic environment research - to determine the nature and extent of the impacts of fishing on the aquatic environment and of diseases and exotic organisms on fisheries resources to provide for the sustainable utilisation of New Zealand's fisheries resources
- cultural, economic and social research - to provide information on cultural, economic and social factors that may need to be considered in the management decision-making process to enable people to provide for their cultural, economic and social wellbeing
- traditional and customary research - to provide information on the traditional and customary factors that may need to be considered in the management decision-making process to enable the Minister to discharge their obligations to tangata whenua under the Deed of Settlement and the Treaty of Waitangi (Fisheries Claims) Settlement Act 1992 to enable Māori to provide for their traditional and customary wellbeing.

All fisheries research services are fully contestable and will be provided through a competitive tendering process.

Quantity, quality, timeliness and cost

The Minister will expect services to be delivered in accordance with the following standards:

Quantity, quality and timeliness

- Progress against the agreed measures in each contract will be reported quarterly.
- Scientific evaluation of progress reports on contestable services will be completed within 14 days of receipt of the report.
- Scientific evaluation of final reports on contestable services will be completed to the agreed standards within 28 days of receipt of the report.
- Scientific audit of contestable research services will be completed to agreed standards and within the agreed timetable.

Cost

This output class will be provided within the appropriated sum of \$15.517 million (inclusive of GST).

Part D - Explanation of Appropriations for Other Operating Flows

Part D1 - Benefits and Other Unrequited Expenses

There are no appropriations for benefits and other unrequited expenses.

Part D2 - Borrowing Expenses

There are no appropriations for borrowing expenses.

Part D3 - Other Expenses

There is no additional information other than that provided in Part B1.

Part E - Explanation of Appropriations for Capital Flows

Part E1 - Capital Contributions

Information regarding this appropriation is provided in Part B1.

Net Worth of Entities Owned

Statement of Estimated and Forecast Net Worth

Entities Owned	Balance Date	Estimated Net Worth 1998 \$ million	Forecast Net Worth 1999 \$ million
Ministry of Fisheries	30 June	10.193	10.193

Part E2 - Purchase or Development of Capital Assets by the Crown

There are no appropriations for purchase or development of capital assets of the Crown.

Part E3 - Repayment of Debt

There are no appropriations for repayment of debt.

Part F - Crown Revenue and Receipts

Part F1 - Current and Capital Revenue and Receipts

	1997/98		1998/99	Description of 1998/99 Crown Revenue
	Budgeted	Estimated Actual	Budget	
	\$000	\$000	\$000	
Current Revenue				
Non-Tax Revenue				
Conservation Levy	844	948	844	Recovery of avoidable costs incurred by the Government on conservation services.
Cost Recovery - Crown Quota	169	18	169	All owners of quota are liable for cost recovery levies. This revenue relates to the Crown's share of these levies.
Cost Recovery	35,706	35,206	32,586	Charging of avoidable costs of fisheries management undertaken by the Crown.
Deemed Values	5,513	5,513	5,500	Revenue expected to be paid by quota-holders who have overfished.
Fisheries Revenue from Forfeitures	500	200	500	Includes redemption fees imposed by the Minister on forfeit property, proceeds of forfeit property, including vessels' fishing gear and fish quota.
Foreign Licence Fees	300	200	300	Income received from other nations, pursuant to bilateral agreements with New Zealand, fishing under licence in the New Zealand Exclusive Economic Zone.
Scallop Enhancement	360	360	-	Transfer of funds remaining in the Scallop 7 trust account to the Challenger Scallop Enhancement Company.
Surrendered and Seized Fish	50	1	50	Income in lieu of disposal or surrender of fish when the fish are taken in excess of quota held.
Total Non-Tax Revenue	43,442	42,446	39,949	
Total Current Revenue	43,442	42,446	39,949	

Capital Receipts				
Sale Proceeds of Quota	8	8	287	Revenue from the disposal of Crown-owned quota.
Total Capital Receipts	8	8	287	
Total Crown Revenue and Receipts	43,450	42,454	40,236	