

# *Vote Primary Industries*

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APPROPRIATION MINISTER(S): Minister for Primary Industries (M87)

APPROPRIATION ADMINISTRATOR: Ministry for Primary Industries

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

# Summary of the Vote

## Overview

The Minister for Primary Industries is responsible for appropriations in the Vote for the 2014/15 financial year covering:

- a total of nearly \$137 million (22% of the Vote) on the departmental output expense for the development and implementation of policy advice
- a total of just over \$158 million (25% of the Vote) on departmental output expenses for border and domestic biosecurity risk management
- a total of nearly \$25 million (4% of the Vote) on departmental output expenses for implementation of the Emissions Trading Scheme and indigenous forestry provisions of the Forests Act 1949, administration of grants and programmes, animal welfare education and enforcement, and administration and management of Crown forestry assets
- a total of nearly \$111 million (18% 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
- a total of \$1.650 million for the operation of the Rural Veterinarians Bonding Scheme
- a total of just over \$123 million (20% 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
- a total of nearly \$73 million (11% of the Vote) for capital expenditure including \$40 million investment in Crown Irrigation Investments Ltd.

## Crown Revenue and Capital Receipts

The Ministry for Primary Industries expects to collect nearly \$139 million of Crown revenue and capital receipts in 2014/15, made up as follows:

- a total of over \$100 million for the sale of logs from Crown forests
- a total of just over \$31 million in cost recoveries from the fishing industry
- a total of over \$2 million from forestry encouragement loan interest and loan repayments
- a total of nearly \$2 million in fines imposed under the Biosecurity Act 1993 and Fisheries Act 1996
- a total of \$750,000 from the Emissions Trading Scheme fees and levies payable under the Dairy Industry Restructuring Act 2001
- a total of nearly \$3 million from other revenue, including deemed values applied to catch in excess of fishing quota and forfeitures for fisheries offences.

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

# Estimates of Appropriations

## Details of Appropriations and Capital Injections

### Annual and Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Departmental Output Expenses</b>			
<b>Administration and Management of Crown Forestry Assets (M87)</b> This appropriation is limited to administration and management of the Crown's interest in forests and forestry-related assets.	1,628	1,622	1,607
<b>Administration of Grants and Programmes (M87)</b> This appropriation is limited to the administration of government approved schemes, grants and assistance to the land-based sectors.	8,417	8,400	6,460
<b>Animal Welfare Education and Enforcement (M87)</b> This appropriation is limited to education and enforcement intended to improve animal welfare in New Zealand.	4,021	4,010	3,941
<b>Implementation of the Emissions Trading Scheme and Indigenous Forestry (M87)</b> 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.	13,212	12,893	12,546
<b>Border Biosecurity Risk Management MCOA (M87)</b>	97,783	96,762	-
<i>Border Biosecurity Monitoring and Clearance</i> This output class is limited to biosecurity monitoring and clearance programmes that manage the biosecurity risk associated with international trade and travel.	81,364	80,396	-
<i>Border Biosecurity Systems Development and Maintenance</i> This output class is limited to the development and maintenance of standards and systems that manage biosecurity risk associated with imports and exports.	16,419	16,366	-
<b>Development of Policy Advice MCOA (M87)</b>	67,952	67,814	-
<i>Agriculture and Forestry Policy Advice</i> This output class 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.	24,645	24,574	-
<i>Biosecurity Policy Advice</i> This output class 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.	3,430	3,418	-
<i>Fisheries Policy Advice</i> This output class 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.	4,343	4,326	-
<i>Operational Advice on Sustainability and Management Controls in Fisheries</i> This output class is limited to operational 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 operational advice on sustainability and management controls for New Zealand's fisheries.	35,534	35,496	-

Titles and Scopes of Appropriations by Appropriation Type	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Domestic Biosecurity Risk Management MCOA (M87)</b>	57,989	57,841	-
<i>Biosecurity Incursion Response and Long Term Pest Management</i> This output class is limited to the assessment, containment and possible eradication of suspected risk organisms within New Zealand.	32,618	32,521	-
<i>Domestic Biosecurity Surveillance</i> This output class is limited to domestic surveillance activities.	25,371	25,320	-
<b>Implementation of Policy Advice MCOA (M87)</b>	67,514	64,833	-
<i>Aquaculture</i> This output class is limited to implementing, supporting and monitoring the aquaculture strategy, and ministerial servicing.	2,397	2,255	-
<i>Fisheries Enforcement and Monitoring</i> This output class is limited to informing, assisting, directing and enforcing adherence to New Zealand fisheries laws, and ministerial servicing.	38,558	38,118	-
<i>Fisheries Management</i> This output class is limited to implementing ministerial decisions on sustainability and management controls for New Zealand fisheries, and ministerial servicing.	9,456	7,553	-
<i>Implementation of Agriculture and Forestry Policy Advice</i> This output class 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.	12,657	12,518	-
<i>Implementation of Biosecurity Policy Advice</i> This output class is limited to implementing policy decisions, operational policy, and administering legislation relating to biosecurity matters, and ministerial servicing.	4,446	4,389	-
<b>Total Departmental Output Expenses</b>	318,516	314,175	24,554
<b>Departmental Capital Expenditure</b>			
<b>Ministry for Primary Industries - Capital Expenditure PLA (M87)</b>	20,395	17,467	33,100
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.			
<b>Total Departmental Capital Expenditure</b>	20,395	17,467	33,100
<b>Non-Departmental Output Expenses</b>			
<b>Climate Change Research (M87)</b>	7,819	7,319	5,000
This appropriation is limited to obtaining science, research, technology, capacity and capability in climate change related to the primary land-based sectors.			
<b>Control of TB Vectors (M87)</b>	30,000	28,500	30,000
This appropriation is limited to the Crown's contribution to the implementation of the National Bovine Tuberculosis Pest Management Strategy.			
<b>Management of Crown Forestry Assets (M87)</b>	107,985	102,985	73,927
This appropriation is limited to the purchase of forestry operations, management services, research and related forest asset expenditure.			
<b>Support for Walking Access (M87)</b>	1,789	1,789	1,789
This appropriation is limited to the operation of the New Zealand Walking Access Commission.			
<b>Total Non-Departmental Output Expenses</b>	147,593	140,593	110,716

Titles and Scopes of Appropriations by Appropriation Type	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Benefits and Other Unrequited Expenses</b>			
<b>Rural Veterinarians Bonding Scheme (M87)</b> 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.	1,453	1,453	1,650
<b>Total Benefits and Other Unrequited Expenses</b>	1,453	1,453	1,650
<b>Non-Departmental Other Expenses</b>			
<b>Adverse Climatic Events (M87)</b> 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.	526	250	526
<b>Aquaculture Settlements (M87)</b> This appropriation is limited to the recognition of settlements negotiated under the Māori Aquaculture Commercial Claims Settlement Act 2004.	62,848	39,000	9,500
<b>Fisheries Quota Shares and ACE Administration Costs (M87)</b> This appropriation is limited to the administration of the sale of Crown Quota Shares and Annual Catch Entitlement (ACE).	24	5	24
<b>Hill Country Erosion Fund (M87)</b> This appropriation is limited to projects that protect erosion-prone hill country.	2,200	2,000	2,200
<b>Provision for Fisheries Debt Write Downs (M87)</b> This appropriation is limited to commercial fishing sector quota holder debt write-offs.	1,000	590	711
<b>Response to the Kiwifruit disease <i>Pseudomonas Syringae</i> pv. <i>Actinidiae</i> (M87)</b> This appropriation is limited to supporting an industry-led programme for the kiwifruit disease <i>pseudomonas syringae</i> pv. <i>actinidiae</i> .	3,629	1,429	450
<b>Subscriptions to International Organisations (M87)</b> This appropriation is limited to New Zealand's membership of primary industry-related international organisations.	3,408	2,700	3,208
<b>Sustainable Farming Fund (M87)</b> This appropriation is limited to community driven programmes aimed at improving economic and environmental performance.	8,941	6,341	8,600
<b>Afforestation Grants Scheme (M87)</b> This appropriation is limited to Afforestation Grant Scheme grants.	866	866	-
<b>Community Irrigation Fund and Schemes (M87)</b> This appropriation is limited to Community Irrigation Fund grants and operating and maintaining Crown irrigation schemes.	547	430	-
<b>Total Non-Departmental Other Expenses</b>	83,989	53,611	25,219
<b>Non-Departmental Capital Expenditure</b>			
<b>Crown Forestry Assets (M87)</b> This appropriation is limited to capital expenditure on Crown forests, including roading, bridges, fencing and fire equipment.	-	-	500
<b>Crown Irrigation Investments Limited (M87)</b> This appropriation is limited to the Crown's investment in Crown Irrigation Investments Limited.	80,000	4,900	-
<b>Total Non-Departmental Capital Expenditure</b>	80,000	4,900	500

Titles and Scopes of Appropriations by Appropriation Type	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Multi-Category Expenses and Capital Expenditure</b>			
<b>Border Biosecurity Risk Management MCA (M87)</b> The overarching purpose of this appropriation is to provide operational policy advice and other support to Ministers in discharging their operational policy decision-making and other portfolio responsibilities with regards to border biosecurity risk management.	-	-	<b>98,137</b>
<i>Departmental Output Expenses</i>			
<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.	-	-	81,823
<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.	-	-	16,314
<b>Development of Policy Advice MCA (M87)</b> The overarching purpose of this appropriation is to provide policy advice to Ministers in discharging their policy decision-making responsibilities.	-	-	<b>66,226</b>
<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.	-	-	26,161
<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.	-	-	3,199
<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.	-	-	4,220
<i>Operational Advice on Sustainability and Management Controls in Fisheries</i> This category is limited to operational 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 operational advice on sustainability and management controls for New Zealand's fisheries.	-	-	32,646
<b>Domestic Biosecurity Risk Management MCA (M87)</b> The overarching purpose of this appropriation is to provide operational policy advice and other support to Ministers in discharging their operational policy decision-making and other portfolio responsibilities with regards to domestic biosecurity risk management.	-	-	<b>60,125</b>
<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 risk organisms within New Zealand.	-	-	33,999
<i>Domestic Biosecurity Surveillance</i> This category is limited to domestic surveillance activities.	-	-	26,126

Titles and Scopes of Appropriations by Appropriation Type	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Implementation of Policy Advice MCA (M87)</b>	-	-	<b>70,256</b>
The overarching purpose of this appropriation is to provide operational policy advice and other support to Ministers in discharging their operational policy decision-making and other portfolio responsibilities.			
<i>Departmental Output Expenses</i>			
<i>Aquaculture</i>	-	-	3,841
This category is limited to implementing, supporting and monitoring the aquaculture strategy, and ministerial servicing.			
<i>Fisheries Enforcement and Monitoring</i>	-	-	36,517
This category is limited to informing, assisting, directing and enforcing adherence to New Zealand fisheries laws, and ministerial servicing.			
<i>Fisheries Management</i>	-	-	9,637
This category is limited to implementing ministerial decisions on sustainability and management controls for New Zealand fisheries, and ministerial servicing.			
<i>Implementation of Agriculture and Forestry Policy Advice</i>	-	-	15,708
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.			
<i>Implementation of Biosecurity Policy Advice</i>	-	-	4,553
This category is limited to implementing policy decisions, operational policy, and administering legislation relating to biosecurity matters, and ministerial servicing.			
<b>Total Multi-Category Expenses and Capital Expenditure</b>	-	-	<b>294,744</b>
<b>Total Annual and Permanent Appropriations</b>	<b>651,946</b>	<b>532,199</b>	<b>490,483</b>

## Multi-Year Appropriations

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
<b>Non-Departmental Other Expenses</b>		
<b>East Coast Afforestation Grants (M87)</b>	Original Appropriation	18,460
This appropriation is limited to grants under the Forestry (East Coast) Grants Regulations 2000.	Adjustments to 2012/13	-
Commences: 01 July 2013	Adjustments for 2013/14	4,495
Expires: 30 June 2017	Adjusted Appropriation	22,955
	Actual to 2012/13 Year End	-
	Estimated Actual for 2013/14	5,950
	Estimated Actual for 2014/15	3,446
	Estimated Appropriation Remaining	13,559

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
<b>Global Research Alliance on Agricultural Greenhouse Gases (M87)</b> This appropriation is limited to the Global Research Alliance on Agricultural Greenhouse Gases. Commences: 01 July 2012 Expires: 30 June 2016	Original Appropriation Adjustments to 2012/13 Adjustments for 2013/14 Adjusted Appropriation Actual to 2012/13 Year End Estimated Actual for 2013/14 Estimated Actual for 2014/15 Estimated Appropriation Remaining	38,253 442 (9,410) 29,285 1,955 9,284 7,892 10,154
<b>Primary Growth Partnership (M87)</b> 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 Adjustments to 2012/13 Adjustments for 2013/14 Adjusted Appropriation Actual to 2012/13 Year End Estimated Actual for 2013/14 Estimated Actual for 2014/15 Estimated Appropriation Remaining	352,380 1,371 (27,000) 326,751 36,729 55,805 77,476 156,741
<b>Water Storage and Irrigation Investment Proposals (M87)</b> This appropriation is limited to preparation of proposals for irrigation schemes to an investment ready stage. Commences: 01 July 2012 Expires: 30 June 2016	Original Appropriation Adjustments to 2012/13 Adjustments for 2013/14 Adjusted Appropriation Actual to 2012/13 Year End Estimated Actual for 2013/14 Estimated Actual for 2014/15 Estimated Appropriation Remaining	32,500 725 - 33,225 5,994 9,006 9,000 9,225
<b>Non-Departmental Capital Expenditure</b>		
<b>Crown Irrigation Investments Limited (M87)</b> This appropriation is limited to the Crown's investment in Crown Irrigation Investments Limited. Commences: 01 July 2014 Expires: 30 June 2018	Original Appropriation Adjustments to 2012/13 Adjustments for 2013/14 Adjusted Appropriation Actual to 2012/13 Year End Estimated Actual for 2013/14 Estimated Actual for 2014/15 Estimated Appropriation Remaining	40,000 - - 40,000 - - 40,000 -



# Supporting Information

## Part 1 - Vote as a Whole

### 1.1 - New Policy Initiatives

Policy Initiative	Appropriation	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Implement recommendations of 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	Implementation of Policy Advice MCA Departmental Output Expense Implementation of Agriculture and Forestry Policy Advice	-	2,215	2,960	4,147	4,147
Sale of West Coast Plantation Forests to landowner Ngāi Tahu Forest Estates Limited on 30 April 2014 consistent with government policy to exit from commercial forestry activity on commercial terms	Non-Departmental Output Expense Management of Crown Forestry Assets	(3,153)	(20,071)	(20,729)	(21,387)	(21,391)
Investment in Crown Irrigation Investments Limited	Non-Departmental Capital Expenditure Crown Irrigation Investments Ltd MYA	-	40,000	-	-	-
National Biocontainment Facility	Domestic Biosecurity Risk Management MCA Departmental Output Expense Domestic Biosecurity Surveillance	-	-	4,837	4,894	6,659
	Non-Departmental Other Expense Primary Growth Partnership MYA	-	(7,000)	(9,000)	(9,000)	-
	Non-Departmental Output Expense Climate Change Research	-	-	(500)	(4,950)	(4,550)
	Ministry for Primary Industries - Capital Injection	-	-	18,610	-	-
Kauri Dieback programme	Domestic Biosecurity Risk Management MCA Departmental Output Expense Biosecurity Incursion Response and Long Term Pest Management	-	1,229	1,229	1,229	1,229

## 1.2 - Trends in the Vote

### Summary of Financial Activity

	2009/10	2010/11	2011/12	2012/13	2013/14		2014/15			2015/16	2016/17	2017/18
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Budgeted \$000	Estimated Actual \$000	Departmental Transactions Budget \$000	Non- Departmental Transactions Budget \$000	Total Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
<b>Appropriations</b>												
Output Expenses	165,513	159,739	162,675	159,391	174,871	167,518	24,554	110,716	135,270	100,266	97,120	97,096
Benefits or Related Expenses	461	600	736	1,399	1,453	1,453	N/A	1,650	1,650	1,650	1,650	1,650
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	28,314	54,720	73,823	66,688	164,034	133,656	-	123,033	123,033	134,784	101,233	87,813
Capital Expenditure	10,184	20,833	19,971	16,259	100,395	22,367	33,100	40,500	73,600	36,710	18,100	18,100
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Multi-Category Expenses and Capital Expenditure (MCA)												
<i>Output Expenses</i>	270,042	271,319	262,996	270,105	291,238	287,250	294,744	-	294,744	305,047	298,749	296,701
<i>Other Expenses</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Capital Expenditure</i>	-	-	-	-	-	-	N/A	-	-	-	-	-
<b>Total Appropriations</b>	474,514	507,211	520,201	513,842	731,991	612,244	352,398	275,899	628,297	578,457	516,852	501,360
<b>Crown Revenue and Capital Receipts</b>												
Tax Revenue	167,672	165,817	161,021	169,320	185,039	185,164	N/A	-	-	-	-	-
Non-Tax Revenue	5,424	6,240	18,909	4,151	17,054	17,054	N/A	137,165	137,165	122,666	117,515	117,204
Capital Receipts	-	-	-	-	-	-	N/A	1,756	1,756	1,686	1,686	1,686
<b>Total Crown Revenue and Capital Receipts</b>	173,096	172,057	179,930	173,471	202,093	202,218	N/A	138,921	138,921	124,352	119,201	118,890

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.

## Adjustments to the Summary of Financial Activity Table due to Vote Restructuring

	2009/10 Adjustments \$000	2010/11 Adjustments \$000	2011/12 Adjustments \$000	2012/13 Adjustments \$000	2013/14 Budgeted Adjustments \$000	2013/14 Estimated Actual Adjustments \$000
<b>Appropriations</b>						
Output Expenses	(270,042)	(271,319)	(262,996)	(270,105)	(291,238)	(287,250)
Benefits or Related Expenses	-	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-
Capital Expenditure	-	-	-	-	-	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-
Multi-Category Expenses and Capital Expenditure (MCA)						
<i>Output Expenses</i>	270,042	271,319	262,996	270,105	291,238	287,250
<i>Other Expenses</i>	-	-	-	-	-	-
<i>Capital Expenditure</i>	-	-	-	-	-	-
<b>Total Appropriations</b>	-	-	-	-	-	-
<b>Crown Revenue and Capital Receipts</b>						
Tax Revenue	-	-	-	-	-	-
Non-Tax Revenue	-	-	-	-	-	-
Capital Receipts	-	-	-	-	-	-
<b>Total Crown Revenue and Capital Receipts</b>	-	-	-	-	-	-

The prior year information in the Summary of Financial Activity table has been restated to reflect the current Vote structure that provides for establishment of multi-category appropriations from 2014/15.

### 1.3 - Analysis of Significant Trends

Vote Primary Industries was formed on 1 July 2012 by combining Vote Biosecurity, Vote Fisheries and Vote Agriculture and Forestry.

Significant changes in appropriations, which are detailed in the Summary of Financial Activity table above, are discussed briefly below.

#### *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.

Changes in output expenses also reflect decisions by the Government on outputs that are revenue Crown-funded. Putting aside the effect of expense transfers, the significant baseline changes are:

- realise efficiency savings of \$13.500 million from 2012/13 from the merger of the New Zealand Food Safety Authority and Ministry of Agriculture and Forestry in 2010/11 and subsequent merger of Ministry of Fisheries in 2011/12 to form the Ministry for Primary Industries, and removal of central funding for employer superannuation contributions
- retention of 2012/13 underspends (\$19.258 million) to meet staff remuneration cost pressures in 2014/15 (\$5.422 million), 2015/16 (\$9.155 million), and 2016/17 (\$4.681 million).

### *Non-Departmental Output Expenses*

The decrease in Management of Crown Forestry expenditure from 2014/15 reflects the sale of West Crown Forestry Sale of West Coast plantation forests to landowner Ngāi Tahu Forest Estates Limited on 30 April 2014 consistent with government policy to exit from commercial forestry activity on commercial terms. Crown forestry expenditure and revenue forecasts also reflect prevailing management plans, harvesting strategies and log prices.

Baseline funding for Control of Tb vectors reduces from \$30 million to \$7.256 million from 2015/16.

Uncommitted funding for Climate Change Research of \$10 million over three years: 2013/14 (\$2 million); 2014/15 (\$3.750 million); and 2015/16 (\$4.250 million), was returned to the Crown in Budget 2013 for reinvestment in higher priority areas.

### *Non-Departmental Other Expenses*

The increase in other expenses from 2009/10 to 2012/13 was mainly due to: the staged implementation of the Primary Growth Partnership new initiative; the Crown's contribution towards an industry-led programme for the kiwifruit disease *Pseudomonas syringae* pv. *actinidiae* (Psa) and funding provided in Budget 2011 to support the development of irrigation infrastructure proposals to the 'investment-ready' prospectus stage.

The budgeted increase in other expenses in 2013/14 is mainly due to the decision in Budget 2012 to appropriate \$74.500 million for settlement of the Crown's aquaculture new space obligations to iwi.

### *Departmental Capital Expenditure*

Over the period 2009/10 to 2013/14, the Ministry was provided with capital funding of nearly \$17 million to: develop New Zealand FarmsOnline application (\$3 million); develop the Joint Border Management System with New Zealand Customs Service (\$4 million); develop a National Animal Identification and Traceability application (\$7 million); develop wine e-certification capability (\$1 million); implement the trans-Tasman transfer of x-ray images of checked-in baggage initiative (\$2 million), develop wine e-certification capability (\$1 million).

The most significant capital expenditure for the Ministry, over the period 2014/15 to 2017/18, will be the construction of a new National Biocontainment Facility to meet updated biocontainment standards and provide greater functionality and capacity. The budgeted capital expenditure for 2014/15 includes \$15 million for the National Biocontainment Facility contingent upon final approval of the detailed business case.

### *Non-Departmental Capital Expenditure*

The Walking Access Commission was established in September 2008 and is a Crown entity administered by the Ministry for Primary Industries. From 2008/09 to 2010/11 the Walking Access Commission received capital funding of \$1.150 million.

The Government approved \$80 million in Budget 2013 to facilitate the Crown's investment in regional water storage and off-farm irrigation infrastructure in 2013/14. This funding was appropriated upon the incorporation of Crown Irrigation Investments Limited on 1 July 2013.

### *Crown Revenue and Capital Receipts*

Crown Revenue or Capital Receipt item	2013/14		2014/15	Description of Crown Revenue or Capital Receipt item
	Budgeted \$000	Estimated Actual \$000	Budgeted \$000	
<b>Crown Revenue</b>				
Biosecurity Act Fines	1,600	1,700	1,500	Infringement fines imposed on persons entering New Zealand at ports of entry with undeclared goods, under the Biosecurity Act 1993.
Conservation Levy	1,500	1,500	1,100	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	32,000	32,000	30,000	Revenue from the costs of Government approved fisheries services that are able to be recovered from the commercial fishing sector.
Dairy Industry Levy	667	667	250	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	4,200	4,200	2,500	Revenue forecast to be paid by quota holders who have over-fished.
Fisheries Act Infringement Notices	210	210	150	Revenue relating to the issue of Infringement Notices under the Fisheries Act 1996.
Forestry Encouragement Loan Interest	592	592	510	Interest earned on forestry encouragement loans.
Forfeitures for Fisheries Offences	150	150	150	Revenue from forfeit property, whether by sale or through redemption fees.
New Zealand Emissions Trading Scheme Fees	275	300	500	Fees received from forest landowners joining the New Zealand Emissions Trading Scheme.
Sale of Forest Produce	143,548	143,548	100,355	Revenue from the sale of forest produce from Crown forests.
Sale of Quota Shares & ACE	267	267	100	Revenue from the sale of Crown-owned quota and Annual Catch Entitlement (ACE).
Other Revenue	30	30	50	Miscellaneous revenues.
<b>Capital Receipts</b>				
Forestry Encouragement Loan Repayments	1,756	1,756	1,756	Forestry encouragement loan repayments.
Sale of Crown Forestry Assets	15,298	15,298	-	Proceeds from sale of Crown forestry assets.
<b>Total Crown Revenue and Capital Receipts</b>	<b>202,093</b>	<b>202,218</b>	<b>138,921</b>	

## 1.4 - Reconciliation of Changes in Appropriation Structure

2013/14 Appropriations in the 2013/14 Structure	2013/14 (Current) \$000	Old Structure		New Structure		
		Appropriations to which Expenses (or Capital Expenditure) have been Moved from or to	Amount Moved \$000	2013/14 Appropriations in the 2014/15 Structure	2013/14 (Restated) \$000	2014/15 \$000
Border Biosecurity Risk Management MCOA	97,783	Border Biosecurity Risk Management MCOA	97,783	Border Biosecurity Risk Management MCA	97,783	98,137
Development of Policy Advice MCOA	67,952	Development of Policy Advice MCOA	67,952	Development of Policy Advice MCA	67,952	66,226
Domestic Biosecurity Risk Management MCOA	57,989	Domestic Biosecurity Risk Management MCOA	57,989	Domestic Biosecurity Risk Management MCA	57,989	60,125
Implementation of Policy Advice MCOA	67,514	Implementation of Policy Advice MCOA	67,514	Implementation of Policy Advice MCA	67,514	70,256
Total Changes in Appropriations	291,238		291,238		291,238	294,744

Explanations of the reasons for changing the appropriation structure are noted in the details of each appropriation in Parts 2-4.

## Part 2 - Details of Departmental Appropriations

### 2.1 - Departmental Output Expenses

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

##### *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*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,628	1,622	1,607
Revenue from the Crown	1,592	1,586	1,571
Revenue from Others	36	36	36

##### *What is Intended to be Achieved with this Appropriation*

This appropriation 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.

##### *How Performance will be Assessed and End of Year Reporting Requirements*

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
Number of hectares and percentage of the Crown forestry managed estate surrendered or sold	2,000 (4%)	25,147 (54%)	1,500 (8%)
Average stumpage (net profit) per cubic metre of logs sold	\$35	\$47	\$51
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%

##### *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	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Retention of 2012/13 underspends to meet staff remuneration cost pressures in 2014/15, 2015/16 and 2016/17	2012/13	-	32	104	76	-
Efficiency savings including estimated savings from merger of Ministry of Agriculture and Forestry and Ministry of Fisheries, and allowing for removal of central funding for KiwiSaver and State Sector Retirement Savings Scheme (SSRSS)	2012/13	(69)	(68)	(68)	(68)	(68)

**Administration of Grants and Programmes (M87)***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*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	8,417	8,400	6,460
Revenue from the Crown	8,409	8,392	6,452
Revenue from Others	8	8	8

*What is Intended to be Achieved with this Appropriation*

This appropriation is intended to achieve the effective administration of the Ministry's Grants and Programmes activities.

*How Performance will be Assessed and End of Year Reporting Requirements*

Assessment of Performance	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Percentage of applications processed within agreed standards and timeframes	100%	100%	100%

Note - the grants and programmes administered under this appropriation are:

- Adverse Climatic Events Recovery Assistance
- East Coast Forestry Grants
- Primary Growth Partnership
- Sustainable Farming Fund.



### *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	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Retention of 2012/13 underspends to meet staff remuneration cost pressures in 2014/15, 2015/16 and 2016/17	2012/13	-	108	181	88	-
Efficiency savings including estimated savings from merger of Ministry of Agriculture and Forestry and Ministry of Fisheries, and allowing for removal of central funding for KiwiSaver and State Sector Retirement Savings Scheme (SSRSS)	2012/13	(338)	(335)	(334)	(334)	(334)

### *Reasons for Change in Appropriation*

The \$1.957 million (30%) decrease in this appropriation for 2014/15 is mainly due to expense transfers from 2012/13 to 2013/14 for: Aquaculture Planning Fund; climate change technology transfer programme and the Ministry for Primary Industries organisational transformation programme.

## **Animal Welfare Education and Enforcement (M87)**

### *Scope of Appropriation*

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

### *Expenses and Revenue*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	4,021	4,010	3,941
Revenue from the Crown	4,010	3,999	3,930
Revenue from Others	11	11	11

### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to achieve improvements in the education and enforcement of New Zealand's animal welfare regulatory framework.

*How Performance will be Assessed and End of Year Reporting Requirements*

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
Percentage of complaints received, recorded and responded to within agreed timeframes	95%	95%	95%
By June 2020, MPI aims to reduce the rate of re-offending by 20% from where it was at June 2013	15%	15%	15%
Percentage of the milestones met for the review and development of Codes of Welfare in accordance with the National Animal Welfare Advisory Committee (NAWAC) work programme agreed by the Minister	80%	80%	80%
Percentage of complex investigations completed within legislative requirements and meet prima facie test	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	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Retention of 2012/13 underspends to meet staff remuneration cost pressures in 2014/15, 2015/16 and 2016/17	2012/13	-	109	183	89	-
Efficiency savings including estimated savings from merger of Ministry of Agriculture and Forestry and Ministry of Fisheries, and allowing for removal of central funding for KiwiSaver and State Sector Retirement Savings Scheme (SSRSS)	2012/13	(191)	(190)	(189)	(189)	(189)

**Implementation of the Emissions Trading Scheme and Indigenous Forestry (M87)***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*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	13,212	12,893	12,546
Revenue from the Crown	13,157	12,838	12,491
Revenue from Others	55	55	55

### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to achieve the implementation of regulatory policies that incentivise land-based sustainable economic and environmental outcomes, especially afforestation.

### *How Performance will be Assessed and End of Year Reporting Requirements*

Assessment of Performance	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Percentage of draft sustainable forest management plans and sustainable forest management permit applications processed within 90 days	100%	100%	100%
Percentage of post-harvest inspections comply with harvest limits and management prescriptions under approved Annual Logging Plans	80%	80%	80%
Percentage of registered sawmills inspected comply with Part 3A of the Forests Act 1949 and the Forestry (Indigenous Timber Milling) Regulations	80%	80%	80%
Percentage of applicants that participate in the customer satisfaction survey give the quality of the Ministry for Primary Industries ETS service delivery a rating of at least 4 out of 5 (where 1 represents poor performance and 5 represents excellent performance)	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	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Retention of 2012/13 underspends to meet staff remuneration cost pressures in 2014/15, 2015/16 and 2016/17	2012/13	-	217	364	177	-
Efficiency savings including estimated savings from merger of Ministry of Agriculture and Forestry and Ministry of Fisheries, and allowing for removal of central funding for KiwiSaver and State Sector Retirement Savings Scheme (SSRSS)	2012/13	(426)	(411)	(411)	(411)	(411)

### *Reasons for Change in Appropriation*

The \$666,000 (5%) decrease in appropriation is mainly due to the allocation of budget over financial years for implementation of the Emissions Trading Scheme (\$1.215 million) offset by an expense transfer to 2014/15 for indigenous forestry research (\$200,000) and carry forward of 2012/13 underspend to meet staff remuneration cost pressures in 2014/15 (\$217,000).

## 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*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	8,395	8,467	21,100
Intangibles	12,000	9,000	12,000
Other	-	-	-
<b>Total Appropriation</b>	<b>20,395</b>	<b>17,467</b>	<b>33,100</b>

#### *What is Intended to be Achieved with this Appropriation*

The capital expenditure programme includes: the routine replacement of motor vehicles; replacement of vessels for fisheries compliance activities; upgrading and maintenance of Ministry for Primary Industries buildings, leasehold improvements and laboratories; development and maintenance of IT equipment and information systems.

#### *How Performance will be Assessed and End of Year Reporting Requirements*

Expenditure is in accordance with the Ministry for Primary Industries capital expenditure programme that 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 plan over the next few years is on initiatives already underway including: rationalising ICT infrastructure and associated maintenance costs, including 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.

The most significant capital expenditure for the Ministry, over the period 2014/15 to 2017/18, will be the construction of a new National Biocontainment Facility to meet updated biocontainment standards and provide greater functionality and capacity. The budgeted capital expenditure for 2014/15 includes \$15 million for the National Biocontainment Facility contingent upon final approval of the detailed business case.

#### *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	2013/14 Estimated Actual \$000	2014/15 Projected \$000	Explanation of Projected Movements in 2014/15
Opening Balance	64,062	59,346	
Capital Injections	3,568	-	
Capital Withdrawals	(3,995)	(645)	Part repayment of 2004/05 capital injection for Ministry of Agriculture and Forestry Head Office accommodation.
Surplus to be Retained (Deficit Incurred)	(4,289)	-	
Other Movements	-	-	
<b>Closing Balance</b>	<b>59,346</b>	<b>58,701</b>	

## 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*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	7,819	7,319	5,000

##### *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.

##### *How Performance will be Assessed and End of Year Reporting Requirements*

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
Percentage of funded research projects completed within contracted timeframes	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	2013/14 Budgeted \$000	2013/14 Estimated Actual \$000	2014/15 Budget \$000	Reporting to the House	Expiry of Resourcing Commitment
<b>Crown entities</b>					
Manaaki Whenua Landcare Research New Zealand Ltd	10	10	Unknown	See above	See below
New Zealand Forest Research Institute (Scion)	750	625	Unknown	See above	See below
Massey University	8	8	Unknown	See above	See below
University of Canterbury	250	187	Unknown	See above	See below
University of Otago	465	383	Unknown	See above	See below
AgResearch Ltd	2,394	2,182	Unknown	See above	See below
<b>Non-government organisations</b>					
The Agribusiness Development Group New Zealand Ltd	190	190	Unknown	See above	See below

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

- five contracts due for completion in June 2014
- eleven contracts due for completion in June 2015.

*Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Reprioritisation of funding within Vote Primary Industries to contribute towards cost of a new National Biocontainment Facility	2015/16	-	-	(500)	(4,950)	(4,550)
Funding to Vote Environment for issue of New Zealand units to Permanent Forest Sink Initiative participants	2015/16	-	-	(280)	(280)	(140)
Savings returned to the Crown for reinvestment in higher priority areas	2013/14	(2,000)	(3,750)	(4,250)	-	-
Climate Change Plan of Action reprioritisation of funding to support the implementation of the Emissions Trading Scheme	2010/11	(800)	(1,200)	(1,200)	(1,000)	(1,000)

*Reasons for Change in Appropriation*

The \$2.819 million (56%) decrease in appropriation is mainly due to return of savings to the Crown identified in Budget 2013 (\$1.750 million greater than in 2013/14) and expense transfers from 2012/13 to 2013/14 (\$919,000).

## Control of TB Vectors (M87)

### *Scope of Appropriation*

This appropriation is limited to the Crown's contribution to the implementation of the National Bovine Tuberculosis Pest Management Strategy.

### *Expenses*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	30,000	28,500	30,000

### *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*

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
Percentage of vector control operations completed as specified in the TBfree approved vector control programme	100%	100%	100%
Annual period prevalence of infected cattle and deer herds as a % of herds	0.30%	0.30%	0.30%

### *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	2013/14 Budgeted \$000	2013/14 Estimated Actual \$000	2014/15 Budget \$000	Reporting to the House	Expiry of Resourcing Commitment
<b>Non-government organisation</b>					
TBfree New Zealand Ltd	30,000	30,000	30,000	See above	30 June 2015

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Review of the Biosecurity (National Bovine Tuberculosis Pest Management Strategy) Order 1998	2011/12	22,440	22,440	-	-	-



## Management of Crown Forestry Assets (M87)

### *Scope of Appropriation*

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

### *Expenses*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	107,985	102,985	73,927

### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to achieve the effective administration of the Crown's forestry operations.

### *How Performance will be Assessed and End of Year Reporting Requirements*

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
Hectares of net stocked forest (ha)	47,130	19,452	18,000
Hectares of silviculture tending (ha)	9,521	8,007	4,106
Log volume supplied in cubic metres (m3)	1,415,800	1,327,100	928,330
Average stumpage price per cubic metre of logs sold (\$)	35	47	51
Management fee (per net stocked hectare) exclusive of harvesting and re-investment fees (\$)	21	21	23
Fixed cost per net stocked hectare (\$)	35	38	48
Hectares lost from fire attributable to the quality of Crown Forestry's response and systems (ha)	0	0	0

### *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	2013/14 Budgeted \$000	2013/14 Estimated Actual \$000	2014/15 Budget \$000	Reporting to the House	Expiry of Resourcing Commitment
<b>Non-Government Organisations</b>					
NZ Forest Managers	43,640	44,009	18,165	See above	Annual contracts with 1-3 month termination
PF Olsen Limited	36,618	28,759	34,053	See above	Annual contracts with 1-3 month termination
Northland Forest Managers	2,735	4,846	694	See above	Annual contracts with 1-3 month termination
Fortus Forestry Limited	3,648	7,284	4,864	See above	Annual contracts with 1-3 month termination
Ngati Porou Whanui Forests Limited	746	311	441	See above	Annual contracts with 1-3 month termination
Taitokerau Forests Limited	241	245	205	See above	Annual contracts with 1-3 month termination

*Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Sale of West Coast plantation forests to landowner Ngāi Tahu Forest Estates Limited on 30 April 2014 consistent with government policy to exit from commercial forestry activity on commercial terms	2013/14	(3,153)	(20,071)	(20,729)	(21,387)	(21,391)

*Reasons for Change in Appropriation*

The \$34.058 million (46%) decrease in appropriation is mainly due to: decision to bring forward harvesting to 2013/14 to take advantage of demand out of China for New Zealand radiata at improved log prices; and impact of the sale of West Coast plantation forests to the landowner Ngāi Tahu Forest Estates Limited.

## Support for Walking Access (M87)

### *Scope of Appropriation*

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

### *Expenses*

	2013/14		2014/15
	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*

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
Percentage of users who choose to rate the Walking Access Mapping System as good	90%	90%	90%
Number of Enhanced Access Fund grants	12	12	12
Percentage of enquirers satisfied with the Commission's action	80%	80%	80%
Number of meetings/presentations to stakeholders and interest groups	80	80	80
10% increase on the previous year in unique visitors to the Commission's corporate website	22,050	22,050	27,500

### *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 and Other Unrequited 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*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,453	1,453	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.

#### *Reasons for Change in Appropriation*

The \$1.650 million baseline covers thirty veterinarians joining the scheme each year and remaining in the scheme for maximum of five years. The lower expenditure in 2013/14 reflects the actual number of veterinarians in the scheme in that financial year.

## 3.4 - Non-Departmental Other Expenses

### Adverse Climatic Events (M87)

#### *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.

#### *Expenses*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	526	250	526

*What is Intended to be Achieved with this Appropriation*

This appropriation is intended to achieve the provision of recovery assistance services in regions affected by adverse climatic events.

*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) (iii) of the Public Finance Act as the amount of this annual appropriation for a non-departmental other expense is less than \$5 million.

**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*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	62,848	39,000	9,500

*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 a statutory requirement.

Performance information relating to the administration of the payment will be reported by the Ministry for Primary Industries in its annual report under departmental output expense Fisheries Enforcement and Monitoring.

*Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Settlement of Crown's aquaculture "new space" obligations under the Māori Commercial Aquaculture Claims Settlement Act 2004	2013/14	52,000	9,500	13,000	-	-

*Reasons for Change in Appropriation*

The change in appropriation reflects the anticipated settlement of "new space" obligations to iwi over three years from 2013/14 to 2015/16, and that the 2013/14 appropriation includes \$10.848 million carried forward from 2012/13 for negotiated settlement of remaining "pre-commencement space" obligations to iwi.

## East Coast Afforestation Grants (M87)

### *Scope of Appropriation and Expenses*

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
<b>East Coast Afforestation Grants (M87)</b>	Original Appropriation	18,460
This appropriation is limited to grants under the Forestry (East Coast) Grants Regulations 2000.	Adjustments to 2012/13	-
Commences: 01 July 2013	Adjustments for 2013/14	4,495
Expires: 30 June 2017	Adjusted Appropriation	22,955
	Actual to 2012/13 Year End	-
	Estimated Actual for 2013/14	5,950
	Estimated Actual for 2014/15	3,446
	Estimated Appropriation Remaining	13,559

### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to support the East Coast Afforestation grants scheme.

### *How Performance will be Assessed and End of Year Reporting Requirements*

Assessment of Performance	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Annual area treated (ha)	4,400	4,400	4,400
Total area afforested since initial implementation of the scheme (ha)	41,000	41,000	41,000

### *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	2013/14 Budgeted \$000	2013/14 Estimated Actual \$000	2014/15 Budget \$000	Reporting to the House	Expiry of Resourcing Commitment
Grant recipient landowners for forestry treatments to address wide-scale erosion problem in the Gisborne district	5,950	5,950	3,446	See above	30 June 2028

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Extension of East Coast Afforestation Grants Scheme to 30 June 2028 subject to funding limit of \$37.689 million over the period 1 July 2012 (2012/13) to 30 June 2028 (2027/28). Funding will be through an annual appropriation from 2017/18	2012/13	5,950	3,446	2,916	10,643	4,615

### *Reasons for Change in Appropriation*

The \$4.495 million increase in this multi-year appropriation is the transfer of unspent annual appropriation for East Coast Afforestation Grants as at 30 June 2013.

### **Fisheries Quota Shares and ACE Administration Costs (M87)**

#### *Scope of Appropriation*

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

#### *Expenses*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	24	5	24

#### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to achieve the effective management of activities related to the Crown's Quota Shares and Annual Catch Entitlement.

#### *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)(iii) of the Public Finance Act 1989 as the amount of this annual appropriation for a non-departmental other expense is less than \$5 million.

#### *Service Providers*

Provider	2013/14 Budgeted \$000	2013/14 Estimated Actual \$000	2014/15 Budget \$000	Reporting to the House	Expiry of Resourcing Commitment
Commercial Fisheries Services Ltd (FishServ)	24	5	24	Not required	31 October 2023

## 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
<b>Global Research Alliance on Agricultural Greenhouse Gases (M87)</b>	Original Appropriation	38,253
This appropriation is limited to the Global Research Alliance on Agricultural Greenhouse Gases.	Adjustments to 2012/13	442
	Adjustments for 2013/14	(9,410)
Commences: 01 July 2012	Adjusted Appropriation	29,285
Expires: 30 June 2016	Actual to 2012/13 Year End	1,955
	Estimated Actual for 2013/14	9,284
	Estimated Actual for 2014/15	7,892
	Estimated Appropriation Remaining	10,154

### *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.

### *How Performance will be Assessed and End of Year Reporting Requirements*

Assessment of Performance	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Percentage of Alliance research projects funded with the New Zealand budget are completed within contracted timeframes	85%	85%	85%
Percentage of Alliance projects funded with the New Zealand budget are completed to contracted quality standards	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.

### *Service Providers*

Provider	2013/14 Budgeted \$000	2013/14 Estimated Actual \$000	2014/15 Budget \$000	Reporting to the House	Expiry of Resourcing Commitment
<b>Non-government organisations</b>					
New Zealand Agricultural Greenhouse Gas Research Centre	778,765	719,140	800,000	See above	June 2016



### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Extend funding to support of the Global Research Alliance on Agricultural Greenhouse Gases to 30 June 2019 subject to funding limit of \$38.695 million (including \$1.240 million departmental funding) over the period 1 July 2012 (2012/13) to 30 June 2019 (2018/19). Funding will be through an annual appropriation from 2016/17	2012/13	9,284	7,892	10,154	4,000	2,170

### **Hill Country Erosion Fund (M87)**

#### *Scope of Appropriation*

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

#### *Expenses*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	2,200	2,000	2,200

#### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to achieve the effective management and administration of projects and regional initiatives developed to protect erosion-prone hill country.

#### *How Performance will be Assessed and End of Year Reporting Requirements*

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
Annual area treated (ha)	3,000	3,000	3,000

#### *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	2013/14 Budgeted \$000	2013/14 Estimated Actual \$000	2014/15 Budget \$000	Reporting to the House	Expiry of Resourcing Commitment
<b>Local Government Organisations</b>					
Horizon Regional Council	1,543	1,543	Unknown	See above	See below
Hawkes Bay Regional Council	80	80	Unknown	See above	See below
Taranaki Regional Council	245	245	Unknown	See above	See below
Greater Wellington Regional Council	195	195	Unknown	See above	See below

Note: Expiry of resourcing commitments varies dependent on contract dates with:

- two contracts due for completion in June 2014
- two contracts due for completion in June 2015.

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

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
<b>Primary Growth Partnership (M87)</b>	Original Appropriation	352,380
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 2012/13	1,371
	Adjustments for 2013/14	(27,000)
	Adjusted Appropriation	326,751
	Actual to 2012/13 Year End	36,729
Commences: 01 July 2012	Estimated Actual for 2013/14	55,805
Expires: 30 June 2017	Estimated Actual for 2014/15	77,476
	Estimated Appropriation Remaining	156,741

*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*

Assessment of Performance	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Percentage of quarterly reports reviewed and signed-off by the Programme Steering Group	85%	85%	85%
Percentage of annual business plans reviewed and accepted in accordance with specific PGP agreements	85%	85%	85%
Percentage of approved invoices processed within agreed timeframes	85%	85%	85%
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	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	2013/14 Budgeted \$000	2013/14 Estimated Actual \$000	2014/15 Budget \$000	Reporting to the House	Expiry of Resourcing Commitment
<i>The following approved programmes are recipients of grant funding from the PGP</i>					
Innovative Steep-land Tree Harvesting	737	664	614	See above	30/06/2016
NZSTX - NZ Sheep Industry	3,665	3,299	2,361	See above	30/06/2015
Integrated value chain for red meat	12,477	11,229	8,420	See above	18/11/2017
Transforming the dairy value chain	13,830	12,447	13,630	See above	31/01/2018
High performance manuka plantations	128	115	253	See above	30/06/2018
Use of fumigants for log and wood	267	240	-	See above	30/06/2014
ClearView Innovations	1,871	1,684	1,185	See above	31/10/2018
Precision seafood harvesting	3,183	2,865	5,357	See above	31/03/2018
Shellfish - the next generation	2,361	2,125	3,444	See above	31/10/2019
FoodPlus - redefining meat horizons	2,970	2,673	5,660	See above	31/10/2019
A new vision for pastoral agriculture	1,124	1,012	1,157	See above	31/12/2018
Marble grass-fed beef	1,661	1,495	1,912	See above	31/07/2019

Provider	2013/14 Budgeted \$000	2013/14 Estimated Actual \$000	2014/15 Budget \$000	Reporting to the House	Expiry of Resourcing Commitment
New dairy products and value chains	619	557	769	See above	31/12/2015
From stump to pump - forestry residues to drop in liquid transport fuels	1,555	1,400	5,195	See above	30/09/2014
Red meat profit partnership (RMPP)	3,407	3,066	5,357	See above	1/11/2020
Go Global (April 2014)			Not yet known	See above	Not yet known

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Reprioritisation of funding within Vote Primary Industries to contribute towards cost of a new National Biocontainment Facility	2014/15	-	(7,000)	(9,000)	(9,000)	-
Reprioritisation of funding to contribute towards the Te Awa Tupua Putea fund established as part of the Whanganui River Treaty Settlement	2014/15	-	(2,000)	-	-	-

### *Reasons for Change in Appropriation*

The decrease in appropriation by \$27 million to \$326.751 million is due to a transfer of funding within Vote Primary Industries to contribute towards construction of new National Biocontainment Facility (\$25 million) and transfer of funding to Vote Environment to contribute towards the Te Awa Tupua Putea fund established as part of the Whanganui River Treaty Settlement (\$2 million).

### **Provision for Fisheries Debt Write Downs (M87)**

#### *Scope of Appropriation*

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

#### *Expenses*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,000	590	711

*What is Intended to be Achieved with this Appropriation*

This technical appropriation covers debt-write offs for fishing sector quota holders.

*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)(iii) of the Public Finance Act 1989 as the amount of this annual appropriation for a non-departmental other expense is less than \$5 million.

*Reasons for Change in Appropriation*

This appropriation can vary from year-to-year as it covers any increase in the provision for doubtful debts required in respect to commercial fishing sector quota holder outstanding debt that may be uncollectible.

**Response to the Kiwifruit disease *Pseudomonas Syringae* pv. *Actinidiae* (M87)***Scope of Appropriation*

This appropriation is limited to supporting an industry-led programme for the kiwifruit disease *pseudomonas syringae* pv. *actinidiae*.

*Expenses*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	3,629	1,429	450

*What is Intended to be Achieved with this Appropriation*

This appropriation is intended to achieve the effective management of support activities related to the industry-led response programme for *Pseudomonas syringae* pv. *Actinidiae*.

*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)(iii) of the Public Finance Act 1989 as the amount of this annual appropriation for a non-departmental other expense is less than \$5 million.

*Reasons for Change in Appropriation*

In November 2010, Cabinet approved \$25 million in support of the Kiwifruit industry-led programme for responding to *Pseudomonas syringae* pv. *actinidiae* (Psa-V). This amount was subject to industry contributing \$25 million - Kiwifruit Vine Health (KVH) - as costs are incurred. In April 2013 Cabinet agreed the remaining Crown funding be made available to KVH to bridge an industry funding gap and support the smooth transition to full industry funding of the implementation of the Psa-V Plan. Over the period 2010/11 to 2012/13, \$18.421 million costs were incurred. The remaining \$4.079 million appropriation is expected to be expended in 2013/14 and 2014/15.

## Subscriptions to International Organisations (M87)

### *Scope of Appropriation*

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

### *Expenses*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	3,408	2,700	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*

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 for a non-departmental other expense is less than \$5 million.

## Sustainable Farming Fund (M87)

### *Scope of Appropriation*

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

### *Expenses*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	8,941	6,341	8,600

### *What is Intended to be Achieved with this Appropriation*

This appropriation 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.

### *How Performance will be Assessed and End of Year Reporting Requirements*

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
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.

### *Reasons for Change in Appropriation*

Expense transfers are required to align the appropriation (baseline of \$8 million per annum) across financial years to cover contractual commitments for grants payable upon completion of project milestones.

### *Service Providers*

Provider	2013/14 Budgeted \$000	2013/14 Estimated Actual \$000	2014/15 Budget \$000	Reporting to the House	Expiry of Resourcing Commitment
<i>The following organisations are recipients of grant funding from the Sustainable Farming Fund in 2013/14</i>					
Regional councils	39	39	Unknown	See above	See below
Crown Research Institutes	872	871	Unknown	See above	See below
Universities	317	317	Unknown	See above	See below
Farmer groups	8,851	8,833	Unknown	See above	See below

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

- 46 grant schemes due for completion in June 2014
- 45 grant schemes due for completion in June 2015
- 34 grant schemes due for completion in June 2016.

## Water Storage and Irrigation Investment Proposals (M87)

### *Scope of Appropriation and Expenses*

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
<b>Water Storage and Irrigation Investment Proposals (M87)</b>	Original Appropriation	32,500
This appropriation is limited to preparation of proposals for irrigation schemes to an investment ready stage.	Adjustments to 2012/13	725
	Adjustments for 2013/14	-
Commences: 01 July 2012	Adjusted Appropriation	33,225
Expires: 30 June 2016	Actual to 2012/13 Year End	5,994
	Estimated Actual for 2013/14	9,006
	Estimated Actual for 2014/15	9,000
	Estimated Appropriation Remaining	9,225

### *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.

### *How Performance will be Assessed and End of Year Reporting Requirements*

Assessment of Performance	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Irrigation Acceleration Fund (IAF) programme funding is allocated within +/- 10% of IAF funding scheduled for each year	+/- 10%	+/- 10%	+/- 10%
Percentage of IAF programmes funded completed within contracted timeframes	85%	85%	85%
Percentage of IAF proposals that get to prospectus stage that then proceed to construction	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	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Water storage and irrigation investment - \$35 million (under former Vote Agriculture and Forestry) over 5 years from 1 July 2011 to 30 June 2016	2011/12	9,006	9,000	9,225	-	-



*Service Providers*

Provider	2013/14 Budgeted \$000	2013/14 Estimated Actual \$000	2014/15 Budget \$000	Reporting to the House	Expiry of Resourcing Commitment
<i>The following approved providers are recipients of grant funding from the Water Storage and Investment fund</i>					
Central Plains Water Ltd	2,164	4,000	3,200	See above	30 June 2016
Hawke's Bay Regional Investment Company	1,361	2,398	1,800	See above	30 June 2014
Hunter Downs Development Company	341	742	1,500	See above	30 June 2016
Hurunui Water Project	455	605	1,000	See above	30 June 2016
Greater Wellington Regional Council	463	563	800	See above	30 June 2016

**3.5 - Non-Departmental Capital Expenditure****Crown Forestry Assets (M87)***Scope of Appropriation*

This appropriation is limited to capital expenditure on Crown forests, including roading, bridges, fencing and fire equipment.

*Capital Expenditure*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	500

*What is Intended to be Achieved with this Appropriation*

This capital expenditure appropriation is for the construction of a bridge in the Crown-owned Rotoaira forest, on leased land located south of Turangi, to enable the harvesting of otherwise inaccessible trees with a net realisable value of approximately \$9.600 million. The bridge will subsequently be used for replanting operations.

*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)(iii) of the Public Finance Act 1989 as the amount of this annual appropriation for non-departmental capital expenditure is less than \$5 million.

## Crown Irrigation Investments Limited (M87)

### Scope of Appropriation and Expenses

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
<b>Crown Irrigation Investments Limited (M87)</b>	Original Appropriation	40,000
This appropriation is limited to the Crown's investment in Crown Irrigation Investments Limited.	Adjustments to 2012/13	-
Commences: 01 July 2014	Adjustments for 2013/14	-
Expires: 30 June 2018	Adjusted Appropriation	40,000
	Actual to 2012/13 Year End	-
	Estimated Actual for 2013/14	-
	Estimated Actual for 2014/15	40,000
	Estimated Appropriation Remaining	-

### Components of the Appropriation

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Investments in regional water storage and off-farm irrigation infrastructure	-	-	37,500
Crown Irrigation Investments Limited operating expenditure	-	-	2,500

### Comparators for Restructured Appropriation

Vote, Type and Title of Appropriation	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Crown Irrigation Investments Limited (annual appropriation)	80,000	4,900	40,000

### 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.

### End of Year Performance Reporting

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

### Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Investment in Crown Irrigation Investments Limited	2013/14	80,000	40,000	-	-	-

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

### Multi-Category Expenses and Capital Expenditure

#### Border Biosecurity Risk Management (M87)

##### *Overarching Purpose Statement*

The overarching purpose of this appropriation is to provide operational policy advice and other support to Ministers in discharging their operational policy decision-making and other portfolio responsibilities with regards to border biosecurity risk management.

##### *Scope of Appropriation*

#### **Departmental Output Expenses**

##### *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.

##### *Expenses, Revenue and Capital Expenditure*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Total Appropriation</b>	-	-	98,137
<b>Departmental Output Expenses</b>			
Border Biosecurity Monitoring and Clearance	-	-	81,823
Border Biosecurity Systems Development and Maintenance	-	-	16,314
<b>Funding for Departmental Output Expenses</b>			
<b>Revenue from the Crown</b>	-	-	61,684
Border Biosecurity Monitoring and Clearance	-	-	50,222
Border Biosecurity Systems Development and Maintenance	-	-	11,462
<b>Revenue from Others</b>	-	-	36,453
Border Biosecurity Monitoring and Clearance	-	-	31,601
Border Biosecurity Systems Development and Maintenance	-	-	4,852

*Comparators for Restructured Appropriation*

Vote, Type and Title of Appropriation	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Border Biosecurity Risk Management - MCOA to MCA</b>			
Border Biosecurity Monitoring and Clearance	81,364	80,396	81,823
Border Biosecurity Systems Development and Maintenance	16,419	16,366	16,314
Total	97,783	96,762	98,137

The change in appropriation structure reflects recent changes to the Public Finance Act 1989 that introduced multi-category appropriations to replace multi-class output appropriations.

*What is Intended to be Achieved with this Appropriation*

This appropriation is intended to achieve effective management of biosecurity monitoring and clearance programmes as well as the development and maintenance of biosecurity risk processes associated with imports and exports.

*How Performance will be Assessed for this Appropriation*

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

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

**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.

### *How Performance will be Assessed for this Appropriation*

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
<b>Border Biosecurity Risk Management</b>			
<b>Departmental Output Expenses</b>			
<i>Border Biosecurity Monitoring and Clearance</i>			
Percentage of international air passengers that comply with biosecurity requirements by the time they leave the airport	98.5%	98.5%	98.5%
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 (of 49-52,000 inspections)	10,000-12,000 (of 49-52,000 inspections)	10,000-12,000 (of 49-52,000 inspections)
Percentage of cost recovered external stakeholders rate overall services as 4 or higher	80%	80%	80%
By June 2020, MPI aims to reduce the rate of re-offending by 20% from where it was at June 2013	15%	15%	15%
<i>Border Biosecurity Systems Development and Maintenance</i>			
Percentage of milestones met for the Sanitary and Phytosanitary Standards Market Access Programme, as agreed with key meat, dairy, seafood and horticulture sector stakeholders	75%	75%	75%
Percentage of OIE, IPPC and Codex standards that are accepted by New Zealand	90%	90%	90%
Percentage of certificates issued covering the export of live animals and plant products (including fruit, vegetables, herbs, spices, nuts, cereal grains, seeds, fungi, grasses and plant extracts) which meet importing country technical requirements as specified by the overseas competent authority	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	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Retention of 2012/13 underspends to meet staff remuneration cost pressures in 2014/15, 2015/16 and 2016/17	2012/13	-	1,919	3,218	1,562	-
Efficiency savings including estimated savings from merger of Ministry of Agriculture and Forestry and Ministry of Fisheries, and allowing for removal of central funding for KiwiSaver and State Sector Retirement Savings Scheme (SSRSS)	2012/13	(3,764)	(3,764)	(3,726)	(3,726)	(3,726)
Joint Border Management System	2010/11	8,302	8,556	8,556	8,556	8,556

### *Reasons for Change in Appropriation*

This multi-category appropriation (MCA) replaces the disestablished multi-class output appropriation (MCOA) from 2014/15 onward. The composition of the appropriation is unchanged.

### *Memorandum Account*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Border Biosecurity Clearance Fees</b>			
Opening Balance at 1 July	(2,232)	(2,232)	(3,553)
Revenue	29,571	29,075	30,109
Expenses	(30,550)	(30,396)	(30,826)
<b>Closing Balance at 30 June</b>	<b>(3,211)</b>	<b>(3,553)</b>	<b>(4,270)</b>
<b>Phytosanitary Exports</b>			
Opening Balance at 1 July	1,395	1,395	1,158
Revenue	1,968	2,016	2,007
Expenses	(2,576)	(2,253)	(2,812)
<b>Closing Balance at 30 June</b>	<b>787</b>	<b>1,158</b>	<b>353</b>

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 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.

The Ministry has initiated a review of fees/levies within the Food and Biosecurity sectors. This review will have regard to the balance of each memorandum account. All changes to existing fees/levies are intended to be implemented with effect from 1 July 2015.

## Development of Policy Advice (M87)

### *Overarching Purpose Statement*

The overarching purpose of this appropriation is to provide policy advice to Ministers in discharging their policy decision-making responsibilities.

### *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.

##### *Operational Advice on Sustainability and Management Controls in Fisheries*

This category is limited to operational 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 operational advice on sustainability and management controls for New Zealand's fisheries.

### *Expenses, Revenue and Capital Expenditure*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Total Appropriation</b>	-	-	66,226
<b>Departmental Output Expenses</b>			
Agriculture and Forestry Policy Advice	-	-	26,161
Biosecurity Policy Advice	-	-	3,199
Fisheries Policy Advice	-	-	4,220
Operational Advice on Sustainability and Management Controls in Fisheries	-	-	32,646

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Funding for Departmental Output Expenses</b>			
<b>Revenue from the Crown</b>	-	-	65,641
Agriculture and Forestry Policy Advice	-	-	25,899
Biosecurity Policy Advice	-	-	3,190
Fisheries Policy Advice	-	-	4,077
Operational Advice on Sustainability and Management Controls in Fisheries	-	-	32,475
<b>Revenue from Others</b>	-	-	585
Agriculture and Forestry Policy Advice	-	-	262
Biosecurity Policy Advice	-	-	9
Fisheries Policy Advice	-	-	143
Operational Advice on Sustainability and Management Controls in Fisheries	-	-	171

### *Comparators for Restructured Appropriation*

Vote, Type and Title of Appropriation	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Development of Policy Advice - MCOA to MCA</b>			
Agriculture and Forestry Policy Advice	24,645	24,574	26,161
Biosecurity Policy Advice	3,430	3,418	3,199
Fisheries Policy Advice	4,343	4,326	4,220
Operational Advice on Sustainability and Management Controls in Fisheries	35,534	35,496	32,646
Total	67,952	67,814	66,226

The change in appropriation structure reflects recent changes to the Public Finance Act 1989 that introduced multi-category appropriations to replace multi-class output appropriations.

### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to achieve the provision of policy advice relating to agriculture and forestry, biosecurity and fisheries. It also includes the provision of operational advice relating to the sustainability and management of New Zealand's fisheries.

### *How Performance will be Assessed*

The Ministry for Primary Industries will assess its Development of Policy Advice MCA by on-going 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 Policy Advice MCA are produced. The performance measures for the Development of Policy Advice MCA are listed below in the relevant categories of the MCA.



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

### **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.

### **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.

### **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.

### **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.

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
<b>Development of Policy Advice</b>			
<b>Departmental Output Expenses</b>			
<i>Agriculture and Forestry Policy Advice</i>			
Percentage of agreed policy work priorities met	85%	85%	85%
Technical quality assessment of MPI policy advice on a scale of 1 to 10	7	7	7
The Minister for Primary Industries rates the quality of policy advice as 8 or better on a scale of 1 to 10 via discussion with MPI officials every six months	8	8	8
Total cost per output hour	\$138	\$138	\$138
<i>Biosecurity Policy Advice</i>			
Percentage of agreed policy work priorities met	85%	85%	85%
Technical quality assessment of MPI policy advice on a scale of 1 to 10	7	7	7
The Minister for Primary Industries rates the quality of policy advice as 8 or better on a scale of 1 to 10 via discussion with MPI officials every six months	8	8	8
Total cost per output hour	\$138	\$138	\$138
<i>Fisheries Policy Advice</i>			
Percentage of agreed policy work priorities met	85%	85%	85%
Technical quality assessment of MPI policy advice on a scale of 1 to 10	7	7	7

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
The Minister for Primary Industries rates the quality of policy advice as 8 or better on a scale of 1 to 10 via discussion with MPI officials every six months	8	8	8
Total cost per output hour	\$138	\$138	\$138
Quarterly assessment of international engagement outcomes against set criteria to ensure they maintain or advance New Zealand's interest	70% yes rating	70% yes rating	70% yes rating
<i>Operational Advice on Sustainability and Management Controls in Fisheries</i>			
Percentage of research projects completed	95%	95%	95%
Percentage of research projects that meet MPI research and science information standard	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	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Retention of 2012/13 underspends to meet staff remuneration cost pressures in 2014/15, 2015/16 and 2016/17	2012/13	-	874	1,467	712	-
Efficiency savings including estimated savings from merger of Ministry of Agriculture and Forestry and Ministry of Fisheries, and allowing for removal of central funding for KiwiSaver and State Sector Retirement Savings Scheme (SSRSS)	2012/13	(2,335)	(2,367)	(2,366)	(2,366)	(2,366)

### *Reasons for Change in Appropriation*

This multi-category appropriation (MCA) replaces the disestablished multi-class output appropriation (MCOA) from 2014/15 onward. The composition of the appropriation is unchanged.

The \$1.726 million (3%) decrease in appropriation is mainly due to two expense transfers from 2012/13 to 2013/14 for fisheries research (\$2.549 million) and environmental certification (\$850,000). These changes are mainly offset by: carry forward of 2012/13 underspend to meet staff remuneration cost pressures in 2014/15 (\$874,000); transfer of savings in Global Research Alliance (GRA) secretariat functions to the GRA non-departmental appropriation in 2013/14 (\$487,000); and an expense transfer from 2013/14 to 2014/15 for economic joint venture studies (\$160,000).

## Domestic Biosecurity Risk Management (M87)

### *Overarching Purpose Statement*

The overarching purpose of this appropriation is to provide operational policy advice and other support to Ministers in discharging their operational policy decision-making and other portfolio responsibilities with regards to domestic biosecurity risk management.

### *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 risk organisms within New Zealand.

##### *Domestic Biosecurity Surveillance*

This category is limited to domestic surveillance activities.

### *Expenses, Revenue and Capital Expenditure*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Total Appropriation</b>	-	-	60,125
<b>Departmental Output Expenses</b>			
Biosecurity Incursion Response and Long Term Pest Management	-	-	33,999
Domestic Biosecurity Surveillance	-	-	26,126
<b>Funding for Departmental Output Expenses</b>			
<b>Revenue from the Crown</b>	-	-	58,710
Biosecurity Incursion Response and Long Term Pest Management	-	-	33,124
Domestic Biosecurity Surveillance	-	-	25,586
<b>Revenue from Others</b>	-	-	1,415
Biosecurity Incursion Response and Long Term Pest Management	-	-	875
Domestic Biosecurity Surveillance	-	-	540

*Comparators for Restructured Appropriation*

Vote, Type and Title of Appropriation	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Domestic Biosecurity Risk Management - MCOA to MCA</b>			
Biosecurity Incursion Response and Long Term Pest Management	32,618	32,521	33,999
Domestic Biosecurity Surveillance	25,371	25,320	26,126
Total	57,989	57,841	60,125

The change in appropriation structure reflects recent changes to the Public Finance Act 1989 that introduced multi-category appropriations to replace multi-class output appropriations.

*What is Intended to be Achieved with this Appropriation*

This appropriation is intended to achieve effective management of biosecurity issues relating to the assessment, containment and possible eradication of suspected risk organisms, including the management of domestic biosecurity surveillance activities.

*How Performance will be Assessed*

The Ministry for Primary Industries will assess its Domestic Biosecurity Risk Management MCA by on-going monitoring and maintenance of the services and programmes which are delivered through the outputs produced by the Domestic Biosecurity Risk Management MCA. The performance measures for the Domestic Biosecurity Risk Management MCA are listed in the relevant categories of the MCA.

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

**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.

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

Assessment of Performance	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<b>Domestic Biosecurity Risk Management</b>			
<b>Departmental Output Expenses</b>			
<i>Biosecurity Incursion Response and Long Term Pest Management</i>			
Percentage of key cost recovered customers satisfied with laboratory services	80%	80%	80%
Percentage of incursion investigations reach an outcomes decision within specified timeframes	80%	80%	80%
Percentage of surveillance programmes reflect international standard or best practice	100%	100%	100%
<i>Domestic Biosecurity Surveillance</i>			
Industry sign-up of Government Industry Agreements (GIAs) deeds	7	7	7
Percentage of responses achieve agreed outcomes	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	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
National Biocontainment Facility	2015/16	-	-	4,837	4,894	6,659
Kauri Dieback programme	2014/15	-	1,229	1,229	1,229	1,229
Retention of 2012/13 underspends to meet staff remuneration cost pressures in 2014/15, 2015/16 and 2016/17	2012/13	-	771	1,292	627	-
Efficiency savings including estimated savings from merger of Ministry of Agriculture and Forestry and Ministry of Fisheries, and allowing for removal of central funding for KiwiSaver and State Sector Retirement Savings Scheme (SSRSS)	2012/13	(1,964)	(2,015)	(2,056)	(2,056)	(2,056)

### *Reasons for Change in Appropriation*

This multi-category appropriation (MCA) replaces the disestablished multi-class output appropriation (MCOA) from 2014/15 onward. The composition of the appropriation is unchanged.

The \$2.136 million (4%) decrease in appropriation is mainly due to a baseline increase in Budget 2014 for the kauri dieback programme (\$1.229 million) and carry forward of 2012/13 underspend to meet staff remuneration cost pressures in 2014/15 (\$771,000).

## Implementation of Policy Advice (M87)

### *Overarching Purpose Statement*

The overarching purpose of this appropriation is to provide operational policy advice and other support to Ministers in discharging their operational policy decision-making and other portfolio responsibilities.

### *Scope of Appropriation*

#### **Departmental Output Expenses**

##### *Aquaculture*

This category is limited to implementing, supporting and monitoring the aquaculture strategy, and ministerial servicing.

##### *Fisheries Enforcement and Monitoring*

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

##### *Fisheries Management*

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

##### *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.

### *Expenses, Revenue and Capital Expenditure*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Total Appropriation</b>	-	-	70,256
<b>Departmental Output Expenses</b>			
Aquaculture	-	-	3,841
Fisheries Enforcement and Monitoring	-	-	36,517
Fisheries Management	-	-	9,637
Implementation of Agriculture and Forestry Policy Advice	-	-	15,708
Implementation of Biosecurity Policy Advice	-	-	4,553

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Funding for Departmental Output Expenses</b>			
<b>Revenue from the Crown</b>	-	-	67,513
Aquaculture	-	-	3,838
Fisheries Enforcement and Monitoring	-	-	33,997
Fisheries Management	-	-	9,510
Implementation of Agriculture and Forestry Policy Advice	-	-	15,629
Implementation of Biosecurity Policy Advice	-	-	4,539
<b>Revenue from Others</b>	-	-	2,743
Aquaculture	-	-	3
Fisheries Enforcement and Monitoring	-	-	2,520
Fisheries Management	-	-	127
Implementation of Agriculture and Forestry Policy Advice	-	-	79
Implementation of Biosecurity Policy Advice	-	-	14

### *Comparators for Restructured Appropriation*

Vote, Type and Title of Appropriation	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Implementation of Policy Advice - MCOA to MCA</b>			
Aquaculture	2,397	2,255	3,841
Fisheries Enforcement and Monitoring	38,558	38,118	36,517
Fisheries Management	9,456	7,553	9,637
Implementation of Agriculture and Forestry Policy Advice	12,657	12,518	15,708
Implementation of Biosecurity Policy Advice	4,446	4,389	4,553
Total	67,515	64,833	70,256

The change in appropriation structure reflects recent changes to the Public Finance Act 1989 that introduced multi-category appropriations to replace multi-class output appropriations.

### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to achieve the implementation of policy advice and ministerial servicing relating to agriculture and forestry, biosecurity and aquaculture. It also includes operational advice and ministerial servicing for both fisheries management and fisheries enforcement and monitoring.

### *How Performance will be Assessed*

The Ministry for Primary Industries will assess its Implementation of Policy Advice MCA by on-going monitoring of the quality of ministerial servicing and the projects and programmes it delivers through the outputs produced under this Implementation of Policy MCA. The performance measures for the Implementation of Policy Advice MCA are listed below in the relevant categories of the MCA.

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

### **Aquaculture**

This category is intended to achieve the effective management and administration of the aquaculture strategy including ministerial servicing.

### **Fisheries Enforcement and Monitoring**

This category is intended to achieve the effective enforcement and monitoring of New Zealand's fisheries laws including ministerial servicing.

### **Fisheries Management**

This category is intended to achieve the effective implementation of policy decisions on the sustainable management and controls of New Zealand's fisheries including ministerial servicing.

### **Implementation of Agriculture and Forestry Policy Advice**

This category is intended to achieve the effective management and implementation of policy decisions and legislation relating to agriculture and forestry, animal welfare and climate change, including ministerial servicing.

### **Implementation of Biosecurity Policy Advice**

This category is intended to achieve the effective management and implementation of biosecurity policy and legislation, including ministerial servicing.

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
<b>Implementation of Policy Advice</b>			
<b>Departmental Output Expenses</b>			
<i>Aquaculture</i>			
Percentage of project milestones for the annual aquaculture plan met	90%	90%	90%
<i>Fisheries Enforcement and Monitoring</i>			
Percentage of commercial operators inspected found to be voluntarily compliant	90%	90%	90%
Percentage of recreational fishers inspected found to be voluntarily compliant	95%	95%	95%
By June 2020, MPI aims to reduce the rate of re-offending by 20% from where it was at June 2013	20%	20%	20%
Percentage of complex investigations completed within legislative requirements and meet prima facie test	100%	100%	100%
Percentage of the Crown's obligations to Māori is delivered	100%	100%	100%
<i>Fisheries Management</i>			
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%



Assessment of Performance	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<i>Implementation of Agriculture and Forestry Policy Advice</i>			
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%
<i>Implementation of Biosecurity Policy Advice</i>			
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%

### *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	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Implement recommendations of 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	-	2,215	2,960	4,147	4,147
Retention of 2012/13 underspends to meet staff remuneration cost pressures in 2014/15, 2015/16 and 2016/17	2012/13	-	1,392	2,346	1,350	-
Efficiency savings including estimated savings from merger of Ministry of Agriculture and Forestry and Ministry of Fisheries, and allowing for removal of central funding for KiwiSaver and State Sector Retirement Savings Scheme (SSRSS)	2012/13	(2,672)	(2,702)	(2,702)	(2,702)	(2,702)

### *Reasons for Change in Appropriation*

This multi-category appropriation (MCA) replaces the disestablished multi-class output appropriation (MCOA) from 2014/15 onward. The composition of the appropriation is unchanged.

The \$2.742 million (4%) increase in appropriation is mainly due to: a baseline funding increase from 2014/15 to implement the whey protein concentrate contamination incident inquiry recommendations (\$2.215 million); an expense transfer to 2014/15 for Aquaculture Planning Fund (\$2.310 million); and carry forward of 2012/13 underspend to meet staff remuneration cost pressures in 2014/15 (\$1.392 million). These changes are mainly offset by an expense transfer from 2012/13 for Ministry for Primary Industries organisational transformation programme (\$2.838 million).