

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	2019/20		
	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)	267,909	(70,955)	196,954
The single 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>	15,342	(4,401)	10,941
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>	17,266	2,699	19,965
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>	2,712	(118)	2,594
This category is limited to the management of the Crown's interest in forests and forestry-related assets.			
<i>Forestry: Policy Advice</i>	8,117	2,952	11,069
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>	92,379	(2,704)	89,675
This category is limited to the purchase of forestry operation and management services.			
Non-Departmental Other Expenses			
<i>Forestry: Grants and partnerships programmes</i>	90,582	(59,681)	30,901
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>	6,111	-	6,111
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>	35,400	(9,702)	25,698
This category is limited to the purchase or planting of the Crown's Forestry assets.			
Total Multi-Category Expenses and Capital Expenditure	267,909	(70,955)	196,954
Total Annual Appropriations and Forecast Permanent Appropriations	267,909	(70,955)	196,954

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 2018/19	3,249
	Adjustments for 2019/20	-
	Adjusted Appropriation	13,612
	Actual to 2018/19 Year End	2,765
	Estimated Actual for 2019/20	7,912
	Estimate for 2020/21	2,935
	Estimated Appropriation Remaining	-
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 2018/19	1,150
	Adjustments for 2019/20	-
	Adjusted Appropriation	28,100
	Actual to 2018/19 Year End	2,139
	Estimated Actual for 2019/20	9,449
	Estimate for 2020/21	16,512
	Estimated Appropriation Remaining	-

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

	2019/20		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Total Annual Appropriations and Forecast Permanent Appropriations	267,909	(70,955)	196,954
Total Forecast MYA Non-Departmental Other Expenses	9,190	8,171	17,361
Total Annual Appropriations and Forecast Permanent Appropriations and Multi-Year Appropriations	277,099	(62,784)	214,315

Supporting Information

Part 1 - Vote as a Whole

1.2 - Trends in the Vote

Summary of Financial Activity

	2019/20				
	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	9,190	-	8,171	8,171	17,361
Capital Expenditure	-	-	-	-	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Multi-Category Expenses and Capital Expenditure (MCA)					
<i>Output Expenses</i>	135,816	1,132	(2,704)	(1,572)	134,244
<i>Other Expenses</i>	96,693	-	(59,681)	(59,681)	37,012
<i>Capital Expenditure</i>	35,400	N/A	(9,702)	(9,702)	25,698
Total Appropriations	277,099	1,132	(63,916)	(62,784)	214,315
Crown Revenue and Capital Receipts					
Tax Revenue	-	N/A	-	-	-
Non-Tax Revenue	114,926	N/A	(11,404)	(11,404)	103,522
Capital Receipts	-	N/A	-	-	-
Total Crown Revenue and Capital Receipts	114,926	N/A	(11,404)	(11,404)	103,522

Part 3 - Details of Non-Departmental Appropriations

3.4 - Non-Departmental Other Expenses

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 2018/19	1,150
	Adjustments for 2019/20	-
	Adjusted Appropriation	28,100
	Actual to 2018/19 Year End	2,139
	Estimated Actual for 2019/20	9,449
	Estimate for 2020/21	16,512
	Estimated Appropriation Remaining	-

How Performance will be Assessed and End of Year Reporting Requirements

Assessment of Performance	2019/20		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Number of hectares approved for planting/treatment under the Erosion Control Funding Programme	1,000	Updated wording	1,000ha
Total area afforested since initial implementation of the scheme (ha)	43,000	Measure removed	-

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 single 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.

Forestry: Policy Advice and Ministerial Servicing

This category is limited to supporting Ministers on Government policy matters through the provision of advice (including second opinion advice and contributing to policy advice led by other agencies), implementation of policy decisions, operational policy, administering legislation, and ministerial servicing 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

	2019/20		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	267,909	(70,955)	196,954
Departmental Output Expenses			
Forestry: Administration of Grants and Programmes	15,342	(4,401)	10,941
Forestry: Implementation of Policy Advice and ministerial servicing	17,266	2,699	19,965
Forestry: Management of the Crown's Forestry Assets	2,712	(118)	2,594
Forestry: Policy Advice	8,117	2,952	11,069
Non-Departmental Output Expenses			
Forestry: Operational management of the Crown's Forests	92,379	(2,704)	89,675
Non-Departmental Other Expenses			
Forestry: Grants and partnerships programmes	90,582	(59,681)	30,901
Forestry: Hill Country Erosion Fund	6,111	-	6,111
Non-Departmental Capital Expenditure			
Forestry: Capital investment in the Crown's Forestry Assets	35,400	(9,702)	25,698
Funding for Departmental Output Expenses			
Revenue from the Crown	43,166	890	44,056
Forestry: Administration of Grants and Programmes	15,238	(4,401)	10,837
Forestry: Implementation of Policy Advice and ministerial servicing	17,234	2,655	19,889
Forestry: Management of the Crown's Forestry Assets	2,596	(118)	2,478
Forestry: Policy Advice	8,098	2,754	10,852
Revenue from Others	271	242	513
Forestry: Administration of Grants and Programmes	104	-	104
Forestry: Implementation of Policy Advice and ministerial servicing	32	44	76
Forestry: Management of the Crown's Forestry Assets	116	-	116
Forestry: Policy Advice	19	198	217

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

	2019/20		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Assessment of Performance			
Departmental Output Expenses			
Forestry: Administration of Grants and Programmes			
Percentage of One Billion Trees funding applications processed within timelines	100%	Updated wording	100%
Forestry: Management of the Crown's Forestry Assets			
The number of hectares of the Crown's forestry assets divested via a surrender or sale process	Equal to or greater than 1,300	Updated wording	1,300ha
Number of hectares contracted under commercial forest leases or forest joint ventures as part of the One Billion Trees programme	11,500	(3,000ha)	8,500ha
Forestry: Policy Advice			
The technical quality assessment level for MPI policy advice papers, on a scale of 1 to 10, will be equal to or greater than	7	Updated wording	7
The satisfaction of the Minister of Forestry with the policy advice service, on a scale of 1 to 10, will be equal to or greater than	8	Updated wording	8
Total cost per output hour (\$)	\$158	Measure removed	-
Non-Departmental Output Expenses			
Forestry: Operational management of the Crown's Forests			
Cubic metres (m3) of logs harvested and sold, on behalf of the Crown, from the Crown Forestry Estate, to within +/- 10% in 2019/20	852,000	Updated wording	852,000m3
Non-Departmental Other Expenses			
Forestry: Grants and partnerships programmes			
The number of hectares of trees contracted for planting through One Billion Trees grants	20,000ha	Updated wording	14,000ha
Forestry: Hill Country Erosion Fund			
An exemption was granted under s15D(2)(b)(iii) of the Public Finance Act as the amount of this annual appropriation category for a non-departmental other expense is less than \$5 million	Exempt	Measure removed	-
The number of hectares treated through Hill Country Erosion Funding in 2019/20	New measure	4,700ha	4,700ha
Non-Departmental Capital Expenditure			
Forestry: Capital investment in the Crown's Forestry Assets			
Hectares of Crown Forestry contracted for planting over the 2020 planting season (see Note 1)	8,000	Updated wording	4,000ha

Note 1 - The 2020 planting season runs approximately from June to August 2020; therefore, this measure has been designed to include all hectares that have been contracted for planting during the 2019/20 part of the 2020 planting season.

Reasons for Change in Appropriation

This appropriation has decreased by \$70.955 million to \$196.954 million for 2019/20 due to:

- \$70.133 million in expense and capital transfers of:
 - \$59.681 million across 2021/22 and 2022/23 for the Forestry Grants and Programmes to better reflect current contractual commitments of the Fund and forecast expenditure
 - \$9.702 million to 2020/21 for capital investments in Crown Forestry to cover contractual commitments for forest development occurring in outyears now the joint venture agreements have been confirmed
 - \$500,000 to 2020/21 for rework of legislative instruments with regards to the Climate Change Response Amendment Bill, and the Climate Change Regulations
 - \$250,000 to 2020/21 for sector investment research to now be undertaken in 2020/21 due to recruiting constraints.
- \$2.704 million to reflect changes in the forecast expenditure profile for Crown Forestry.

The decrease was partially offset by an increase of \$1.882 million through fiscally neutral transfers of:

- \$1.410 million for overhead expenditure, including property lease costs
- \$242,000 for employees seconded to other departments
- \$230,000 for development of the Customer Relationship Management System.