

Information Supporting the Supplementary Estimates

Vote Agriculture and Forestry

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

Part 1 - Summary of the Vote

Part 1.3 - Trends in the Vote

Summary of Financial Activity

	2008/09				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
Appropriations					
Output Expenses	166,671	(4,366)	5,992	1,626	168,297
Benefits and Other Unrequited Expenses	-	N/A	-	-	-
Borrowing Expenses	-	-	-	-	-
Other Expenses	25,921	-	(7,111)	(7,111)	18,810
Capital Expenditure	716,670	(2,300)	41,980	39,680	756,350
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Total Appropriations	909,262	(6,666)	40,861	34,195	943,457
Crown Revenue and Capital Receipts					
Tax Revenue	-	N/A	-	-	-
Non-Tax Revenue	107,318	N/A	(7,664)	(7,664)	99,654
Capital Receipts	2,345	N/A	704,221	704,221	706,566
Total Crown Revenue and Capital Receipts	109,663	N/A	696,557	696,557	806,220

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 \$117,000 to \$2.064 million due to changes in cost allocations between output expenses.

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 \$790,000 to \$27.197 million for 2008/09 due mainly to an expense transfer to 2009/10 for sustainable land management.

Animal Welfare (M2)

Scope of Appropriation

Setting of animal welfare standards and investigations and prosecutions of breaches of the Animal Welfare Act 1999.

Reasons for Change in Appropriation

This appropriation will increase by \$267,000 to \$2.907 million due to an increase in animal welfare investigations and prosecutions.

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 decrease by \$5.632 million to \$37.752 million due mainly to expense transfers to 2009/10. Delays in progressing some areas of the climate change plan of action and the select committee review of the NZ Emissions Trading Scheme has meant some expenditure planned for 2008/09 will now be incurred in 2009/10.

Contract, Grant and Asset Management (M2)

Scope of Appropriation

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.

Reasons for Change in Appropriation

This appropriation will increase by \$251,000 to \$3.877 million due mainly to the transfer of Timberlands West Coast Limited forestry operations to Ministry of Agriculture and Forestry (MAF), with effect from 1 January 2009.

Support Services and Infrastructure to Other Agencies RDA (M2)

Scope of Appropriation

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.

Reasons for Change in Appropriation

This appropriation will increase by \$1.655 million to \$11.255 million in 2008/09 to reflect current levels of support services being supplied to other agencies.

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.

Reasons for Change in Appropriation

The appropriation will increase by \$5.992 million to \$83.245 million mainly due to the transfer of Timberlands West Coast Limited forestry operations to MAF, with effect from 1 January 2009.

Part 5 - Details and Expected Results for Other Expenses

Part 5.2 - Non-Departmental Other Expenses

Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
New Zealanders have greater certainty regarding rural walking access.	New Zealand Walking Access Commission
New Zealanders have increased opportunities for recreation and outdoor activities.	

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

The appropriation will increase by \$100,000 to \$736,000 for 2008/09 due to the transfer of funding from 2007/08 to build rural capacity to respond to adverse events.

Afforestation Grants Scheme (M2)

Scope of Appropriation

Payment of grants under the Afforestation Grants Scheme.

Reasons for Change in Appropriation

This appropriation will decrease by \$3.600 million to \$1.400 million for 2008/09 due to grant payments being less than originally forecast.

Community Irrigation Fund (M2)

Scope of Appropriation

Payment of grants under the Community Irrigation Fund

Reasons for Change in Appropriation

This appropriation will increase by \$200,000 to \$443,000 for 2008/09 due to the broadening of the scope of the community irrigation fund. Total funding approved for the eight-year programme has not increased but the allocation between years has been revised.

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 \$6 million to \$2.803 million for 2008/09 due to grant payments being less than originally forecast.

New Zealand Walking Access Commission (M2)

Scope of Appropriation

This appropriation is limited to the operation of the New Zealand Walking Access Commission.

Expenses

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	2,189	2,189

Reasons for Change in Appropriation

This is a new appropriation in 2008/09 for the establishment and operation of the New Zealand Walking Access Commission.

Reporting Mechanisms

Appropriation	Reporting Mechanism
New Zealand Walking Access Commission	Annual Report of the New Zealand Walking Access Commission

The above table indicates the mechanisms to be used for reporting actual performance for each non-departmental other expenses appropriation.

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

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	8,600	700	9,300
Intangibles	8,000	(3,000)	5,000
Other	-	-	-
Total Appropriation	16,600	(2,300)	14,300

Reasons for Change in Appropriation

Departmental capital expenditure has reduced in 2008/09 due to delays in the design and development of the National Animal Identification Traceability and NZ FarmOnline IT systems.

Part 6.2 - Non-Departmental Capital Expenditure

Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
New Zealanders have greater certainty regarding rural walking access.	New Zealand Walking Access Commission
New Zealanders have increased opportunities for recreation and outdoor activities.	
Effective stewardship of the Crown's forestry assets.	Purchase of Assets from Timberlands West Coast Limited.

Crown Forestry Assets (M2)*Scope of Appropriation*

This appropriation is limited to capital expenditure on Crown forests, including roading, bridges, fencing and fire equipment.

Reasons for Change in Appropriation

The increase in appropriation of \$11.830 million to \$11.900 million is for the purchase of Matahi and Oponae forests in the eastern Bay of Plenty from Matariki Forests.

New Zealand Walking Access Commission (M2)*Scope of Appropriation*

This appropriation is limited to the establishment of IT infrastructure and facilities for the provision of walking access information and mapping.

Capital Expenditure

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	150	150

Reasons for Change in Appropriation

This is a new appropriation for the New Zealand Walking Access Commission.

Purchase of assets from Timberlands West Coast Limited (M35)*Scope of Appropriation*

This provision is limited to the Crown's purchase of Timberlands' forests and related forest management assets

Capital Expenditure

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	30,000	30,000

Reasons for Change in Appropriation

This is a new appropriation in 2008/09 for the purchase of forestry assets from Timberlands West Coast Limited.

Expected Results

	2008/09		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Transfer of Timberlands West Coast Limited's forestry assets to MAF.	-	Achieved	Achieved

Reporting Mechanisms

Appropriation	Reporting Mechanism
New Zealand Walking Access Commission	Annual report of the New Zealand Walking Access Commission
Purchase of Assets from Timberlands West Coast Limited	Not reported

The above table indicates the mechanisms to be used for reporting actual results for each non-departmental capital expenditure appropriation.