

VOTE *Fisheries*

Fisheries

Overview

Appropriations sought for Vote Fisheries for the 2004/05 financial year total \$91.782 million. It is estimated that \$37.191 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:

- \$4.670 million (5% 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.
- \$33.563 million (37% 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.
- \$12.276 million (13% of the Vote) on purchasing services to develop guidelines, regulations and processes that make the fisheries policy framework operational.
- \$9.996 million (11% 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.
- \$24.098 million (26% 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.
- \$4.481 million (5% of the Vote) on purchasing services related to the prosecution of offences detected against fisheries laws.

The remaining amount (\$2.698 million) (3% of the Vote) relates to the payment of compensation for quota reductions (\$1.710 million), levies on Crown-owned quota (\$190,000), a capital contribution (\$538,000) and subscriptions to International Organisations (\$260,000).

The Minister of Fisheries consults annually with iwi and other fisheries stakeholders on the fisheries services to be provided by the Ministry of Fisheries in the forthcoming financial year. This consultation process on the fisheries services to be provided in 2004/05 was concluded in April 2004.

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.
EEZ	Exclusive Economic Zone
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 2004/05 are set out in the Ministry's Statement of Intent for 2004/08.

Links Between the Output Classes and the Government's Outcomes

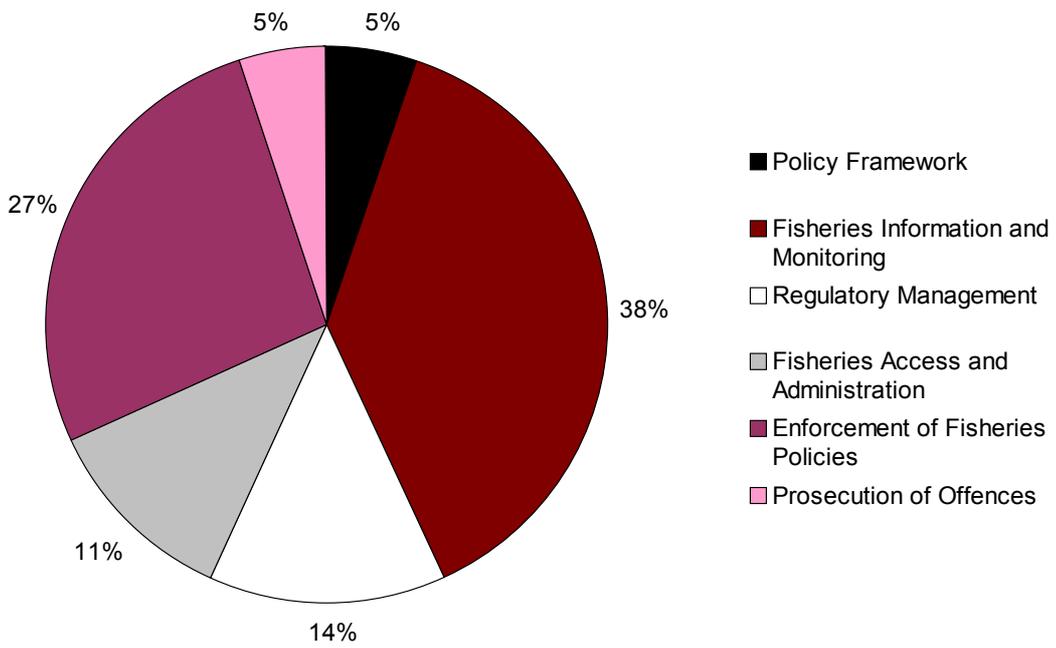
Each of the Ministry's output classes contributes, in varying degrees, to the Government goals. The links between the output classes and desired government outcomes follow.

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.

2004/05 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 2004/05



Source: Ministry of Fisheries

Part A2 - Trends in Vote Fisheries

Output Trends: 1999/2000 to 2004/05

Departmental

Total departmental output class expenditure has increased since 1999/2000 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 sector capability.
- Funding to meet New Zealand's international obligations.
- Additional resourcing to provide for the health and safety of fisheries officers.
- Implementation of the Fisheries Deed of Settlement.
- Increased resourcing for the Serious Offences Unit.
- Improving information on marine recreational fishing.
- Improvements to Corporate Infrastructure.

Crown revenue

Estimated revenue for 2004/05, at \$38.313 million, is forecast to be \$6.035 million above the Estimated Actual for 2003/04. The main reason for this increase reflects the fact that most of the credit for the settlement of cost recovery unders and overs was applied in the 2003/04 financial year.

Reconciliation of New Initiatives to Appropriations

Initiative	Appropriations as shown in Part B	\$000 increase/(decrease)				
		2003/04	2004/05	2005/06	2006/07	2007/08
Ministry Legal Expenses	Departmental Output Class - Regulatory Management	694				
Implementation of Fisheries Deed of Settlement	Departmental Output Class - Fisheries Information and Monitoring		56	28	28	28
	Departmental Output Class - Regulatory Management		2,852	3,522	4,022	4,522
	Departmental Output Class - Enforcement of Fisheries Policies		592	450	450	450
Health and Safety - Compliance Field Communications	Departmental Output Class - Enforcement of Fisheries Policies		1,285	982	995	1,031
Improved Information on Marine Recreational Fishing	Departmental Output Class - Fisheries Information and Monitoring		1,000	1,000	1,000	1,000
Corporate Infrastructure Projects	Departmental Output Class - Policy Framework		29	29	29	29
	Departmental Output Class - Fisheries Information and Monitoring		168	168	168	168
	Departmental Output Class - Regulatory Management		75	75	75	75
	Departmental Output Class - Fisheries Access and Administration		61	61	61	61
	Departmental Output Class - Enforcement of Fisheries Policies		141	141	141	141
	Departmental Output Class - Prosecution of Offences		26	26	26	26
	Capital Contribution to the Department		200	-	-	-

Increase Capacity in the Serious Offences Unit (SOU)	Departmental Output Class - Enforcement of Fisheries Policies		333	404	414	437
Legal Settlement	Other Expenses to be Incurred by the Crown - Transfer of Quota	2	-	-	-	-
Scampi Settlement	Other Expenses to be Incurred by the Crown - Settlement of Litigation	900	-	-	-	-
Total Initiatives		1,596	6,818	6,886	7,409	7,968

Trends in Vote Fisheries - Summary of Appropriations and Crown Revenue

Types of Appropriation	1999/2000	2000/01	2001/02	2002/03	2003/04		2004/05 Appropriations to be Used				2005/06	2006/07	2007/08	
	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	60,546	66,640	71,502	76,614	86,359	78,943	89,084	-	-	-	89,084	88,654	86,615	87,174
Benefits and Other Unrequited Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Other Expenses	3,615	3,535	1,782	2,120	3,317	3,317	-	-	2,160	-	2,160	450	450	450
Capital Flows														
Capital Contributions	-	10	-	268	100	100	538	-	-	-	538	169	-	-
Purchase or Development of Capital Assets	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Repayment of Debt	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Total Appropriations	64,161	70,185	73,284	79,002	89,776	82,360	89,622	-	2,160	-	91,782	89,273	87,065	87,624
Total Crown Revenue and Receipts	39,265	39,104	14,659	63,774	32,278	32,278	N/A	N/A	N/A	N/A	38,313	38,077	38,077	38,077

Part B - Statement of Appropriations

Part B1 - Details of Appropriations

	2003/04				2004/05		Description of 2004/05 Appropriations
	Vote		Estimated Actual		Vote		
Appropriations	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Departmental Output Classes (Mode B Gross)							
Policy Framework	6,267	-	5,753	-	4,670	-	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	33,789	-	27,826	-	33,563	-	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.
Regulatory Management	10,937	-	10,560	-	12,276	-	Services to develop guidelines, regulations and processes, which make the fisheries policy framework operational.
Fisheries Access and Administration	9,830	-	9,268	-	9,996	-	Services associated with 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	20,955	-	20,955	-	24,098	-	Services and processes that promote compliance with fisheries laws and lead to detection of those involved in illegal fishing activities.
Prosecution of Offences	4,581	-	4,581	-	4,481	-	Services relating to the prosecution of offences detected against fisheries laws.
Total Appropriations for Departmental Output Classes (Mode B Gross)	86,359	-	78,943	-	89,084	-	

Part B1 - Details of Appropriations (continued)

	2003/04				2004/05		Description of 2004/05 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							
Subscriptions to International Organisations	160	-	160	-	260	-	- Subscriptions to such organisations as the Commission for the Conservation of Southern Bluefin Tuna (CCSBT) and the Convention on the Conservation and Management of Highly Migratory Fish Stocks in the Western and Central Pacific.
Quota Shares/ACE Administration Costs	14	-	14	-	-	-	- Costs related to the sale of Crown Quota Shares and ACE (Annual Catch Entitlement)
Compensation for Quota Reductions	230	-	230	-	1,710	-	- 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	233	-	233	-	190	-	- All owners of quota shall be liable for cost-recovery levies. This expenditure relates to the Crown's share of such levies.
Settlement of Litigation	1,058	-	1,058	-	-	-	- This expenditure relates to settlement costs from litigations.
Transfer of Quota Shares and ACE	1,622	-	1,622	-	-	-	- Transfer of quota from current Crown holdings.
Total Appropriations for Other Expenses to be Incurred by the Crown	3,317	-	3,317	-	2,160	-	
Capital Contributions to the Department							
Capital Investment	100	-	100	-	538	-	- Corporate Infrastructure Projects and Marine Biosecurity Capability Enhancement.
Total Appropriations for Capital Contributions to the Department	100	-	100	-	538	-	
Total Appropriations	89,776	-	82,360	-	91,782	-	

Part C - Explanation of Appropriations for Output Classes

Part C1 - Departmental Output Classes

Output Class - Policy Framework

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

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: provide advice on policy development and to promote new frameworks aimed at protecting the health of the aquatic environment; enabling New Zealanders to get the best value from the sustainable and efficient use of fisheries; and ensuring the Crown delivers on its obligations to Māori with respect to fisheries
- international fisheries sustainability and utilisation advice provided: contribute to the development of bilateral, regional, and multilateral frameworks for managing international fisheries, with the aim of protecting the health of the aquatic environment; and enabling New Zealanders to get the best value from the sustainable and efficient use of fisheries
- biodiversity advice provided: provide advice to improve our understanding and maintenance of marine biological diversity aimed primarily at protecting the health of the aquatic environment
- Ministerial services provided: provides a number of services to the Minister and Associate Minister of Fisheries and to the Minister for Biosecurity. These include the drafting of reports and advice to Ministers and to Select and Cabinet Committees, replies to Ministerial correspondence and responses to Parliamentary questions.

Output Class - 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: As an input into current and future fisheries management decisions fisheries research needs are identified, projects undertaken and results reported to provide increased information on:
 - estimates of biomass and sustainable yields for 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
- biodiversity of New Zealand's marine environment estimated: supporting the Biodiversity Strategy by identifying research needs, undertaking research and reporting research results in the following areas:
 - Biodiversity Information within the New Zealand EEZ
 - Biodiversity of the Ross Seaand developing the National Aquatic Biodiversity Information System
- observer services provided: observers deployed and data collected in response to requests by clients.

Output Class - 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: provides for the establishment of standards and the development of fisheries management advice contributing to the sustainability of aquatic ecosystems and efficient utilisation of fisheries
- international utilisation and sustainability reported: participation in existing bilateral and regional frameworks and arrangements for managing international fisheries, with the aim of protecting the health of the aquatic environment and enabling New Zealanders to get the best value from the sustainable and efficient use of fisheries
- customary applications processed: provides for the management 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 - Fisheries Access and Administration

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

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 evaluation of applications from stakeholders to harvest aquatic life or to farm aquatic life outside normal rules

- registry services managed: delivery and monitoring of contracted and devolved registry services to ensure consistency and compliance with standards and specifications.

Output Class - 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 capacity is provided to take action 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, detection, and recommendations to prosecute
- recreational fishing rules enforced: actions taken in recreational fisheries to encourage compliance and deter offending. These actions include monitoring, detection, 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 - 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: fishery related prosecutions managed. This includes case preparation 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 2004 \$ million	Forecast Net Worth 2005 \$ million
Ministry of Fisheries	30 June	8.464	9.002

Part F - Crown Revenue and Receipts

Part F1 - Current and Capital Revenue and Receipts

	2003/04		2004/05	Description of 2004/05 Crown Revenue
	Budgeted \$000	Estimated Actual \$000	Budget \$000	
Current Revenue				
Non-Tax Revenue				
Conservation Levy	2,108	2,108	1,053	Recovery of costs incurred by the Government on conservation services.
Cost Recovery - Crown Quota	200	200	169	This revenue relates to cost recovery levies for quota held by the Crown.
Cost Recovery	22,932	22,932	30,703	Charging of costs of fisheries management services undertaken by the Crown.
Deemed Values	4,400	4,400	5,500	Revenue expected to be paid by quota-holders who have overfished.
Fisheries Revenue from Forfeitures	1,100	1,100	500	Revenue from forfeit property, whether by sale or through redemption fees.
Sale of Quota Shares and ACE	50	50	-	Profit realised on sale of Crown owned quota.
Infringement Notice Revenue	388	388	388	This revenue relates to the Infringement Notice System introduced as part of the Fisheries Act 1996.
Other Revenue	850	850	-	Miscellaneous Revenues
Total Non-Tax Revenue	32,028	32,028	38,313	
Total Current Revenue	32,028	32,028	38,313	
Capital Receipts				
Proceeds Quota Shares and ACE	250	250	-	Revenue from the disposal of Crown-owned quota.
Total Capital Receipts	250	250	-	
Total Crown Revenue and Receipts	32,278	32,278	38,313	