

Vote Agriculture and Forestry

MINISTER(S) RESPONSIBLE FOR APPROPRIATIONS: Minister of Agriculture (M2)

ADMINISTERING DEPARTMENT: Ministry of Agriculture and Forestry

MINISTER RESPONSIBLE FOR MINISTRY OF AGRICULTURE AND FORESTRY: Minister of Agriculture

Details of Appropriations

Details of Annual and Permanent Appropriations

	2007/08		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
Departmental Output Expenses			
Administration of Indigenous Forestry Provisions (M2) Administration of the indigenous forestry provisions of the Forests Act 1949, with the purpose of promoting the sustainable forest management of indigenous forest land.	2,679	(468)	2,211
Agriculture and Forestry Policy Advice (M2) Policy advice in regard to the agricultural, forestry and horticultural sectors, and ministerial services.	30,121	(2,563)	27,558
Animal Welfare (M2) Setting of animal welfare standards and investigations and prosecutions of breaches of the Animal Welfare Act 1999.	2,572	67	2,639
Climate Change (M2) Policy advice and implementation, operational costs and fulfilling international obligations to support the Government's commitment on climate change under the Kyoto Protocol.	2,517	24,877	27,394
Contestable Services RDA (M2) Supply of administrative services and the leasing of surplus property (see Note 1 in the 2007/08 Estimates of Appropriations).	2,200	7,400	9,600
Contract, Grant and Asset Management (M2) Management of the Crown's ownership interest in forests established on Crown-Owned and leased Māori land. Management of the Sustainable Farming Fund, East Coast Forestry Project and flood relief programmes.	3,398	149	3,547
Total Departmental Output Expenses	43,487	29,462	72,949
Non-Departmental Output Expenses			
Management of Crown Forestry Assets (M2) Payments for forest and asset management of Crown forests established on both Crown-Owned and leased Māori land and 13 leases of Crown-Owned land to other parties for forestry purposes. Revenue from the sale of forest produce is recorded in Part F under Crown Forestry Assets.	77,548	(6,242)	71,306
Total Non-Departmental Output Expenses	77,548	(6,242)	71,306
Other Expenses to be Incurred by the Department			
Restructuring Expenses (M2) Provides for residual change management costs relating to the former Ministry of Agriculture and Fisheries.	60	(60)	-
Total Other Expenses to be Incurred by the Department	60	(60)	-

	2007/08		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
Other Expenses to be Incurred by the Crown			
Adverse Climatic Events (M2) Support to the agriculture and horticulture industries in the aftermath of adverse climatic events.	636	750	1,386
Bioenergy Development Fund (M2) Payment of grants under the Bioenergy Development Fund.	-	1,700	1,700
Community Irrigation Schemes (M2) Operating and maintaining Crown irrigation schemes.	17	-	17
East Coast Afforestation Grants (M2) Grants to approved private forest growers under the Forestry (East Coast) Grants Regulations 1992.	8,278	(3,325)	4,953
Organic Initiatives (M2) Delivery of an organic sector advisory programme.	750	-	750
Subscriptions to International Organisations (M2) Membership of various international organisations in particular the Food and Agriculture Organisation of the United Nations (FAO).	2,158	(260)	1,898
Sustainable Farming Fund (M2) Contestable fund for community driven programmes aimed at improving economic and environmental performance of land-based productive sectors.	8,444	-	8,444
Total Other Expenses to be Incurred by the Crown	20,283	(1,135)	19,148
Capital Expenditure to be Incurred by the Department			
Ministry of Agriculture and Forestry - Capital Expenditure PLA (M2) This appropriation is limited to the purchase or development of assets by and for the use of the Ministry of Agriculture and Forestry, as authorised by section 24(1) of the Public Finance Act 1989	-	12,000	12,000
Total Capital Expenditure to be Incurred by the Department	-	12,000	12,000
Capital Expenditure to be Incurred by the Crown			
Forestry Encouragement Loans (M2) Advances to private landowners and local authorities that hold approved forestry encouragement loans under the Forestry Encouragement Loan Regulations 1967. Revenue from the repayment of loans is recorded in Part F.	20	(20)	-
Total Capital Expenditure to be Incurred by the Crown	20	(20)	-
Total Annual and Permanent Appropriations	141,398	34,005	175,403

Details of Projected Movements in Departmental Net Assets

Ministry of Agriculture and Forestry

Details of Net Asset Schedule	2007/08 Estimates Projections \$000	2007/08 Supplementary Estimates Projections \$000	Explanation of Projected Movements in 2007/08
Opening Balance	26,204	25,584	Supplementary Estimates opening balance reflects the audited results as at 30 June 2007.
Capital Injections	3,184	7,216	Development of biosecurity and climate change information systems, and a non-cash transfer as part of the establishment arrangements of the New Zealand Food Safety Authority.
Capital Withdrawals	(595)	(595)	Part repayment of capital injection received for MAF Head Office accommodation project.
Surplus to be Retained (Deficit Incurred)	(60)	-	
Other Movements	-	-	
Closing Balance	28,733	32,205	

Information Supporting the Supplementary Estimates

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MINISTER(S) RESPONSIBLE FOR APPROPRIATIONS: Minister of Agriculture (M2)

ADMINISTERING DEPARTMENT: Ministry of Agriculture and Forestry

MINISTER RESPONSIBLE FOR MINISTRY OF AGRICULTURE AND FORESTRY: Minister of
Agriculture

Part 1 - Summary of the Vote

Part 1.3 - Trends in the Vote

Summary of Financial Activity

	2007/08				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
Appropriations					
Output Expenses	121,035	29,462	(6,242)	23,220	144,255
Benefits and Other Unrequited Expenses	-	N/A	-	-	-
Borrowing Expenses	-	-	-	-	-
Other Expenses	20,343	(60)	(1,135)	(1,195)	19,148
Capital Expenditure	20	12,000	(20)	11,980	12,000
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Total Appropriations	141,398	41,402	(7,397)	34,005	175,403
Crown Revenue and Receipts					
Tax Revenue	-	N/A	N/A	-	-
Non-Tax Revenue	109,672	N/A	N/A	(17,865)	91,807
Capital Receipts	2,125	N/A	N/A	(869)	1,256
Total Crown Revenue and Receipts	111,797	N/A	N/A	(18,734)	93,063

Part 2 - Details and Expected Performance for Output Expenses

Part 2.1 - Departmental Output Expenses

Administration of Indigenous Forestry Provisions (M2)

Scope of Appropriation

Administration of the indigenous forestry provisions of the Forests Act 1949, with the purpose of promoting the sustainable forest management of indigenous forest land.

Reasons for Change in Appropriation

This appropriation will decrease by \$468,000 to \$2.211 million for 2007/08 due to an expense transfer to 2008/09 of funding for the South Island Landless Natives Act implementation package.

Agriculture and Forestry Policy Advice (M2)

Scope of Appropriation

Policy advice in regard to the agricultural, forestry and horticultural sectors, and ministerial services.

Reasons for Change in Appropriation

This appropriation will decrease by \$2.563 million to \$27.558 million for 2007/08 due mainly to expense transfers to 2008/09. The expense transfers include funding for walking access, generic forestry market development and sustainable land management.

Climate Change (M2)

Scope of Appropriation

Policy advice and implementation, operational costs and fulfilling international obligations to support the Government's commitment on climate change under the Kyoto Protocol.

Reasons for Change in Appropriation

This appropriation will increase by \$24.877 million to \$27.394 million for 2007/08. The change mainly relates to:

- The sustainable land management and climate change plan of action (\$17.660 million).
- Implementation of the New Zealand emissions trading scheme (\$3.780 million).
- Transfer from 2005/06 for consultation on climate change options (\$800,000).
- Development of a New Zealand carbon accounting system (\$695,000).

Contestable Services RDA (M2)

Scope of Appropriation

Supply of administrative services and the leasing of surplus property (see Note 1 in the 2007/08 Estimates of Appropriations).

Reasons for Change in Appropriation

This appropriation will increase by \$7.400 million to \$9.600 million for 2007/08. The movement is due to the Ministry of Agriculture and Forestry providing support services to the New Zealand Food Safety Authority from 1 July 2007.

Part 2.2 - Non-Departmental Output Expenses

Management of Crown Forestry Assets (M2)

Scope of Appropriation

Payments for forest and asset management of Crown forests established on both Crown-Owned and leased Māori land and 13 leases of Crown-Owned land to other parties for forestry purposes. Revenue from the sale of forest produce is recorded in Part F under Crown Forestry Assets.

Reasons for Change in Appropriation

This appropriation will decrease by \$6.242 million to \$71.306 million for 2007/08. The appropriation has been reduced due to changes in forest management plans and harvesting strategies during the year.

Part 5 - Details and Expected Results for Other Expenses

Part 5.1 - Departmental Other Expenses

Restructuring Expenses (M2)

Scope of Appropriation

Provides for residual change management costs relating to the former Ministry of Agriculture and Fisheries.

Reasons for Change in Appropriation

This appropriation is no longer required.

Part 5.2 - Non-Departmental Other Expenses

Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
<p>Sustainable use of resources (and the natural systems on which they are based) by the agriculture, food, forestry and related sectors.</p> <p>Sectors are positioned to take better advantage of the economic opportunities arising from climate change and changing consumer preferences.</p> <p>New Zealand land-based primary producers can position themselves for longer-term sustainable economic growth and competitive advantage.</p> <p>New Zealand is recognised as a world leader in the development of practical technologies and management practices for farmers to measure and reduce agricultural emissions.</p>	Bioenergy Development Fund

Adverse Climatic Events (M2)

Scope of Appropriation

Support to the agriculture and horticulture industries in the aftermath of adverse climatic events.

Reasons for Change in Appropriation

This appropriation will increase by \$750,000 to \$1.386 million for 2007/08 for support associated with the New Zealand wide drought and the Northland storm.

Bioenergy Development Fund (M2)

Scope of Appropriation

Payment of grants under the Bioenergy Development Fund.

Reasons for Change in Appropriation

This was a new appropriation approved during 2007/08.

East Coast Afforestation Grants (M2)

Scope of Appropriation

Grants to approved private forest growers under the Forestry (East Coast) Grants Regulations 1992.

Reasons for Change in Appropriation

This appropriation will decrease by \$3.325 million to \$4.953 million for 2007/08. Funding not required this year has been transferred to 2008/09 when demand for grants is expected to be higher.

Subscriptions to International Organisations (M2)

Scope of Appropriation

Membership of various international organisations in particular the Food and Agriculture Organisation of the United Nations (FAO).

Reasons for Change in Appropriation

This appropriation will decrease by \$260,000 to \$1.898 million for 2007/08. The decrease reflects a transfer of funds to the New Zealand Food Authority.

Part 6 - Details and Expected Results for Capital Expenditure

Part 6.1 - Departmental Capital Expenditure

Ministry of Agriculture and Forestry - Capital Expenditure PLA (M2)

Scope of Appropriation

This appropriation is limited to the purchase or development of assets by and for the use of the Ministry of Agriculture and Forestry, as authorised by section 24(1) of the Public Finance Act 1989

Capital Expenditure

	2007/08		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	-	8,400	8,400
Intangibles	-	3,600	3,600
Other	-	-	-
Total Appropriation	-	12,000	12,000

Reasons for Change in Appropriation

This appropriation was forecast at \$14.184 million in the Ministry of Agriculture and Forestry's Statement of Intent for 2007/08. The decrease of \$2.184 million is due to the establishment of the New Zealand Food Safety Authority as a separate government department from 1 July 2007.

Part 6.2 - Non-Departmental Capital Expenditure

Forestry Encouragement Loans (M2)

Scope of Appropriation

Advances to private landowners and local authorities that hold approved forestry encouragement loans under the Forestry Encouragement Loan Regulations 1967. Revenue from the repayment of loans is recorded in Part F.

Capital Expenditure

	2007/08		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	20	(20)	-

Reasons for Change in Appropriation

The appropriation is no longer required.