

# *Vote Agriculture and Forestry*

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MINISTER(S) RESPONSIBLE FOR APPROPRIATIONS: Minister of Agriculture (M2), Minister of Forestry (M35)

ADMINISTERING DEPARTMENT: Ministry of Agriculture and Forestry

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

# Overview of the Vote

## Appropriations

The Minister of Agriculture is responsible for appropriations in Vote Agriculture and Forestry for the 2009/10 financial year covering the following:

- A total of over \$24 million for policy advice with respect to the agricultural, forestry and horticultural sectors.
- A total of over \$38 million to support the Government's commitment on climate change under the Kyoto Protocol.
- A total of nearly \$2 million for administering the legislative provisions relating to the management of indigenous forests.
- A total of over \$3 million for setting of animal welfare standards, provision of animal welfare policy advice and investigations and prosecutions of breaches of the Animal Welfare Act 1999.
- A total of nearly \$4 million for management of Crown forestry assets, the East Coast Forestry Project and the Sustainable Farming Fund.
- A total of over \$11 million for providing support services and infrastructure to other agencies.
- A total of over \$95 million on purchasing forest management and wood production services from sector contractors for Crown forests.
- A total of \$30 million for the Primary Growth Partnership.
- A total of over \$19 million for East Coast forestry grants, Sustainable Farming Fund grants, community irrigation fund and the afforestation grants scheme.
- A total of nearly \$2 million for the operation of the New Zealand Walking Access Commission.
- A total of over \$3 million on other non-departmental expenses, including subscriptions to international organisations, possible adverse climatic events and community irrigation scheme.
- A total of nearly \$16 million for departmental capital expenditure on property, plant, equipment and IT software.
- A total of nearly \$1 million for Crown capital expenditure on forestry assets and the New Zealand Walking Access Commission.

## Crown Revenue and Capital Receipts

The Ministry expects to collect over \$116 million of Crown revenue and capital receipts in 2009/10, made up as follows:

- A total of over \$110 million for the sale of logs from Crown forests.
- A total of over \$5 million from forestry encouragement loan interest and loan repayments.
- A total of nearly \$1 million from emissions trading scheme fees and levies payable under the Dairy Industry Restructuring Act.

Details of these appropriations are set out in Parts 2-6 for Vote Agriculture and Forestry in the Information Supporting the Estimates of Appropriations.

# Details of Appropriations

## Details of Annual and Permanent Appropriations

	2008/09		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
<b>Departmental Output Expenses</b>			
<a href="#">Administration of Indigenous Forestry Provisions (M2)</a> Administration of the indigenous forestry provisions of the Forests Act 1949, with the purpose of promoting the sustainable forest management of indigenous forest land.	2,064	2,044	1,969
<a href="#">Agriculture and Forestry Policy Advice (M2)</a> Policy advice in regard to the agricultural, forestry and horticultural sectors, and ministerial services.	27,197	24,863	24,816
<a href="#">Animal Welfare (M2)</a> Setting of animal welfare standards and investigations and prosecutions of breaches of the Animal Welfare Act 1999.	2,907	2,877	3,200
<a href="#">Climate Change (M2)</a> Policy advice and implementation, operational costs and fulfilling international obligations to support the Government's commitment on climate change under the Kyoto Protocol.	37,752	30,614	38,041
<a href="#">Contract, Grant and Asset Management (M2)</a> 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.	3,877	3,720	3,832
<a href="#">Support Services and Infrastructure to Other Agencies RDA (M2)</a> This appropriation is limited to the provision of support services to other agencies, including financial, personnel and information technology services and subleasing of surplus accommodation.	11,255	11,550	11,255
<b>Total Departmental Output Expenses</b>	85,052	75,668	83,113
<b>Non-Departmental Output Expenses</b>			
<a href="#">Management of Crown Forestry Assets (M2)</a> 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.	83,245	77,337	95,008
<b>Total Non-Departmental Output Expenses</b>	83,245	77,337	95,008
<b>Benefits and Other Unrequited Expenses</b>			
<a href="#">Rural Veterinarians Bonding Scheme (M2)</a> This appropriation is limited to the provision of payments to veterinary professionals agreeing to work in understaffed, rural areas, in accordance with government approved criteria and guidelines.	-	-	770
<b>Total Benefits and Other Unrequited Expenses</b>	-	-	770
<b>Non-Departmental Other Expenses</b>			
<a href="#">Adverse Climatic Events (M2)</a> Support to the agriculture and horticulture industries in the aftermath of adverse climatic events.	736	550	496
<a href="#">Afforestation Grants Scheme (M2)</a> Payment of grants under the Afforestation Grants Scheme.	1,400	500	7,000

	2008/09		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
<b>Non-Departmental Other Expenses - cont'd</b>			
<b>Community Irrigation Fund (M2)</b> Payment of grants under the Community Irrigation Fund.	443	443	881
<b>Community Irrigation Schemes (M2)</b> Operating and maintaining Crown irrigation schemes.	17	2	17
<b>East Coast Afforestation Grants (M2)</b> Grants to approved private forest growers under the Forestry (East Coast) Grants Regulations 1992.	2,803	1,700	4,500
<b>New Zealand Walking Access Commission (M2)</b> This appropriation is limited to the operation of the New Zealand Walking Access Commission.	2,189	2,189	1,789
<b>Primary Growth Partnership (M2)</b> This appropriation is limited to primary and food sector investment in education and skills development, research and development, product development, commercialisation, market development and technology transfer, in partnership with relevant industry groups.	-	-	30,000
<b>Subscriptions to International Organisations (M2)</b> Membership of various international organisations in particular the Food and Agriculture Organisation of the United Nations (FAO).	2,028	1,915	2,028
<b>Sustainable Farming Fund (M2)</b> Contestable fund for community driven programmes aimed at improving economic and environmental performance of land-based productive sectors.	8,444	6,000	7,000
<b>Organic Initiatives (M2)</b> Delivery of an organic sector advisory programme.	750	750	-
<b>Total Non-Departmental Other Expenses</b>	18,810	14,049	53,711
<b>Departmental Capital Expenditure</b>			
<b>Ministry of Agriculture and Forestry - Capital Expenditure PLA (M2)</b> 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.	14,300	12,900	15,530
<b>Total Departmental Capital Expenditure</b>	14,300	12,900	15,530
<b>Non-Departmental Capital Expenditure</b>			
<b>Crown Forestry Assets (M2)</b> This appropriation is limited to capital expenditure on Crown forests, including roading, bridges, fencing and fire equipment.	11,900	11,900	300
<b>New Zealand Walking Access Commission (M2)</b> This appropriation is limited to the establishment of IT infrastructure and facilities for the provision of walking access information and mapping.	150	150	500
<b>New Zealand Fast Forward Fund (M2)</b> This appropriation is limited to equity in a Crown entity that will be used over time to fund pastoral and food innovation initiatives and the Crown's share of associated administrative costs.	700,000	700,000	-
<b>Purchase of assets from Timberlands West Coast Limited (M35)</b> This provision is limited to the Crown's purchase of Timberlands' forests and related forest management assets.	30,000	29,671	-
<b>Total Non-Departmental Capital Expenditure</b>	742,050	741,721	800
<b>Total Annual and Permanent Appropriations</b>	943,457	921,675	248,932



## Details of Projected Movements in Departmental Net Assets

### Ministry of Agriculture and Forestry

Details of Net Asset Schedule	2008/09 Estimated Actual \$000	2009/10 Projected \$000	Explanation of Projected Movements in 2009/10
Opening Balance	32,204	29,958	
Capital Injections	1,909	6,600	Development of the National Animal Identification and Traceability and New Zealand FarmsOnline IT systems.
Capital Withdrawals	(1,745)	(766)	Part repayment of a capital injection received for MAF Head Office accommodation project and a capital transfer to fund the Identity Verification Service.
Surplus to be Retained (Deficit Incurred)	(2,410)	-	
Other Movements	-	-	
<b>Closing Balance</b>	<b>29,958</b>	<b>35,792</b>	