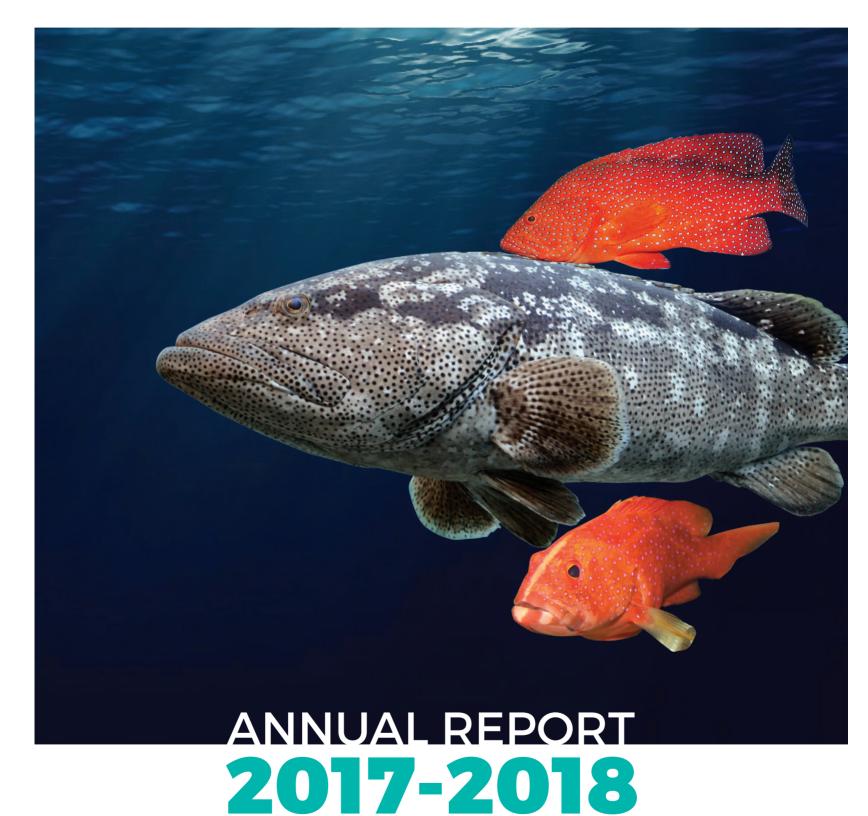


Ministry of Fisheries



Parliamentary Paper 26 of 2020

Permanent Secretary for Fisheries Ministry of Fisheries Level 1 Takayawa Building Suva, Fiji Telephone: (679) 3301 611



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REFERRAL LETTER FROM THE Permanent Secretary

9th September, 2019

Honorable Minister for Fisheries Mr. Semi.T. Koroilavesau Ministry of Fisheries Level 1, Takayawa Building Suva

RE: 2017 - 2018 ANNUAL REPORT

Dear Sir,

It is with pleasure that I submit for your information and presentation to Parliament, the Annual Report for the Ministry of Fisheries for the period of 1st August 2017 – 31st July 2018.

The report highlights the Ministry's performance and achievement in delivering services to our valued stakeholders as reflected in the 2017 - 2018 Annual Corporate Plan.

This report has been prepared in accordance with the provision of the Financial Management Act 2004.

The Report further encapsulates the commitment and diligence of all staff within the Ministry.

Yours Sincerely,

Mr. Craig Strong Permanent Secretary for Fisheries

Permanent Secretary's Foreword

I present this Annual Report, in my capacity as Permanent Secretary for Fisheries. The year 2017-2018, I was informed was a challenging one for the Ministry as there were major structural changes that impacted our operations.

2017-2018 was a year of change for the Ministry, as it was announced as a standalone Ministry. There was insufficient time for the Ministry to establish basic systems and processes for our operations as we were required by Government to ensure smooth transition. With minimal support staff, the year focused on continued service delivery operations to ensure that our services to the general public and our key stakeholders were not drastically affected.

As a resource-based sector, the expectations of the public and our key stakeholders was something we had to manage. A major challenge that we have encountered over the years is the archaic legislation going back to 1942 for the coastal fisheries community and the absence of any legislative/regulatory framework for our aquaculture operations.

To provide a greater focus on inshore fisheries management, the Ministry during the year established an Inshore Fisheries Management Division. This Division ensures sustainable management and utilization of nearshore fisheries resources with an urgent need to address overfishing of key species.

In total for the financial year 2017-2018, the approved Ministry staffing summed 359 with a corresponding budget of FJD\$18.8 million allocated for the implementation of our programs and projects.

I express my heartfelt gratitude to the Honorable Minister for Fisheries for his leadership and guidance throughout the financial year.

I wish to thank all staff for the hard work and commitment shown towards meeting the legislated functions of the Ministry of Fisheries.

I also express my sincere gratitude to all our donor and development partners for their support and commitment towards the Fiji's fisheries sector.

Mr. Craig Strong Permanent Secretary for Fisheries

Corporate Statements

Our VISION

A Sustainable Fisheries Sector for Our Future Generation Based on the Blue Economy

Our MISSION

To Drive Sustainable Fisheries Management, Economic Growth and To Improve Livelihood through SMART Fisheries Strategies

Our VALUES

Responsible: We will discharge our duties with accountability

- **Resolute:** We will discharge our duties with determination and be firm and fair in our decisions
- **Respectful:** We will be sensitive to individual needs and the diversity of views
- **Resourceful:** We will be practical, creative, effective and efficient and maintain uncompromising integrity in our daily work
- **Reliable:** We will do and deliver what we have committed and promised to our customers

Our Core Business

The Ministry is responsible for the formulation and implementation of policies that promote best practice (equating conservation and utilization) that will ensure a prosperous and enhanced Fisheries Sector. The Ministry drives this through coordination, consultation and partnership and fisheries resource owners, community, private sector and government agencies, Non-Covernmental organizations, regional and international agencies.

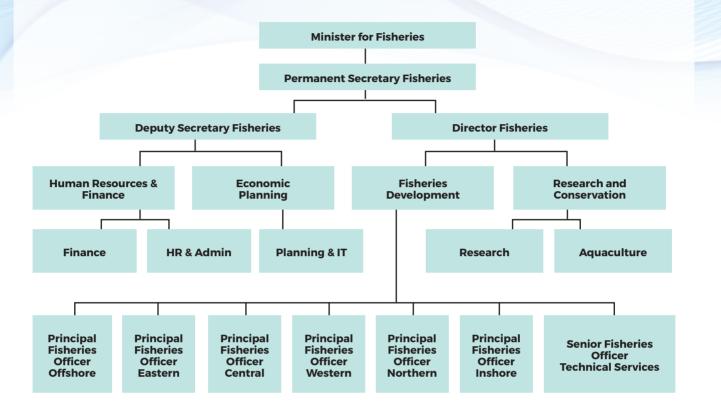
In doing so the Ministry ensures the environment is conducive to the private sector investment and promote growth in community participation, creating jobs opportunities which will therefore fisheries sector contribution to the National GDP.

Major functions:

- 1. Formulation of fisheries policies and strategies;
- 2. Coordinate and facilitate the implementations of fisheries strategies and policies including private sector development and trade standards, in partnership with Government entities and the industry
- 3. Provide and administrate the regulatory function under the Ministry's legislation
- 4. Monitor and evaluate the current strategies, policies and deliverables information analysis and reporting for the fisheries sector;
- 5. Develop and promote effective training and communication and awareness and extension services in the fisheries sector;
- 6. Develop and maintain institutional and community industrial support networks and infrastructure
- 7. Undertake applied and scientific research for sustainable fisheries management including practices on biodiversity, food security, diversification of the export base, value adding and market access; and
- 8. Provide overall leadership and management of the Ministry including human resource management and development.



Our Organisational Structure



Legislative, Regulations, Policies & Plans Framework

The Ministry of Fisheries is guided in its daily operations by the following legislation, regulations, policies and plans.

Legislation	Regulations	Policies	Plans	Manuals
 * Constitution of the Republic of Fiji 2013 * Financial Management Act 2004/2010 * Tax Administration Decree 2009 * Fiji Health & Safety at Work Act 1996 * Public Service Act 1999 * Act 2 of 2016 - Amendment to PSC Act * Employment Relations *Promulgations 2007 & *Employment Relations (Amendment) Act 2016 Fisheries Act (Cap 158) * Marine Spaces Act (Cap 158A) * Offshore Fisheries Management Act 2012 	 * Public Service * Regulation 1999 * Finance Instructions 2010 * Fiji Procurement Regulations & Amendments 2010 * Fisheries Regulation (in the various legal notices) *Offshore Fisheries Management Regulation 2014 * Environment Management Act 2005 Endangered and Protected Species Act 2002 Fiji Maritime Transport Decree Ship Registration Decree * I-Taukei Lands Act Surfing Decree Fiji Green Growth Framework *Climate Change Policy for Fiji (Draft) Fiji Ocean Policy 	 * General Orders 2011 Terms & Conditions of Employment for GWE's 2010 * MFF Risk Management Policy * Open Merit Recruitment & Selection * Job Evaluation * Disciplinary Management 	* Annual Corporate Plan Commodity Plans Resource Management Plans	* MFF HR Manual * MFF Finance Manual

Fisheries Public Sector Investment Projects

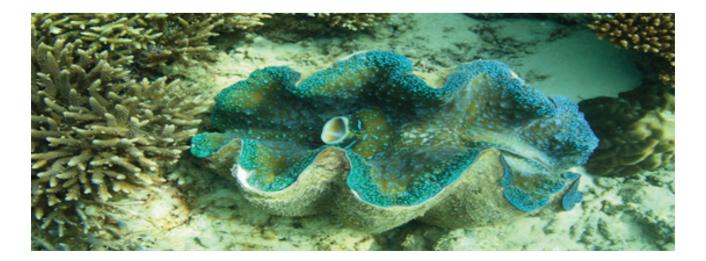
	Project	Budget
1.	Coastal Fisheries Development	\$672,380
2.	Construction of Cicia Ice Plant	\$852,930
3.	Construction of Moala Ice Plant	\$852,930
4.	Preparatory Works - Wainigadru Ice Plant	\$50,000
5.	Upgrade of Lekutu Fisheries Station	\$340,000
6.	Purchase of New Ice Machine - Wainibokasi Ice Plant	\$440,000
7.	Donor Funded - Technical Assistance to Fisheries Extension Division (JICA)	\$86,309
8.	Makogai Mari-culture Development Centre	\$262,160
9.	Pearl Oyster Research and Development	\$295,200
10.	Marine Resource Inventory Survey	\$300,000
11.	Upgrade of Office and Quarters	\$630,000
12.	Cyclone Rehabilitation - On-going Construction of Fisheries Institutional Buildings	\$1,600,000
13.	Purchase of Aluminum Boat	\$225,000
14.	Aquaculture Development	\$350,000
15.	Brackishwater Development	\$380,000
16.	Seaweed Development Programme	\$259,225
17.	On-going Construction of Multi Species Hatchery - Ra	\$400,000
18.	Food Security Programme – Aquaculture	\$250,000

Summary of Assets

Division	Institutional Quarters	Office/ Hatchery	Vehicle	Vessel	lce Plant
Central Division	5	7	7	5 fiberglass boats	2
Eastern Division	25	9	4	6 fiberglass boats	7
Western Division	2	9	3	4 fiberglass boats 1 10m vessel	7
Northern Division	9	8	2	4 fiberglass boats 1 10m vessel	8
Total	28	33	5	21	24

Human Resources as at 31 July 2018

Staff	Strength
Established Staff	143
Unestablished Staff	80
Project Staff	44
Total Establishment	267
Staffing strength as at July 31 st , 2018	76.2%



Portfolio Leadership, Policy Advice, Financial services

The Ministry progressed a good number of draft policies and plans during the period which will be progressed further in the new fiscal year. We recognized this to be an area of operation requiring strengthening if we are to excel in our role of ensuring sustainable management of fisheries resources.

Collaborations with Partners in Developments (Nationally, Regionally and Internationally)

The Ministry recognized the budget constraints and limitations of implementing all that we have planned to create that maximum impact to the lives of Fijians. We therefore engage with donor partners through establishment of MOU's and MOA's. The following were signed and executed during the period:

- Memorandum of Understanding signed between University of Sunshine/ACIAR PARDI for the Pearl rehabilitation project which was passed in Cabinet in July, 2017;
- Memorandum of Understanding signed between the Ministry of Fisheries (MoF) and Fiji Fisheries Industries Association (FFIA) to facilitate the United Nations Food and Agriculture Organization (UNFAO) Electronic Monitoring System (EMS) Project on 22nd September, 2017;
- A Memorandum of Understanding (MOU) was signed on July 17, 2018 between Ministry of Fisheries and Overseas Fishery Cooperation Foundation of Japan (OFCF) for the installation of a replacement ice-plant at the Nabouwalu Fisheries Station in Bua.
- The Government of Japan through JICA donated a slicing machine worth \$3000 to the Ministry in August 2017. This machine was used by the fishermen in the Northern part of Kadavu who have been catching Tuna and other pelagic fisheries through offshore FADs deployed in the area. Over the years these fishermen have been facing difficulties in selling their catches. The machine assisted these fishermen to cut the fish into smaller pieces thus making it cheaper for the coastal community to buy the fish per kg unit.

Offshore Fisheries Management Division

The Offshore Fisheries Management Division (OFMD) is the technical and advisory arm of the Ministry of Fisheries on matters relating to Fiji's offshore sector. The division manages licensing, monitoring, control and surveillance, and catch and activity reporting for vessels operating in Fiji offshore waters.

During the current fiscal year, a total of 42 Long line fishing licenses, 7 exploratory licenses and 25 authorizations to fish beyond Fiji fisheries waters were issued. In addition, 1274 export and 267 import permits were issued from the Walu Bay and Lautoka offices respectively. The division also issued 199 CITES permits for the fiscal year, prior to Department of Environment becoming the sole signatories, as per Fiji CITES Management Authority (FCMA) meeting resolutions of 10th January, 2018.

Fish Production Data	1st August 2017 - 31st July 2018		
Albacore [MT]	7,438		
Big Eye [MT]	663		
Yellow Fin [MT]	2,438		
Tuna like [By Catch] [MT]	1,792		
Beach-de-mer [KG] ¹	8,415		
Trochus [Shells and shell scraps] [Pieces]	18,000		
Soft coral [Pieces]	33,266		
Ornamental Fish [live] [Pieces]	37,000		
Ornamental Invertebrates [Live] [Pieces]	9,600		
Live Rock [KG]	1,500		
Coral Base rock/cultured rock [KG]	75,500		

There was a strong offshore fishery monitoring with the following activities carried out;

- · 163 national observer placements and 11 regional observer placements;
- · port samplings activities undertaken on a total of 69 vessel landings;
- 32,995 data units [Log sheets, landing, observer workbooks, port sampling and packing list] were entered by the division.
- · 48 weekly analyzed and compiled Vessel Monitoring System (VMS) reports;
- 1,719 (1,581 Arrival and 138Departure) dockside boarding and inspections;
- 48 random inspections of fish and fisheries products for export and import.
- 33 reports were compiled for checks on vessels of special interest with 6 of them being foreign vessels.

Ban on Harvesting, Purchase, Sales and Export of Sea Cucumber (Beche-de-mer) was implemented from 15 September 2017, however an exemption was granted for companies to export existing processed stocks at the time of the ban implementation.

As part of our reporting obligations and commitment to sustainable regional management of tuna resources, 47 updates were submitted to the Western and Central Pacific Fisheries Commission (WCPFC) Record of Fishing Vessels (RFV),

In addition, some of the other highlights of the current fiscal year include increased contribution to capacity building initiatives. This included a one-week training of 30 officers from the Fiji Navy and the Ministry of Fisheries on boarding and inspection held at Tanoa Hotel between the 14th and 18th of August 2017. The training covered international legal framework for fisheries, port State measures, inspection of onboard documentation, and national monitoring, control and surveillance. 31 Fisheries officers (including 10 regional observers) also commenced and completed phase I and II of Certificate IV - Certificate in Fisheries Enforcement and Compliance study program fully funded by Pacific Islands Forum Fisheries Agency (FFA) and the University of the South Pacific (USP).

Two Marine Stewardship Council (MSC) - Chain of custody (CoC), fish traceability processes and standard operating procedures trainings were conducted with all stakeholders, including line Government agencies. These trainings were conducted with funding provided Pacific Islands Forum Fisheries Agency (FFA) under the Pacific Islands Oceanic Fisheries Management Project II (OFMP II) and occurred between 26th June – 7th July, 2017 and 3rd April to 12th April, 2018.

A major achievement for the Ministry was the unanimous decision in Parliament on July 13, 2018 to sign the Port State Measures Agreement to prevent, deter and eliminate illegal, unreported and unregulated (IUU) fishing (PSMA). The Port State Measures Agreement is a tool aimed at eliminating IUU fishing through the development deployment of effective port State measures.

The Ministry continued to strengthen its ties with the fishing industries

Further steps to strengthen the management of offshore fisheries species were undertake, including the development of the draft Offshore Pelagic Fisheries Mahimahi Management Plan. It is anticipated that stakeholder consultations will take place in the next fiscal year before finalization of the draft plan.

The Pacific Islands Forum Fisheries Agency (FFA) commenced on an in-country survey on Economic contribution of Tuna fisheries to the Fiji economy. This survey will help us understand the value that this important regional resource brings to Fiji and will continue into the next fiscal year.

Inshore Fisheries Management Division

At the United Nations Oceans Conference in New York on 6th June, 2017, Fiji government made a commitment on "Delivering Improved Coastal Fisheries Management Services in Fiji". During this fiscal year the Ministry commenced work towards the delivery of this commitment through the establishment of the Inshore Fisheries Management Division (IFMD). IFMD has been established to ensure the effective management and oversight of Fiji's coastal fisheries through an improved system of coastal fisheries management. It is anticipated that this will include catch and market data collection and analysis and the development of improved management measures and effective compliance to ensure sustainable use of inshore fisheries resources.

The Principal Fisheries Officer was recruited on the 17th of September 2017 to lead the Division. At the conclusion of the 2017-2018 financial year, no further recruitment within IFMD had been completed. The Ministry was also supported by two technical advisors funded by New Zealand Government through the New Zealand Aid Programme. The advisors both commenced work in February 2018, and were embedded within IFMD to support the establishment and the development of the new Division.

The Corporate and Policy Advisor supported IFMD on a fly-in fly-out basis with the focus on the corporate processes for IFMD, including Divisional structure, internal planning, budget preparation, and staffing.

The Inshore Fisheries Compliance Advisor has been based full time in Suva since April 2018 working alongside managers in the Ministry of Fisheries to improve compliance with coastal fisheries rules and regulations, with a particular focus on compliance policy, process and capability development.

We continue to acknowledge the assistance of the New Zealand Government. With additional manpower, establishment of defined systems and processes in the new fiscal year, the Ministry will achieve the intent of this Division.



Aquaculture Division

The division activities targeted the production and distribution of freshwater and brackish water aquaculture species, together with extension advisory work, research and targeted trainings both local and overseas for both staff and farmers.

Freshwater Aquaculture Hatchery Production and Distribution

- 488,580 Tilapia fries produced and distributed from the hatcheries
- 158,500 prawn post larvae produced and distributed from the hatcheries
- 14 farmers assisted under the Food Security 2017/2018 program breakdown being 4 from the Central and West while there was 6 in the Northern Division.

Brackish water Hatchery Production & Distribution

- 647,129 brackish water shrimp post larvae produced & distributed from the hatchery
- 30,100 sandfish juveniles produced from Galoa hatchery and distributed to sea ranch sites for restocking of depleted sites.

Policy & Plan Development

In terms of looking into the future and developing plans for various commodities in the Aquaculture fisheries, the Ministry engaged stakeholders through a consultation forum to discuss the Draft Pearl Development Plan. This was organized on October 23rd, 2017 and was attended by government officials, stakeholders and farmers. This plan when completed was to meet the voluntary commitment made by the Fiji Government at the United Nations Oceans Conference in New York in June, 2017.

In addition, the first shrimp conference on the culturing of Penaid Prawns was held at Galoa Fisheries station on May 1, 2018. This brought together the existing and potential farmers as well as other stakeholders to discuss the issues of the industry and way forward. A follow up conference was held in Lomawai on 18 October 2018 but targeted only the Western Division farmers.

Training and Capacity Building

Capacity building and trainings for Fisheries staff, community farmers and private sector was held during the period. One of these was the one-week training at the Galoa Marine Hatchery Station on micro-algae which ended on September 8th, 2017. Twenty five (25) participants from the Ministry of Fisheries, University of the South Pacific and the private sector attended. This was aimed at improving participants understanding about the important biological and technical principles underpinning production of quality micro-algae as well as the ability to identify any gaps in capacity, facilities or equipment and make recommendations to address the gaps as necessary. The workshop was funded by the South Pacific Community.

Four (4) farmer trainings were conducted nationally, with one in each division. A total of 87 framers participated at these regional trainings. These trainings are essentials to ensure that aquaculture farmers are equipped with accurate technical advice to support their farming activities.

There was a programme for Shrimp Hatchery Training at Crab Company (Fiji) Ltd farm at Raviravi, Ba, Fiji. Five (5) Galoa hatchery staff attended. The training programme comprises of three sessions:

Session 1: 3rd to 16th July 2018 Maturation/ Naupli Production Focus;

Session 2: August/ September 2018 PL Production Focus;

Session 3: October/ November 2018 Nursing/ QC/ Shrimp Health Focus

The above sessions covered the practical process of maturation and naupli production, PL production and finally QC/Shrimp health and both theoretical classroom work and practical work in the hatchery will be arranged in a logical manner. Other subjects which are not dependent upon practical work will take place during free times when practical production for each Session is ongoing.

Collaboration Activities

The Sandfish Exchange program between Fiji, PNG, and New Caledonia during October and November 2017 continued with the aim of sharing common knowledge and information on sandfish breeding. This was attended by two (2) Fiji fisheries staff. Solomon Islands, Kiribati and Vanuatu also participated.

The Nadi/ Lautoka Aquaculture Cluster farmers group received assistance from collaboration partners, the Secretariat of the Pacific Community on May 2nd 2018. The cluster is made up of 10 tilapia freshwater farmers around the Nadi and Lautoka area and their level of operation ranges from semi commercial to commercial farming of tilapia. The farmers received donated items funded by New Zealand Foreign Affairs and Trade Aid Programme under the Sustainable Pacific Aquaculture development for food security and economic growth. The items donated included graders, nets, digital scales and scoop nets.

In May 2018, the Division embarked to develop the first ever **National Strategy on Aquatic Biosecurity for Fiji** in collaboration with SPC. A draft Strategy has been developed for further consultation in the New Year.

The Japanese Government, through the Embassy of Japan in Suva, approved a project for the provision of materials for tilapia seed production at Naduruloulou Research Station under the Grant Assistance for Grass Roots Human Security Projects (GGP).

Seaweed Farm Development

Seaweed continues to be a niche fisheries product, with planting materials and technical advisory provided by the Ministry to existing and potential farmers. During the fiscal year, the Ministry produced 1.5metric tones of seaweed against a target of 100MT. These harvests were from Naividamu village and Nakalou Women Seaweed farm.

The Ministry continued to assist communities in the establishment of seaweed nurseries and two (2) were established during the year in Serua and Malake against the target of four (4) for the year. In addition to this, it assisted 13 communities with materials and drying sheds (against a target of 10)

Research Division

There are three capital projects under the Research division, the Pearl Oyster Research and Development Program, the Marine Resource Inventory Survey project and the Makogai Mariculture Research project.

Makogai Mariculture Research Project

Makogai Island, is one of the 8 islands in the Lomaiviti group. It is a Government owned island, while the waters around Makogai are customarily owned by the Turaga Bale na Tui Levuka. Since 1983, the island and the waters around the island have been used by the Ministry of Fisheries, and to operate a fisheries research station, which focuses on Giant Clam Mariculture and juvenile ocean grow-out, including the implementation of the giant clam reseeding programs across Fiji. The Giant Clam project started in 1984 under the Australian Centre for International Agricultural Research (ACIAR) with the objective of establishing the farming and culture of Giant Clams.

The island and the station were severely damaged by Tropical Cyclone Winston in 2016. As such, the fiscal year 2017 saw further rebuilding and re-establishment of the Research laboratories and hatcheries, as well as other facilities such as the staff quarters and other key facilities.

In terms of the delivery of the core activity, four spawning trials were undertaken however only two were successful, the mortality rate was 30%, and currently there are 20,000 juvenile giant clams of *Tridacna derasa* and *Tridacna gigas* species.

The year also saw monitoring activities being undertaken at the previously reserved sites. A strong partnership was forged with the resorts in terms of setting up land and ocean nurseries for giant clams. Tavarua and Wakaya island resorts were assisted with setting up of their land nurseries and were supplied with 500 and 120 juvenile clams respectively.

Marine Resource Inventory Survey Project (MRIS)

The MRIS project undertakes biological and socio-economic surveys for qoliqoli's to assess the biological status of the qoliqoli and the dependence of the communities on their resources. After taking into consideration the biological and the socioeconomic assessment a management plan is drawn up for the community's consideration and adherence. This is to ensure that there is sustainable management of the resources and good practices being followed to maximize the value of their resources.

For the 2017 - 2018 fiscal year, the project completed 8 marine resources inventory survey at selected fishing grounds in Tailevu, Lomaiviti, Nadroga and Kadavu.

The following qoliqoli's were surveyed for the current fiscal year:

- Tikina Namena Fishing Ground (Tailevu)
- Yako Fishing Ground (Nadroga)
- Namalata Fishing Ground (Kadavu)
- Dravo Fishing Ground
- Waikete Fishing Ground
- Tunuloa Fishing Ground
- Natokalau Fishing Ground
- Kadavu Fishing Ground

The i-qoliqoli Management Plans was also reviewed in Tailevu and Lomaiviti after a lapse of 3 years and more from the time of formation. There was also collaboration work undertaken with overseas and local stakeholders which has allowed information to be gathered and collected for different marine species. The village of Kiuva, Bau in Tailevu set a milestone achievement on June 27, 2018 when the Kiuva Marine Reserve was launched by Minister for Fisheries.

The Fisheries Impact Assessment is also undertaken by the Research team. This assessment is undertaken to calculate the value of compensation that should be awarded to the communities for the waiver of their fishing rights for any foreshore development. As such the team undertook nine (9) FIA's for the current year and 4 site visits to confirm FIA logistics. Attached below are the details of surveys undertaken:

Location	Date	Division
Nacolase, Vaturova (Saqani)	September 08th - 19th, 2017	Northern
Togoru FIA, Navua.	(11th - 16th August 2017)	Central
Nacolase, Vaturova	(September 08th - 19th, 2017).	Northern
FIA Freesoul Company.		Central
Nanuku Resort, Pacific Harbor	06.11.17 - 13.11.17	Central
Feisty Limited, Nasese	06.12.17 - 12.12.17	Central
Joseph Chung, Momi Bay	29.01.18 - 02.02.18	Western
FIA Goldfinch Limited survey at Denerau Nadi.		Western
FIA survey naval Base	20/02/18 - 03/03/18.	Central
Malolo FIA team	Thursday, 06 th , June.	Western
FIA (Seventh Heaven)		Western
FIA site inspection in Vanuabalavu, Lau	12 June to 15 June	Eastern
FIA Survey at Rakiraki	26/06 to 29/06-	Western

A National Inshore Fisheries Enforcement Workshop was held at the Holiday Inn in Suva on August 25, 2017 with key enforcement agencies and members of the judiciary to discuss the enforcement of laws regulating inshore fisheries in Fiji. The one-day forum was a closed forum between key agencies and the judiciary to enable open discussions with the main objectives to: -

- 1. Review current enforcement efforts in coastal areas in Fiji to identify challenges and barriers to the effective enforcement of fisheries laws; and
- 2. Explore short- and long-term opportunities for enforcement agencies and members of the judiciary to work more closely to address a number of these challenges. The workshop was organized by the Ministry of Fisheries with support services from the Wildlife Conservation Society (WCS), Fiji Environmental Law Association (FELA) and funding from the David Lucile and Packard Foundation

The divisions were also involved in implementing the first ever ban of the kawakawa and donu during the spawning months. The Ministry of Fisheries banned all harvesting, local sales, and export of all Grouper (Kawakawa) and Coral Trout (Donu) fish species from Friday, 1st of June to September 30th 2018 to allow for spawning during this breeding season.

Cross-government partnership launched with a workshop on June 25, 2018 where the Fiji Police Force, the Fiji Revenue and Customs Service, the Fiji Navy and town councils across Fiji joined forces with the Ministry of Fisheries to ensure the effective enforcement of the recently enacted seasonal ban on fishing, sale and export of kawakawa and donu.

Additionally, to mark the Year of the Coral Reefs, the Ministry of Fisheries had banned all harvesting, purchasing, sales and export of live coral and aquarium rock (also known as live rock, coral rock or fossil coral) from the 28th of December, 2017. The geographic divisions through their program monitored the bans in place. The divisions also organized rubbish picking and mangrove planting exercises as contribution towards the Year of the Reefs program.



Pearl Oyster Research and Development Program:

The pearl oyster research and development program with the Division is aimed at assisting our community spat farmers to further develop and diversify their spat farms. Currently we have 5 Round pearl farmers and 49 spat farms of varied levels present.

Division	Active Pearl Farm	
1. Northern Savusavu	J. Hunter Pearls	
2. Northern Taveuni	Valili Pearls	
3. Western Namarai	Namarai Desci Pearl Farm	
4. Western Rakiraki	Tokino Pearls	
5. Northern Taveuni	Civa Fiji	

Geographic Location	Existing Spat Farms
Cakaudrova/Taveuni	Northern Division – 24 sites
Kiuva/Serua	Central Division - 2 sites
Namarai	Western Division – 10 sites
Lomaiviti Group	Eastern Division - 13 sites

Most of this pearl farmers and spat farmers have faced severe destruction during Tropical cyclone Winston and as such most are recovering and re-assessing their farms inputs and outputs.

Community based spat farms established/revived in the current year

A total of 40 spat lines were deployed for the villages of Urata, Vuaki, Yaqeta and Somosomo, Gau. Other activities included:

- Oyster Reseeding & Implant at Ravita on the (05th 09th February)
- Yasawa Deployment & Monitoring of Spat Collector Lines, (5th 14th October)
- Deployment for Tacilevu and Waitabu Women Group from the (15th- 20th November)
- Pearl Reseeding & deployment at Vatulele village on the (10th 16th November)
- Deployment for Vuya Youth community spat collector (18th 23rd December)
- Deployment for Natuvu spat collector (18th 23rd December)

Monitoring/Survey Reports compiled of existing spat farms

- Namarai Spat Collector Monitoring Report, (28th 30th July)
- 2 spat sites surveyed in Levukaigau and Nukuloa, Cau and sites are suitable for spat collection.
- Monitoring & awareness at Nacodreudreu on the (05th 09th February)
- Monitoring, deployment and Awareness at Natuvu on the (12th 16Th February)
- Monitoring of existing spat lines at Navatu, Ravita, Natewa/Tunuloa Tikina and Vuya (Raviravi) from the (15th May – 18th August)
- Spat farms monitoring in the province of Bua from (21st 25th May)
- Monitoring of pearl farms at Navunievu, Nabouwalu and Bua from (4th 8th June)
- Monitoring of spat collector lines with reseeding of Melamela from (18th 21st June)
- Spat Monitoring at Nabouono (14th June)
- Monitoring of pearl farms at Navunievu, Bua and Nabouono, Udu point from (11th 15th June)

Harvesting and marketing of Mabe Spats undertaken

Three villages (Nacabao, Namarai and Natuvu) harvested their spat pieces – a total of 714 lines which was sold at \$2 per pieces and it raked in approximately \$1528.00. In addition, these three villages also harvested 1373 penguin oysters.

The Ba Women's Shell Craft Group were assisted through ACIAR and in July 2018, the group received Value adding equipment for their use.



REGIONAL DIVISIONS

(GEOGRAPHICALLY LOCATED)

Extension and Development work in the Geographical divisions.

There are 4 geographical divisions mainly the Central, Eastern, Western and Northern divisions, based out of Nausori, Lami, Lautoka and Labasa respectively. The divisions have extension and development officers based out of their main divisional centers as well as various extension centers in the 4 divisions. The play an extension and advisory role to the 14 provinces and attend to all the fisheries development and management queries extension centers issue licenses.

Attached below are the licensing details for each division with 942 licenses issued in total and the MCS operations being undertaken.

Inshore Fisheries Licensing:

 942 Inshore Fishing licenses were issued (Central – 226, Eastern – 54, Western – 486 and Northern – 176)

Number of Inshore Fisheries Inter-divisional MCS operations:

- 36 Sea Patrols conducted
 (Central 9 -, Eastern 4, Western 16 and Northern 7)
- 73 Land Patrols conducted
 (Central 27, Eastern –7, Western 26 and Northern 13)

Production and supply of ice

One of the other essential services provided by the Ministry is the supply of ice through their various ice plants located all over Fiji. Attached below are the deliverables with revenue generated from the 4 geographic divisions.

A total of 2746.071 metric tonne of ice produced in the year with a revenue of \$38,602.57. The breakdown by Divisions are as follows:

- Central 274.011 metric tonne with a revenue of \$37,390.87
- Eastern 136.07 metric tonne with a revenue of \$23,525.24
- Western 1123.53 metric tonne with a revenue of t \$161,422.83
- Northern 1212.46 metric tonne with a revenue of \$163,263.63

OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing



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27 April 2020

The Honourable Semi Koroilavesau Minister for Fisheries Takayawa Building SUVA

Dear Honourable Koroilavesau

MINISTRY OF FISHERIES AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

Audited financial statements for the Ministry of Fisheries for the year ended 31 July 2018 together with my audit report on them are enclosed.

Particulars of the errors and omissions arising from the audit have been forwarded to the management of the Ministry for its necessary actions.

Yours sincerely

Ajay Nand AUDITOR-GENERAL

cc. Permanent Secretary for Fisheries

Encl.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2018

MINISTRY OF FISHERIES FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

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INDEPENDENT AUDITOR'S REPORT

MINISTRY OF FISHERIES

I have audited the financial statements of Ministry of Fisheries, which comprise the Statement of Receipts and Expenditure, Appropriation Statement, Statement of Losses and Main Trust Fund Account Statement of Receipts and Payments for the year ended 31 July 2018, and the notes to the financial statements including a summary of significant accounting policies.

In my opinion, except for the effects on the matters described in the Basis of Qualified Opinion paragraph, the accompanying financial statements are prepared, in all material respects, in accordance with the Financial Management Act 2004, Finance Instructions 2010 and Finance (Amendment) Instructions 2016.

Basis for Qualified Opinion

Operating Fund Account

- 1. The Ministry recorded Capital Construction of \$4,756,332 and Capital Purchase of \$653,185 in the Statement of Receipts and Expenditure for the year ended 31 July 2018. The Ministry was unable to provide me with payment and journal vouchers totalling \$954,252 to support the above balances. As a result, I was unable to verify the completeness and accuracy of the balances and also unable to determine whether any adjustments might have been necessary in respect of Capital Construction and Capital Purchase at the end of the financial year.
- 2. An unreconciled variance of \$1,727,621 exists between Financial Management Information System (FMIS) general ledger and the Ministry's payroll report for both Established Staff and Government Wage Earner. In addition, internal control over payroll were generally found to be weak. This relates to the incorrect preparation of salary reconciliations. Consequently, I was unable to establish the accuracy of the Established Staff and Government Wage Earners balances recorded in the Statement of Receipts and Expenditure for the year ended 31 July 2018.

Trust Fund Account

3. The Ministry did not maintain a detailed listing of beneficiaries of the Trust Account. Consequently, I was not able to substantiate the completeness of the closing balance of \$261,684 reflected in the Statement of Receipts and Payments of the Trust Fund Account.

I have conducted my audit in accordance with International Standards on Auditing (ISA). My responsibilities under those standards are described in the *Auditor's Responsibilities* paragraph of my report. I am independent of the Ministry in accordance with the ethical requirements that are relevant to my audit of the financial statements in Fiji and I have fulfilled my other responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion

Other Matter

Internal controls over revenue, underline accounts and expenditure were generally found to be weak and if not addressed promptly may result in material misstatements and possible financial losses in the near future. These relate to the delay in banking of revenue receipts and delay in preparation of underline accounts reconciliations. Payments were also made without local purchase orders being raised, three competitive quotation not obtained, misallocation of expenditures and payments were made without payment vouchers being certified.

Management's Responsibilities for the Financial Statements

The management of the Ministry is responsible for the preparation of the financial statements in accordance with the Financial Management Act 2004 and Finance Instructions 2010 and Finance (Amendment) Instructions 2016 for such internal control as the management determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibilities

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud and error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with ISA, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministry's internal control.
- Evaluate the appropriateness of accounting policies used and related disclosures made by the Ministry.

I communicate with the management and directors, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Ajay Nand AUDITOR GENERAL



Suva, Fiji 27 April 2020

MANAGEMENT CERTIFICATE FOR THE YEAR ENDED 31 JULY 2018

We certify that these financial statements:

- (a) fairly reflect the financial operations and performance of the Ministry of Fisheries for the financial year ended 31 July 2018; and
- (b) have been prepared in accordance with the requirements of the Financial Management Act 2004, Finance Instructions 2010 and Finance (Amendment) Instructions 2016.

OFF Craig Strong Permanent Secretary

Date: 22/06/2020

0.

Taniela Naulu Principal Accounts Officer

22/04/2020 Date: .

STATEMENT OF RECEIPTS AND EXPENDITURE FOR THE YEAR ENDED 31 JULY 2018

FOR THE TEAK ENDED 31 JULY 2010			
	Notes	2018 (\$)	2017 (\$)
RECEIPTS		(+)	(+)
State Revenue			
Vessel Registration		19,468	
Fishing Licence		9,471	
Sale of Fish & Ice		266,028	
Offshore Fisheries Management Fees		732,668	
Offshore Fisheries Access Fees		538,513	
Offshore Fisheries Application Fees		52,339	
Offshore Fisheries Fees		178,689	
Offshore Fisheries Related Activity Fees		110,024	
Offshore Fisheries Miscellaneous Fees		15,905	
Offshore Fisheries Permitting Fees		172,604	
Offshore Fisheries Authorisation to Charter Fees		194	
Offshore Fisheries Record Fees		37,734	
Total State Revenue		2,133,637	
Agency Revenue			
Miscellaneous Revenue		63,442	
Total Agency Revenue		63,442	
TOTAL RECEIPTS		2,197,079	
EXPENDITURE			
Operating Expenditure			
Established Staff		4,902,846	
Government Wage Earners		1,601,727	
Travel & Communications		494,771	
Maintenance & Operations		1,642,482	
Purchase of Goods & Services		231,778	
Operating Grants & Transfers		9,501	
Special Expenditure		230,047	
Total Operating Expenditure		9,113,152	
Capital Expenditure		4 750 000	
Capital Construction		4,756,332	
Capital Purchases		653,185	
Total Capital Expenditure		5,409,517	
Value Added Tax		611,628	
TOTAL EXPENDITURE	3(a)	15,134,297	

Schedule 1

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 JULY 2018

Budget Appropriation Revised Actual Carry-Lapsed SEG Item Appropriati Expenditure Estimate Changes Estimate Over (\$) b (\$) on (\$) (\$) (\$) (Note 4) (\$) a (a-b) **Operating Expenditure** 289,043 4,902,846 (186,489) 5,191,889 1 Established Staff 5,378,378 187,523 1,601,727 186,489 1,789,250 2 Government Wage Earners 1,602,761 ----494,771 10,013 84 504,784 3 **Travel & Communications** 504,700 ---1,642,482 35,032 7,674 1,677,514 4 Maintenance & Operations 1,669,840 ----20,933 252,711 231,778 5 Purchase of Goods & Services 252,514 197 ---499 10,000 9,501 6 **Operating Grants & Transfers** 10,000 ------10,244 240,291 230,047 7 Special Expenditure 255,500 (15,209) ---553,287 9,666,439 9,113,152 **Total Operating Expenditure** 9,673,693 (7, 254)---Capital Expenditure 7,494,825 7,254 7,502,079 4,756,332 2,745,747 8 Capital Construction 665,000 665,000 653,185 11,815 9 **Capital Purchases** ---7,254 8,167,079 5,409,517 2,757,562 **Total Capital Expenditure** 8,159,825 ---364,072 975,700 611,628 Value Added Tax 975,700 --------18,809,218 15,134,297 3,674,921 18,809,218 TOTAL EXPENDITURE -------13

Schedule 2

Schedule 3

STATEMENT OF LOSSES FOR THE YEAR ENDED 31 JULY 2018

Loss of Money

There was no loss of money recorded for the financial year ended 31 July 2018.

Loss of Revenue

There was a loss of revenue of \$8,847 recorded for the financial year ended 31 July 2018.

Revenue receipted totalling \$8,847 was not banked by the revenue collector. The Ministry after its investigations has terminated the officer and referred the case to Fiji Independent Commission against Corruption (FICAC).

Loss of Assets (other than money)

Following the 2017 – 2018 Board of Survey, the items worth \$37,225 were written off as approved by the Permanent Secretary of Economy. The items have been grouped into categories and the totals of the same have been captured.

Asset	Amount (\$)
Office Equipment	28,725
Inventories	7,050
Furniture and Fittings	1,450
Total	37,225

Schedule 4 TRUST FUND ACCOUNT - STATEMENT OF RECEIPTS & PAYMENTS FOR THE YEAR ENDED 31 JULY 2018

RECEIPTS One - third Subsidy Contribution Total Receipts	Note	2018 (\$) 72,439 72,439	2017 (\$) 47,677 47,677
PAYMENTS Retention Money Bank Fees Charges Total Payments		850 850	49,478
Net Surplus/Deficit Opening Balance as at 1 August 2017		71,589 190,095	(1,827) 191,922
Closing Balance as at 31 July 2018	4	261,684	190,095

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

Schedule 5

NOTE 1 REPORTING ENTITY

The Ministry of Fisheries are a regulatory and service organisation responsible for the national fisheries management through the following functions:

- Formulate, align, review and implement policies, strategies, plans, programmes and projects;
- Provide and administer the regulatory function under the respective Departments legislation and regulations;
- Monitor and evaluate the current strategies, policies and deliverables;
- Develop and promote effective training, communication and awareness and extension advisory services;
- Strengthen community and industry networks and support infrastructure;
- Maintain international bilateral and multilateral commitments; and
- Undertake applied research for sustainable fisheries resource management practices and product development.

NOTE 2 STATEMENT OF ACCOUNTING POLICIES

a) Basis of Accounting

In accordance with Government accounting policies, the financial statements of the Ministry of Fisheries is prepared under the cash basis of accounting. All payments related to purchases of fixed assets have been expensed.

The financial statements are presented in accordance with the requirements of Section 71(1) of the Finance Instructions 2010 and Financial Management Act 2004. The preparation and presentation of a Statement of Assets and Liabilities is not required under the current government policies.

b) Accounting for Value Added Tax (VAT)

All expenses are VAT exclusive. The Ministry on a monthly basis takes out VAT output on total money received for expenditure from Ministry of Economy. VAT input on the other hand is claimed on payments made to the suppliers and sub-contractors for expenses incurred.

The VAT payment as per the Statement of Receipts and Expenditures relates to the VAT input claimed on payments made to the suppliers and sub-contractors for expenses incurred and VAT payments to Fiji Revenue and Customs Service (FRCS). Actual amount paid to FRCS during the year represents the difference between VAT Output and VAT Input.

MINISTRY OF FISHERIES NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 JULY 2018

NOTE 2 STATEMENT OF ACCOUNTING POLICIES (continued)

c) Comparative Figures

The financial year end for Government was changed from 31 December to 31 July in accordance with the Financial Management (Amendment) Act 2016.

In the 2016-2017 financial year, the financial statements were consolidated with the financial statement of Ministry of Fisheries and Forests as stated in the 2016-2017 Appropriation Act. The 2017-2018 financial statements is only for the Ministry of Fisheries and does not consolidate with the Ministry of Forestry. For comparative purposes, the 2017 figures are not reflected as they are reflected in Ministry of Forestry financial statements.

d) Revenue Recognition

Revenue is recognised when the actual cash is received by the Ministry.

NOTE 3: SIGNIFICANT VARIATIONS

The Ministry of Fisheries was separated from Ministry of Forests in 2017-2018 financial year and was under a new appropriation head. The Ministry of Fisheries 2017 figures were reflected in Ministry of Forestry financial statements and the 2017 figures in the Ministry of Fisheries financial statements were nil. Hence comparisons on significant variations between 2017 and 2018 figures cannot be made.

NOTE 4: DETAILS OF APPROPRIATION

The Permanent Secretary for Education approved the following transfer of funds during the financial year ended 31 July 2018.

DV No.	From	То	Amount (\$)
V31001	SEG 1	SEG 1	28,046
	SEG 1	SEG 2	171,306
V31002	SEG 1	SEG 2	13,859
V31003	SEG 1	SEG 1	4,036
	SEG 1	SEG 2	1,324
V31004	SEG 1	SEG 1	169,201
V31005	SEG 8	SEG 8	109
V31006	SEG 1	SEG 1	4,862
	SEG 7	SEG 3	84
	SEG 7	SEG 4	7,674
	SEG 7	SEG 5	197
	SEG 7	SEG 8	7,254

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 JULY 2018

NOTE 4: DETAILS OF APPROPRIATION (Continued)

Reason for Savings

The savings in capital construction was due to delay in tender process and release in funds.

NOTE 5: Trust Fund Account

The True Trust Account had been shared under the then Head 32 - Ministry of Fisheries and Forests prior to 01/08/2017, when the Ministry of Fisheries was separated to be an agency on its own. The True Trust Account was originally used for the fisheries 1/3 & 2/3 subsidy scheme since 2004. The subsidy scheme has since lapsed and the Ministry of Fisheries & Forests continued to maintain the bank account since, to transact Performance Bonds and Retention Monies for most of its construction projects, as per contractual agreements between the Ministry and the contractors.

The True Trust general ledger is still under Head 32 [Ministry of Forests] and we are now currently liaising with FMIS to create new general ledger allocations for Ministry of Fisheries [Head 31], to be able to re-open the general ledger and substantiate the amounts with source documents at hand, in order to arrive at the true balance of the Performance Bonds and Retention Monies, whilst the remaining were to be paid back to Consolidated Fund Account.

Acronyms

- **CITES** Convention in International Trade in Endangered Species
- CoC Chain of Custody
- **CSLA** Country Service Level Agreement
- **EEZ** Exclusive Economic Zone
- **EMS** Electronic Monitoring System
- FAD fish aggregation device
- FELA Fiji Environmental Law Association
- FFA Pacific Islands Forum Fisheries Agency
- FFIA Fiji Fisheries Industries Association
- IUU illegal, unreported and unregulated
- JICA Japan International Co-operation Agency
- MA Management Authority
- MoF Ministry of Fisheries
- **MOU** Memorandum of Understanding
- MSC Marine Stewardship Council
- **OFCF** Overseas Fisheries Cooperation Foundation
- OFMP II Pacific Islands Oceanic Fisheries Management Project II
- **PAFCO** Pacific Fishing Company
- SC Scientific Committee
- **UNFAO** United Nations Food and Agriculture Organization
- USP University of the South Pacific
- WCPFC Western and Central Pacific Fisheries Commission
- WCS Wildlife Conservation Society



Ministry of Fisheries

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