

Information Supporting the Supplementary Estimates

Vote Conservation

MINISTER(S) RESPONSIBLE FOR APPROPRIATIONS: Minister of Conservation (M16)

ADMINISTERING DEPARTMENT: Department of Conservation

MINISTER RESPONSIBLE FOR DEPARTMENT OF CONSERVATION: Minister of Conservation

Part 1 - Summary of the Vote

Part 1.3 - Trends in the Vote

Summary of Financial Activity

	2010/11				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
Appropriations					
Output Expenses	351,277	5,062	(14,590)	(9,528)	341,749
Benefits and Other Unrequited Expenses	-	N/A	-	-	-
Borrowing Expenses	-	-	-	-	-
Other Expenses	3,433	1,500	9,726	11,226	14,659
Capital Expenditure	68,950	5,000	4,991	9,991	78,941
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Total Appropriations	423,660	11,562	127	11,689	435,349
Crown Revenue and Capital Receipts					
Tax Revenue	-	N/A	-	-	-
Non-Tax Revenue	16,124	N/A	(1,800)	(1,800)	14,324
Capital Receipts	-	N/A	7,800	7,800	7,800
Total Crown Revenue and Capital Receipts	16,124	N/A	6,000	6,000	22,124

Part 2 - Details and Expected Performance for Output Expenses

Part 2.1 - Departmental Output Expenses

Conservation with the Community (M16)

Scope of Appropriation

This appropriation is limited to educational and public awareness services, and facilitation of community involvement and community-led conservation activities.

Expenses and Revenue

	2010/11		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	15,048	1,517	16,565
Revenue from Crown	13,745	1,517	15,262
Revenue from Other	1,303	-	1,303

Reasons for Change in Appropriation

The increase in this appropriation is due to the following:

- Crown concessions revenue overachievement from 2009/10 of \$1.100 million (increase)
- \$310,000 expense transfer from 2009/10 to 2010/11 (increase) and \$293,000 expense transfer from 2010/11 to 2011/12 (decrease), due to delays in various projects
- fiscally neutral reallocation of output costs from other output classes of \$400,000 (increase).

Crown Contribution to Regional Pest Management Strategies (M16)

Scope of Appropriation

This appropriation is limited to controlling weed and animal pests on lands administered by the Department of Conservation to meet negotiated outcomes of regional pest management strategies.

Reasons for Change in Appropriation

The increase in this appropriation of \$9,000 to \$3.015 million is due to expense transfers from 2009/10 to 2010/11.

Management of Historic Heritage (M16)

Scope of Appropriation

This appropriation is limited to the protection and conservation management of historic heritage.

Expenses and Revenue

	2010/11		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	5,603	490	6,093
Revenue from Crown	5,126	490	5,616
Revenue from Other	477	-	477

Reasons for Change in Appropriation

The increase in this appropriation of \$490,000 is due to the overachievement of Crown concessions revenue from 2009/10.

Management of Natural Heritage (M16)

Scope of Appropriation

This appropriation is limited to maintaining, restoring and protecting ecosystems, habitats and species.

Expenses and Revenue

	2010/11		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	158,737	(558)	158,179
Revenue from Crown	146,562	(558)	146,004
Revenue from Other	12,175	-	12,175

Reasons for Change in Appropriation

The decrease in this appropriation is due to the following:

- Crown concessions revenue overachievement from 2009/10 of \$900,000 (increase)
- conservation services plan adjustment of \$794,000 (increase)
- capital charge adjustment from assets recognised in 2009/10 and 2010/11 of \$72,000 (increase)
- \$1.831 million expense transfer from 2009/10 to 2010/11 (increase) and \$4.538 million expense transfer from 2010/11 to 2011/12 (decrease), due to delays in various projects

- one off increase for the change in the Government Superannuation Fund (GSF) employer contribution rate of \$250,000 (increase)
- transfer of funding to New Zealand Customs for Automated Identification System of \$47,000 (decrease)
- fiscally neutral reallocation of output costs to other output classes of \$500,000 (decrease)
- fiscally neutral transfer of funding from non-departmental appropriations of \$680,000 (increase).

Management of Recreational Opportunities (M16)

Scope of Appropriation

This appropriation is limited to recreational facilities and services, and the management of business concessions.

Expenses and Revenue

	2010/11		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	128,908	3,536	132,444
Revenue from Crown	107,136	2,536	109,672
Revenue from Other	21,772	2,500	24,272

Reasons for Change in Appropriation

The increase in this appropriation of \$3.536 million is due to the following:

- increased fee charges approved by the Minister of Conservation of \$1 million (increase)
- capital charge adjustment from assets recognised in 2009/10 and 2010/11 of \$1.324 million (increase)
- \$1.127 million expense transfer from 2009/10 to 2010/11 (increase) and \$884,000 expense transfer from 2010/11 to 2011/12 (decrease), due to delays in various projects
- one off increase for the change in the Government Superannuation Fund (GSF) employer contribution rate of \$149,000 (increase)
- fiscally neutral reallocation of output costs from other output classes of \$500,000 (increase)
- fiscally neutral reallocation of funding from non-departmental appropriations of \$320,000 (increase).

The increase in third party revenue of \$2.500 million is due to the following:

- increased fee charges approved by the Minister of Conservation of \$1 million
- an increase in donated asset revenue of \$1.500 million.

Policy Advice, Servicing the Minister and Statutory Bodies, and Statutory Planning (M16)

Scope of Appropriation

This appropriation is limited to policy advice, services to the Minister of Conservation and statutory bodies, and provision of statutory planning.

Expenses and Revenue

	2010/11		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	5,606	118	5,724
Revenue from Crown	5,076	118	5,194
Revenue from Other	530	-	530

Reasons for Change in Appropriation

The increase in this appropriation is due to the following:

- \$680,000 expense transfer from 2009/10 to 2010/11 (increase) and \$162,000 expense transfer from 2010/11 to 2011/12 (decrease), due to delays in various work programmes
- fiscally neutral reallocation of output costs to other output classes of \$400,000 (decrease).

Recreational Opportunities Review (M16)

Scope of Appropriation

This appropriation is limited to the depreciation and write-off of visitor assets to be decommissioned following the review of recreational opportunities.

Reasons for Change in Appropriation

The decrease in this appropriation of \$50,000 to \$350,000 is due to the fiscally neutral transfer of funding to non-departmental appropriations.

Part 2.2 - Non-Departmental Output Expenses

Identification and Implementation of Protection for Natural and Historic Places (M16)

Scope of Appropriation

This appropriation is limited to identification and implementation of protection for natural and historic places.

Reasons for Change in Appropriation

The reason for the decrease in this appropriation of \$7.150 million to \$12.860 million is the expense transfer of \$9.123 million from 2010/11 to 2011/12, partly offset by the expense transfer of \$1.973 million from 2009/10 to 2010/11, regarding the commitment of funds to other financial periods.

NZ Biodiversity Funds (M16)

Scope of Appropriation

This appropriation is limited to the payment of grants: to provide private land managers with information and advice, or assistance with costs of pest and weed control, fencing and other biodiversity management actions; and to support community biodiversity restoration initiatives.

Reasons for Change in Appropriation

The reason for the decrease in this appropriation of \$6.671 million to \$4.990 million is the expense transfer of \$6.738 million from 2010/11 to 2011/12, partly offset by the expense transfer of \$67,000 from 2009/10 to 2010/11, regarding the commitment of funds to other financial periods.

Stewart Island Infrastructure (M16)

Scope of Appropriation

This appropriation is limited to assistance to the Southland District Council for additional community infrastructure arising from increased visitor numbers on Stewart Island.

Reasons for Change in Appropriation

The reason for the decrease in this appropriation from \$769,000 to \$0 is due to an expense transfer from 2010/11 to 2011/12, reflecting the delays in progressing this work.

Part 5 - Details and Expected Results for Other Expenses

Part 5.1 - Departmental Other Expenses

Recovery from February 2011 Christchurch Earthquake (M16)

Scope of Appropriation

This appropriation is limited to writing off, or making good damage to, departmental assets and re-establishing departmental operations in Christchurch following the 22 February 2011 earthquake.

Expenses

	2010/11		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	1,500	1,500

Reasons for Change in Appropriation

The reason for the increase in this appropriation of \$0 to \$1.500 million is due to the provision for extraordinary costs incurred regarding the February 2011 Christchurch earthquake. The costs include writing off, or making good, damage to departmental assets and re-establishing departmental operations.

Part 5.2 - Non-Departmental Other Expenses

Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
To provide for losses incurred on the disposal of Crown property, plant and equipment.	Loss on Disposal of Crown Property, Plant and Equipment
To provide for the protection of natural and historic places through vesting Crown reserves with local authorities and other parties.	Vesting of Reserves

Depreciation - Infrastructure (M16)

Scope of Appropriation

This appropriation is limited to Depreciation on Infrastructural Assets on the Conservation Estate.

Reasons for Change in Appropriation

The reason for the decrease in this appropriation from \$134,000 to \$0 is due to the fiscally neutral transfer of funding to the Vesting of Reserves appropriation.

Loss on Disposal of Crown Property, Plant and Equipment (M16)

Scope of Appropriation

This appropriation is limited to losses incurred on the disposal of Crown property, plant and equipment.

Expenses

	2010/11		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	50	50

Reasons for Change in Appropriation

This is a new appropriation. The \$50,000 has been transferred from departmental output expenses (fiscally neutral adjustment).

Mātauranga Māori Fund (M16)

Scope of Appropriation

This appropriation is limited to making grants to support initiatives to protect traditional Māori knowledge relating to NZ's indigenous biodiversity.

Reasons for Change in Appropriation

The reason for the increase in this appropriation of \$216,000 to \$1.070 million is the expense transfer of \$466,000 from 2009/10 to 2010/11, partly offset by the expense transfer of \$250,000 from 2010/11 to 2011/12, regarding funding commitments to other financial periods.

Payment of Rates on Properties for Concessionaires (M16)

Scope of Appropriation

This appropriation is limited to the payment of rates: on reserves; conservation areas that are used for private or commercial purposes; and for services provided by a local authority.

Reasons for Change in Appropriation

The reason for the decrease in this appropriation of \$166,000 to \$673,000 is due to the fiscally neutral transfer of funding to the Vesting of Reserves appropriation.

Redress payments under Foreshore and Seabed Act 2004 (M16)

Scope of Appropriation

This appropriation is limited to redress payments to local authorities under Section 25 of the Foreshore and Seabed Act 2004.

Reasons for Change in Appropriation

The reason for the increase in this appropriation from \$0 to \$310,000 is due to an expense transfer from 2009/10 to 2010/11, reflecting the uncertainty over the timing of redress payments.

Vesting of Reserves (M16)

Scope of Appropriation

This appropriation is limited to the costs incurred in vesting Crown reserves in third parties, and Crown contributions towards the purchase of reserves by third parties.

Expenses

	2010/11		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	9,450	9,450

Reasons for Change in Appropriation

This is a new appropriation; the balance of \$9.450 million is made up of the following:

- the write off of Queen Mary Hospital in Hanmer Springs (\$9 million), as this Crown property has been vested with the local district council (technical adjustment)
- the write off of the Crown's contribution of \$150,000 towards the purchase of Baring Head by the Wellington Regional Council (technical adjustment)
- \$300,000 write-off of a reserve near Waipa Saw Mill, which has been vested with the local district council (funded by a fiscally neutral transfer of funds from other Non-Departmental appropriations).

Expected Results

	2010/11		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Vesting of reserves for conservation purposes.	-	Achieve	Achieve

Part 6 - Details and Expected Results for Capital Expenditure

Part 6.1 - Departmental Capital Expenditure

Department of Conservation - Capital Expenditure PLA (M16)

Scope of Appropriation

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

Capital Expenditure

	2010/11		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	44,503	3,950	48,453
Intangibles	5,100	1,050	6,150
Other	-	-	-
Total Appropriation	49,603	5,000	54,603

Reasons for Change in Appropriation

The reason for the above change is due to a revised forecast of expenditure.

Part 6.2 - Non-Departmental Capital Expenditure

Crown Land Acquisitions (M16)

Scope of Appropriation

This appropriation is limited to the purchase of property for the Conservation Estate.

Reasons for Change in Appropriation

The reason for the increase in this appropriation of \$6 million to \$6.500 million is due to an expected land exchange, of which the timing is uncertain. A capital receipt for the same amount has also been recognised.

Milford Flood Protection (M16)

Scope of Appropriation

This appropriation is limited to flood protection works on the Cleddau River at Milford Sound.

Reasons for Change in Appropriation

The reason for the decrease in this appropriation of \$6.086 million to \$5.961 million is due to a capital transfer from 2010/11 to 2011/12, reflecting the delays encountered in progressing this work.

Purchase and Development of Reserves (M16)

Scope of Appropriation

This appropriation is limited to the purchase of conservation land, including the purchase of reserves, and any associated administration costs as provided for under the Reserves Act 1977.

Reasons for Change in Appropriation

The reason for the increase in this appropriation of \$5.077 million to \$11.877 million is due to the following:

- remaining Reserves Trust balance brought forward from 2009/10 to 2010/11 of \$6.077 million
- partly offset by a \$1 million fiscally neutral transfer to departmental output expenses for operational costs incurred in managing and administering reserves.