

# *Information Supporting the Supplementary Estimates*

## *Vote Agriculture and Forestry*

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MINISTER(S) RESPONSIBLE FOR APPROPRIATIONS: Minister of Agriculture (M2), Minister of Forestry (M35)

ADMINISTERING DEPARTMENT: Ministry of Agriculture and Forestry

MINISTER RESPONSIBLE FOR MINISTRY OF AGRICULTURE AND FORESTRY: Minister of Agriculture

## Part 1 - Summary of the Vote

### Part 1.3 - Trends in the Vote

#### Summary of Financial Activity

	2010/11				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
<b>Appropriations</b>					
Output Expenses	176,587	(12,959)	9,122	(3,837)	172,750
Benefits and Other Unrequited Expenses	1,100	N/A	(500)	(500)	600
Borrowing Expenses	-	-	-	-	-
Other Expenses	90,359	-	(35,424)	(35,424)	54,935
Capital Expenditure	36,749	(16,249)	340	(15,909)	20,840
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
<b>Total Appropriations</b>	<b>304,795</b>	<b>(29,208)</b>	<b>(26,462)</b>	<b>(55,670)</b>	<b>249,125</b>
<b>Crown Revenue and Capital Receipts</b>					
Tax Revenue	-	N/A	-	-	-
Non-Tax Revenue	105,998	N/A	23,459	23,459	129,457
Capital Receipts	3,300	N/A	2,823	2,823	6,123
<b>Total Crown Revenue and Capital Receipts</b>	<b>109,298</b>	<b>N/A</b>	<b>26,282</b>	<b>26,282</b>	<b>135,580</b>

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

### Part 2.1 - Departmental Output Expenses

#### Administration and Management of Crown Forestry Assets (M35)

##### *Scope of Appropriation*

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

##### *Expenses and Revenue*

	2010/11		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	1,799	(85)	1,714
Revenue from Crown	1,782	(88)	1,694
Revenue from Other	17	3	20

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

This appropriation will decrease by \$85,000 to \$1.714 million in 2010/11. This is due to a reallocation of revenue Crown funded resources between output expenses (\$88,000) and reduced services to other public sector agencies (\$2,000). These changes are offset by an increase in third party funded activity (\$5,000).

#### Administration of Grants and Programmes (M2)

##### *Scope of Appropriation*

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

##### *Expenses and Revenue*

	2010/11		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	6,766	1,498	8,264
Revenue from Crown	6,696	1,483	8,179
Revenue from Other	70	15	85

### *Reasons for Change in Appropriation*

This appropriation will increase by \$1.498 million to \$8.264 million in 2010/11. This is due to: a reallocation of revenue Crown funded resources between output expenses (\$2.256 million); increase in Government Superannuation Fund employer contributions from 6% to 10.7% funded from revenue Crown (\$7,000); an expense transfer from 2009/10 for Primary Growth Partnership (PGP) initiative (\$265,000); and increase in services to other public sector agencies (\$27,000). These changes are offset by an expense transfer to 2011/12 for PGP initiative (\$1.045 million) and a decrease in third party funded activity (\$12,000).

### *Output Performance Measures and Standards*

Performance Measures	2010/11		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
<b>Administration of the Afforestation Grants Scheme (AGS)</b>			
Public Tender Rounds			
High sequestration rate category			
Average grant rate/ha (see Note 1)	\$685	\$1,356	\$2,041
Regional Council Tender Rounds			
High sequestration rate category			
Number of applications approved (see Note 2)	1,600	(1,553)	47
Grant area approved (see Note 3)	50 ha	1,397 ha	1,447 ha
Low sequestration rate category			
Average grant rate/ha (see Note 4)	\$2,226	\$(1,326)	\$900
<b>General</b>			
Percentage of grant applicants notified of their tender outcome within 30 working days of the Tender Round closing date	New measure	100%	100%
Percentage of contracts sent to successful applicants within 30 working days of provisional approval	New measure	95%	95%
Percentage of valid invoices paid within 30 working days of receipt	New measure	100%	100%
Percentage of AGS established forests audited before grant funding is paid	New measure	95%	95%
<b>Administration of East Coast Forestry Grants</b>			
Hectares of annual grant area added to the project	New measure	1,500 ha	1,500 ha
Percentage of East Coast Forest Project (ECFP) claims submitted processed within 20 days of receipt	New measure	100%	100%
Percentage of ECFP Grant Approval certificates issued before the commencement of the grant period (ie, by 30 June for the year beginning 1 July)	New measure	90%	90%
<b>Administration of the Primary Growth Partnership</b>			
Number of application rounds considered by Investment Advisory Panel (IAP) each financial year	New measure	2	2
Percentage of written comments provided by MAF to IAP within 4 weeks of the closing date of a funding round	New measure	95%	95%

Performance Measures	2010/11		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Percentage of proposers informed of IAP decision within 4 weeks of IAP making its decision	New measure	100%	100%
Percentage of written comments on business plans provided to IAP at least 1 week prior IAP meeting	New measure	95%	95%
Percentage of proposers that are notified of the Director General's final decision within 6 weeks of final IAP recommendation	New measure	100%	100%
<b>Administration of the Sustainable Farming Fund</b>			
Members of the independent assessment panel judge they have been provided with sufficient information by MAF to make well informed funding decisions as 8 or better on a rating scale of 1 – 10 (where 1 represents poor performance and 10 represents excellent performance)	New measure	8	8
Proportion of industry contribution to project total value across all new project budgets	New measure	50%	50%
Percentage of grant payments made within 20 working days of MAF receiving all project report reporting	New measure	100%	100%

Note 1 - An incorrect Estimates Standard was used because of a drafting error - the Estimates Standard should have been \$2,000.

Note 2 - An incorrect Estimates Standard was used because of a drafting error - the Estimates Standard should have been 50.

Note 3 - An incorrect Estimates Standard was used because of a drafting error - the Estimates Standard should have been 1,600 ha.

Note 4 - An incorrect Estimates Standard was used because of a drafting error - the Estimates Standard should have been 900 ha.

## Animal Welfare Education and Enforcement (M2)

### *Scope of Appropriation*

This appropriation is limited to standard setting, education and enforcement intended to improve animal welfare in New Zealand.

### *Expenses and Revenue*

	2010/11		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	3,796	492	4,288
Revenue from Crown	3,776	485	4,261
Revenue from Other	20	7	27

### *Reasons for Change in Appropriation*

This appropriation will increase by \$492,000 to \$4.288 million in 2010/11. This is due to: a reallocation of revenue Crown funded resources between output expenses (\$484,000); increase in Government Superannuation Fund employer contributions from 6% to 10.7% funded from revenue Crown (\$1,000); increase in services to other public sector agencies (\$2,000); and increase in third party funded activity (\$5,000).

### *Output Performance Measures and Standards*

Performance Measures	2010/11		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
<b>Animal Welfare Education</b>			
Number of planned farm visits to educate farmers on compliance requirements	New measure	500	500
<b>Enforcement of New Zealand's Animal Welfare Regulatory Framework</b>			
Number of Memorandums of Understanding agreed under Compliance and Enforcement Programme	New measure	3	3
<b>Investigations of Alleged Breaches of the Animal Welfare Act 1999</b>			
Number of complaints received:			
Category I - Minor behaviour breach (warning, infringement or search warrant requiring legal analysis)	New measure	600-1,000	600-1,000
Category II - Lower threshold criminal behaviour (strict liability offences)	New measure	250	250
Category III - Serious criminal behaviour (all other Animal Welfare offending)	New measure	3	3
Percentage of Complainants who have requested notification are notified of the outcome of their complaint	New measure	95%	95%
Percentage of complaints that are responded to as per the requirements of the Performance and Technical Standards	New measure	95%	95%
Percentage of complainants who request to have their complaint acknowledged will receive this acknowledgement within 5 days of receipt	New measure	100%	100%
Percentage of Category II - 'Lower Threshold Criminal Behaviour' investigations that are 'Marked as Closed' or 'Forwarded for Prosecution' within 6 months of the receipt of the complaint	New measure	75%	75%
Percentage of Category III - 'Organised Illegal Activity' investigations that are 'Marked as Closed' or 'Forwarded for Prosecution' within 18 months of the receipt of the complaint	New measure	75%	75%
<b>Prosecution of Cases of Alleged Breaches of the Animal Welfare Act 1999</b>			
Percentage of Category II - 'Lower Threshold Criminal Behaviours' files 'Forwarded for Prosecution' are also assessed for 'public good evaluation' within 6 months	New measure	100%	100%
Percentage of Category III - 'Organised Illegal Activity' files 'Forwarded for Prosecution' are also assessed for 'public good evaluation' within 18 months	New measure	100%	100%

Performance Measures	2010/11		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Percentage of cases submitted for 'Public Good Assessment' that receive 'Public Good Clearance'	New measure	90%	90%

## Implementation of the Emissions Trading Scheme and Indigenous Forestry (M2)

### *Scope of Appropriation*

This appropriation 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.

### *Expenses and Revenue*

	2010/11		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	15,920	(4,291)	11,629
Revenue from Crown	15,837	(4,365)	11,472
Revenue from Other	83	74	157

### *Reasons for Change in Appropriation*

This appropriation will decrease by \$4.291 million to \$11.629 million in 2010/11. This is due to: a reprioritisation of resources across financial years (\$5.241 million); an expense transfer to 2011/12 for the Field Measurement Approach (\$142,000); and decrease in third party funded activity (\$19,000). These changes are offset by: a reallocation of revenue Crown funded resources between output expenses (\$304,000); an increase in Government Superannuation Fund employer contributions from 6% to 10.7% funded from revenue Crown (\$14,000); an expense transfer from 2009/10 (\$700,000); and increase in services to other public sector agencies (\$93,000).

### *Output Performance Measures and Standards*

Performance Measures	2010/11		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
<b>Implementation of the New Zealand Emissions Trading Scheme</b>			
Percentage of directions (to transfer New Zealand Units to holding accounts) given to the NZ Emissions Unit Registrar within 20 working days of a Forestry Allocation Plan Final Determination being issued or Emissions Return processing being completed other than those that have been referred for audit	New measure	95%	95%
Percentage of 'Post 1989' applications to become ETS participants are processed by MAF within 90 days of lodgement	New measure	75%	75%

Performance Measures	2010/11		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Percentage of 'Pre 1990' allocation plan applications are processed to Preliminary Determination within 90 days of lodgement	New measure	75%	75%
Percentage of recommendations (to register a forestry participant) sent to the Chief Executive of MED within 5 working days of an application or deforestation notification being approved	New measure	95%	95%
Percentage of applicants that participate in the customer satisfaction survey give the quality of MAF's ETS service delivery a rating of at least 3 out of 5 (where 1 represents poor performance and 5 represents excellent performance)	New measure	75%	75%
<b>Administration of the Permanent Forest Sink Initiative</b>			
Percentage of applications that are formally acknowledged to applicants in writing, within 5 working days of receipt and, if necessary, advised of all additional information or documents needed to process applications	New measure	100%	100%
Percentage of draft covenants sent to eligible applicants within 90 days of receipt of all information needed to process the draft covenant	New measure	75%	75%
<b>Promotion of Sustainable Management of Indigenous Forestry</b>			
Percentage of all applications for Milling Statements approved or declined within 1 month of receipt of all information and supporting documents from applicants, necessary to process the application	New measure	90%	90%
Percentage of all applications for Annual Logging Plans approved or declined within 2 months of receipt of all information and supporting documents from applicants necessary to process applications	New measure	90%	90%
<b>Investigations of alleged Breaches of New Zealand's Indigenous Forestry Legislative Framework</b>			
Number of complaints received:			
Category I - Minor behaviour breach (warning, infringement or search warrant requiring legal analysis)	New measure	8	8
Category II - Lower threshold criminal behaviour (strict liability offences)	New measure	8	8
Category III - Serious criminal behaviour (all other forestry related offending)	New measure	4	4
Percentage of complainants that request to have their complaint acknowledged that receive this acknowledgement within 5 working days	New measure	100%	100%
Percentage of Category II - 'Lower Threshold Criminal Behaviour' investigations are 'Marked as Closed' or 'Forwarded for Prosecution' within 6 months of the receipt of the complaint	New measure	75%	75%
Percentage of Category III - 'Organised Illegal Activity' investigations are 'Marked as Closed' or 'Forwarded for Prosecution' within 18 months of the receipt of the complaint	New measure	75%	75%



Performance Measures	2010/11		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
<b>Prosecution of Alleged Breaches of New Zealand's Indigenous Forestry Legislative Framework</b>			
Percentage of Category II - 'Lower Threshold Criminal Behaviours' files 'Forwarded for Prosecution' are also assessed for 'public good evaluation' within 6 months	New measure	100%	100%
Percentage of Category III - 'Organised Illegal Activity' files 'Forwarded for Prosecution' are also assessed for 'public good evaluation' within 18 months	New measure	100%	100%
Percentage of cases submitted for 'Public Good Assessment' that receive 'Public Good Clearance'	New measure	90%	90%

## Policy Advice MCOA (M2)

### *Scope of Appropriation*

#### **Agriculture and Forestry Policy Advice**

This output class is limited to policy advice, developing and administering legislation, communication, and implementation on economic, environmental and social matters affecting land based sectors, and ministerial servicing.

#### **Animal Welfare Policy Advice**

This output class is limited to policy advice and analysis on animal welfare, and ministerial servicing.

#### **Climate Change Policy Advice**

This output class is limited to policy advice, developing and administering legislation, communication, and implementation on climate change matters affecting land based sectors, and ministerial servicing.

### *Explanation for Use of Multi-Class Output Expense Appropriation*

This multi-class output expense appropriation contains output classes that contribute to the sustainable development of New Zealand's biological resources.

### *Expenses and Revenue*

	2010/11		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
<b>Total Appropriation</b>	36,794	(393)	36,401
Agriculture and Forestry Policy Advice	20,187	4,911	25,098
Animal Welfare Policy Advice	750	94	844
Climate Change Policy Advice	15,857	(5,398)	10,459
<b>Revenue from Crown</b>	36,194	(191)	36,003
Agriculture and Forestry Policy Advice	19,857	4,920	24,777
Animal Welfare Policy Advice	750	92	842
Climate Change Policy Advice	15,587	(5,203)	10,384
<b>Revenue from Other</b>	600	(202)	398
Agriculture and Forestry Policy Advice	330	(9)	321
Animal Welfare Policy Advice	-	2	2
Climate Change Policy Advice	270	(195)	75

*Reasons for Change in Appropriation*

This appropriation will decrease by \$393,000 to \$36.401 million in 2010/11. This is due to: a reallocation of revenue Crown funded resources between output expenses (\$510,000); an expense transfer to 2011/12 for the Heads of Agreement Mitigation Partnership (\$2.078 million); an expense transfer to 2011/12 for negotiation of free trade or closer economic partnership agreements (FTA/CEP negotiations) (\$300,000); transfer of funding to non-departmental other expense Adverse Climatic Events to 'top up' the Adverse Events Contingency fund (\$200,000); an expense transfer to 2011/12 for Global Research Alliance initiative (\$100,000); and a decrease in third party funded activity (\$242,000). These changes are offset by: an increase in Government Superannuation Fund employer contributions from 6% to 10.7% funded from revenue Crown (\$62,000); an expense transfer from 2009/10 to meet cost of amalgamation of New Zealand Food Safety Authority (\$250,000); an expense transfer from 2009/10 for Forestry Sector Strategy (NZ Wood) (\$600,000); an expense transfer from 2009/10 for FTA/CEP negotiations (\$300,000); funding from Vote Foreign Affairs for FTA/CEP negotiations (\$210,000); funding from Vote Treaty Negotiations for research on erosion in the Waipau River catchment (\$75,000); a transfer of funding from the non-departmental other expense Global Research Alliance on Agricultural Green House Gases to operate the Global Research Alliance ie, provide the Secretariat function and coordinate New Zealand's input as a member country across agencies and the science sector (\$800,000); an expense transfer from 2009/10 to implement a range of initiatives in the Sustainable Land Management and Climate Change: A Preferred Plan of Action (\$700,000); and increase in services to other public sector agencies (\$40,000).

*Output Performance Measures and Standards*

Performance Measures	2010/11		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
<b>Agriculture and Forestry Policy Advice</b>			
<i>Development and Provision of Agriculture, Horticulture and Forestry-related Policy Advice</i>			
Number of policy papers provided to Cabinet	New measure	60-70	60-70
It is important to receive an independent assessment of the quality of MAF's policy advice and MAF will submit a sample of work for review by the Institute of Economic Research (NZIER) once a year			
NZIER's mean rating of MAF policy advice on scale of 1-10	New measure	7	7
The Cabinet Office Manual stipulates that "an executive summary must be provided if a paper is more than 4 pages long, or the paper is particularly complex."			
Percentage of MAF Cabinet papers that include summaries when required by the Cabinet Office	New measure	100%	100%
The government requires that regulatory proposals are subject to impact analysis to ensure any proposed regulation is in the public interest. MAF therefore needs to ensure its regulatory advice meets standards of best practise and demonstrates this in the development of regulatory impact statements. Only significant Regulatory Impact Statements are assessed by Treasury			
Percentage of MAF Regulatory Impact Statements assessed by Treasury that meet the regulatory assessment requirements	New measure	100%	100%

	2010/11		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
<b>Performance Measures</b>			
Complaints about the quality of MAF's regulations can be made to the Parliamentary Regulations Review Committee which can, if substantiated, make recommendations to the House under standing orders for changes to MAF's regulations			
Percentage of MAF regulations which the Review Committee considers follows good practice and that are not brought to the attention of the House in accordance with Standing Orders	New measure	100%	100%
The Cabinet Office measures the timeliness and 'structural quality' (length and presence of summaries) of all papers that are submitted to Cabinet or Cabinet Committees. They provide agencies with analysis of how their performance compares to overall averages			
Percentage of MAF Cabinet papers deemed to meet Cabinet Office report back deadlines	New measure	95%	95%
<b>Animal Welfare Policy Advice</b>			
<a href="#">Research to support the development of animal welfare standards</a>			
Number of animal welfare projects completed	New measure	4	4
<a href="#">Development of Codes of Welfare under the Animal Welfare Act 1999</a>			
The National Animal Welfare Advisory Committee (NAWAC) members rate the quality of administrative support and scientific policy and legal advice provided by MAF as 3 or better on a scale of 1 to 5 (where 1 represents poor performance and 5 represents excellent)	New measure	3	3
<b>Coordination of the Sanitary and Phytosanitary (SPS) Chapter Components of Free Trade Agreement (FTA) Negotiations</b>			
Percentage of papers and advice relating to the coordination of the SPS components of the free trade agreement negotiations that are provided within agreed timeframes	New measure	100%	100%
<b>Provision of Input into Briefings and Participation in the Negotiation of Non-sanitary and Phytosanitary Components of Free Trade Agreements</b>			
Percentage of papers and advice relating to the coordination of the non-SPS components of the free trade agreement negotiations that are provided within agreed timeframes	New measure	100%	100%
<b>Input into Briefing, and participation in the Negotiation and Regular Sessions of the World Trade Organisation (WTO)</b>			
Percentage of papers and advice relating to the WTO negotiations/committees that are provided within agreed timeframes	New measure	100%	100%

## Support Services and Infrastructure to Other Agencies RDA (M2)

### *Scope of Appropriation*

This appropriation is limited to the provision of support services to other agencies, including financial, personnel and information technology services and subleasing of surplus accommodation.

### *Reasons for Change in Appropriation*

This appropriation will decrease by \$10.180 million to \$1.350 million in 2010/11 due to the amalgamation of New Zealand Food Safety Authority with Ministry of Agriculture and Forestry.

## Part 2.2 - Non-Departmental Output Expenses

### Climate Change Research (M2)

### *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.

### *Reasons for Change in Appropriation*

This appropriation will increase by \$500,000 to \$8.600 million in 2010/11 due to an expense transfer from 2009/10 to meet contractual commitments for research programmes that span financial years.

### Management of Crown Forestry Assets (M35)

### *Scope of Appropriation*

Payments for forest and asset management of Crown forests established on both Crown-Owned and leased Māori land and 13 leases of Crown-Owned land to other parties for forestry purposes.

### *Reasons for Change in Appropriation*

This appropriation will increase by \$8.622 million to \$98.715 million in 2010/11. This increase is due to changes in forest management plans and harvesting strategies during the year (\$9.001 million) offset by transfer of Wairakei Forest operations to Land Information New Zealand (Vote Lands) (\$219,000) and operating to capital swap to fund the construction of a bridge over the Oponae Stream for harvesting in Oponae forest in the Eastern Bay of Plenty (\$160,000).

## Support for Walking Access (M2)

### *Scope of Appropriation*

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

### *Output Performance Measures and Standards*

Performance Measures	2010/11		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
<b>National walking access strategy</b>			
The National Walking Access Strategy aims to promote and encourage public access on foot and is being developed in consultation with key stakeholders			
Finalised strategy distributed to national and regional stakeholders by 30 December 2010	New measure	Completed	Completed
<b>Forums</b>			
Number of regional forums held during year	New measure	4-5	4-5
<b>Walking Access Mapping System</b>			
Walking Access Mapping System online and operational by 30 January 2011	New measure	Completed	Completed
<b>Access Opportunities</b>			
Number of general enquiries received during year	New measure	5-25	5-25
Percentage of enquiries for information responded to within 10 working days	New measure	100%	100%
<b>Enhanced Access Fund</b>			
Number of Enhanced Access Fund funding rounds held during year	New measure	1	1
<b>Awareness and Education</b>			
Finalised Outdoor Access Code distributed to all key recreational and landowners groups by 30 September 2010	New measure	Completed	Completed

## Part 3 - Details for Benefits and Other Unrequited Expenses

### Part 3.2 - Non-Departmental Benefits and Other Unrequited Expenses

#### **Rural Veterinarians Bonding Scheme (M2)**

##### *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.

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

This appropriation will decrease by \$500,000 to \$600,000 in 2010/11 due to lower than expected uptake of the voluntary bonding scheme.

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

### Part 5.2 - Non-Departmental Other Expenses

#### Adverse Climatic Events (M2)

##### *Scope of Appropriation*

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

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

This appropriation will increase by \$325,000 to \$851,000 in 2010/11. This increase is due to a transfer of funding from departmental output expense Policy Advice MCOA to 'top up' the Adverse Events Contingency fund (\$200,000) and an expense transfer from 2009/10 for grants to rural support trusts (\$125,000).

#### Afforestation Grant Scheme (M35)

##### *Scope of Appropriation*

This appropriation is limited to Afforestation Grant Scheme grants.

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

This appropriation will decrease by \$1.895 million to \$5.759 million in 2010/11. Expense transfers are required to align the appropriation across financial years to cover contractual commitments for grants payable upon completion of approved work programmes. Expense transfers of \$125,000 from 2009/10 and \$2.020 million to 2011/12 were required.

#### Community Irrigation Fund and Schemes (M2)

##### *Scope of Appropriation*

This appropriation is limited to Community Irrigation Fund grants and operating and maintaining Crown irrigation schemes.

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

This appropriation will increase by \$469,000 to \$2.095 million in 2010/11. The increase is due to the decision to widen the eligibility and assessment criteria of the Community Irrigation Fund and redistribute funding between financial years.

*Expected Results*

	2010/11		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Maintain a council adoption rate of 75% for CIF funded water strategies	New measure	Achieved	Achieved
Maintain progression rate of 70% for CIF and investor funded proposals to the detailed engineering stage	New measure	Achieved	Achieved
Maintain progression rate of 75% for CIF funded designs to the building and completion stage	New measure	Achieved	Achieved

**East Coast Afforestation Grants (M35)***Scope of Appropriation*

This appropriation is limited to grants under the Forestry (East Coast) Grants Regulations 1992.

*Reasons for Change in Appropriation*

This appropriation will decrease by \$786,000 to \$3.714 million in 2010/11. The decrease is due to: transfer of funding to 2011/12 to meet the cost of a planting programme by Ngāti Porou Forests Ltd deferred until the winter of 2011; a forecast increase in demand for grants following the decision by the Gisborne District Council to bring in a land use rule that requires treatment of severely eroding country; and increasing interest in growing forests for carbon credits.

**Global Research Alliance on Agricultural Greenhouse Gases (M2)***Scope of Appropriation*

This appropriation is limited to the Global Research Alliance on Agricultural Greenhouse Gases.

*Reasons for Change in Appropriation*

This appropriation will decrease by \$906,000 to \$4.094 million in 2010/11. This is due to: a transfer of funding to departmental output expense Policy Advice MCOA for MAF to operate the Global Research Alliance ie, provide the Secretariat function and coordinate New Zealand's input as a member country across agencies and the science sector (\$800,000); and an expense transfer to 2011/12 for delays in implementation of this initiative in its first year (\$500,000). These changes are offset by the carry forward of funding reprioritised in 2009/10 for the establishment of the Alliance (\$360,000) and a funding contribution from the USA (\$34,000).



*Expected Results*

	2010/11		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Host a meeting in New Zealand for agricultural Ministers from all of the 31 Alliance member countries to agree an operating charter by June 2011	New measure	Completed	Completed
The Minister rates the effectiveness of the Alliance Ministers meeting as a 4 or better on a scale of 1 to 5 (where 1 represents poor and 5 represents excellent)	New measure	4	4
The Minister rates progress of the Alliance against agreed objectives as 4 or better on a scale of 1 to 5 where 1 represents poor and 5 represents excellent	New measure	4	4

**Hill Country Erosion Fund (M2)***Scope of Appropriation*

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

*Reasons for Change in Appropriation*

This appropriation will increase by \$200,000 to \$3.300 million in 2010/11 due to an expense transfer from 2009/10. Expense transfers are required to align the appropriation across financial years to cover contractual commitments for grants payable upon completion of approved work programmes.

**Primary Growth Partnership (M2)***Scope of Appropriation*

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 Centre for Agricultural Greenhouse Gas Research.

*Reasons for Change in Appropriation*

This appropriation will decrease by \$32.204 million to \$24.221 million in 2010/11. Expense transfers are required to align the appropriation across financial years to cover contractual commitments for grants payable against approved work programmes and ensure all funding is available for allocation by the Investment Advisory Panel. Expense transfers of \$4.100 million from 2009/10 and \$36.304 million to 2011/12 were required.

## Subscriptions to International Organisations (M2)

### *Scope of Appropriation*

This appropriation is limited to New Zealand's membership of agricultural and forestry related international organisations.

### *Reasons for Change in Appropriation*

This appropriation will decrease by \$403,000 to \$1.925 million in 2010/11 due to an improvement in exchange rates upon payment of annual contribution to the Food and Agriculture Organisation of United Nations payable in US\$ and Euro.

### *Expected Results*

	2010/11		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Percentage of subscription payments made to international organisations within timeframes to ensure MAF retains membership of international organisations	New measure	100%	100%

## Sustainable Farming Fund (M2)

### *Scope of Appropriation*

This appropriation is limited to community driven programmes aimed at improving economic and environmental performance.

### *Reasons for Change in Appropriation*

This appropriation will decrease by \$224,000 to \$8.976 million in 2010/11. Expense transfers are required to align the appropriation across financial years to cover contractual commitments for grants payable upon completion of project milestones. Expense transfers of \$626,000 from 2009/10 and \$850,000 to 2011/12 were required.

## Part 6 - Details and Expected Results for Capital Expenditure

### Part 6.1 - Departmental Capital Expenditure

#### Ministry of Agriculture and Forestry - Capital Expenditure PLA (M2)

##### *Scope of Appropriation*

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

##### *Capital Expenditure*

	2010/11		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	9,714	286	10,000
Intangibles	25,685	(15,685)	10,000
Other	850	(850)	-
<b>Total Appropriation</b>	<b>36,249</b>	<b>(16,249)</b>	<b>20,000</b>

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

Departmental capital expenditure is projected to fall in 2010/11 by \$16.249 million to \$20 million mainly due to delays in the design and development of: the National Animal Identification Traceability (NAIT) system (\$7.020 million); a wine electronic certification system (\$950,000); the Joint Border Management System (JBMS) with New Zealand Customs (\$4.477 million); and a system for trans-Tasman transfer of x-ray images of checked-in baggage (\$2 million). Capital injections for these projects have been transferred from 2010/11 to 2011/12.

### Part 6.2 - Non-Departmental Capital Expenditure

#### Crown Forestry Asset Management (M35)

##### *Scope of Appropriation*

This appropriation is limited to forestry operations, management services, research and related forest asset expenditure.

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

This \$340,000 appropriation is for the construction of a bridge over the Oponae Stream for harvesting in Oponae forest in the Eastern Bay of Plenty. This was financed from the carry forward of capital funding from 2009/10 (\$180,000) and transfer from non-departmental output expense Management of Crown Forestry Assets (\$160,000).