

# *Information Supporting the Supplementary Estimates*

## *Vote Energy*

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MINISTER(S) RESPONSIBLE FOR APPROPRIATIONS: Minister of Energy and Resources (M28)

ADMINISTERING DEPARTMENT: Ministry of Business, Innovation and Employment

MINISTER RESPONSIBLE FOR MINISTRY OF BUSINESS, INNOVATION AND EMPLOYMENT:  
Minister for Economic Development

# Part 1 - Summary of the Vote

## Part 1.3 - Trends in the Vote

### Summary of Financial Activity

	2012/13				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
<b>Appropriations</b>					
Output Expenses	137,274	2,293	2,405	4,698	141,972
Benefits and Other Unrequited Expenses	-	N/A	-	-	-
Borrowing Expenses	-	-	-	-	-
Other Expenses	80,209	-	11,121	11,121	91,330
Capital Expenditure	2,000	-	-	-	2,000
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
<b>Total Appropriations</b>	<b>219,483</b>	<b>2,293</b>	<b>13,526</b>	<b>15,819</b>	<b>235,302</b>
<b>Crown Revenue and Capital Receipts</b>					
Tax Revenue	35,874	N/A	-	-	35,874
Non-Tax Revenue	433,543	N/A	(100)	(100)	433,443
Capital Receipts	2,000	N/A	-	-	2,000
<b>Total Crown Revenue and Capital Receipts</b>	<b>471,417</b>	<b>N/A</b>	<b>(100)</b>	<b>(100)</b>	<b>471,317</b>

## Part 2 - Details and Expected Performance for Output Expenses

### Part 2.1 - Departmental Output Expenses

#### Administration of Gas, Electricity and Energy Efficiency Regulations and related Acts (M28)

##### *Scope of Appropriation*

This appropriation is limited to the purchase of advice on administration and associated policy work, Ministerial servicing and decision support for the Minister in relation to, and the administration of the regimes for: gas and electricity safety; energy efficiency and conservation; the supply, quality and measurement of gas and electricity; and fuel quality monitoring.

##### *Expenses and Revenue*

	2012/13		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	5,680	(353)	5,327
Revenue from Crown	249	47	296
Revenue from Other	5,502	(400)	5,102

##### *Reasons for Change in Appropriation*

The decreased appropriation is a result of reduction of \$500,000 relating to the Liquid Petroleum and Gas (LPG) revenue and associated expense. This was partially offset by a fiscally neutral adjustment (FNA) of \$100,000 from the departmental output expense Energy and Resources Information Services to assist with the Fuel Quality Monitoring programme and \$47,000 retention of underspend from 2011/12.

#### Energy and Resource Information Services RDA (M28)

##### *Scope of Appropriation*

Provision of information and technical advice on energy and resources, the management of the response to any international disruption in oil supplies, and the management of New Zealand's energy-related international relations.

##### *Reasons for Change in Appropriation*

This appropriation decreased from \$1.827 million to \$1.727 million as a result of a fiscally neutral adjustment of \$100,000 to departmental output expense Administration of Gas, Electricity and Energy Efficiency Regulations and related Acts to assist with the Fuel Quality Monitoring programme.

## Energy and Resource Information Services (M28)

### *Scope of Appropriation*

Provision of information and technical advice on energy and resources, the management of the response to any international disruption in oil supplies, and the management of New Zealand's energy-related international relations.

### *Reasons for Change in Appropriation*

This appropriation increased from \$1.067 million to \$2.061 million as a result of an expense transfer of \$1.194 million from 2011/12 to reflect the delays in completing the technical investigations programme (geophysical data acquisition and other studies). This was partially offset by a \$200,000 retention of underspend to 2013/14.

## Management of the Crown Mineral Estate (M28)

### *Scope of Appropriation*

Allocation and management of Crown-owned petroleum, coal and mineral resources under the Crown Minerals Act 1991 and minerals programmes issued under the Act.

### *Expenses and Revenue*

	2012/13		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	13,963	1,734	15,697
Revenue from Crown	7,808	884	8,692
Revenue from Other	6,162	850	7,012

### *Reasons for Change in Appropriation*

This increased appropriation is a result of an expense transfer of \$1.244 million from 2011/12 to assist with the delays in implementing the recommendations of the Crown Minerals Agency Capability review in 2012/13 and an FNA of \$850,000 to assist with hosting the 2013 New Zealand Petroleum Conference.

This increase was partially offset by \$360,000 retention of underspend to 2013/14.

## Policy Advice - Energy and Resource Issues (M28)

### *Scope of Appropriation*

This appropriation is limited to the provision of advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government policy matters.

*Expenses and Revenue*

	2012/13		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	5,010	18	5,028
Revenue from Crown	4,988	18	5,006
Revenue from Other	22	-	22

*Reasons for Change in Appropriation*

The increased appropriation is a result of \$525,000 retention of underspend from 2011/12. This increase was partially offset by \$330,000 retention of underspend transfer to 2013/14 and an FNA of an efficiency dividend of \$177,000 to Vote Economic Development and Vote Commerce.

**Part 2.2 - Non-Departmental Output Expenses****Maintenance and Operation of Whirinaki (M28)***Scope of Appropriation*

Largely fixed operating and maintenance costs for Whirinaki power station including the Contact Operating and Maintenance contract, depreciation on the plant and obligations arising under the Reserve Generation Capacity Agreement.

*Reasons for Change in Appropriation*

The appropriation decreased by \$400,000 which was the amount of funding returned to the Crown as savings, as a result of the Whirinaki Power Plant being sold, and the Ministry's obligation to cover operating and maintenance costs ceased.

**Management of IEA Oil Stocks (M28)***Scope of Appropriation*

For the cost of managing and funding of oil stocks to meet International Energy Agency obligations.

*Reasons for Change in Appropriation*

The appropriation increased from \$5.160 million to \$5.522 million as a result of an expense transfer of \$362,000 from 2011/12 reflecting the delay in the expected costs to meet New Zealand's IEA Oil Stock Obligations.

## Part 5 - Details and Expected Results for Other Expenses

### Part 5.2 - Non-Departmental Other Expenses

#### Contestable Fund for Deployment of Marine Energy Devices (M28)

##### *Scope of Appropriation and Expenses*

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
<b><i>Contestable Fund for Deployment of Marine Energy Devices (M28)</i></b>	Original Appropriation	4,949
This appropriation is limited to a contestable fund for marine energy generation and associated administration.	Adjustments to 2011/12	(1,852)
	Adjustments for 2012/13	(1,000)
Commences: 1 July 2011	Adjusted Appropriation	2,097
Expires: 30 June 2016	Actual to 2011/12 Year End	-
	Estimated Actual for 2012/13	225
	Estimated Actual for 2013/14	558
	Estimated Appropriation Remaining	1,314

#### Crown Contribution to Pike River Recovery and Related Matters (M28)

##### *Scope of Appropriation*

This appropriation is limited to providing a Crown contribution towards the potential recovery of bodies in the Pike River Coal Mine and related matters.

##### *Reasons for Change in Appropriation*

The increased appropriation of \$2 million is a result of an expense transfer of \$5 million from 2011/12. This was partially offset by an expense transfer of \$3 million from 2012/13 to 2013/14 to align the funding with the continuing discussions between the Government and Pike River families.