

VOTE *Agriculture and Forestry*

Footnotes

- Note 1** Appropriation numbers in Part B are inclusive of GST (where applicable).
- Note 2** Appropriations are stated GST inclusive (where applicable).
- Note 3** For this output the Minister of Finance has approved the incurring of costs up to the estimated level of trading revenue earned from third parties. This approval is given in terms of section 10 of the Public Finance Act 1989.

Agriculture and Forestry

VOTE MINISTER: Minister of Agriculture

ADMINISTERING DEPARTMENT: Ministry of Agriculture and Forestry

The Minister of Agriculture is the Responsible Minister for the Ministry of Agriculture and Forestry

Part B - Statement of Appropriations (see note 1)

Summary of 1999/2000 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	85,175	5,313	46,425	-	136,913
Benefits and Other Unrequited Expenses	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-
Other Expenses	536	-	49,425	-	49,961
Capital Flows					
Capital Contributions	-	-	50	-	50
Purchase or Development of Capital Assets	-	-	-	-	-
Repayment of Debt	-	-	-	-	-
Total Appropriations for 1999/2000	85,711	5,313	95,900	-	186,924
Total 1999/2000 Main Estimates Appropriations	103,492	2,961	61,593	-	168,046

Part B1 - Details of 1999/2000 Appropriations (see note 2)

Appropriations	1999/2000						Purpose of and Reasons for Change in 1999/2000 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 Agriculture and Forestry Policy Advice	13,762	-	1,859	-	15,621	-	Purchasing policy advice and decision support to the Government on legislation, institutional arrangements and strategies for sustainable environmental economic and social development with respect to the agricultural, forestry, horticultural and seafood sectors. The Supplementary Estimates adjustments provide for the re-alignment of output classes post restructuring (\$829,000), SILNA indigenous forest (\$118,000), Year 2000 Risk Response (\$338,000), advice on climate change (\$113,000), consultation/negotiation with SILNA landowners (\$131,000), and revised revenue for Land Mgmt Best Practices (\$351,000).
D2 Administration of Food Assurance Standards	14,509	-	3,098	-	17,607	-	Providing assurance by managing food safety and related risks for New Zealand and its industries. The Supplementary Estimates adjustments provide for re-alignment of output classes post restructuring (\$637,000), Year 2000 Risk Response (\$300,000), purchase of legal services (\$203,000) and increase in third party revenue (\$2,060,000).
D3 Administration of Indigenous Forestry Provisions	1,162	-	454	-	1,616	-	Administration of legislative provisions relating to the management of indigenous forests and the utilisation of indigenous forest products. Administration of indigenous sawmill and export controls, and sustainable forest management plans and permits. The Supplementary Estimates adjustment provides for the re-alignment of output classes post restructuring (\$390,000).
D4 Enforcement of Agricultural, Food and Forestry Legislation	734	-	(98)	-	636	-	Enforcing the law through investigations and subsequent prosecutions where illegal activity is evident. The Supplementary Estimates adjustment provides for the re-alignment of output classes post restructuring (-\$129,000).

D5 Contract and Grant Management	1,928	-	237	-	2,165	-	Purchase of services associated with management of the Governments participation in contracts and agreements with the private sector in forestry and agriculture. The Supplementary Estimates adjustment provides for the re-alignment of output classes post restructuring (\$163,000).
D6 Meat Assurance Quality Services	44,372	-	(27,497)	-	16,875	-	The provision of services to sectors involved in the production, processing and retail of meat products and by-products. The Supplementary Estimates adjustment provides for revised third party revenue (\$27,497,000).
D7 Producer Board Project Team	1,125	-	90	-	1,215	-	Multi-departmental team involved in the producer board reform process.
D8 Verification Services	25,832	-	3,608	-	29,440	-	The delivery of Sanitary and Phytosanitary (SPS) and related official assurances as required by MAF technical and operational standards which include importing countries own biosecurity requirements. The Supplementary Estimates adjustment provides for revised third party revenue (\$3,703,000).
Total Appropriations for Departmental Output Classes (Mode B Gross)	103,424	-	(18,249)	-	85,175	-	
Departmental Output Classes (Mode B Net)							
D9 Contestable Services (see note 3)	-	2,961	-	2,352	-	5,313	Contestable supply of services to clients who are involved with the provision of border control activities and the sale of services in a contestable environment. The Supplementary Estimates adjustments provide for revised other revenue (\$2,055,000) and re-alignment of output classes post restructuring (\$297,000).
Total Appropriations for Departmental Output Classes (Mode B Net)	-	2,961	-	2,352	-	5,313	

Part B1 - Details of 1999/2000 Appropriations (see note 2) (continued)

Appropriations	1999/2000						Purpose of and Reasons for Change in 1999/2000 Appropriations
	Main Estimates		Supplementary Estimates		Cumulative Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Non-Departmental Output Classes							
O1 Crown Forest Management on Leased Māori Land	52,730	-	(6,305)	-	46,425	-	Payments to contractors for forest management and the production of wood from 18 Crown forests on leased Māori land. Payments made include: pruning and thinning; protection from fire and disease; the generation of forest produce; and replanting of harvested areas. The Supplementary Estimate adjustment reflects changes in management plans and harvesting strategies during the year.
Total Appropriations for Non-Departmental Output Classes	52,730	-	(6,305)	-	46,425	-	
Other Expenses to be Incurred by the Department							
Provision for retirement and long service leave	-	-	468	-	468	-	This amount represents a technical accounting change altering the provision for employee entitlements from a nominal to present value basis to comply with generally accepted accounting practice (GAAP).
Restructuring expenses	68	-	-	-	68	-	Provides for residual change management costs relating to the businesses of the former Ministry of Agriculture and Fisheries (personal claims, legal costs and surplus space).
Total Appropriations for Other Expenses to be Incurred by the Department	68	-	468	-	536	-	

Other Expenses to be Incurred by the Crown							
Adverse Climatic Events	400	-	-	-	400	-	Providing support to the agriculture and horticulture industries in the aftermath of adverse climatic events.
Community Irrigation Schemes	15	-	-	-	15	-	Operating and maintaining the Beggs irrigation scheme.
East Coast Afforestation Grants	5,600	-	-	-	5,600	-	Grants to approved private forest growers under the Forestry (East Coast) Grants Regulations 1992.
Loss on Transfer or Disposal of Crown Lease Forests	-	-	37,513	-	37,513	-	Change in the valuation of the Crown's interest in Lake Taupo and Pikaungaehe forests following variations to the lease agreements.
Rotoaira Lease Arbitration Costs	-	-	468	-	468	-	Partial reimbursement of arbitration costs arising from a dispute between the Crown and the trust over a review of stumpage share.
SILNA Goodwill Payments	-	-	750	-	750	-	Goodwill payments to owners of SILNA forests entering into a voluntary moratorium on unsustainable cutting of indigenous forest on their land.
SILNA Settlements	-	-	1,871	-	1,871	-	Conservation purchase of the Lords River sections of SILNA land on Stewart Island.
Subscriptions to International Organisations	1,633	-	50	-	1,683	-	Membership of various international organisations in particular the Food and Agriculture Organisation of the United Nations (FAO).
Water Studies	1,125	-	-	-	1,125	-	Establishment of a contestable fund for water enhancement and irrigation proposals in conjunction with the Agriculture and Marketing Research Development Trust and local government.
Total Appropriations for Other Expenses to be Incurred by the Crown	8,773	-	40,652	-	49,425	-	
Capital Contributions to Other Persons or Organisations							
Forestry Encouragement Loans	90	-	(40)	-	50	-	Advances to private landowners and local authorities that hold approved forestry encouragement loans under the Forestry Encouragement Loan Regulations 1967 and amendments. The Supplementary Estimates adjustment reflects a lower level of advances.
Total Appropriations for Capital Contributions to Other Persons or Organisations	90	-	(40)	-	50	-	
Total Appropriations	165,085	2,961	16,526	2,352	181,611	5,313	

Part F - Crown Revenue and Receipts

Part F1 - Current and Capital Revenue and Receipts

	1999/2000			Explanation of 1999/2000 Crown Revenue
	Main Estimates \$000	Supplementary Estimates \$000	Total Budgeted \$000	
Current Revenue				
Non-Tax Revenue				
Crown Forests on Leased Māori Land	65,496	(11,175)	54,321	Revenue from the sale of forest produce from Crown forests on leased Māori land. The Supplementary Estimates adjustment reflects changes in management plans and harvesting strategies during the year.
Total Non-Tax Revenue	65,496	(11,175)	54,321	
Total Current Revenue	65,496	(11,175)	54,321	
Capital Receipts				
Sale of Forestry Assets	-	14	14	Sale of surplus fire equipment.
Forestry Encouragement Loans	585	6,721	7,306	Repayment of forestry encouragement loans. The Supplementary Estimates adjustment reflects additional loan repayments received from local authorities.
Irrigation Suspensory Loan Refunds	-	30	30	Refunds usually arise from the sale of property within a 10 year period of drawing down the suspensory Loan.
Total Capital Receipts	585	6,765	7,350	
Total Crown Revenue and Receipts	66,081	(4,410)	61,671	