

# The Treasury

## Budget 2017 Information Release

### Release Document July 2017

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[40]	Not in scope	

In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) and section 18 of the Official Information Act.

## 2017 Budget Package: Vote Primary Industries and Food Safety (Technical Initiatives)

- 1 **approve** the Budget initiatives for the above Vote for inclusion in the 2017 Budget package, as listed in the summary below and detailed in the attached initiative documents;

### Summary of initiatives included in the attached initiative documents:

#### Operating Initiatives (Impact on Operating Balance)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
9957	Adjustments to Realign Appropriations	-	-	-	-	-
9903	Adverse Earthquake Events	1.800	(1.800)	-	-	-
9919	Increased Third Party Revenue for Cost Recovered Activities	-	-	-	-	-
9913	Overseer Nutrient Budgeting Tool	-	1.000	(1.000)	-	-
9920	Primary Growth Partnership	-	(0.753)	1.297	2.010	(2.554)*
9921	Reallocation of Funding for New Market Access and Trade Categories	-	-	-	-	-
9918	Reprioritisation of Funding for Cost Pressures	(8.700)	25.323	(3.000)	(4.623)	(9.000)*
9901	Transfer to Fund New Zealand Story	-	(0.383)	(0.383)	(0.383)	-
9904	Wilding Conifers	1.431	(1.431)	-	-	-
<b>Total Operating</b>		<b>(5.469)</b>	<b>21.956</b>	<b>(3.086)</b>	<b>(2.996)</b>	<b>(11.554)</b>

\*see initiative tables

- 2 **agree** to establish a new appropriation where required to implement the initiative, as described in the attached initiative document;
- 3 **approve** changes to appropriations to implement the initiatives, as set out in the attached initiative documents;
- 4 **approve** the additional recommendations to give effect to the initiatives, as set out in the attached initiative documents;
- 5 **agree** that the proposed changes to appropriations for 2016/17 above be included in the 2016/17 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;
- 6 **authorise** the Minister of Finance and the Appropriation Minister to approve jointly any technical adjustments to baselines necessary to remove any errors or inconsistencies identified while finalising the 2016/17 Supplementary Estimates, the 2017/18 Estimates and the fiscal forecasts;

- 7 **note** that all communications relating to the 2017 Budget are co-ordinated by a Budget communications committee, and that any requests for early announcement will need to have both the written approval of the Minister of Finance and sign-off from the Prime Minister's office;

**Vote:** Primary Industries and Food Safety

**Title:** Adjustments to Realign Appropriations

**Description:** As part of each baseline update the Ministry for Primary Industries reviews its internal planning and budgeting to the external appropriations to ensure the Ministry does not breach any appropriations. As a result the Ministry has requested a number of transfers of funding across appropriations.

### Appropriation Changes

	\$m - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
<b>Multi-Category Expenses and Capital Expenditure</b>					
Development and Implementation of Food Safety Policy Advice					
<b>Departmental Output Expense:</b>					
Development of Policy Advice (funded by revenue Crown)	(2.815)	-	-	-	-
Development and Implementation of Primary Industries Policy Advice					
<b>Departmental Output Expense:</b>					
Implementation of the Emissions Trading Scheme and Indigenous Forestry (funded by revenue Crown)	1.084	-	-	-	-
Food Safety					
<b>Departmental Output Expenses:</b>					
Assurance (funded by revenue Crown)	0.631	-	-	-	-
Standards (funded by revenue Crown)	2.364	-	-	-	-
Border and Domestic Biosecurity Risk Management					
<b>Departmental Output Expenses:</b>					
Biosecurity Incursion Response and Long Term Pest Management (funded by revenue Crown)	(0.550)	-	-	-	-
Border Biosecurity Monitoring and Clearance (funded by revenue Crown)	(0.331)	-	-	-	-

Domestic Biosecurity Surveillance (funded by revenue Crown)	(1.011)	-	-	-	-
Grants and Programmes					
<b>Departmental Output Expense:</b>					
Administration of Grants and Programmes (funded by revenue Crown)	(0.004)	-	-	-	-
Sustainable Economic Development and Trade					
<b>Departmental Output Expense:</b>					
Aquaculture (funded by revenue Crown)	0.632	-	-	-	-
<b>Total Operating</b>	-	-	-	-	-
<b>Total Capital</b>	-	-	-	-	-

**Vote:** Primary Industries and Food Safety

**Title:** Adverse Earthquake Events

**Description:** This initiative provides for the Ministry for Primary Industries to bring forward funding from 2017/18 to 2016/17 in the Grants and Programmes Multi-Category Appropriation: Adverse Earthquake Events. This funding will be used to support the earthquake relief programme via the Earthquake Relief Fund.

### Appropriation Changes

	Sm - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Operating Balance Impact	1.800	(1.800)	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>1.800</b>	<b>(1.800)</b>	-	-	-

	Sm - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
<b>Multi-Category Expenses and Capital Expenditure</b>					
Grants and Programmes					
<b>Non-Departmental Other Expense:</b>					
Adverse Earthquake Events	1.800	(1.800)	-	-	-
<b>Total Operating</b>	<b>1.800</b>	<b>(1.800)</b>	-	-	-

**Vote:** Primary Industries and Food Safety

**Title:** Increased Third Party Revenue for Cost Recovered Activities

**Description:** This initiative provides for the Ministry for Primary Industries to increase third party revenue and associated expenditure, driven by: increased demand for cost recovered services which will be addressed through increased fees paid for services; and salary inflation and direct support costs (including property costs) which will be addressed through changes to fees and levies.

### Appropriation Changes

	\$m - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	2.900	14.548	16.890	18.174	19.651
<b>Total</b>	<b>2.900</b>	<b>14.548</b>	<b>16.890</b>	<b>18.174</b>	<b>19.651</b>

	\$m - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
<b>Multi-Category Expenses and Capital Expenditure</b>					
Food Safety					
<b>Departmental Output Expenses:</b>					
Assurance (funded by revenue Other)	-	3.030	3.935	4.431	5.002
Standards (funded by revenue Other)	0.200	-	-	-	-
Border and Domestic Biosecurity Risk Management					
<b>Departmental Output Expense:</b>					
Border Biosecurity Monitoring and Clearance (funded by revenue Other)	2.700	11.518	12.955	13.743	14.649
<b>Total Operating</b>	<b>2.900</b>	<b>14.548</b>	<b>16.890</b>	<b>18.174</b>	<b>19.651</b>

**Vote:** Primary Industries and Food Safety

**Title:** Overseer Nutrient Budgeting Tool

**Description:** This initiative provides for the Ministry for Primary Industries to bring forward funding from 2018/19 to 2017/18 in the Development and Implementation of Primary Industries Policy Advice Multi-Category Appropriation to contribute to the funding of an online version of the OVERSEER nutrient budgeting tool. The tool is scheduled for commercial release in January 2018.

### Appropriation Changes

	\$m - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Operating Balance Impact	-	1.000	(1.000)	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>1.000</b>	<b>(1.000)</b>	-	-

	\$m - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
<b>Multi-Category Expenses and Capital Expenditure</b>					
Development and Implementation of Primary Industries Policy Advice					
<b>Departmental Output Expense:</b>					
Implementation of Agriculture and Forestry Policy Advice (funded by revenue Crown)	-	1.000	(1.000)	-	-
<b>Total Operating</b>	-	<b>1.000</b>	<b>(1.000)</b>	-	-



**Vote:** Primary Industries and Food Safety

**Title:** Primary Growth Partnership

**Description:** The existing Primary Growth Partnership (PGP) Multi-Year Appropriation is ending on the 30 June 2017. Approval is sought to establish a new five year multi-year appropriation for PGP for the period 01 July 2017 to 30 June 2022.

### New Appropriation Approval

Name	Period	Type	Category Name	Scope
Primary Growth Partnership	Multi-Year Appropriation Start: 1/07/2017 Finish: 30/06/2022 Amount (\$m): 244.312	Non-Departmental Other Expenses	N/A	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.

### Appropriation Changes

	\$m - increase/(decrease)						
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
Operating Balance Impact	-	(0.753)	1.297	2.010	(2.554)	(4.321)	-
Debt Impact	-	-	-	-	-	-	-
No Impact	-	-	-	-	-	-	-
<b>Total</b>	-	<b>(0.753)</b>	<b>1.297</b>	<b>2.010</b>	<b>(2.554)</b>	<b>(4.321)</b>	-

	\$m - increase/(decrease)						
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
<b>Non-Departmental Other Expenses:</b>							
Primary Growth Partnership	-	(51.053)	(48.583)	(47.000)	(44.083)	(53.593)	-
Primary Growth Partnership (MYA)	-	50.300	49.880	49.010	45.850	49.272	-
<b>Total Operating</b>	-	<b>(0.753)</b>	<b>1.297</b>	<b>2.010</b>	<b>1.767</b>	<b>(4.321)</b>	-

## **Additional Recommendations**

- 8 **agree** that any balance of the unspent appropriation for the Primary Growth Partnership under the multi-year appropriation expiring on 30 June 2017 that exists following completion of audited final 2016/17 year-end accounts be added to the new multi-year appropriation from 1 July 2017 to 30 June 2022;
- 9 **note** the Multi-Year Appropriation: "Primary Growth Partnership" is established at \$244.312 million;
- 10 **note** that amounts shown in the appropriation changes table for the Multi Year Appropriation: "Primary Growth Partnership" is the indicative annual spending profile;

**Vote:** Primary Industries and Food Safety

**Title:** Reallocation of Funding for New Market Access and Trade Categories

**Description:** The Ministry has established two new "Market Access and Trade" categories in the Development and Implementation of Primary Industries Policy Advice and Food Safety MCAs. This change requires the Ministry to transfer funding from existing categories to the new categories.

### Appropriation Changes

	\$m - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
<b>Multi-Category Expenses and Capital Expenditure</b>					
Development and Implementation of Food Safety Policy Advice					
<b>Departmental Output Expenses:</b>					
Development of Policy Advice (funded by revenue Crown)	-	(0.091)	(0.091)	(0.091)	(0.091)
Implementation of Policy Advice (funded by revenue Crown)	-	(0.899)	(0.899)	(0.899)	(0.899)
Development and Implementation of Primary Industries Policy Advice					
<b>Departmental Output Expenses:</b>					
Agriculture and Forestry Policy Advice (funded by revenue Crown)	-	(1.351)	(1.351)	(1.351)	(1.351)
Biosecurity Policy Advice (funded by revenue Crown)	-	(0.251)	(0.251)	(0.251)	(0.251)
Implementation of Agriculture and Forestry Policy Advice (funded by revenue Crown)	-	(7.602)	(7.602)	(7.602)	(7.602)
Implementation of Biosecurity Policy Advice (funded by revenue Crown)	-	(0.771)	(0.771)	(0.771)	(0.771)
Trade and Market Access Primary Industries (funded by revenue Crown)	-	12.239	12.239	12.239	12.239

Food Safety					
<b>Departmental Output Expenses:</b>					
Assurance (funded by revenue Crown)	-	(3.385)	(3.385)	(3.385)	(3.385)
Information (funded by revenue Crown)	-	(0.111)	(0.111)	(0.111)	(0.111)
Response (funded by revenue Crown)	-	(0.152)	(0.152)	(0.152)	(0.152)
Standards (funded by revenue Crown)	-	(3.339)	(3.339)	(3.339)	(3.339)
Trade and Market Access Food Safety (funded by revenue Crown)	-	7.977	7.977	7.977	7.977
Border and Domestic Biosecurity Risk Management					
<b>Departmental Output Expense:</b>					
Border Biosecurity Systems Development and Maintenance (funded by revenue Crown)	-	(2.264)	(2.264)	(2.264)	(2.264)
<b>Total Operating</b>	-	-	-	-	-
<b>Total Capital</b>	-	-	-	-	-

### Additional Recommendation

- 11 **note** that the Minister of Finance, Minister for Primary Industries and Minister for Food Safety have agreed to add Trade and Market Access categories to both the Development and Implementation of Primary Industries Policy Advice Multi Category Appropriation and the Food Safety Multi Category Appropriation;

**Vote:** Primary Industries and Food Safety

**Title:** Reprioritisation of Funding for Cost Pressures

**Description:** In the 2017 Four Year Plan the Ministry for Primary Industries identified \$25.323 million of cost pressures in 2017/18.

The Ministry intends to reprioritise non-departmental funding from the Primary Growth Partnership (PGP) multi-year and annual appropriations of \$8.700 million in 2016/17 and \$16.623 million in 2017/18 to 2020/21 respectively. This funding will be used to cover emerging financial pressures and one-off costs for 2017/18, in particular baseline reductions and time-limited funding, property pressures and salary costs.

### Appropriation Changes

	\$m - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 only
Operating Balance Impact	(8.700)	25.323	(3.000)	(4.623)	(9.000)
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>(8.700)</b>	<b>25.323</b>	<b>(3.000)</b>	<b>(4.623)</b>	<b>(9.000)</b>

	\$m - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 only
<b>Non-Departmental Other Expenses:</b>					
Primary Growth Partnership (MYA)	(8.700)	-	-	-	-
Primary Growth Partnership	-	-	(3.000)	(4.623)	(9.000)
<b>Multi-Category Expenses and Capital Expenditure</b>					
Development and Implementation of Food Safety Policy Advice					
<b>Departmental Output Expense:</b>					
Development of Policy Advice (funded by revenue Crown)	-	0.560	-	-	-

Development and Implementation of Primary Industries Policy Advice					
<b>Departmental Output Expenses:</b>					
Implementation of Agriculture and Forestry Policy Advice (funded by revenue Crown)	-	4.330	-	-	-
Implementation of the Emissions Trading Scheme and Indigenous Forestry (funded by revenue Crown)	-	0.300	-	-	-
Operational Advice on Sustainability and Management Controls in Fisheries (funded by revenue Crown)	-	4.648	-	-	-
Food Safety					
<b>Departmental Output Expense:</b>					
Assurance (funded by revenue Crown)	-	4.326	-	-	-
Border and Domestic Biosecurity Risk Management					
<b>Departmental Output Expense:</b>					
Border Biosecurity Monitoring and Clearance (funded by revenue Crown)	-	6.865	-	-	-
Grants and Programmes					
<b>Departmental Output Expense:</b>					
Administration of Grants and Programmes (funded by revenue Crown)	-	0.550	-	-	-
Sustainable Economic Development and Trade					
<b>Departmental Output Expense:</b>					
Fisheries Enforcement and Monitoring (funded by revenue Crown)	-	3.744	-	-	-
<b>Total Operating</b>	<b>(8.700)</b>	<b>25.323</b>	<b>(3.000)</b>	<b>(4.623)</b>	<b>(9.000)</b>

### Additional Recommendations

- 12 **note** the Multi Year Appropriation: "Primary Growth Partnership" is adjusted by \$(8.700) million; and
- 13 **note** that amounts shown in the appropriation changes table for the Multi Year Appropriation: "Primary Growth Partnership" are the changes to the indicative annual spending profile.

**Vote:** Primary Industries and Food Safety

**Title:** Transfer to Fund New Zealand Story

**Description:** New Zealand Story was initiated in 2013, funded through the baselines of New Zealand Trade and Enterprise, Tourism New Zealand, Education New Zealand, Te Puni Kokiri, Ministry of Foreign Affairs and Trade and the Ministry for Primary Industries. To improve the visibility of spending, the funding for 2017/18 to 2019/20 will be through transfers from appropriations of funding agencies into the Collaborative Activity and Special Events category of the Support the Growth and Development of New Zealand Firms, Sectors and Regions multi-category appropriation.

### Appropriation Changes

	\$m - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Operating Balance Impact	-	(0.383)	(0.383)	(0.383)	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>(0.383)</b>	<b>(0.383)</b>	<b>(0.383)</b>	-

	\$m - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
<b>Multi-Category Expenses and Capital Expenditure</b>					
Development and Implementation of Primary Industries Policy Advice					
<b>Departmental Output Expense:</b>					
Implementation of Agriculture and Forestry Policy Advice (funded by revenue Crown)	-	(0.383)	(0.383)	(0.383)	-
<b>Total Operating</b>	-	<b>(0.383)</b>	<b>(0.383)</b>	<b>(0.383)</b>	-

**Vote:** Primary Industries and Food Safety

**Title:** Wilding Conifers

**Description:** This initiative provides for the bringing forward of \$1.431 million from 2017/18 to 2016/17 in Border and Domestic Biosecurity Risk Management MCA – Biosecurity Incursion Response and Long Term Pest Management. The governance group overseeing the implementation of the New Zealand Wilding Conifer Management Strategy 2015-2030 has endorsed a funding programme for 2016/17 to reduce the spread of Wilding Conifer sooner by bringing forward the programme.

### Appropriation Changes

	Sm - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Operating Balance Impact	1.431	(1.431)	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>1.431</b>	<b>(1.431)</b>	-	-	-

	Sm - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
<b>Multi-Category Expenses and Capital Expenditure</b>					
Border and Domestic Biosecurity Risk Management					
<b>Departmental Output Expense:</b>					
Biosecurity Incursion Response and Long Term Pest Management (funded by revenue Crown)	1.431	(1.431)	-	-	-
<b>Total Operating</b>	<b>1.431</b>	<b>(1.431)</b>	-	-	-