

Vote Primary Industries and Food Safety

APPROPRIATION MINISTER(S): Minister for Food Safety (M33), Minister for Primary Industries (M87)

APPROPRIATION ADMINISTRATOR: Ministry for Primary Industries

RESPONSIBLE MINISTER FOR MINISTRY FOR PRIMARY INDUSTRIES: Minister for Primary Industries

Overview of the Vote

The Minister for Primary Industries is responsible for appropriations in the Vote for the 2017/18 financial year covering:

- \$217 million (22% of the Vote) on departmental output expenses for border and domestic biosecurity risk management
- \$124 million (12% of the Vote) on the departmental output expenses for the development and implementation of policy advice
- \$72 million (7% of the Vote) on departmental output expenses for fisheries enforcement and monitoring, fisheries management, animal welfare education and enforcement, administration of grants and programmes, supporting and monitoring the growth of the aquaculture industry, and management of Crown forestry assets
- \$103 million (10% of the Vote) on non-departmental output expenses for purchasing forest management and wood production services from sector contractors for Crown forests, for the Crown's contribution to implementation of the National Bovine Tuberculosis Pest Management Strategy, for climate change research, and for the operation of the NZ Walking Access Commission
- \$136 million (14% of the Vote) for non-departmental other expenses, notably for the Primary Growth Partnership, a Government-industry initiative that invests in significant programmes of research and innovation to boost economic growth and sustainability across the primary sectors, and for settlement of the Crown's aquaculture new space obligations under the Māori Commercial Aquaculture Claims Settlement Act 2004
- \$215 million (22% of the Vote) for capital expenditure including \$137 million investment in Crown Irrigation Investments Ltd.

The Minister for Food Safety is responsible for appropriations in the Vote for the 2017/18 financial year covering a total of \$125 million (13% of the Vote). The Food Safety appropriations cover protecting consumers from food borne disease; maintaining and enhancing New Zealand's reputation as a trusted supplier of safe and suitable food; delivering assurances to consumers; responses to food related incidents; and development and implementation of food related standards.

Crown Revenue and Capital Receipts

The Ministry for Primary Industries expects to collect \$141 million of Crown revenue and capital receipts in 2017/18, including:

- \$97 million for the sale of logs from Crown forests
- \$36 million in cost recoveries from the fishing industry.

Details of these appropriations are set out in Parts 2-4.

Details of Appropriations and Capital Injections

Annual and Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Departmental Capital Expenditure			
Ministry for Primary Industries - Capital Expenditure PLA (M87)	48,989	48,989	78,566
This appropriation is limited to the purchase or development of assets by and for the use of the Ministry for Primary Industries, as authorised by section 24(1) of the Public Finance Act 1989.			
Total Departmental Capital Expenditure	48,989	48,989	78,566
Non-Departmental Output Expenses			
Climate Change Research (M87)	1,494	1,294	3,105
This appropriation is limited to obtaining science, research, technology, capacity and capability in climate change related to the primary land-based sectors.			
Control of Bovine TB (M87)	26,000	26,000	26,000
This appropriation is limited to the Crown's contribution to implementing the National Bovine Tuberculosis Pest Management Plan.			
Support for Walking Access (M87)	1,789	1,789	1,789
This appropriation is limited to the operation of the New Zealand Walking Access Commission.			
Total Non-Departmental Output Expenses	29,283	29,083	30,894
Benefits or Related Expenses			
Rural Veterinarians Bonding Scheme (M87)	1,650	1,650	1,650
This appropriation is limited to the provision of payments to veterinary professionals agreeing to work in understaffed, rural areas, in accordance with government approved criteria and guidelines.			
Total Benefits or Related Expenses	1,650	1,650	1,650
Non-Departmental Other Expenses			
Aquaculture Settlements (M87)	11,703	9,703	21,800
This appropriation is limited to the recognition of settlements negotiated under the Māori Aquaculture Commercial Claims Settlement Act 2004.			
Provision for Fisheries Debt Write Downs (M87)	1,000	1,000	1,000
This appropriation is limited to commercial fishing sector quota holder debt write-offs.			
Subscriptions to International Organisations (M87)	3,208	3,208	3,208
This appropriation is limited to New Zealand's membership of primary industry-related international organisations.			
Response to the Kiwifruit disease Pseudomonas Syringae pv. Actinidiae (M87)	500	500	-
This appropriation is limited to supporting an industry-led programme for the kiwifruit disease pseudomonas syringae pv. actinidiae.			
Total Non-Departmental Other Expenses	16,411	14,411	26,008
Multi-Category Expenses and Capital Expenditure			
Administration and Management of Crown Forestry Assets and Operations MCA (M87)	71,463	71,423	73,380
The overarching purpose for this appropriation is to achieve the outcome of obtaining the best return on the Crown's interest in forestry assets whilst seeking opportunities for the Crown to divest its interest in those assets.			

Titles and Scopes of Appropriations by Appropriation Type	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Multi-Category Expenses and Capital Expenditure - cont'd			
<i>Departmental Output Expenses</i>			
<i>Administration and Management of Crown Forestry Assets</i> This category is limited to administration and management of the Crown's interest in forests and forestry-related assets.	1,186	1,146	1,303
<i>Non-Departmental Output Expenses</i>			
<i>Operational Management of the Crown Forest Estate</i> This category is limited to the purchase of forestry operations, management services, research and related forest asset expenditure including expenditure related to asset divestment.	70,277	70,277	72,077
Border and Domestic Biosecurity Risk Management MCA (M87) The overarching purpose of this appropriation is to improve biosecurity risk management by providing operational support to prevent harmful organisms from crossing the borders and working to reduce the unwanted harm caused by organisms already established in New Zealand.	207,149	203,241	217,216
<i>Departmental Output Expenses</i>			
<i>Biosecurity Incursion Response and Long Term Pest Management</i> This category is limited to the assessment, containment and possible eradication of suspected biosecurity risk organisms within New Zealand.	39,322	38,948	31,120
<i>Border Biosecurity Monitoring and Clearance</i> This category is limited to biosecurity monitoring and clearance programmes that manage the biosecurity risk associated with international trade and travel.	107,595	103,611	124,794
<i>Border Biosecurity Systems Development and Maintenance</i> This category is limited to the development and maintenance of standards and systems that manage biosecurity risk associated with imports and exports.	22,622	21,760	19,096
<i>Domestic Biosecurity Surveillance</i> This category is limited to domestic biosecurity surveillance activities.	37,610	38,922	42,206
Development and Implementation of Food Safety Policy Advice MCA (M33) The overarching purpose of this appropriation is to provide both policy and operational advice and support to Ministers in discharging their policy and operational decision-making responsibilities with regards to food safety.	9,485	8,871	10,383
<i>Departmental Output Expenses</i>			
<i>Development of Policy Advice</i> This category is limited to the provision of advice (including second opinion advice and contributing to policy advice led by other agencies) to support decision-making by Ministers on Government policy matters relating to food safety.	4,918	4,617	4,516
<i>Implementation of Policy Advice</i> This category is limited to implementing policy decisions, operational policy, and administering legislation relating to food safety matters, and ministerial servicing.	4,567	4,254	5,867
Development and Implementation of Primary Industries Policy Advice MCA (M87) The overarching purpose of this appropriation is to provide both policy and operational advice and support to Ministers in discharging their policy and operational decision-making responsibilities with regards to primary industries.	112,074	108,183	124,412
<i>Departmental Output Expenses</i>			
<i>Agriculture and Forestry Policy Advice</i> This category is limited to the provision of advice (including second opinion advice and contributing to policy advice led by other agencies) to support decision-making by Ministers on Government policy matters relating to agriculture and forestry, animal welfare and climate change.	27,722	26,619	22,842

Titles and Scopes of Appropriations by Appropriation Type	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<i>Biosecurity Policy Advice</i> This category is limited to the provision of advice (including second opinion advice and contributing to policy advice led by other agencies) to support decision-making by Ministers on Government policy matters relating to biosecurity.	3,034	3,060	2,576
<i>Fisheries Policy Advice</i> This category is limited to the provision of advice (including second opinion advice and contributing to policy advice led by other agencies) to support decision-making by Ministers on Government policy matters relating to the development of standards and guidelines for the sustainable and efficient utilisation of New Zealand's fisheries and promotion of New Zealand's interests in an international context.	5,958	5,799	5,824
<i>Implementation of Agriculture and Forestry Policy Advice</i> This category is limited to implementing policy decisions, operational policy, and administering legislation relating to agriculture and forestry, animal welfare and climate change matters, and ministerial servicing.	32,512	30,820	29,793
<i>Implementation of Biosecurity Policy Advice</i> This category is limited to implementing policy decisions, operational policy, and administering legislation relating to biosecurity matters, and ministerial servicing.	3,738	3,823	2,197
<i>Implementation of the Emissions Trading Scheme and Indigenous Forestry</i> This category is limited to the implementation of the agriculture and forestry provisions of the Climate Change Response Act 2002 and the indigenous forestry provisions of the Forests Act 1949.	9,492	9,642	9,301
<i>Operational Advice on Sustainability and Management Controls in Fisheries</i> This category is limited to operational advice to support decision-making by Ministers on Government policy matters relating to operational advice on sustainability and management controls for New Zealand's fisheries.	29,618	28,420	36,952
<i>Trade and Market Access Primary Industries</i> This category is limited to the implementation of government interventions, including the coordination of activities, development and delivery of frameworks that facilitate international trade in primary products with the exception of food-related safety aspects, and implementation of agreements and arrangements which influence and improve multilateral, regional and bilateral relationships.	-	-	14,927
Food Safety MCA (M33) The overarching purpose of this appropriation is to protect consumers from food borne disease and maintain and enhance New Zealand's reputation as a trusted supplier of safe and suitable food.	107,002	103,392	114,277
<i>Departmental Output Expenses</i>			
<i>Assurance</i> This category is limited to justifying and delivering assurances to consumers, the public, overseas authorities and other stakeholders that food, food-related products and inputs into the production of food (whether undertaken or produced in New Zealand or imported) are managed, audited, approved, registered and/or monitored in accordance with New Zealand legislation and, for exports, relevant importing countries' market access requirements.	72,467	72,289	79,113
<i>Information</i> This category is limited to engagement of, and information for, stakeholders about food safety and suitability, to encourage participation in, and compliance with, the food regulatory programme, and to enable consumers to make appropriate food choices.	1,904	1,810	3,609
<i>Response</i> This category is limited to the investigation of, preparedness for, and response to, food related events, incidents, emergencies, complaints and suspected breaches of legislation and taking appropriate sanctions and enforcement action.	5,677	5,363	6,006

Titles and Scopes of Appropriations by Appropriation Type	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Multi-Category Expenses and Capital Expenditure - cont'd			
<i>Standards</i> This category is limited to the scientific inputs and development and implementation of food related standards (including as appropriate international and joint Australia/New Zealand standards) and standards related to inputs into food production, imports, exports, new and emerging issues and the domestic market.	24,154	21,130	14,772
<i>Trade and Market Access Food Safety</i> This category is limited to the coordination of activities, development and delivery of frameworks that facilitate the food-related safety aspects of international trade in primary products, and implementation of agreements and arrangements which influence and improve multilateral, regional and bilateral relationships.	-	-	7,977
<i>Non-Departmental Output Expenses</i>			
<i>Food Safety Science and Research</i> This category is limited to the promotion, coordination and delivery of food safety science and research.	700	700	700
<i>Non-Departmental Other Expenses</i>			
<i>Joint Food Standards Setting Treaty</i> This category is limited to the development of joint food standards, codes of practice, and guidance material for Australia and New Zealand by Food Standards Australia New Zealand in accordance with the Joint Food Standards Setting Treaty.	2,100	2,100	2,100
Grants and Programmes MCA (M87) The overarching purpose for this appropriation is the administration of schemes, grants, programmes and assistance which are designed to achieve the outcome of innovation and sustainable resource management within the primary sector.	28,682	27,552	20,127
<i>Departmental Output Expenses</i>			
<i>Administration of Grants and Programmes</i> This category is limited to the administration of government approved schemes, grants and assistance to the land-based sectors.	11,304	10,994	7,336
<i>Non-Departmental Other Expenses</i>			
<i>Adverse Climatic Events</i> This category is limited to providing recovery assistance to the primary sector in the aftermath of adverse climatic events and assistance to rural support trusts.	1,442	1,192	526
<i>Adverse Earthquake Events</i> This category is limited to providing recovery support and assistance to the primary sector and rural support trusts in the aftermath of adverse earthquake events.	4,300	4,300	200
<i>Hill Country Erosion Fund</i> This category is limited to projects that protect erosion-prone hill country.	2,196	2,146	2,200
<i>Sustainable Farming Fund</i> This category is limited to community driven programmes aimed at improving economic and environmental performance in farming.	9,440	8,920	9,865
Sustainable Economic Development and Trade MCA (M87) The overarching purpose for this appropriation is to efficiently manage New Zealand's primary production and natural resources in a sustainable manner.	67,423	66,777	63,094
<i>Departmental Output Expenses</i>			
<i>Animal Welfare Education and Enforcement</i> This category is limited to education and enforcement intended to improve animal welfare in New Zealand.	11,174	9,848	7,917

Titles and Scopes of Appropriations by Appropriation Type	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<i>Aquaculture</i> This category is limited to implementing aquaculture policy advice, supporting and monitoring the growth of the aquaculture industry.	5,916	5,516	3,679
<i>Fisheries Enforcement and Monitoring</i> This category is limited to informing, assisting, directing and enforcing adherence to New Zealand fisheries laws.	38,823	39,458	40,246
<i>Fisheries Management</i> This category is limited to implementing ministerial decisions on sustainability and management controls for New Zealand fisheries.	11,486	11,931	11,228
<i>Non-Departmental Other Expenses</i> <i>Fisheries Quota Shares and ACE Administration Costs</i> This category is limited to the administration of the sale of Crown Quota Shares and Annual Catch Entitlement (ACE).	24	24	24
Total Multi-Category Expenses and Capital Expenditure	603,278	589,439	622,889
Total Annual and Permanent Appropriations	699,611	683,572	760,007

Multi-Year Appropriations

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Non-Departmental Other Expenses		
Afforestation Grant Scheme (M87) This appropriation is limited to grants to private landowners for afforestation purposes. Commences: 01 July 2016 Expires: 30 June 2021	Original Appropriation Adjustments to 2015/16 Adjustments for 2016/17 Adjusted Appropriation Actual to 2015/16 Year End Estimated Actual for 2016/17 Estimated Actual for 2017/18 Estimated Appropriation Remaining	19,500 - - 19,500 - 3,900 3,900 11,700
East Coast Afforestation Grants (M87) This appropriation is limited to grants under the Forestry (East Coast) Grants Regulations 2000. Commences: 01 July 2013 Expires: 30 June 2017	Original Appropriation Adjustments to 2015/16 Adjustments for 2016/17 Adjusted Appropriation Actual to 2015/16 Year End Estimated Actual for 2016/17 Estimated Actual for 2017/18 Estimated Appropriation Remaining	18,460 4,495 - 22,955 5,933 17,022 - -

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Forestry and Other Economic Development, and Erosion Control (M87) This appropriation is limited to forestry and other economic development and erosion control in the Tairāwhiti region. Commences: 01 July 2017 Expires: 30 June 2021	Original Appropriation	18,460
	Adjustments to 2015/16	-
	Adjustments for 2016/17	-
	Adjusted Appropriation	18,460
	Actual to 2015/16 Year End	-
	Estimated Actual for 2016/17	-
	Estimated Actual for 2017/18	4,615
	Estimated Appropriation Remaining	13,845
Global Research Alliance on Agricultural Greenhouse Gases (M87) This appropriation is limited to the Global Research Alliance on Agricultural Greenhouse Gases. Commences: 01 July 2016 Expires: 30 June 2020	Original Appropriation	26,960
	Adjustments to 2015/16	-
	Adjustments for 2016/17	7,148
	Adjusted Appropriation	34,108
	Actual to 2015/16 Year End	-
	Estimated Actual for 2016/17	6,601
	Estimated Actual for 2017/18	11,005
	Estimated Appropriation Remaining	16,502
Primary Growth Partnership (M87) This appropriation is limited to primary, food and forestry sector investment in education and skills development, research and development, product development, commercialisation, market development and technology transfer, in partnership with relevant industry groups, including research related to greenhouse gases via the New Zealand Agricultural Greenhouse Gas Research Centre. Commences: 01 July 2012 Expires: 30 June 2017	Original Appropriation	352,380
	Adjustments to 2015/16	(91,295)
	Adjustments for 2016/17	(19,892)
	Adjusted Appropriation	241,193
	Actual to 2015/16 Year End	175,288
	Estimated Actual for 2016/17	65,905
	Estimated Actual for 2017/18	-
	Estimated Appropriation Remaining	-
Primary Growth Partnership (M87) This appropriation is limited to primary, food and forestry sector investment in education and skills development, research and development, product development, commercialisation, market development and technology transfer, in partnership with relevant industry groups, including research related to greenhouse gases via the New Zealand Agricultural Greenhouse Gas Research Centre. Commences: 01 July 2017 Expires: 30 June 2022	Original Appropriation	244,312
	Adjustments to 2015/16	-
	Adjustments for 2016/17	-
	Adjusted Appropriation	244,312
	Actual to 2015/16 Year End	-
	Estimated Actual for 2016/17	-
	Estimated Actual for 2017/18	50,300
	Estimated Appropriation Remaining	194,012
Water Storage and Irrigation Investment Proposals (M87) This appropriation is limited to preparation of proposals for irrigation schemes to an investment ready stage. Commences: 01 July 2016 Expires: 30 June 2021	Original Appropriation	25,000
	Adjustments to 2015/16	-
	Adjustments for 2016/17	34,037
	Adjusted Appropriation	59,037
	Actual to 2015/16 Year End	-
	Estimated Actual for 2016/17	14,565
	Estimated Actual for 2017/18	25,472
	Estimated Appropriation Remaining	19,000

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Non-Departmental Capital Expenditure		
Crown Irrigation Investments Limited (M87)	Original Appropriation	40,000
This appropriation is limited to the Crown's investment in Crown Irrigation Investments Limited.	Adjustments to 2015/16	71,850
	Adjustments for 2016/17	-
Commences: 01 July 2014	Adjusted Appropriation	111,850
	Actual to 2015/16 Year End	9,250
Expires: 30 June 2018	Estimated Actual for 2016/17	29,000
	Estimated Actual for 2017/18	73,600
	Estimated Appropriation Remaining	-
Crown Irrigation Investments Limited (M87)	Original Appropriation	63,000
This appropriation is limited to the Crown's investment in Crown Irrigation Investments Limited.	Adjustments to 2015/16	-
	Adjustments for 2016/17	-
Commences: 01 July 2017	Adjusted Appropriation	63,000
	Actual to 2015/16 Year End	-
Expires: 30 June 2021	Estimated Actual for 2016/17	-
	Estimated Actual for 2017/18	63,000
	Estimated Appropriation Remaining	-

Total Annual and Permanent Appropriations and Multi-Year Appropriation Forecasts

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Annual and Permanent Appropriations	699,611	683,572	760,007
Total MYA Non-Departmental Other Expenses Forecasts	107,993	107,993	95,292
Total MYA Non-Departmental Capital Expenditure Forecasts	29,000	29,000	136,600
Total Annual and Permanent Appropriations and Multi-Year Appropriation Forecasts	836,604	820,565	991,899

Capital Injection Authorisations

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Ministry for Primary Industries - Capital Injection (M87)	38,194	38,194	70,716

Supporting Information

Part 1 - Vote as a Whole

1.1 - New Policy Initiatives

Policy Initiative	Appropriation	2016/17 Final Budgeted \$000	2017/18 Budget \$000	2018/19 Estimated \$000	2019/20 Estimated \$000	2020/21 Estimated \$000
Pastoral House Accommodation Final Commercial Terms	Border and Domestic Biosecurity Risk Management (MCA) Border Biosecurity Monitoring and Clearance Departmental Output Expenses	2,648	3,797	1,917	1,917	1,917
	Departmental Net Assets Capital Injection	8,390	9,620	-	-	-
Establishment of a Centre for Food Safety Science and Research	Food Safety (MCA) New Zealand Food Safety Science and Research Centre Non-Departmental Output Expenses	700	700	700	700	700
North Canterbury Earthquake: Proposal for a Special Primary Sector Assistance Package	Development and Implementation of Primary Industries Policy Advice (MCA) Implementation of Agriculture and Forestry Policy Advice Departmental Output Expenses	750	350	-	-	-
	Grants and Programmes (MCA) Adverse Earthquake Events Non-Departmental Other Expenses	2,500	2,000	-	-	-
	Sustainable Economic Development Trade (MCA) Fisheries Management Departmental Output Expenses	2,000	-	-	-	-
Future of Our Fisheries	Development and Implementation of Primary Industries Policy Advice (MCA) Operational Advice on Sustainability and Management Controls in Fisheries Departmental Output Expenses	-	2,950	4,085	5,095	5,805
	Fisheries Policy Advice Departmental Output Expenses	-	2,350	2,300	1,975	1,725
	Sustainable Economic Development and Trade (MCA) Fisheries Management Departmental Output Expenses	-	730	680	791	795
	Fisheries Enforcement and Monitoring Departmental Output Expenses	-	192	260	370	375

Policy Initiative	Appropriation	2016/17 Final Budgeted \$000	2017/18 Budget \$000	2018/19 Estimated \$000	2019/20 Estimated \$000	2020/21 Estimated \$000
Marine Protection and Development	Sustainable Economic Development and Trade (MCA) Fisheries Management Departmental Output Expenses	-	500	-	-	-
Biosecurity 2025 - Protecting to Grow New Zealand	Border and Domestic Biosecurity Risk Management (MCA) Border Biosecurity Systems Development and Maintenance Departmental Output Expenses	-	2,000	2,000	1,999	1,999
	Border Biosecurity Monitoring and Clearance Departmental Output Expenses	-	2,916	2,815	2,316	2,316
Boosting Primary Industry and Food Export Value	Development and Implementation of Primary Industries Policy Advice (MCA) Agriculture and Forestry Policy Advice Departmental Output Expenses	-	1,877	2,560	2,560	2,560
	Trade and Market Access Primary Industries Departmental Output Expenses	-	2,688	3,688	4,139	4,139
	Food Safety (MCA) Information Departmental Output Expenses	-	2,721	2,546	2,926	2,926
Grant Funding to Support Regional Irrigation Scheme Development	Water Storage and Irrigation Investment Proposals MYA Non-Departmental Other Expenses	-	9,162	15,500	2,000	-
Investment in the Construction of Regional Irrigation Infrastructure	Crown Irrigation Investments Limited MYA Non-Departmental Capital Expenditure	-	63,000	-	-	-
Total Initiatives		16,988	107,553	39,051	26,788	25,257

1.2 - Trends in the Vote

Summary of Financial Activity

	2012/13	2013/14	2014/15	2015/16	2016/17		2017/18			2018/19	2019/20	2020/21
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Final Budgeted \$000	Estimated Actual \$000	Departmental Transactions Budget \$000	Non- Departmental Transactions Budget \$000	Total Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
Appropriations												
Output Expenses	237,332	240,590	219,302	33,554	29,283	29,083	-	30,894	30,894	28,049	28,049	28,049
Benefits or Related Expenses	1,399	1,446	1,304	1,460	1,650	1,650	N/A	1,650	1,650	1,650	1,650	1,650
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	68,774	78,560	76,634	114,451	19,502	122,404	-	121,300	121,300	87,808	71,530	108,345
Capital Expenditure	16,259	26,561	24,121	26,055	77,989	77,989	78,566	136,600	215,166	43,360	10,040	12,000
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Multi-Category Expenses and Capital Expenditure (MCA)												
<i>Output Expenses</i>	273,984	291,239	308,507	513,176	583,776	570,757	535,197	72,777	607,974	580,503	583,646	581,562
<i>Other Expenses</i>	-	-	-	15,250	19,252	18,682	-	14,915	14,915	13,180	13,291	11,850
<i>Capital Expenditure</i>	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Appropriations	597,748	638,396	629,868	703,946	836,604	820,565	613,763	378,136	991,899	754,550	708,206	743,456
Crown Revenue and Capital Receipts												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	169,320	175,515	140,800	131,944	135,588	135,588	N/A	139,448	139,448	143,523	145,619	141,855
Capital Receipts	4,151	4,178	11,905	2,071	1,686	1,686	N/A	1,686	1,686	1,686	1,686	276
Total Crown Revenue and Capital Receipts	173,471	179,693	152,705	134,015	137,274	137,274	N/A	141,134	141,134	145,209	147,305	142,131

Note - where restructuring of the vote has occurred then, to the extent practicable, prior years information has been restated as if the restructuring had occurred before the beginning of the period covered. In this instance Total Appropriations for the Budgeted and Estimated Actual year may not equal Total Appropriations in the Details of Appropriations and Capital Injections.

Adjustments to the Summary of Financial Activity Table Due to Vote Restructuring

There have been no restructuring adjustments to prior year information in the Summary of Financial Activity table.

1.3 - Analysis of Significant Trends

Vote Primary Industries and Food Safety was formed on 1 July 2015 by combining Vote Primary Industries and Vote Food Safety.

Departmental Output Expenses

The change in output expenses in part reflects the level of third party-funded activity operated on a full cost recovery basis. Memorandum accounts are used to keep track of the accumulated surpluses and deficits to enable the Ministry to take a long-run perspective to fee setting and cost recovery.

Departmental output expenses increase significantly in 2017/18, then remain relatively stable in future years. Drivers of the increase in 2017/18 include:

- Increased funding due to new policy initiatives, including Boosting Primary Industry and Food Export Value (\$7.286 million), Future of Our Fisheries (\$6.222 million) and Biosecurity 2025 - Protecting to Grow New Zealand (\$4.916 million).
- The transfer of \$25.300 million from the Primary Growth Partnership to cover operating and one-off costs in 2017/18.

Non-Departmental Output Expenses

Non-departmental output expenses increase slightly in 2017/18 mainly due to the increase expected cost for Crown Forestry. This increase is primarily a consequence of increased log prices driving higher land rental payments for Crown Forestry's largest two lease forests (Lake Taupo and Rotoaira) where the lessors' rent is calculated as a percentage of net profit.

Non-Departmental Other Expenses

Non-departmental other expenses are anticipated to decrease in 2017/18. This is primarily due to the decrease in Primary Growth Partnership to cover operating and one-off costs in 2017/18.

Departmental Capital Expenditure

The increase in departmental capital expenditure reflects the significant increase in the spend profile in 2017/18 on the construction of a new National Biocontainment Facility in Wallaceville to meet updated biocontainment standards and provide greater functionality and capacity. In addition the majority of spend for the Pastoral House Refurbishment project is scheduled to take place in 2017/18. There is also a one-off capital injection of \$2.500 million to develop the IT support systems to support the implementation of the Food Act.

Non-Departmental Capital Expenditure

There is a significant increase in forecast non-departmental capital expenditure in 2017/18. This is a reflection of the continuation of the Crown's investment in regional water storage and off-farm irrigation infrastructure through Crown Irrigation Investments Limited.

Crown Revenue and Capital Receipts

Crown revenue or Capital Receipt item	2016/17		2017/18	Description of Crown Revenue or Capital Receipt item
	Budgeted \$000	Estimated Actual \$000	Budgeted \$000	
Crown Revenue				
Biosecurity Act Fines	3,300	3,300	3,500	Infringement fines imposed on persons entering New Zealand at ports of entry with undeclared goods, under the Biosecurity Act 1993.
Conservation Levy	1,600	1,600	1,600	Revenue from the costs of Government approved conservation services that are able to be recovered from the commercial fishing sector.
Cost Recovery from Fishing Industry	31,000	31,000	31,000	Revenue from the costs of Government approved fisheries services that are able to be recovered from the commercial fishing sector.
Dairy Industry Levy	500	500	500	Levy to fund the Commerce Commission's dispute resolution and regulatory enforcement functions under the Dairy Industry Restructuring Act 2001.
Deemed Value for Over-fishing	5,000	5,000	5,000	Revenue forecast to be paid by quota holders who have overfished.
Fisheries Act Infringement Notices	150	150	150	Revenue relating to the issue of Infringement Notices under the Fisheries Act 1996.
Forestry Encouragement Loans Interest	346	346	255	Interest earned on forestry encouragement loans.
Forfeitures for Fisheries Offences	150	150	150	Revenue from forfeit property, whether by sale or through redemption fees.
Other Revenue	50	50	50	Miscellaneous Revenues.
New Zealand Emissions Trading Scheme	150	150	150	Fees received from forest landowners joining the New Zealand Emissions Trading Scheme.
Sale of Forest Produce	93,182	93,182	96,608	Revenue from the sale of forest produce from Crown forests.
Sale of Quota Shares & Annual Catch Entitlement	100	100	100	Revenue from the sale of Crown owned quota and Annual Catch Entitlement (ACE).
Animal Welfare Act Infringement Notices	60	60	385	Revenue relating to the issue of Infringement Notices under the Animal Welfare Act 1999.
Capital Receipts				
Forestry Encouragement Loans	1,686	1,686	1,686	Forestry encouragement loan repayments.
Total Crown Revenue and Capital receipts	137,274	137,274	141,134	

The small increase in Crown revenue is driven by forecast Crown Forestry income because of an increase in log prices and early harvesting of two forests.

Part 2 - Details of Departmental Appropriations

2.3 - Departmental Capital Expenditure and Capital Injections

Ministry for Primary Industries - Capital Expenditure PLA (M87)

Scope of Appropriation

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

Capital Expenditure

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	40,086	40,086	78,245
Intangibles	8,903	8,903	321
Other	-	-	-
Total Appropriation	48,989	48,989	78,566

Significant Projects

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
National Biocontainment Facility	29,000	24,009	46,971
Pastoral House Refurbishment	1,200	1,200	16,810
Other Projects	18,789	23,780	14,785
Total Appropriation	48,989	48,989	78,566

The following key milestones for the National Biocontainment Facility project are expected to be achieved in 2017/18:

- Building to be weather tight to laboratory building standards.
- Development of certification, verification and commission plans.
- Commencement of internal fit-out.

The following key milestone for the Pastoral House Refurbishment project is expected to be achieved in 2017/18:

- Staged refurbishment of Pastoral House.

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the implementation of the Ministry's capital expenditure programme, including the National Biocontainment Laboratory project, refurbishing Wellington and Christchurch properties and building a new MPI centre in Auckland.

How Performance will be Assessed and End of Year Reporting Requirements

Performance will be assessed through the monitoring of expenditure, to ensure it is in accordance with the Ministry for Primary Industries' capital expenditure programme. The programme is focused on delivering business-critical functions through planned renewals to maintain levels of service and upgrade or redesign of assets in response to changes in service delivery needs. The focus is on initiatives already underway including: the National Biocontainment Laboratory project; refurbishing Wellington and Christchurch properties and building a new MPI centre in Auckland; rationalising ICT infrastructure and associated maintenance costs; developing systems that meet future needs; reviewing property leases and implications of expiring leases; implementing the Joint Border Management System in collaboration with the New Zealand Customs Service.

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Ministry for Primary Industries in its Annual Report.

*Capital Injections and Movements in Departmental Net Assets***Ministry for Primary Industries**

Details of Net Asset Schedule	2016/17 Estimated Actual \$000	2017/18 Projected \$000	Explanation of Projected Movements in 2017/18
Opening Balance	80,218	120,071	
Capital Injections	38,194	70,716	The injection relates to the construction of the National Biocontainment Laboratory in Wallaceville (\$51.406 million), the Pastoral House Refurbishment (\$16.810 million) and the Food Act Implementation (\$2.500 million).
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	1,659	4,802	Forecast memorandum account surplus.
Other Movements	-	-	
Closing Balance	120,071	195,589	

Reasons for Change in Appropriation

This appropriation increased by \$32.522 million to \$70.716 million for 2017/18 mainly due to:

- An increase in the approved spending profile in 2017/18 for the National Biocontainment Laboratory project of \$14.604 million.
- \$7.190 million caused by delays in the Pastoral House Refurbishment project as a consequence of the North Canterbury Earthquake.
- The retention of the 2015/16 surplus of \$2.692 million.
- The timing in the injection of \$2.500 million to develop the IT support systems for the further implementation of the Food Act 2014.

Part 3 - Details of Non-Departmental Appropriations

3.1 - Non-Departmental Output Expenses

Climate Change Research (M87)

Scope of Appropriation

This appropriation is limited to obtaining science, research, technology, capacity and capability in climate change related to the primary land-based sectors.

Expenses

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,494	1,294	3,105

How Performance will be Assessed and End of Year Reporting Requirements

	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Percentage of funded research projects completed within contracted timeframes	80%	80%	80%

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve increased knowledge of agricultural and forestry emissions, mitigation practices, technologies and business opportunities.

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Minister for Primary Industries in a report appended to the Ministry for Primary Industries' Annual Report.

Service Providers

Provider	2016/17 Final Budgeted \$000	2016/17 Estimated Actual \$000	2017/18 Budget \$000	Expiry of Resourcing Commitment
Crown entities				
Manaaki Whenua Landcare Research New Zealand Ltd	809	707	853	See below
AgResearch Ltd	287	252	406	See below
National Institute of Water and Atmospheric Research Limited	131	114	89	See below
New Zealand Forest Research Institute (Scion)	147	128	363	See below
Massey University	87	76	63	See below

Provider	2016/17 Final Budgeted \$000	2016/17 Estimated Actual \$000	2017/18 Budget \$000	Expiry of Resourcing Commitment
Non-government organisations				
Motu Economic and Public Policy Research Trust	20	17	100	See below
Other providers	13	-	1,231	
Total	1,494	1,294	3,105	

The table above shows the main service providers for this appropriation.

Note - Expiry of resourcing commitments varies depending on the grant recipients with:

- four contracts due for completion in June 2017, and
- nine contracts due for completion in June 2018.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2016/17 Final Budgeted \$000	2017/18 Budget \$000	2018/19 Estimated \$000	2019/20 Estimated \$000	2020/21 Estimated \$000
Reprioritisation of funding to support Government budget priorities	2015/16	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
Reprioritisation of funding within Vote to contribute towards cost of new National Biocontainment Facility	2015/16	(4,950)	(4,950)	-	-	-
Funding to Vote Environment for issue of New Zealand units to Permanent Forest Sink Initiative participants	2015/16	(280)	(140)	(140)	(140)	(140)

Reasons for Change in Appropriation

This appropriation increased by \$1.611 million to \$3.105 million in 2017/18 mainly due to:

- The transfer of funding from 2016/17 to 2017/18 of \$845,000 due to delays in research projects due to the resource availability of external providers.
- A reduction in transfers decreasing this appropriation for past policy initiatives including:
 - \$400,000 for the National Biocontainment Facility
 - \$140,000 for the Permanent Forest Sink Initiative.

This is offset by the transfer of funding from 2015/16 to 2016/17 of \$619,000 due to delays in a project caused by organisational change within the main research provider.

Control of Bovine TB (M87)

Scope of Appropriation

This appropriation is limited to the Crown's contribution to implementing the National Bovine Tuberculosis Pest Management Plan.

Expenses

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	26,000	26,000	26,000

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the effective management of the Crown's contribution to TBfree's vector control programme.

How Performance will be Assessed and End of Year Reporting Requirements

	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Number of cumulative hectares (within +/- 5%) where eradication has been achieved reclassified as vector-free from vector risk	1.2 million	1.2 million	1.2 million
Annual period prevalence of infected cattle and deer herds as a % of herds	0.3%	0.3%	0.3%

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Minister for Primary Industries in a report appended to the Ministry for Primary Industries' Annual Report.

Service Providers

Provider	2016/17 Final Budgeted \$000	2016/17 Estimated Actual \$000	2017/18 Budget \$000	Expiry of Resourcing Commitment
TBfree New Zealand Ltd (OSPRI)	26,000	26,000	26,000	30 June 2026
Total	26,000	26,000	26,000	

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2016/17 Final Budgeted \$000	2017/18 Budget \$000	2018/19 Estimated \$000	2019/20 Estimated \$000	2020/21 Estimated \$000
Eliminating bovine TB through joint government/industry management	2016/17	18,444	18,444	16,444	16,444	24,000

Support for Walking Access (M87)

Scope of Appropriation

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

Expenses

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,789	1,789	1,789

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the effective management and operation of the New Zealand Walking Access Commission.

How Performance will be Assessed and End of Year Reporting Requirements

The Ministry for Primary Industries will assess the performance of the New Zealand Walking Access Commission through quarterly monitoring of the Commission's deliverables as indicated in its letter of expectations with the Minister for Primary Industries. These deliverables are incorporated in the Commission's Statement of Performance Expectations 2015-2019.

	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Percentage of New Zealand Walking Access Commission deliverables identified in the annual letter of expectation are achieved	100%	100%	100%

End of Year Performance Reporting

Performance information for this appropriation will be reported by the New Zealand Walking Access Commission in their Annual Report.

3.2 - Non-Departmental Benefits or Related Expenses

Rural Veterinarians Bonding Scheme (M87)

Scope of Appropriation

This appropriation is limited to the provision of payments to veterinary professionals agreeing to work in understaffed, rural areas, in accordance with government approved criteria and guidelines.

Expenses

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,650	1,650	1,650

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the provision of veterinary services to understaffed, rural areas.

How Performance will be Assessed and End of Year Reporting Requirements

This appropriation is exempt from end-of-year performance reporting under s.15D(2)(b)(ii) of the Public Finance Act as this information is unlikely to be informative because this appropriation is solely for payments under the Rural Veterinarians Bonding Scheme.

3.4 - Non-Departmental Other Expenses

Afforestation Grant Scheme (M87)

Scope of Appropriation and Expenses

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Afforestation Grant Scheme (M87)	Original Appropriation	19,500
This appropriation is limited to grants to private landowners for afforestation purposes.	Adjustments to 2015/16	-
	Adjustments for 2016/17	-
Commences: 01 July 2016	Adjusted Appropriation	19,500
Expires: 30 June 2021	Actual to 2015/16 Year End	-
	Estimated Actual for 2016/17	3,900
	Estimated Actual for 2017/18	3,900
	Estimated Appropriation Remaining	11,700

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve and encourage new planting of an expected 15,000 hectares of new forest over the next six years.

How Performance will be Assessed and End of Year Reporting Requirements

Assessment of Performance	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Total area afforested since initial implementation of the scheme (ha)	2,500	2,500	2,500

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Minister for Primary Industries in a report appended to the Ministry for Primary Industries' Annual Report.

Service Providers

Provider	2016/17 Final Budgeted \$000	2016/17 Estimated Actual \$000	2017/18 Budget \$000	Expiry of Resourcing Commitment
Grant recipient landowners for forestry treatments	3,828	3,828	3,828	30 June 2021
Other providers	72	72	72	Dates vary depending on provider
Total	3,900	3,900	3,900	

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2016/17 Final Budgeted \$000	2017/18 Budget \$000	2018/19 Estimated \$000	2019/20 Estimated \$000	2020/21 Estimated \$000
Afforestation Grants Scheme	2016/17	3,900	3,900	3,900	3,900	3,900

Aquaculture Settlements (M87)*Scope of Appropriation*

This appropriation is limited to the recognition of settlements negotiated under the Māori Aquaculture Commercial Claims Settlement Act 2004.

Expenses

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	11,703	9,703	21,800

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the provision of activities related to the Crown's settlement of aquaculture obligations under the Māori Aquaculture Commercial Claims Settlement Act 2004.

How Performance will be Assessed and End of Year Reporting Requirements

This appropriation is exempt from end-of-year performance reporting under s.15D(2)(b)(ii) of the Public Finance Act, as this information is unlikely to be informative because this appropriation is solely for payments made in accordance to statutory requirement.

Reasons for Change in Appropriation

This appropriation increased by \$10.097 million to \$21.800 million in 2017/18 following the transfer of funding from 2016/17 to 2017/18 of \$21.800 million due to the timing of the settlement of the Crown's aquaculture 'pre-commencement and new space' obligations to iwi under the Māori Commercial Aquaculture Claims Act 2004.

Forestry and Other Economic Development, and Erosion Control (M87)

Scope of Appropriation and Expenses

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Forestry and Other Economic Development, and Erosion Control (M87) This appropriation is limited to forestry and other economic development and erosion control in the Tairāwhiti region. Commences: 01 July 2017 Expires: 30 June 2021	Original Appropriation	18,460
	Adjustments to 2015/16	-
	Adjustments for 2016/17	-
	Adjusted Appropriation	18,460
	Actual to 2015/16 Year End	-
	Estimated Actual for 2016/17	-
	Estimated Actual for 2017/18	4,615
	Estimated Appropriation Remaining	13,845

What is Intended to be Achieved with this Appropriation

This appropriation is intended to support and manage forestry and other economic development and erosion control in the Tairāwhiti region via the Forestry and Other Economic Development, and Erosion Control scheme.

How Performance will be Assessed and End of Year Reporting Requirements

Assessment of Performance	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Number of hectares approved for planting/treatment	1,000	1,000	1,000
Total area afforested since initial implementation of the scheme (ha)	42,000	42,000	43,000

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Minister for Primary Industries in a report appended to the Ministry for Primary Industries' Annual Report.

Reasons for Change in Appropriation

This multi-year appropriation was established in 2017/18.

Service Providers

Provider	2016/17 Final Budgeted \$000	2016/17 Estimated Actual \$000	2017/18 Budget \$000	Expiry of Resourcing Commitment
Grant recipient landowners for forestry treatments to address wide-scale erosion problem in the Gisborne district	-	-	4,615	30 June 2028
Total	-	-	4,615	

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2016/17 Final Budgeted \$000	2017/18 Budget \$000	2018/19 Estimated \$000	2019/20 Estimated \$000	2020/21 Estimated \$000
Extension of the East Coast Afforestation Grants Scheme to 30 June 2028 subject to the funding limit of \$37.689 million over the period 1 July 2012 (2012/13) to 30 June 2028.	2017/18	-	4,615	4,615	4,615	4,615

Global Research Alliance on Agricultural Greenhouse Gases (M87)*Scope of Appropriation and Expenses*

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Global Research Alliance on Agricultural Greenhouse Gases (M87)	Original Appropriation	26,960
This appropriation is limited to the Global Research Alliance on Agricultural Greenhouse Gases.	Adjustments to 2015/16	-
Commences: 01 July 2016	Adjustments for 2016/17	7,148
Expires: 30 June 2020	Adjusted Appropriation	34,108
	Actual to 2015/16 Year End	-
	Estimated Actual for 2016/17	6,601
	Estimated Actual for 2017/18	11,005
	Estimated Appropriation Remaining	16,502

How Performance will be Assessed and End of Year Reporting Requirements

Assessment of Performance	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Percentage of Alliance projects funded with the New Zealand budget are completed to contracted quality standards	95%	95%	95%

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the effective management of funds and activities relating to the Global Research Alliance on Agricultural Greenhouse Gases.

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Minister for Primary Industries in a report appended to the Ministry for Primary Industries' Annual Report.

Service Providers

Provider	2016/17 Final Budgeted \$000	2016/17 Estimated Actual \$000	2017/18 Budget \$000	Expiry of Resourcing Commitment
Non-government Organisations				
AgResearch Ltd	2,151	2,151	2,151	Dates vary depending on research contract
New Zealand Agricultural Greenhouse Gas Research Centre	825	825	825	30 June 2019
Landcare Research	592	592	617	Dates vary depending on individuals contracts
Lincoln University	375	375	188	Dates vary depending on research contract
Motu Economic and Public Policy Research	128	128	128	Dates vary depending on research contract
Otago University	210	210	219	Dates vary depending on research contract
University of Malaysia	90	90	-	
Massey University	25	25	50	Dates vary depending on research contract
Other providers	2,205	2,205	6,827	Dates vary depending on provider
Total	6,601	6,601	11,005	

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2016/17 Final Budgeted \$000	2017/18 Budget \$000	2018/19 Estimated \$000	2019/20 Estimated \$000	2020/21 Estimated \$000
Increased research funding for the Global Research Alliance	2016/17	6,000	5,000	5,000	4,000	-

Primary Growth Partnership (M87)*Scope of Appropriation and Expenses*

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Primary Growth Partnership (M87)	Original Appropriation	244,312
This appropriation is limited to primary, food and forestry sector investment in education and skills development, research and development, product development, commercialisation, market development and technology transfer, in partnership with relevant industry groups, including research related to greenhouse gases via the New Zealand Agricultural Greenhouse Gas Research Centre.	Adjustments to 2015/16	-
	Adjustments for 2016/17	-
	Adjusted Appropriation	244,312
	Actual to 2015/16 Year End	-
Commences: 01 July 2017	Estimated Actual for 2016/17	-
Expires: 30 June 2022	Estimated Actual for 2017/18	50,300
	Estimated Appropriation Remaining	194,012

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the effective management of investment projects developed with relevant industry groups, including research related to greenhouse gases.

How Performance will be Assessed and End of Year Reporting Requirements

	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Percentage of quarterly reports reviewed and signed-off by Programme Steering Group	90%	90%	90%
Percentage of annual business plans approved in accordance with specific PGP agreements	90%	90%	90%
The annual meeting is held in accordance with the Investment Advisory Panel terms of reference	Achieved	Achieved	Achieved
Percentage of quarterly reports reviewed and signed-off by the Chair of the New Zealand Agricultural Greenhouse Gas Research Centre Steering Group	100%	100%	100%

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Minister for Primary Industries in a report appended to the Ministry for Primary Industries' Annual Report.

Reasons for Change in Appropriation

This multi-year appropriation was established in 2017/18.

Service Providers

Provider	2016/17 Final Budgeted \$000	2016/17 Estimated Actual \$000	2017/18 Budget \$000	Expiry of Resourcing Commitment
The following approved programmes are recipients of grant funding from the PGP				
Transforming the Dairy Value Chain	-	-	5,308	31 January 2018
Red Meat Profit Partnership (RMPP)	-	-	4,870	20 September 2020
Precision Seafood Harvesting	-	-	4,136	31 March 2018
FoodPlus - Redefining Meat Horizons	-	-	2,235	31 October 2019
Omega Lamb	-	-	2,526	31 January 2023
Marble grass-fed beef	-	-	2,219	31 July 2019
Shellfish - the Next Generation	-	-	1,310	31 October 2019
W3-Wool Unleashed	-	-	2,536	31 January 2023
Lifestyle Wines	-	-	1,297	31 March 2021
NZ Avocados Go Global	-	-	1,097	31 May 2019
ClearView Innovations	-	-	867	31 October 2018
A New Vision for Pastoral Agriculture	-	-	1,219	31 December 2018

Provider	2016/17 Final Budgeted \$000	2016/17 Estimated Actual \$000	2017/18 Budget \$000	Expiry of Resourcing Commitment
Pioneering to Precision	-	-	578	31 October 2019
Passion2Profit	-	-	981	30 June 2022
High-performance Manuka Plantations	-	-	214	30 June 2018
Sheep-Horizon 3	-	-	3,344	30 June 2022
New Zealand Agriculture Greenhouse Gases Research Centre	-	-	4,850	30 June 2019
Other providers	-	-	10,713	Dates vary depending on provider
Total	-	-	50,300	

Provision for Fisheries Debt Write Downs (M87)

Scope of Appropriation

This appropriation is limited to commercial fishing sector quota holder debt write-offs.

Expenses

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,000	1,000	1,000

What is Intended to be Achieved with this Appropriation

This technical appropriation is intended to achieve the provision of debt-write offs for fishing sector quota holders.

How Performance will be Assessed and End of Year Reporting Requirements

An exemption was granted under s15D(2)(b)(iii) of the Public Finance Act as the amount of this annual appropriation for non-departmental other expense is less than \$5 million.

Subscriptions to International Organisations (M87)

Scope of Appropriation

This appropriation is limited to New Zealand's membership of primary industry-related international organisations.

Expenses

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	3,208	3,208	3,208

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the effective management of New Zealand's memberships to primary industry-related international organisations.

How Performance will be Assessed and End of Year Reporting Requirements

An exemption was granted under s15D(2)(b)(iii) of the Public Finance Act as the amount of this annual appropriation for non-departmental other expense is less than \$5 million.

Water Storage and Irrigation Investment Proposals (M87)*Scope of Appropriation and Expenses*

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Water Storage and Irrigation Investment Proposals (M87)	Original Appropriation	25,000
This appropriation is limited to preparation of proposals for irrigation schemes to an investment ready stage.	Adjustments to 2015/16	-
	Adjustments for 2016/17	34,037
Commences: 01 July 2016	Adjusted Appropriation	59,037
Expires: 30 June 2021	Actual to 2015/16 Year End	-
	Estimated Actual for 2016/17	14,565
	Estimated Actual for 2017/18	25,472
	Estimated Appropriation Remaining	19,000

How Performance will be Assessed and End of Year Reporting Requirements

Assessment of Performance	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Total potential new irrigated area enabled by IAF supported projects that are commissioned, in construction or in development	222,000 ha	222,000 ha	222,000 ha

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the effective management of grants to support the investment in regional water storage and off-farm irrigation infrastructure.

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Minister for Primary Industries in a report appended to the Ministry for Primary Industries' Annual Report.

Service Providers

Provider	2016/17 Final Budgeted \$000	2016/17 Estimated Actual \$000	2017/18 Budget \$000	Expiry of Resourcing Commitment
Environment Canterbury Limited	205	205	-	See below
Gisborne District Council	150	150	52	See below
Mayfield Hinds Irrigation Limited	344	344	-	See below
Rangitikei District Council	39	39	36	See below
Crown Irrigation Investments Limited	13,827	13,827	25,384	See below
Total	14,565	14,565	25,472	

The table above shows the main service providers for this appropriation.

Note - Expiry of resourcing commitments is dependent on phase gate reviews, at which the level of funding for the next phase is decided and contracts signed.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2016/17 Final Budgeted \$000	2017/18 Budget \$000	2018/19 Estimated \$000	2019/20 Estimated \$000	2020/21 Estimated \$000
Grant Funding to Support Regional Irrigation Scheme Development	2017/18	-	9,162	15,500	2,000	-
Extending the Irrigation Acceleration Fund	2016/17	5,000	5,000	5,000	5,000	5,000

3.5 - Non-Departmental Capital Expenditure

Crown Irrigation Investments Limited (M87)

Scope of Appropriation and Expenses

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Crown Irrigation Investments Limited (M87)	Original Appropriation	40,000
This appropriation is limited to the Crown's investment in Crown Irrigation Investments Limited.	Adjustments to 2015/16	71,850
	Adjustments for 2016/17	-
Commences: 01 July 2014	Adjusted Appropriation	111,850
Expires: 30 June 2018	Actual to 2015/16 Year End	9,250
	Estimated Actual for 2016/17	29,000
	Estimated Actual for 2017/18	73,600
	Estimated Appropriation Remaining	-

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the establishment and delivery of Crown Irrigation Investments Limited activities.

How Performance will be Assessed and End of Year Reporting Requirements

	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
The percentage of investments made according to Crown Irrigation Investment Limited's mandate	100%	100%	100%
The number of forums held to assist in the accelerated development of targeted irrigation schemes	1	1	1

End of Year Performance Reporting

Performance information for this appropriation will be reported by Crown Irrigation Investments Limited (a Crown Entity), in its annual report.

Crown Irrigation Investments Limited (M87)*Scope of Appropriation and Expenses*

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Crown Irrigation Investments Limited (M87)	Original Appropriation	63,000
This appropriation is limited to the Crown's investment in Crown Irrigation Investments Limited.	Adjustments to 2015/16	-
	Adjustments for 2016/17	-
Commences: 01 July 2017	Adjusted Appropriation	63,000
Expires: 30 June 2021	Actual to 2015/16 Year End	-
	Estimated Actual for 2016/17	-
	Estimated Actual for 2017/18	63,000
	Estimated Appropriation Remaining	-

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the establishment and delivery of Crown Irrigation Investments Limited activities.

How Performance will be Assessed and End of Year Reporting Requirements

	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
The percentage of investments made according to Crown Irrigation Investment Limited's mandate	100%	100%	100%
The number of forums held to assist in the accelerated development of targeted irrigation schemes	1	1	1

End of Year Performance Reporting

Performance information for this appropriation will be reported by Crown Irrigation Investments Limited (a Crown Entity), in its annual report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2016/17 Final Budgeted \$000	2017/18 Budget \$000	2018/19 Estimated \$000	2019/20 Estimated \$000	2020/21 Estimated \$000
Investment in the Construction of Regional Irrigation Infrastructure	2017/18	-	63,000	-	-	-

Part 4 - Details of Multi-Category Expenses and Capital Expenditure

Multi-Category Expenses and Capital Expenditure

Administration and Management of Crown Forestry Assets and Operations (M87)

Overarching Purpose Statement

The overarching purpose for this appropriation is to achieve the outcome of obtaining the best return on the Crown's interest in forestry assets whilst seeking opportunities for the Crown to divest its interest in those assets.

Scope of Appropriation

Departmental Output Expenses

Administration and Management of Crown Forestry Assets

This category is limited to administration and management of the Crown's interest in forests and forestry-related assets.

Non-Departmental Output Expenses

Operational Management of the Crown Forest Estate

This category is limited to the purchase of forestry operations, management services, research and related forest asset expenditure including expenditure related to asset divestment.

Expenses, Revenue and Capital Expenditure

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	71,463	71,423	73,380
Departmental Output Expenses			
Administration and Management of Crown Forestry Assets	1,186	1,146	1,303
Non-Departmental Output Expenses			
Operational Management of the Crown Forest Estate	70,277	70,277	72,077
Funding for Departmental Output Expenses			
Revenue from the Crown	1,070	1,163	1,187
Administration and Management of Crown Forestry Assets	1,070	1,163	1,187
Revenue from Others	116	23	116
Administration and Management of Crown Forestry Assets	116	23	116

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the effective management of the forestry assets and estate by Crown Forestry, with the view to divesting the Crown of those assets over time.

How Performance will be Assessed for this Appropriation

	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Completion of quarterly reports	Achieved	Achieved	Achieved

The Ministry for Primary Industries assesses the performance of this appropriation by quarterly monitoring of the outputs produced by Crown Forestry. The individual performance measures for this MCA are listed below in the relevant categories.

What is Intended to be Achieved with each Category and How Performance will be Assessed

	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Departmental Output Expenses			
Administration and Management of Crown Forestry Assets			
This category is intended to achieve the effective administration and management of Crown Forestry assets to achieve its objective of leveraging the best return for the Government's portfolio of forestry assets			
Number of hectares of the Crown forestry managed estate surrendered or sold	2,868	equal to or greater than 1,561	equal to or greater than 2,034
Percentage of forest management activities comply with all statutory requirements, lease agreements and other contractual arrangements as assessed by annual independent review of a sample of forests	100%	100%	100%
Percentage of costs and revenues are consistent with industry norms as assessed by annual independent review of a sample of forests	100%	100%	100%
Non-Departmental Output Expenses			
Operational Management of the Crown Forest Estate			
This category is intended to achieve the effective administration of the Crown's forestry operations			
Manage contracts to supply planned cubic metres (m3) of logs within +/- 10%	775,000	784,400	790,000
Management fee (per net stocked hectare) exclusive of harvesting and re-investment fees (\$)	23	25	25

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Ministry for Primary Industries in its Annual Report.

Service Providers

Provider	2016/17 Final Budgeted \$000	2016/17 Estimated Actual \$000	2017/18 Budget \$000	Expiry of Resourcing Commitment
Non-Government Organisations				
NZ Forest Managers	51,073	47,665	48,572	Annual contracts with 1-3 month termination
Fortus Forestry Limited	391	342	256	Annual contracts with 1-3 month termination
Ngāti Porou Forests Limited	2,002	294	6,044	Annual contracts with 1-3 month termination
Taitokerau Forests Limited	278	237	99	Annual contracts with 1-3 month termination
PF Olsen Limited	189	148	185	Annual contracts with 1-3 month termination
Other providers	16,344	21,591	16,921	Annual contracts with 1-3 month termination
Total	70,277	70,277	72,277	

The table above shows the main service providers for this appropriation.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2016/17 Final Budgeted \$000	2017/18 Budget \$000	2018/19 Estimated \$000	2019/20 Estimated \$000	2020/21 Estimated \$000
Share of costs for Budget 2015 whole-of-government initiatives	2015/16	(3)	(3)	(2)	(2)	(2)
Sale of the West Coast plantation forests to the land owner Ngai Tahu Forest Estates Limited on 30 April 2014 consistent with Government policy to exit from commercial forestry activities on commercial terms	2013/14	(21,387)	(21,391)	(21,391)	(21,391)	(21,391)

Reasons for Change in Appropriation

This appropriation increased by \$1.917 million to \$73.380 million primarily as a consequence of increased log prices driving higher land rental payments for Crown Forestry's largest two lease forests (Lake Taupō and Rotoaira) where the lessors' rent is calculated as a percentage of net profit. Increased fuel costs are also resulting in higher log cartage costs than forecast; and a period of log price stability has seen the earlier than forecast harvesting in two forests (Tokararangi and Pureora). In the case of both these latter forests, the additional expenditure is offset by log sale revenue.

Border and Domestic Biosecurity Risk Management (M87)

Overarching Purpose Statement

The overarching purpose of this appropriation is to improve biosecurity risk management by providing operational support to prevent harmful organisms from crossing the borders and working to reduce the unwanted harm caused by organisms already established in New Zealand.

Scope of Appropriation

Departmental Output Expenses

Biosecurity Incursion Response and Long Term Pest Management

This category is limited to the assessment, containment and possible eradication of suspected biosecurity risk organisms within New Zealand.

Border Biosecurity Monitoring and Clearance

This category is limited to biosecurity monitoring and clearance programmes that manage the biosecurity risk associated with international trade and travel.

Border Biosecurity Systems Development and Maintenance

This category is limited to the development and maintenance of standards and systems that manage biosecurity risk associated with imports and exports.

Domestic Biosecurity Surveillance

This category is limited to domestic biosecurity surveillance activities.

Expenses, Revenue and Capital Expenditure

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	207,149	203,241	217,216
Departmental Output Expenses			
Biosecurity Incursion Response and Long Term Pest Management	39,322	38,948	31,120
Border Biosecurity Monitoring and Clearance	107,595	103,611	124,794
Border Biosecurity Systems Development and Maintenance	22,622	21,760	19,096
Domestic Biosecurity Surveillance	37,610	38,922	42,206
Funding for Departmental Output Expenses			
Revenue from the Crown	98,465	99,573	102,803
Biosecurity Incursion Response and Long Term Pest Management	38,551	38,822	30,353
Border Biosecurity Monitoring and Clearance	9,178	12,981	18,459
Border Biosecurity Systems Development and Maintenance	16,058	14,680	12,940
Domestic Biosecurity Surveillance	34,678	33,090	41,051

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Revenue from Others	108,869	107,894	114,886
Biosecurity Incursion Response and Long Term Pest Management	775	1,071	775
Border Biosecurity Monitoring and Clearance	98,488	97,787	106,579
Border Biosecurity Systems Development and Maintenance	6,569	6,239	6,172
Domestic Biosecurity Surveillance	3,037	2,797	1,360

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve effective management of biosecurity monitoring and clearance programmes, the development and maintenance of biosecurity risk processes associated with imports and exports and the assessment, containment and possible eradication of suspected risk organisms. This includes the management of domestic biosecurity surveillance activities.

How Performance will be Assessed for this Appropriation

	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Completion of quarterly reports	Achieved	Achieved	Achieved

The Ministry for Primary Industries will assess its Border and Domestic Biosecurity Risk Management MCA by quarterly monitoring of the outputs relating to the maintenance of New Zealand's biosecurity systems and programmes. The performance measures for the MCA are listed below in the relevant categories.

What is Intended to be Achieved with each Category and How Performance will be Assessed

	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Departmental Output Expenses			
Biosecurity Incursion Response and Long Term Pest Management			
This category is intended to achieve effective management of the leadership and co-ordination of activities relating to all biosecurity and food responses, in order to mitigate the adverse impacts of risk organisms			
Industry sign-up of Government Industry Agreements (GIAs) deeds	5	5	5
Percentage of key stakeholders are satisfied with major biosecurity responses	80%	80%	80%

Assessment of Performance	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Border Biosecurity Monitoring and Clearance			
This category is intended to achieve the effective monitoring and clearance of passengers, vessels, mail and goods arriving in New Zealand to prevent exposure of our community and environment to a range of biosecurity risks			
Percentage of international air passengers that comply with biosecurity requirements by the time they leave the airport	98.50%	98.50%	98.50%
Percentage of international mail that complies with biosecurity requirements by the time it leaves the International Mail Centre	99%	99%	99%
Percentage of import clearance processes completed within agreed timeframes	80%	80%	80%
Number of identified and mitigated biosecurity risks resulting from targeted evaluations of imported goods	10,000-12,000	10,000-12,000	10,000-12,000
Percentage of cost recovered external stakeholders rate overall service as 4 or higher	80%	80%	80%
Border Biosecurity Systems Development and Maintenance			
This category is intended to achieve the effective maintenance of New Zealand's biosecurity system that prevents the introduction and establishment of serious notifiable organisms through manageable pathways.			
Percentage of OIE and IPPC standards that are acceptable to New Zealand	90%	90%	90%
Percentage of certificates issued which meet biosecurity technical requirements of importing countries as specified by overseas competent authorities	99%	99%	99%
Domestic Biosecurity Surveillance			
This category is intended to achieve effective management of the information received from the public, industry and the scientific community about suspected exotic pests or diseases. It also includes the collection, sampling and testing of organisms suspected of carrying or being infected with a potential biosecurity risk			
ISO 17025 accreditation maintained for all laboratory processing, testing, and reporting	100%	100%	100%
Percentage of incursion investigations reach an outcomes decision within specified timeframes	80%	80%	80%
With any suspected high risk or serious pest or disease notification, the investigation commences within 24 hours of notification	100%	100%	100%
No export markets are closed due to the standard of MPI's active surveillance programmes	100%	100%	100%
Specifically targeted pests or diseases are detected early enough to enable effective risk management interventions	100%	100%	100%

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Ministry for Primary Industries in its Annual Report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2016/17 Final Budgeted \$000	2017/18 Budget \$000	2018/19 Estimated \$000	2019/20 Estimated \$000	2020/21 Estimated \$000
Biosecurity 2025 - Protecting to Grow New Zealand	2017/18	-	4,916	4,815	4,315	4,315
Pastoral House Accommodation Final Commercial Terms	2016/17	2,648	3,797	1,917	1,917	1,917
Trusted Trader Traveller - Providing a world class experience at the border	2016/17	1,557	1,734	-	-	-
Wilding Conifers - Protecting farmland, biodiversity and iconic landscapes from invasive conifers	2016/17	4,000	4,000	4,000	4,000	4,000
Biosecurity, Food Safety, and Food Act 2014 cost recovery decisions	2015/16	6,000	6,000	6,000	6,000	6,000
Share of costs for Budget 2015 whole-of-government initiatives	2015/16	(255)	(255)	(150)	(150)	(150)
Strengthening Biosecurity Capability	2015/16	2,100	2,700	2,700	2,700	2,700
Border Clearance Levy and Strengthening Biosecurity System	2015/16	4,600	4,600	4,600	4,600	4,600
National Biocontainment Facility	2015/16	4,894	6,659	6,659	6,659	6,659
National Biocontainment Facility - Final funding requirements and revised expenditure profile	2015/16	(35)	(845)	2,707	2,207	2,207
Kauri Dieback programme	2014/15	1,229	1,229	1,229	1,229	1,229

Reasons for Change in Appropriation

This appropriation increased by \$10.067 million to \$217.216 million in 2017/18 mainly due to:

- \$4.916 million for the Biosecurity 2025 - Protecting to Grow New Zealand initiative.
- The transfer of funding from the Primary Growth Partnership of \$6.865 million to cover operating and one-off costs in 2017/18.
- The transfer of funding from 2016/17 to 2017/18 of:
 - \$3 million due to a revised construction plan changing the timing of construction costs of the National Biocontainment Laboratory Project.
 - \$1.545 million due to delays in the Pastoral House Accommodation Project caused by the North Canterbury Earthquake.
 - \$600,000 for a financial management project.
 - \$476,000 due to the Kiwifruit Disease Psa-V Litigation timing.
- An increase of \$1.149 million in 2017/18 for the Pastoral House Accommodation Project.
- An increase of \$600,000 in 2017/18 for Strengthening Biosecurity Capability through enhanced border protection and pathways assessments.

The increase is partly offset by:

- The reduction in funding of \$4.290 million for one-off costs and time limited funding coming to an end in 2016/17.
- \$2.975 million lower revenue, mainly due to the Crown funding for the Border Clearance Levy and associated expenditure expiring in 2016/17.
- The transfer of funding in 2017/18 of \$2.264 million to the Development and Implementation of Primary Industries Policy Advice for the new Market Access and Trade category.
- The transfer of funding from 2017/18 to 2016/17 of \$1.431 million for the management of Wilding Conifers.
- \$972,000 due to a reduction in the capital charge rate for all departments from 8% to 6%.
- The transfer of funding from 2017/18 to 2018/19 of \$810,000 to cover additional funding requirements for the National Biocontainment Laboratory.

Memorandum Account

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Border Biosecurity Clearance Fees			
Opening Balance at 1 July	(641)	(641)	281
Revenue	39,583	39,891	41,087
Expenses	(39,117)	(38,969)	(39,748)
Closing Balance at 30 June	(175)	281	1,620
Phytosanitary Exports			
Opening Balance at 1 July	952	952	882
Revenue	1,933	2,085	2,106
Expenses	(2,067)	(2,155)	(2,176)
Closing Balance at 30 June	818	882	812
Border Biosecurity Traveller Clearance Levies			
Opening Balance at 1 July	1,123	1,123	3,412
Revenue	56,340	56,597	59,426
Expenses	(56,330)	(54,308)	(56,481)
Closing Balance at 30 June	1,133	3,412	6,357

Memorandum accounts record the accumulated balance of surpluses and deficits incurred for outputs provided to third party users of those services on a full cost recovery basis.

The Border Biosecurity Clearance Fees memorandum account covers:

- levies imposed on all importations of goods for which a document is lodged with the New Zealand Customs Service under regulations 26(2) of the Customs and Excise Regulations 1996

- all other fees collected under the Biosecurity Costs Regulations 2010 including inspection of risk goods, offshore inspection of ships, and approval and audit of transitional containment facilities and facility operators.

The Phytosanitary Exports memorandum account covers fees for certification of plant and forestry exports.

The Border Biosecurity Traveller Clearance memorandum account covers fees and costs associated with the biosecurity clearance costs of travellers coming into New Zealand.

The Ministry for Primary Industries has a strategy of maintaining each memorandum account in a balanced state over the long term. It allows for changes in volumes resulting from fluctuations in economic activity and other matters. The charging model is periodically reviewed to ensure that the services are being provided in the most efficient cost-effective way and that the fees/levies reflect the cost of services provided.

Development and Implementation of Food Safety Policy Advice (M33)

Overarching Purpose Statement

The overarching purpose of this appropriation is to provide both policy and operational advice and support to Ministers in discharging their policy and operational decision-making responsibilities with regards to food safety.

Scope of Appropriation

Departmental Output Expenses

Development of Policy Advice

This category is limited to the provision of advice (including second opinion advice and contributing to policy advice led by other agencies) to support decision-making by Ministers on Government policy matters relating to food safety.

Implementation of Policy Advice

This category is limited to implementing policy decisions, operational policy, and administering legislation relating to food safety matters, and ministerial servicing.

Expenses, Revenue and Capital Expenditure

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	9,485	8,871	10,383
Departmental Output Expenses			
Development of Policy Advice	4,918	4,617	4,516
Implementation of Policy Advice	4,567	4,254	5,867
Funding for Departmental Output Expenses			
Revenue from the Crown	9,448	9,030	10,371
Development of Policy Advice	4,889	4,759	4,506
Implementation of Policy Advice	4,559	4,271	5,865

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Revenue from Others	38	1,367	14
Development of Policy Advice	29	1,355	10
Implementation of Policy Advice	9	12	4

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the development, provision and implementation of policy advice relating to food safety matters.

How Performance will be Assessed for this Appropriation

	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Completion of quarterly reports	Achieved	Achieved	Achieved

The Ministry for Primary Industries will assess the development and implementation of policy advice in relation to food safety by quarterly monitoring of the policy advice briefings it produces, the satisfaction of the Minister for Food Safety with the advice and services provided and the timeliness with which outputs under this MCA are produced. The performance measures for the MCA are listed below in the relevant categories.

What is Intended to be Achieved with each Category and How Performance will be Assessed

	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Departmental Output Expenses			
Development of Policy Advice			
This category is intended to achieve the provision of policy advice to ensure that food safety systems are managed to enable an increase in a real export earnings from the primary sector in a sustainable way			
Technical quality assessment of MPI policy advice on a scale of 1 to 10	7	7	7
Total cost per output hour (\$)	158	158	158
The Minister for Food Safety rates the quality of policy advice provided as 8 or better on a scale of 1 to 10 via discussion with MPI officials every six months	8	8	8

Assessment of Performance	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Implementation of Policy Advice			
This category is intended to achieve the implementation of policy advice relating to food safety matters and ministerial servicing			
Percentage of ministerial requests from the Minister for Food Safety completed to agreed standards	95%	95%	95%
Percentage of OIA, Privacy Act and Ombudsmen requests delivered within statutory timeframes	95%	95%	95%

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Ministry for Primary Industries in its Annual Report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2016/17 Final Budgeted \$000	2017/18 Budget \$000	2018/19 Estimated \$000	2019/20 Estimated \$000	2020/21 Estimated \$000
Food Act Implementation	2016/17	2,500	2,500	2,500	2,500	2,500
Share of costs for Budget 2015 whole-of-government initiatives	2015/16	(14)	(14)	(8)	(8)	(8)

Reasons for Change in Appropriation

This appropriation increased by \$898,000 to \$10.383 million in 2017/18 mainly due to a transfer of funding in 2016/17 of \$1.832 million to reflect changes in spending on activities delivered by MPI offset by a transfer of funding in 2017/18 of \$990,000 to the Food Safety MCA for the new Market Access and Trade category.

Development and Implementation of Primary Industries Policy Advice (M87)

Overarching Purpose Statement

The overarching purpose of this appropriation is to provide both policy and operational advice and support to Ministers in discharging their policy and operational decision-making responsibilities with regards to primary industries.

*Scope of Appropriation***Departmental Output Expenses***Agriculture and Forestry Policy Advice*

This category is limited to the provision of advice (including second opinion advice and contributing to policy advice led by other agencies) to support decision-making by Ministers on Government policy matters relating to agriculture and forestry, animal welfare and climate change.

Biosecurity Policy Advice

This category is limited to the provision of advice (including second opinion advice and contributing to policy advice led by other agencies) to support decision-making by Ministers on Government policy matters relating to biosecurity.

Fisheries Policy Advice

This category is limited to the provision of advice (including second opinion advice and contributing to policy advice led by other agencies) to support decision-making by Ministers on Government policy matters relating to the development of standards and guidelines for the sustainable and efficient utilisation of New Zealand's fisheries and promotion of New Zealand's interests in an international context.

Implementation of Agriculture and Forestry Policy Advice

This category is limited to implementing policy decisions, operational policy, and administering legislation relating to agriculture and forestry, animal welfare and climate change matters, and ministerial servicing.

Implementation of Biosecurity Policy Advice

This category is limited to implementing policy decisions, operational policy, and administering legislation relating to biosecurity matters, and ministerial servicing.

Implementation of the Emissions Trading Scheme and Indigenous Forestry

This category is limited to the implementation of the agriculture and forestry provisions of the Climate Change Response Act 2002 and the indigenous forestry provisions of the Forests Act 1949.

Operational Advice on Sustainability and Management Controls in Fisheries

This category is limited to operational advice to support decision-making by Ministers on Government policy matters relating to operational advice on sustainability and management controls for New Zealand's fisheries.

Trade and Market Access Primary Industries

This category is limited to the implementation of government interventions, including the coordination of activities, development and delivery of frameworks that facilitate international trade in primary products with the exception of food-related safety aspects, and implementation of agreements and arrangements which influence and improve multilateral, regional and bilateral relationships.

Expenses, Revenue and Capital Expenditure

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	112,074	108,183	124,412
Departmental Output Expenses			
Agriculture and Forestry Policy Advice	27,722	26,619	22,842
Biosecurity Policy Advice	3,034	3,060	2,576
Fisheries Policy Advice	5,958	5,799	5,824
Implementation of Agriculture and Forestry Policy Advice	32,512	30,820	29,793
Implementation of Biosecurity Policy Advice	3,738	3,823	2,197
Implementation of the Emissions Trading Scheme and Indigenous Forestry	9,492	9,642	9,301
Operational Advice on Sustainability and Management Controls in Fisheries	29,618	28,420	36,952
Trade and Market Access Primary Industries	-	-	14,927
Funding for Departmental Output Expenses			
Revenue from the Crown	110,369	109,101	122,744
Agriculture and Forestry Policy Advice	26,600	27,267	21,738
Biosecurity Policy Advice	3,024	2,948	2,566
Fisheries Policy Advice	5,836	5,796	5,702
Implementation of Agriculture and Forestry Policy Advice	32,300	31,481	29,593
Implementation of Biosecurity Policy Advice	3,732	3,702	2,192
Implementation of the Emissions Trading Scheme and Indigenous Forestry	9,456	8,372	9,269
Operational Advice on Sustainability and Management Controls in Fisheries	29,421	29,535	36,757
Trade and Market Access Primary Industries	-	-	14,927
Revenue from Others	1,733	1,302	1,712
Agriculture and Forestry Policy Advice	1,132	179	1,120
Biosecurity Policy Advice	10	10	10
Fisheries Policy Advice	124	290	124
Implementation of Agriculture and Forestry Policy Advice	216	597	207
Implementation of Biosecurity Policy Advice	8	20	8
Implementation of the Emissions Trading Scheme and Indigenous Forestry	43	29	43
Operational Advice on Sustainability and Management Controls in Fisheries	200	177	200

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the development, provision and implementation of policy advice relating to agriculture, forestry (both indigenous and exotic), biosecurity, the emissions trading scheme and fisheries management.

How Performance will be Assessed for this Appropriation

	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Completion of quarterly reports	Achieved	Achieved	Achieved

The Ministry for Primary Industries will assess this MCA by quarterly monitoring of the quality of policy advice briefings it produces, the satisfaction of the Minister for Primary Industries with the advice and services it provides and the timeliness with which outputs under this MCA are produced. The performance measures for the MCA are listed below in the relevant categories.

What is Intended to be Achieved with each Category and How Performance will be Assessed

	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Departmental Output Expenses			
Agriculture and Forestry Policy Advice			
This category is intended to achieve the development and provision of policy advice relating to agriculture and forestry matters, including animal welfare and climate change			
Technical quality assessment of MPI policy advice on a scale of 1 to 10	7	7	7
Total cost per output hour (\$)	158	158	158
The Minister for Primary Industries rates the quality of policy advice provided as 8 or better on a scale of 1 to 10 via discussion with MPI officials every six months	8	8	8
Biosecurity Policy Advice			
This category is intended to achieve the development and provision of policy advice relating to biosecurity matters, including contributing to policy advice led by other agencies			
Technical quality assessment of MPI policy advice on a scale of 1 to 10	7	7	7
Total cost per output hour (\$)	158	158	158
The Minister for Primary Industries rates the quality of policy advice provided as 8 or better on a scale of 1 to 10 via discussion with MPI officials every six months	8	8	8
Fisheries Policy Advice			
This category is intended to achieve the development and provision of policy advice relating to fisheries matters, including the development of standards and guidelines for the sustainable management of New Zealand's fisheries, both domestically and internationally			
Technical quality assessment of MPI policy advice on a scale of 1 to 10	7	7	7
Total cost per output hour (\$)	158	158	158
The Minister for Primary Industries rates the quality of policy advice provided as 8 or better on a scale of 1 to 10 via discussion with MPI officials every six months	8	8	8

Assessment of Performance	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Implementation of Agriculture and Forestry Policy Advice			
This category is intended to achieve the implementation of policy advice relating to agriculture and forestry matters and ministerial servicing			
Percentage of ministerial requests from the Minister for Primary Industries completed to agreed standards	95%	95%	95%
Percentage of OIA, Privacy Act and Ombudsmen requests delivered within statutory timeframes	95%	95%	95%
Implementation of Biosecurity Policy Advice			
This category is intended to achieve the implementation of policy advice relating to biosecurity and ministerial servicing			
Percentage of ministerial requests from the Minister for Primary Industries completed to agreed standards	95%	95%	95%
Percentage of OIA, Privacy Act and Ombudsmen requests delivered within statutory timeframes	95%	95%	95%
Implementation of the Emissions Trading Scheme and Indigenous Forestry			
This category is intended to achieve the implementation of regulatory policies that incentivise land-based sustainable economic and environmental outcomes, especially afforestation			
Percentage of emissions returns for post 1989 forest land registered in the ETS are verified for accuracy of the units being claimed	100%	100%	100%
Percentage of pre-approval inspections are undertaken to verify the information submitted in annual logging plans	100%	100%	100%
Annual inspection of identified high priority registered sawmills undertaken to check compliance with Part 3A of the Forests Act 1949 and the Forestry (Indigenous Timber Milling) Regulations	90%	90%	90%
Operational Advice on Sustainability and Management Controls in Fisheries			
This category is intended to achieve the development and provision of operational advice for the sustainable management of New Zealand's fisheries			
Percentage of planned fisheries research projects completed within the contracted timeframes	80%	80%	80%
Trade and Market Access Primary Industries			
This category is intended to achieve the development and implementation of government interventions and arrangements that influence and facilitate trade in primary products			
Percentage of priority items progressed for the Sanitary and Phytosanitary Standards Market Access Programme, as agreed with key meat, dairy, seafood and horticulture sector stakeholders	75%	75%	75%

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Ministry for Primary Industries in its Annual Report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2016/17 Final Budgeted \$000	2017/18 Budget \$000	2018/19 Estimated \$000	2019/20 Estimated \$000	2020/21 Estimated \$000
Boosting Primary Industry and Food Export Value	2017/18	-	4,565	6,248	6,699	6,699
Future of Our Fisheries	2017/18	-	5,300	6,385	7,070	7,530
North Canterbury Earthquake: Proposal of a Special Primary Sector Assistance Package	2016/17	750	350	-	-	-
Regional Economic Development funded from Primary Growth Partnership	2015/16	4,110	-	-	-	-
Shared of costs for Budget 2015 whole-of-government initiatives	2015/16	(213)	(213)	(126)	(126)	(126)
Implement recommendations of the inquiry into the whey protein concentrate contamination incident to strengthen the food safety system including increasing the Ministry for Primary Industries presence in overseas markets	2014/15	4,147	4,147	4,147	4,147	4,147

Reasons for Change in Appropriation

This appropriation increased by \$12.338 million to \$124.412 million in 2017/18 mainly due to:

- The transfer of funding from the Primary Growth Partnership of \$9.278 million for operating and one-off costs in 2017/18.
- \$5.300 million for the Future of Our Fisheries initiative.
- \$4.565 million for the Boosting Primary Industries and Food Export Value initiative.
- The transfer of funding in 2017/18 of \$2.264 million for the new Market Access and Trade category.
- \$1 million transferred from 2018/19 to 2017/18 for the OVERSEER nutrient budgeting tool.
- The transfer of funding from 2016/17 to 2017/18 of:
 - \$885,000 to cover costs of finalising research plans to inform the management of fisheries and protected species impacted by the Kaikōura earthquake
 - \$416,000 to 2017/18 due to delays in the Pastoral House Accommodation Project caused by the North Canterbury Earthquake.

This is offset by the reduction in funding of \$14.612 million for one-off costs and time limited funding coming to an end in 2016/17.

Food Safety (M33)

Overarching Purpose Statement

The overarching purpose of this appropriation is to protect consumers from food borne disease and maintain and enhance New Zealand's reputation as a trusted supplier of safe and suitable food.

Scope of Appropriation

Departmental Output Expenses

Assurance

This category is limited to justifying and delivering assurances to consumers, the public, overseas authorities and other stakeholders that food, food-related products and inputs into the production of food (whether undertaken or produced in New Zealand or imported) are managed, audited, approved, registered and/or monitored in accordance with New Zealand legislation and, for exports, relevant importing countries' market access requirements.

Information

This category is limited to engagement of, and information for, stakeholders about food safety and suitability, to encourage participation in, and compliance with, the food regulatory programme, and to enable consumers to make appropriate food choices.

Response

This category is limited to the investigation of, preparedness for, and response to, food related events, incidents, emergencies, complaints and suspected breaches of legislation and taking appropriate sanctions and enforcement action.

Standards

This category is limited to the scientific inputs and development and implementation of food related standards (including as appropriate international and joint Australia/New Zealand standards) and standards related to inputs into food production, imports, exports, new and emerging issues and the domestic market.

Trade and Market Access Food Safety

This category is limited to the coordination of activities, development and delivery of frameworks that facilitate the food-related safety aspects of international trade in primary products, and implementation of agreements and arrangements which influence and improve multilateral, regional and bilateral relationships.

Non-Departmental Output Expenses

Food Safety Science and Research

This category is limited to the promotion, coordination and delivery of food safety science and research.

Non-Departmental Other Expenses

Joint Food Standards Setting Treaty

This category is limited to the development of joint food standards, codes of practice, and guidance material for Australia and New Zealand by Food Standards Australia New Zealand in accordance with the Joint Food Standards Setting Treaty.

Expenses, Revenue and Capital Expenditure

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	107,002	103,392	114,277
Departmental Output Expenses			
Assurance	72,467	72,289	79,113
Information	1,904	1,810	3,609
Response	5,677	5,363	6,006
Standards	24,154	21,130	14,772
Trade and Market Access Food Safety	-	-	7,977
Non-Departmental Output Expenses			
Food Safety Science and Research	700	700	700
Non-Departmental Other Expenses			
Joint Food Standards Setting Treaty	2,100	2,100	2,100
Funding for Departmental Output Expenses			
Revenue from the Crown	28,677	28,051	34,140
Assurance	9,912	8,513	14,342
Information	1,902	1,288	3,607
Response	5,322	5,247	5,654
Standards	11,541	13,003	2,560
Trade and Market Access Food Safety	-	-	7,977
Revenue from Others	75,621	70,847	77,724
Assurance	62,632	59,403	65,105
Information	2	3	2
Response	360	194	360
Standards	12,627	11,247	12,257

What is Intended to be Achieved with this Appropriation

This appropriation is intended to provide assurances, standards, information and response activities that protect consumers from food borne diseases, as well as maintaining and enhancing New Zealand's reputation as a trusted supplier of safe and suitable food.

How Performance will be Assessed for this Appropriation

	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Completion of quarterly report	Achieved	Achieved	Achieved

The Ministry for Primary Industries will assess the performance of this appropriation by quarterly monitoring of the outputs produced by this MCA. The individual performance measures for this MCA are listed below in the relevant categories.

What is Intended to be Achieved with each Category and How Performance will be Assessed

Assessment of Performance	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Departmental Output Expenses			
Assurance			
This category is intended to achieve effective administration and management of New Zealand's food assurance systems.			
Percentage of access to overseas markets maintained after overseas audits	100%	100%	100%
Five or fewer export certificates per financial year are rejected due to a verification error	5 or fewer	5 or fewer	5 or fewer
Percentage of applicants that participate in the customer satisfaction survey rate overall VS service as 4 or higher	80%	80%	80%
Information			
This category is intended to achieve effective provision of information programmes related to general food safety and the food regulations.			
Food safety information is provided in line with programmes	Achieved	Achieved	Achieved
Response			
This category is intended to achieve the effective administration and management of responses linked to food-related incidents, emergencies, complaints and suspected breaches of food legislation.			
Percentage of complex investigations completed within legislative requirements	100%	100%	100%
Percentage of non-complex investigations completed within 6 months	95%	95%	95%
Percentage of food recalls completed and closed within 60 days	100%	100%	100%
Percentage of Priority 1 complaints are recorded and responded to within 24 hours of notification to MPI	100%	100%	100%
Standards			
This category is intended to achieve the effective administration of food standards, including those related to food production - ensuring standards are in place to manage industry compliance.			
Percentage of certificates issued which meet food safety technical requirements of importing countries as specified by overseas competent authorities	99%	99%	99%
Trade and Market Access Food Safety			
This category is intended to achieve the development and implementation of activities, frameworks and arrangements that influence and facilitate the food-related safety aspects of trade in primary products			

Assessment of Performance	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Percentage of priority items progressed for the Sanitary and Phytosanitary Standards Market Access Programme, as agreed with key meat, dairy, seafood and horticulture sector stakeholders	75%	75%	75%
Non-Departmental Output Expenses			
Food Safety Science and Research			
This category is intended to achieve the promotion, co-ordination and delivery of food safety science and research.			
This category is exempt from end-of-year performance reporting under s.15D(2)(b)(iii) of the Public Finance Act 1989 as the amount of this category is less than \$5 million	Exempt	Exempt	Exempt
Non-Departmental Other Expenses			
Joint Food Standards Setting Treaty			
This category is intended to achieve the development of joint food standards between New Zealand and Australia			
This appropriation is exempt from end-of-year performance reporting under s.15D(2)(b)(iii) of the Public Finance Act 1989 as the amount of this annual appropriation is less than \$5 million	Exempted	Exempted	Exempted

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Ministry for Primary Industries in its Annual Report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2016/17 Final Budgeted \$000	2017/18 Budget \$000	2018/19 Estimated \$000	2019/20 Estimated \$000	2020/21 Estimated \$000
Boosting Primary Industry and Food Export Value	2017/18	-	2,721	2,546	2,926	2,926
Establishment of a Centre for Food Safety Science and Research	2016/17	700	700	700	700	700
Share of costs for Budget 2015 whole-of-government initiatives	2016/17	(52)	(52)	(30)	(30)	(30)
Strengthen food safety capability and address the Why Protein Concentrate Contamination Incident Inquiry's recommendations	2015/16	1,900	2,300	2,300	-	-
Biosecurity, Food Safety and Food Act 2014 cost recovery decisions	2015/16	6,910	6,910	6,910	6,910	6,910
Wine Act 2003 Cost Recovery	2015/16	903	903	903	903	903
Implement recommendations of the enquiry into the Why Protein Concentrate Contamination incident to strengthen the food safety system including increasing presence in overseas markets, increasing dairy capability and accelerating the standards integration programme	2014/15	5,398	5,398	5,398	5,398	5,398

Reasons for Change in Appropriation

This appropriation increased by \$7.275 million to \$114.277 million in 2017/18 due to:

- The transfer of funding from the Primary Growth Partnership of \$4.326 million for operating and one-off costs in 2017/18.
- The increase of \$2.961 million in 2017/18 to cover an increase in expected demand for cost recovered services provided by the Ministry.
- \$2.721 million for the Boosting Primary Industries and Food Export Value initiative.
- The transfer of funding from 2016/17 to 2017/18 of \$948,000 due to delays in the Pastoral House Accommodation Project caused by the North Canterbury Earthquake.
- The transfer of funding in 2017/18 of \$990,000 to the new Market Access and Trade category.

This is offset by:

- The reduction in funding of \$5.050 million for one-off costs and time limited funding coming to an end in 2016/17.
- \$417,000 due to a reduction in the capital charge rate for all departments from 8% to 6%.

Memorandum Account

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Approvals, Accreditations and Registrations			
Opening Balance at 1 July	869	869	696
Revenue	4,209	4,715	4,762
Expenses	(5,135)	(4,888)	(4,937)
Closing Balance at 30 June	(57)	696	521
Food Standards and Assurance - Food Act 2014			
Opening Balance at 1 July	(156)	(156)	(48)
Revenue	666	736	743
Expenses	(482)	(628)	(635)
Closing Balance at 30 June	28	(48)	60
Standards Setting for the Food Industry			
Opening Balance at 1 July	800	800	(871)
Revenue	18,077	18,257	18,440
Expenses	(20,543)	(19,928)	(20,127)
Closing Balance at 30 June	(1,666)	(871)	(2,558)

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Verification of the Food Regulatory Programme			
Opening Balance at 1 July	2,142	2,142	1,798
Revenue	43,423	41,732	44,183
Expenses	(40,690)	(42,076)	(42,496)
Closing Balance at 30 June	4,875	1,798	3,485
Wine Standards Management - Wine Act 2003			
Opening Balance at 1 July	530	530	1,129
Revenue	1,989	2,463	2,537
Expenses	(1,931)	(1,864)	(1,882)
Closing Balance at 30 June	588	1,129	1,784

Memorandum accounts record the accumulated balance of surpluses and deficits incurred for outputs provided to third party users of those services on a full cost recovery basis.

The Approvals, Accreditations and Registrations memorandum account covers the provision of approval and registration services to regulated parties under the Agricultural Compounds and Veterinary Medicines Act 1997 and the Animal Products Act 1999.

The Food Standards and Assurance - Food Act 2014 memorandum account covers services provided by the Ministry for Primary Industries under the Food Act 2014.

The Standards Setting for the Food Industry memorandum account covers standards setting activities and fees for certification and reconciliation services under the Animal Products (Dairy Industry Fees and Charges) Regulations 2007.

The Verification of the Food Regulatory Programme memorandum account covers verification and certification activities undertaken by the Ministry for Primary Industries in accordance with section 7 of the Animal Products (Fees, Charges and Levies) Regulations 2007.

The Wine Standards Management - Wine Act 2003 memorandum account covers certification, assurance, standard setting, market access, systems implementation and monitoring services provided under the Wine Act 2003.

The Ministry for Primary Industries has a strategy of maintaining each memorandum account in a balanced state over the long term. It allows for changes in volumes resulting from fluctuations in economic activity and other matters. The charging model is periodically reviewed to ensure that the services are being provided in the most efficient cost-effective way and that the fees/levies reflect the cost of services provided.

Grants and Programmes (M87)

Overarching Purpose Statement

The overarching purpose for this appropriation is the administration of schemes, grants, programmes and assistance which are designed to achieve the outcome of innovation and sustainable resource management within the primary sector.

Scope of Appropriation

Departmental Output Expenses

Administration of Grants and Programmes

This category is limited to the administration of government approved schemes, grants and assistance to the land-based sectors.

Non-Departmental Other Expenses

Adverse Climatic Events

This category is limited to providing recovery assistance to the primary sector in the aftermath of adverse climatic events and assistance to rural support trusts.

Adverse Earthquake Events

This category is limited to providing recovery support and assistance to the primary sector and rural support trusts in the aftermath of adverse earthquake events.

Hill Country Erosion Fund

This category is limited to projects that protect erosion-prone hill country.

Sustainable Farming Fund

This category is limited to community driven programmes aimed at improving economic and environmental performance in farming.

Expenses, Revenue and Capital Expenditure

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	28,682	27,552	20,127
Departmental Output Expenses			
Administration of Grants and Programmes	11,304	10,994	7,336
Non-Departmental Other Expenses			
Adverse Climatic Events	1,442	1,192	526
Adverse Earthquake Events	4,300	4,300	200
Hill Country Erosion Fund	2,196	2,146	2,200
Sustainable Farming Fund	9,440	8,920	9,865
Funding for Departmental Output Expenses			
Revenue from the Crown	11,257	11,482	7,290
Administration of Grants and Programmes	11,257	11,482	7,290
Revenue from Others	49	22	49
Administration of Grants and Programmes	49	22	49

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the effective administration and management of the grants, programmes and funds overseen by the Ministry for Primary Industries. It also supports the delivery of operational activities related to adverse climatic events, hill country erosion and community economic and environmental programmes.

How Performance will be Assessed for this Appropriation

	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Completion of quarterly reports	Achieved	Achieved	Achieved

The Ministry for Primary Industries will assess its Grants and Programmes MCA by quarterly monitoring of the quality and delivery of the programmes and funds supported by this MCA. The performance measures are listed below in the relevant categories.

What is Intended to be Achieved with each Category and How Performance will be Assessed

	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Departmental Output Expenses			
Administration of Grants and Programmes			
This category is intended to achieve the effective administration of the Ministry's Grants and Programmes activities			
Percentage of funding applications processed within timelines	100%	100%	100%
Non-Departmental Other Expenses			
Adverse Climatic Events			
This category is intended to achieve the effective management and administration of recovery assistance funds in the aftermath of adverse climatic events			
This category is exempt from end-of-year performance reporting under s.15D(2)(b)(iii) of the Public Finance Act 1989 as the amount of this category is less than \$5 million	Exempt	Exempt	Exempt
Adverse Earthquake Events			
This category is intended to achieve the effective management and administration of earthquake assistance funds in the aftermath of major earthquake events			
This category is exempt from end-of-year performance reporting under s.15D(2)(b)(iii) of the Public Finance Act 1989 as the amount of this category is less than \$5 million	Exempt	Exempt	Exempt

	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Hill Country Erosion Fund			
This category is intended to achieve the effective management and administration of projects and regional activities developed to protect erosion-prone hill country.			
This appropriation is exempt from end-of-year performance reporting under s.15D(2)(b)(iii) of the Public Finance Act 1989 as the amount of this annual appropriation is less than \$5 million	Exempt	Exempt	Exempt
Sustainable Farming Fund			
This category is intended to achieve the effective management of grants to support community programmes aimed at improving economic and environmental benefits to land-based primary industries and the aquaculture sector			
Percentage of project milestones met	85%	85%	85%

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Ministry for Primary Industries in its Annual Report.

Service Providers

Provider	2016/17 Final Budgeted \$000	2016/17 Estimated Actual \$000	2017/18 Budget \$000	Expiry of Resourcing Commitment
Hill Country Erosion Fund				
Local Government Organisations				
Horizons Regional Council	1,190	1,190	1,150	21 June 2019
Taranaki Regional Council	302	302	302	31 May 2019
Greater Wellington Regional Council	186	124	298	15 July 2019
Northland Regional Council	232	232	176	21 June 2019
Waikato Regional Council	169	169	180	30 June 2019
Hawkes Bay Regional Council	81	81	94	30 June 2019
Other providers	36	48	-	Dates vary depending on provider
Total	2,196	2,146	2,200	
Sustainable Farming Fund				
The following organisations are recipients of grant funding from the Sustainable Farming Fund				
Other communities of interest	3,422	3,249	4,693	See below
Levy Organisations	2,502	2,376	1,851	See below
Crown Research Institutes	1,779	1,689	2,088	See below
Māori Agribusiness	958	910	443	See below
Universities	603	573	628	See below

Provider	2016/17 Final Budgeted \$000	2016/17 Estimated Actual \$000	2017/18 Budget \$000	Expiry of Resourcing Commitment
Regional Councils	130	123	162	See below
Other providers	46	-	-	See below
Total	9,440	8,920	9,865	

Note - Expiry of resourcing commitments for the Sustainable Farming Fund varies depending on the grant recipients with:

- 36 grant schemes due for completion by June 2017.
- 40 grant schemes due for completion by June 2018.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2016/17 Final Budgeted \$000	2017/18 Budget \$000	2018/19 Estimated \$000	2019/20 Estimated \$000	2020/21 Estimated \$000
North Canterbury Earthquake: Proposal for a Special Primary Sector Assistance Package	2016/17	2,500	2,000	-	-	-
Share of costs for Budget 2015 whole-of-government initiatives	2015/16	(15)	(15)	(9)	(9)	(9)
Sustainable Farming Fund reprioritisation to support Government budget priorities	2015/16	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Afforestation Grants Scheme	2015/16	500	500	500	500	500

Reasons for Change in Appropriation

This appropriation decreased by \$8.555 million to \$20.127 million in 2017/18 due to the reduction in funding of \$9.466 million for one-off costs and time limited funding coming to an end in 2016/17.

This appropriation increased due to the transfer of funding from 2016/17 to 2017/18 of \$525,000 to reflect the change in expenditure and timing profile for the Sustainable Farming Fund

Sustainable Economic Development and Trade (M87)

Overarching Purpose Statement

The overarching purpose for this appropriation is to efficiently manage New Zealand's primary production and natural resources in a sustainable manner.

Scope of Appropriation

Departmental Output Expenses

Animal Welfare Education and Enforcement

This category is limited to education and enforcement intended to improve animal welfare in New Zealand.

Aquaculture

This category is limited to implementing aquaculture policy advice, supporting and monitoring the growth of the aquaculture industry.

Fisheries Enforcement and Monitoring

This category is limited to informing, assisting, directing and enforcing adherence to New Zealand fisheries laws.

Fisheries Management

This category is limited to implementing ministerial decisions on sustainability and management controls for New Zealand fisheries.

Non-Departmental Other Expenses

Fisheries Quota Shares and ACE Administration Costs

This category is limited to the administration of the sale of Crown Quota Shares and Annual Catch Entitlement (ACE).

Expenses, Revenue and Capital Expenditure

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	67,423	66,777	63,094
Departmental Output Expenses			
Animal Welfare Education and Enforcement	11,174	9,848	7,917
Aquaculture	5,916	5,516	3,679
Fisheries Enforcement and Monitoring	38,823	39,458	40,246
Fisheries Management	11,486	11,931	11,228
Non-Departmental Other Expenses			
Fisheries Quota Shares and ACE Administration Costs	24	24	24
Funding for Departmental Output Expenses			
Revenue from the Crown	64,370	63,596	60,291
Animal Welfare Education and Enforcement	11,161	10,676	7,908
Aquaculture	5,900	5,181	3,663
Fisheries Enforcement and Monitoring	36,702	36,496	38,369
Fisheries Management	10,607	11,243	10,351

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Revenue from Others	3,070	2,670	2,853
Animal Welfare Education and Enforcement	19	30	19
Aquaculture	16	5	16
Fisheries Enforcement and Monitoring	2,152	2,393	1,935
Fisheries Management	883	242	883

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the effective management of animal welfare, aquaculture, fisheries programmes and related enforcement activities to support sustainable economic development.

How Performance will be Assessed for this Appropriation

The Ministry for Primary Industries will assess the performance for this appropriation by quarterly of the outputs relating to the monitoring and maintenance of New Zealand's animal welfare, aquaculture and fisheries management and enforcement programmes. The performance measures are listed below in the relevant categories.

	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Completion of quarterly reports	Achieved	Achieved	Achieved

What is Intended to be Achieved with each Category and How Performance will be Assessed

	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Departmental Output Expenses			
Animal Welfare Education and Enforcement			
This category is intended to achieve improvements in the education and enforcement of New Zealand's animal welfare laws and regulations.			
Percentage of Priority 1 (Grade 1 - significant/acute) complaints are recorded and responded to within 24 hours	100%	100%	100%
Percentage of agreed animal welfare education initiatives progressed as per the 'Safeguarding our Animals, Safeguarding our Reputation' programme	100%	100%	100%
Percentage of complex investigations completed within legislative requirements	100%	100%	100%
Percentage of non-complex investigations completed within 6 months	98%	98%	98%

Assessment of Performance	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Aquaculture			
This category is intended to achieve support for the all-of-government pathway to promote growth in the aquaculture sector.			
Percentage of project milestones for the annual aquaculture plan met	90%	90%	90%
Fisheries Enforcement and Monitoring			
This category is intended to achieve the adherence to New Zealand fisheries laws.			
Percentage of commercial operators inspected are found to be voluntarily compliant	90%	90%	90%
Percentage of recreational fishers inspected are found to be voluntarily compliant	95%	95%	95%
Percentage of serious offenders do not reoffend within the next year	95%	95%	95%
Percentage of complex investigations completed within legislative requirements	100%	100%	100%
Percentage of non-complex investigations completed within 6 months	95%	95%	95%
Percentage of the Crown's obligations to Māori is delivered	100%	100%	100%
Fisheries Management			
This category is intended to achieve sustainability and management controls for New Zealand fisheries.			
Percentage of ministerial requests from the Minister for Primary Industries completed to agreed standards	95%	95%	95%
Percentage of OIA, Privacy Act and Ombudsmen requests delivered within statutory timeframes	95%	95%	95%
Non-Departmental Other Expenses			
Fisheries Quota Shares and ACE Administration Costs			
This category is intended to achieve the effective administration and management of work relating to the sale of Crown Quota Shares and Annual Catch Entitlement (ACE).			
This appropriation is exempt from end-of-year performance reporting under s.15D(2)(b)(iii) of the Public Finance Act 1989 as the amount of this annual appropriation is less than \$5 million	Exempt	Exempt	Exempt

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Ministry for Primary Industries in its Annual Report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2016/17 Final Budgeted \$000	2017/18 Budget \$000	2018/19 Estimated \$000	2019/20 Estimated \$000	2020/21 Estimated \$000
Marine Protection and Development	2017/18	-	500	-	-	-
Future of Our Fisheries	2017/18	-	922	940	1,161	1,170
North Canterbury Earthquake: Proposal for a Special Primary Sector Assistance Package	2016/17	2,000	-	-	-	-
Share of costs for Budget 2015 whole-of-government initiatives	2015/16	(134)	(134)	(78)	(78)	(78)
Strengthening the Animal Welfare System	2015/16	2,677	2,317	2,317	2,317	2,317

Reasons for Change in Appropriation

This appropriation decreased by \$4.329 million to \$63.094 million in 2017/18 due to:

- The reduction in funding of \$8.221 million for one-off costs and time limited funding coming to an end in 2016/17.
- \$255,000 due to a reduction in the capital charge rate for all departments from 8% to 6%.

This appropriation increased due to:

- The transfer of funding from the Primary Growth Partnership of \$3.744 million for operating and one-off costs in 2017/18.
- \$922,000 for the Future of Our Fisheries initiative in 2017/18.
 - \$500,000 for the Marine Protection and Development initiative in 2017/18.
- The transfer of funding from 2016/17 to 2017/18 of \$316,000 due to delays in the Pastoral House Accommodation Project caused by the North Canterbury Earthquake.