

Vote Forestry

APPROPRIATION MINISTER(S): Minister of Forestry (M35)

APPROPRIATION ADMINISTRATOR: Ministry for Primary Industries

RESPONSIBLE MINISTER FOR MINISTRY FOR PRIMARY INDUSTRIES: Minister of Agriculture

Details of Appropriations and Capital Injections

Annual Appropriations and Forecast Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2018/19		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Multi-Category Expenses and Capital Expenditure			
Growth and Development of the Forestry Sector MCA (M35)	125,933	32,211	158,144
The overarching purpose of this appropriation is to support the growth and development of the forestry sector.			
Departmental Output Expenses			
<i>Forestry: Administration of Grants and Programmes</i>	5,000	5,875	10,875
This category is limited to the administration of government approved schemes, grants and assistance to the forestry sector.			
<i>Forestry: Implementation of Policy Advice and ministerial servicing</i>	13,045	409	13,454
This category is limited to implementing policy decisions, operational policy, and administering legislation relating to forestry and ministerial servicing.			
<i>Forestry: Management of the Crown's Forestry Assets</i>	2,965	(199)	2,766
This category is limited to the management of the Crown's interest in forests and forestry-related assets.			
<i>Forestry: Policy Advice</i>	1,472	6,239	7,711
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 forestry.			
Non-Departmental Output Expenses			
<i>Forestry: Operational management of the Crown's Forests</i>	84,051	2,955	87,006
This category is limited to the purchase of forestry operation and management services.			
Non-Departmental Other Expenses			
<i>Forestry: Grants and partnerships programmes</i>	-	19,107	19,107
This category is limited to the use of initiatives and grants, and programmes to establish trees or build skills, capability and capacity in the forestry sector.			
<i>Forestry: Hill Country Erosion Fund</i>	4,000	125	4,125
This category is limited to projects that protect erosion-prone hill country.			
Non-Departmental Capital Expenditure			
<i>Forestry: Capital investment in the Crown's Forestry Assets</i>	15,400	(2,300)	13,100
This category is limited to the purchase or planting of the Crown's Forestry assets.			
Total Multi-Category Expenses and Capital Expenditure	125,933	32,211	158,144
Total Annual Appropriations and Forecast Permanent Appropriations	125,933	32,211	158,144

Multi-Year Appropriations

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Non-Departmental Other Expenses		
Afforestation Grant Scheme (M35) This appropriation is limited to grants to private landowners for afforestation purposes. Commences: 01 July 2018 Expires: 30 June 2021	Original Appropriation	10,363
	Adjustments to 2017/18	-
	Adjustments for 2018/19	3,249
	Adjusted Appropriation	13,612
	Actual to 2017/18 Year End	-
	Estimated Actual for 2018/19	10,271
	Estimate for 2019/20	1,670
	Estimated Appropriation Remaining	1,671
Forestry and Other Economic Development, and Erosion Control (M35) This appropriation is limited to forestry and other economic development and erosion control in the Tairāwhiti region. Commences: 01 July 2018 Expires: 30 June 2021	Original Appropriation	26,950
	Adjustments to 2017/18	-
	Adjustments for 2018/19	1,150
	Adjusted Appropriation	28,100
	Actual to 2017/18 Year End	-
	Estimated Actual for 2018/19	6,670
	Estimate for 2019/20	7,520
	Estimated Appropriation Remaining	13,910

Total Annual Appropriations and Forecast Permanent Appropriations and Multi-Year Appropriations

	2018/19		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Total Annual Appropriations and Forecast Permanent Appropriations	125,933	32,211	158,144
Total Forecast MYA Non-Departmental Other Expenses	12,542	4,399	16,941
Total Annual Appropriations and Forecast Permanent Appropriations and Multi-Year Appropriations	138,475	36,610	175,085

Supporting Information

Part 1 - Vote as a Whole

1.2 - Trends in the Vote

Summary of Financial Activity

	2018/19				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
Appropriations					
Output Expenses	-	-	-	-	-
Benefits or Related Expenses	-	N/A	-	-	-
Borrowing Expenses	-	-	-	-	-
Other Expenses	12,542	-	4,399	4,399	16,941
Capital Expenditure	-	-	-	-	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Multi-Category Expenses and Capital Expenditure (MCA)					
<i>Output Expenses</i>	106,533	12,324	2,955	15,279	121,812
<i>Other Expenses</i>	4,000	-	19,232	19,232	23,232
<i>Capital Expenditure</i>	15,400	N/A	(2,300)	(2,300)	13,100
Total Appropriations	138,475	12,324	24,286	36,610	175,085
Crown Revenue and Capital Receipts					
Tax Revenue	-	N/A	-	-	-
Non-Tax Revenue	109,486	N/A	2,038	2,038	111,524
Capital Receipts	1,686	N/A	(1,686)	(1,686)	-
Total Crown Revenue and Capital Receipts	111,172	N/A	352	352	111,524

Part 3 - Details of Non-Departmental Appropriations

3.4 - Non-Departmental Other Expenses

Afforestation Grant Scheme (M35)

Scope of Appropriation and Expenses

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Afforestation Grant Scheme (M35) This appropriation is limited to grants to private landowners for afforestation purposes. Commences: 01 July 2018 Expires: 30 June 2021	Original Appropriation	10,363
	Adjustments to 2017/18	-
	Adjustments for 2018/19	3,249
	Adjusted Appropriation	13,612
	Actual to 2017/18 Year End	-
	Estimated Actual for 2018/19	10,271
	Estimate for 2019/20	1,670
	Estimated Appropriation Remaining	1,671

Reasons for Change in Appropriation

This appropriation increased by \$3.249 million to \$13.612 million for 2018/19 as the unspent 2017/18 financial year portion of the Afforestation Grant Scheme MYA within Vote Primary Industries and Food Safety has been carried forward.

End of Year Performance Reporting

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

Forestry and Other Economic Development, and Erosion Control (M35)

Scope of Appropriation and Expenses

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Forestry and Other Economic Development, and Erosion Control (M35) This appropriation is limited to forestry and other economic development and erosion control in the Tairāwhiti region. Commences: 01 July 2018 Expires: 30 June 2021	Original Appropriation	26,950
	Adjustments to 2017/18	-
	Adjustments for 2018/19	1,150
	Adjusted Appropriation	28,100
	Actual to 2017/18 Year End	-
	Estimated Actual for 2018/19	6,670
	Estimate for 2019/20	7,520
	Estimated Appropriation Remaining	13,910

Reasons for Change in Appropriation

This appropriation increased by \$1.150 million to \$28.100 million in 2018/19 as the unspent 2017/18 financial year portion of the Forestry and Other Economic Development, and Erosion Control MYA within Vote Primary Industries and Food Safety has been carried forward.

End of Year Performance Reporting

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

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

4 - Multi-Category Expenses and Capital Expenditure

Growth and Development of the Forestry Sector (M35)

Overarching Purpose Statement

The overarching purpose of this appropriation is to support the growth and development of the forestry sector.

Scope of Appropriation

Departmental Output Expenses

Forestry: Administration of Grants and Programmes

This category is limited to the administration of government approved schemes, grants and assistance to the forestry sector.

Forestry: Implementation of Policy Advice and ministerial servicing

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

Forestry: Management of the Crown's Forestry Assets

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

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 forestry.

Non-Departmental Output Expenses

Forestry: Operational management of the Crown's Forests

This category is limited to the purchase of forestry operation and management services.

Non-Departmental Other Expenses

Forestry: Grants and partnerships programmes

This category is limited to the use of initiatives and grants, and programmes to establish trees or build skills, capability and capacity in the forestry sector.

Forestry: Hill Country Erosion Fund

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

Non-Departmental Capital Expenditure

Forestry: Capital investment in the Crown's Forestry Assets

This category is limited to the purchase or planting of the Crown's Forestry assets.

Expenses, Revenue and Capital Expenditure

	2018/19		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	125,933	32,211	158,144
Departmental Output Expenses			
Forestry: Administration of Grants and Programmes	5,000	5,875	10,875
Forestry: Implementation of Policy Advice and ministerial servicing	13,045	409	13,454
Forestry: Management of the Crown's Forestry Assets	2,965	(199)	2,766
Forestry: Policy Advice	1,472	6,239	7,711
Non-Departmental Output Expenses			
Forestry: Operational management of the Crown's Forests	84,051	2,955	87,006
Non-Departmental Other Expenses			
Forestry: Grants and partnerships programmes	-	19,107	19,107
Forestry: Hill Country Erosion Fund	4,000	125	4,125
Non-Departmental Capital Expenditure			
Forestry: Capital investment in the Crown's Forestry Assets	15,400	(2,300)	13,100
Funding for Departmental Output Expenses			
Revenue from the Crown	22,190	12,012	34,202
Forestry: Administration of Grants and Programmes	4,985	5,697	10,682
Forestry: Implementation of Policy Advice and ministerial servicing	12,939	329	13,268
Forestry: Management of the Crown's Forestry Assets	2,849	(199)	2,650
Forestry: Policy Advice	1,417	6,185	7,602
Revenue from Others	292	312	604
Forestry: Administration of Grants and Programmes	15	178	193
Forestry: Implementation of Policy Advice and ministerial servicing	106	80	186
Forestry: Management of the Crown's Forestry Assets	116	-	116
Forestry: Policy Advice	55	54	109

How Performance will be Assessed for this Appropriation

	2018/19		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Assessment of Performance			
Reporting on an annual basis	New measure	Achieved	Achieved

The Ministry for Primary Industries will assess the performance of this appropriation by monitoring the appropriation categories included within this MCA.

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

Assessment of Performance	2018/19		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Departmental Output Expenses			
Forestry: Implementation of Policy Advice and ministerial servicing			
Percentage of emissions returns for post 1989 forest land registered in the ETS are verified for accuracy of the units being claimed	New measure	100%	100%
Percentage of pre-approval inspections are undertaken to verify the information submitted in annual logging plans	New measure	100%	100%
Non-Departmental Other Expenses			
Forestry: Grants and partnerships programmes			
The category is intended to achieve the effective provision of grant funding and partnership agreements to stimulate growth in the forestry sector and promote sustainable land use.			
The number of hectares of trees contracted for planting through grants	New measure	4,900 ha	4,900 ha
The value of partnerships committed	New measure	\$35 million	\$35 million
Non-Departmental Capital Expenditure			
Forestry: Capital investment in the Crown's Forestry Assets			
Hectares contracted for planting over the 2019 planting season	20,000	7,000	7,000

Reasons for Change in Appropriation

This appropriation has increased by \$32.211 million to \$158.144 million for 2018/19 due to:

- \$47.252 million of new funding to establish the Grants and Partnership scheme
- \$21.899 million transfer of funds for 2018/19 for the One Billion Trees Provincial Growth Fund approved projects from the Ministry of Business, Innovation and Employment to the Ministry for Primary Industries
- \$12.700 million of funding for capital investments in Crown Forestry through an expense transfer from 2017/18 to 2018/19
- A \$6.404 million drawdown on the Te Uru Rākau contingency fund to support the development of long term institutional arrangements through the preparation of a business case and Cabinet paper
- \$3.353 million of funding to cover the operational costs of delivering the One Billion Trees Programme
- \$3.155 million for initial administration costs for the establishment of the new grants and partnership operational framework
- \$2.711 million to reflect changes in the forecast revenue and expenditure profile for Crown Forestry
- \$570,000 through expense transfers from 2017/18 to 2018/19

- \$270,000 through fiscally neutral adjustments to ensure the Ministry does not breach any appropriations
- \$232,000 for staff on secondment to other organisations
- \$80,000 for the Emission Trading Scheme fees due to an increase in the number of transactions received and paid, and
- \$53,000 for the Tree Planting and Hill Country Erosion Programme.

These increases have been partially offset by:

- \$51.250 million funding transfer from 2018/19 across 2019/20 and 2020/21 to fund the Grants and Partnerships programme, and the expected increase in resources required to administer and regulate it
- \$15 million funding transfer from 2018/19 to 2019/20 for planting activities that are across financial years. The activity will take place from May to August 2019, and
- \$218,000 of operational expenditure into capital expenditure. The capital was required to fund necessary resources, principally motor vehicles.