

VOTE *Energy*

Terms and Definitions Used

IEA	International Energy Agency
UNFCCC	United Nations Framework Convention on Climate Change

Footnote

Note 1	Appropriation numbers in Part B are inclusive of GST (where applicable).
---------------	--

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 (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	24,211	1,082	-	-	25,293
Benefits and Other Unrequited Expenses	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-
Other Expenses	-	-	15,657	-	15,657
Capital Flows					
Capital Contributions	-	-	1,000	-	1,000
Purchase or Development of Capital Assets	-	-	-	-	-
Repayment of Debt	-	-	-	-	-
Total Appropriations for 1999/2000	24,211	1,082	16,657	-	41,950
Total 1999/2000 Main Estimates Appropriations	23,254	1,044	5,975	-	30,273

Part B1 - Details of 1999/2000 Appropriations

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 Policy Advice on Energy and Resource Issues	2,750	-	731	-	3,481	-	<p>Policy advice on the operation of energy and resource markets (electricity, oil, gas, geothermal, coal, minerals and related natural resources).</p> <p>The Supplementary Estimates adjustment provides for an Electricity Sector Inquiry.</p>
D2 Management of the Crown Mineral Estate	6,456	-	113	-	6,569	-	<p>Allocation and management of Crown-owned petroleum, coal and mineral resources.</p> <p>The Supplementary Estimates adjustment provides for a technical adjustment to account for activities relating to dissemination of data by the Resource Data Unit of Ministry of Economic Development.</p>
D3 Administration of Gas and Electricity Regulations	8,997	-	(67)	-	8,930	-	<p>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.</p> <p>The Supplementary Estimates adjustment provides for the realignment of funding to D1 - Policy Advice on Energy and Resource Issues for the Electricity Sector Inquiry (-\$56,000); and to D5 - Energy and Resource Information Services (-\$11,000).</p>

D4 Energy Efficiency and Conservation	4,752	-	169	-	4,921	-	Energy efficiency and conservation initiatives undertaken and facilitated by the Energy Efficiency and Conservation Authority (EECA). The Supplementary Estimates adjustment provides for energy efficiency measures associated with climate change policy.
Total Appropriations for Departmental Output Classes (Mode B Gross)	22,955	-	946	-	23,901	-	
Departmental Output Classes (Mode B Net)							
D5 Energy and Resource Information Services	299	1,044	11	38	310	1,082	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 Annual adjustment provides for a fiscally neutral transfer from D3 - Administration of Gas and Electricity Regulations, to maintain funding on energy modelling and statistics activity and to resource work required on greenhouse gas emissions to meet UNFCCC requirements. The Supplementary Estimates Other adjustment provides for a technical adjustment to account for petroleum fuels monitoring levy on an accrual basis.
Total Appropriations for Departmental Output Classes (Mode B Net)	299	1,044	11	38	310	1,082	
Other Expenses to be Incurred by the Crown							
Household Energy Efficiency Initiatives	2,000	-	-	-	2,000	-	Grants to assist the uptake of residential energy efficiency.
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.

Part B1 - Details of 1999/2000 Appropriations

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	
Other Expenses to be Incurred by the Crown							
Ministry of Energy Residual Liabilities	2,710	-	10,682	-	13,392	-	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. The Supplementary Estimates adjustment provides for the recognition of the full residual liability of an indemnity to Solid Energy for liabilities arising out of mining operations by State Coal Mines prior to 1 April 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	4,975	-	10,682	-	15,657	-	
Capital Contributions to Other Persons or Organisations							
Crown Energy Efficiency	1,000	-	-	-	1,000	-	Repayable, interest-free loans for investment in energy efficiency in the public sector.
Total Appropriations for Capital Contributions to Other Persons or Organisations	1,000	-	-	-	1,000	-	
Total Appropriations	29,229	1,044	11,639	38	40,868	1,082	

Part F - Crown Revenue and Receipts

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				
Tax Revenue				
Energy Resource Levies - Coal	4,000	1,500	5,500	Levy payable on opencast coal. The Supplementary Estimates adjustment provides for a larger volume of exports from South Island open cast coal fields and some increases in sales for power generation.
Energy Resource Levies - Gas	86,000	10,000	96,000	Levy payable on natural gas produced on discoveries made prior to 1 January 1986. This revenue is driven by the volume of gas produced, which has increased to meet higher demand for power generation, and for methanol production.
Total Tax Revenue	90,000	11,500	101,500	
Non-Tax Revenue				
Ironsands Royalties	54	-	54	Royalties obtained from ironsand operations licensed by the Crown.
Residual Ministry of Energy Commitments	200	-	200	Proceeds from property rentals previously owned by State Coal.
Royalties - Coal	1,300	-	1,300	Royalties obtained from coal mining operations licensed by the Crown.
Royalties - Minerals	800	-	800	Royalties obtained from mineral mining operations licensed by the Crown.
Royalties - Petroleum	23,200	10,100	33,300	Royalties obtained from petroleum mining operations licensed by the Crown. The Supplementary Estimates adjustment provides for an increase in crude oil prices.
Total Non-Tax Revenue	25,554	10,100	35,654	

Total Current Revenue	115,554	21,600	137,154	
Capital Receipts				
Crown Energy Efficiency	1,450	(450)	1,000	Crown Energy Efficiency loan repayments. The Supplementary Estimates adjustment provides for the rephasing of loan repayments.
Total Capital Receipts	1,450	(450)	1,000	
Total Crown Revenue and Receipts	117,004	21,150	138,154	