

VOTE *Energy*

Terms and Definitions Used

IEA International Energy Agency

Energy

VOTE MINISTER: Minister of Energy

ADMINISTERING DEPARTMENT: Ministry of Economic Development

The Minister for Economic Development is the Responsible Minister for the Ministry of Economic Development

Part B - Statement of Appropriations

Summary of 2000/01 Appropriations

Types of Appropriation	Appropriations to be Used				Total Appropriations \$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	19,045	1,044	590	-	20,679
Benefits and Other Unrequited Expenses	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-
Other Expenses	-	-	475	-	475
Capital Flows					
Capital Contributions	-	-	-	-	-
Purchase or Development of Capital Assets	-	-	-	-	-
Repayment of Debt	-	-	-	-	-
Total Appropriations for 2000/01	19,045	1,044	1,065	-	21,154
Total 2000/01 Main Estimates Appropriations	18,903	1,044	475	-	20,422

Part B1 - Details of 2000/01 Appropriations

	2000/01						Purpose of and Reasons for Change in 2000/01 Appropriations
	Main Estimates		Supplementary Estimates		Cumulative Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Departmental Output Classes (Mode B Gross)							
D1 Policy Advice on Energy and Resource Issues	3,235	-	107	-	3,342	-	Policy advice on the operation of energy and resource markets (electricity, oil, gas, geothermal, coal, minerals and related natural resources). The Supplementary Estimates adjustments provides for a fiscally neutral adjustment recognising revenue and expenses for corporate overhead and support services provided by the Ministry of Economic Development to Industry New Zealand in its establishment year (\$15,000) and a transfer of funding from output class D3 Administration of Gas and Electricity Regulations to meet costs associated with specialist advice for the review of the Petroleum Specification Regulations (\$92,000).
D2 Management of the Crown Mineral Estate	6,367	-	29	-	6,396	-	Allocation and management of Crown-owned petroleum, coal and mineral resources. The Supplementary Estimates adjustment provides for a fiscally neutral adjustment recognising revenue and expenses for corporate overhead and support services provided by the Ministry of Economic Development to Industry New Zealand in its establishment year (\$29,000).

D3 Administration of Gas and Electricity Regulations	9,002	-	(3)	-	8,999	-	- Administration of regulations and promotion of health and safety in the electricity and gas sectors, and implementation of information disclosure regimes for the electricity and gas industries. The Supplementary Estimates adjustments provide for a transfer of funding to Vote Commerce D1 Policy Advice – Business and Competition for the establishment of a Business Compliance Cost Panel (-\$113,000); funding to reflect a change in the rates at which the electricity and gas levies are set (\$209,000); a fiscally neutral adjustment recognising revenue and expenses for corporate overhead and support services provided by the Ministry of Economic Development to Industry New Zealand in its establishment year (\$37,000); a transfer of funding to output class D1 Policy Advice on Energy and Resource Issues to meet costs associated with specialist advice for the review of the Petroleum Specification Regulations (-\$92,000); a transfer of funding to Vote Consumer Affairs D1 Policy Advice on Consumer Affairs for completion of the credit law review and for updating the consumer safety database (-\$33,000); and a transfer of funding to Vote Consumer Affairs D3 Administration of Trade Measurements Legislation to meet costs associated with increased activities in trade measurement (-\$11,000).
Total Appropriations for Departmental Output Classes (Mode B Gross)	18,604	-	133	-	18,737	-	
Departmental Output Classes (Mode B Net)							
D4 Energy and Resource Information Services	299	1,044	9	-	308	1,044	Provision of information on energy and minerals sectors; monitoring and statistical analysis of energy markets; and the provision of energy supply and demand forecasts. It also includes inter-governmental liaison and the servicing of New Zealand membership of international organisations, particularly the International Energy Agency (IEA). The Supplementary Estimates adjustment provides for a fiscally neutral adjustment recognising revenue and expenses for corporate overhead and support services provided by the Ministry of Economic Development to Industry New Zealand in its establishment year (\$9,000).
Total Appropriations for Departmental Output Classes (Mode B Net)	299	1,044	9	-	308	1,044	

Part B1 - Details of 2000/01 Appropriations (continued)

	2000/01						Purpose of and Reasons for Change in 2000/01 Appropriations
	Main Estimates		Supplementary Estimates		Cumulative Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Appropriations							
Non-Departmental Output Classes							
O1 Monitoring and Price Control of Electricity Line Businesses	-	-	590	-	590	-	The Supplementary Estimates adjustment provides for the establishment of the output class to efficiently implement the Government's new policies in relation to electricity regulations (\$590,000).
Total Appropriations for Non-Departmental Output Classes	-	-	590	-	590	-	
Other Expenses to be Incurred by the Crown							
International Energy Agency Contribution	50	-	-	-	50	-	Payment of contributions towards the cost of energy-related research undertaken by the IEA.
International Energy Agency Subscription	115	-	-	-	115	-	Payment of annual subscription for membership of the IEA.
Ministry of Energy Residual Liabilities	210	-	-	-	210	-	Payment of residual liabilities of the former Ministry of Energy (MOE) and to meet urgent mine restoration and rehabilitation relating to the operations of the State Coal Mines prior to 1987.
Petroleum Joint Venture Development	100	-	-	-	100	-	Commitments to the Crown's interest in petroleum prospecting and mining licences through petroleum joint ventures.
Total Appropriations for Other Expenses to be Incurred by the Crown	475	-	-	-	475	-	
Total Appropriations	19,378	1,044	732	-	20,110	1,044	

Part F - Crown Revenue and Receipts

Part F1 - Current and Capital Revenue and Receipts

	2000/01			Explanation of 2000/01 Crown Revenue
	Main Estimates	Supplementary Estimates	Total Budgeted	
	\$000	\$000	\$000	
Current Revenue				
Tax Revenue				
Energy Resource Levies - Coal	4,000	1,000	5,000	Levy payable on opencast coal. The Supplementary Estimates adjustments provides for forecasting changes of an increase in production of opencast coal (\$1,000,000).
Energy Resource Levies - Gas	85,000	9,000	94,000	Levy payable on natural gas produced on discoveries made prior to 1 January 1986. The Supplementary Estimates adjustment provides for forecasting changes of the increased sales of gas to the Methanex methanol plant and to power generators (\$9,000,000).
Total Tax Revenue	89,000	10,000	99,000	
Non-Tax Revenue				
Ironsands Royalties	54	(4)	50	Royalties obtained from ironsand operations licensed by the Crown. The Supplementary Estimates adjustment provides for a forecasting change as a result of lower demand by BHP Steel (-\$4,000).
Residual Ministry of Energy Commitments	200	(70)	130	Proceeds from property rentals previously owned by State Coal. The Supplementary Estimates adjustment provides for a forecasting change due to the fall in rental income resulting from the sale of residual properties (-\$70,000).
Royalties - Coal	1,300	(100)	1,200	Royalties obtained from coal mining operations licensed by the Crown. The Supplementary Estimates adjustment provides for a forecasting change as a result of a shift in mining production in a mine from Crown-owned to privately-owned coal (-\$100,000).
Royalties - Minerals	800	150	950	Royalties obtained from mineral mining operations licensed by the Crown. The Supplementary Estimates adjustment provides for a forecasting change as a result of increased production of gold at the Macraes Gold Mine (\$150,000).

Part F1 - Current and Capital Revenue and Receipts (continued)

	2000/01			Explanation of 2000/01 Crown Revenue
	Main Estimates \$000	Supplementary Estimates \$000	Total Budgeted \$000	
Current Revenue – cont'd				
Royalties - Petroleum	23,500	36,620	60,120	Royalties obtained from petroleum mining operations licensed by the Crown. The Supplementary Estimates adjustments provides for forecasting changes reflecting the increase in world crude oil prices and the related exchange rate movements, and a settlement of the Maui royalty dispute in March 2001 (\$36,620,000).
Total Non-Tax Revenue	25,854	36,596	62,450	
Total Current Revenue	114,854	46,596	161,450	
Total Crown Revenue and Receipts	114,854	46,596	161,450	