

The Treasury

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Cabinet Document Details

Title: **Cabinet Minute: CAB-21-MIN-0116.01: 2021 Budget Package: Vote Agriculture, Biosecurity, Fisheries and Food Safety**

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Cabinet

Minute of Decision

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2021 Budget Package: Vote Agriculture, Biosecurity, Fisheries and Food Safety

On 12 April 2021, Cabinet:

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2021 Budget package, as listed in the summary below and detailed in the attached initiative documents:

Summary of initiatives included in the attached initiative documents:

Operating Initiatives (Impact on Operating Balance)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
13193	Accelerating Agricultural Climate Change Research and On-Farm Emissions Mitigation	-	4.000	3.000	3.000	3.000
13192	Accelerating the Delivery of a National Integrated Farm Planning System to New Zealand's Farmers and Growers	-	5.642	12.950	10.858	7.765*
13205	Biosecurity Screening for Increasing Mail Volumes and Advanced Screening Technology at the New Auckland Mail Centre	-	1.827	2.602	2.282	2.139
13200	Continuing Production of Agricultural Production Statistics for Domestic and International GDP and Greenhouse Gas Reporting	-	0.090	0.600	0.100	0.110
13204	Continuing the Mycoplasma Bovis Eradication Programme	-	66.080	-	-	-
13202	Funding to Maintain Primary Industry Compliance and Enforcement of the National Animal Identification and Tracing Scheme	-	5.629	5.629	5.629	5.629
13194	Protecting and Preserving Kauri, New Zealand's Iconic Taonga	-	8.000	8.000	8.000	4.000*
Total Operating		-	91.268	32.781	29.869	22.643

*This funding is time limited and includes funding until 2025/26 only. For details, see the initiative document.

Capital Initiatives (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
13319	Maintaining Essential Border Biosecurity Capacity	-	25.000	-	-	-
Total Capital		-	25.000	-	-	-

- 2 **agreed** to establish new appropriations where required to implement these initiatives, as described in the attached initiative documents;
- 3 **approved** changes to appropriations and the capital injections to the administering department to implement the initiatives, as set out in the attached initiative documents;
- 4 **approved** the additional recommendations to give effect to the initiatives, as set out in the attached initiative documents;
- 5 **authorised** the Minister of Finance and the Appropriation Minister to approve jointly any technical adjustments to baselines necessary to remove any errors or inconsistencies identified while finalising the 2020/21 Supplementary Estimates, the 2021/22 Estimates and the fiscal forecasts;
- 6 **authorised** the chief executives of departments that monitor Crown entities directly affected by decisions in this minute to inform the chair and/or chief executive of a Crown entity, on a Budget-in-confidence-until-Budget-day basis, of decisions that directly affect that Crown entity for the purpose of planning and preparation of their Statement of Intent;
- 7 **noted** that all communications relating to the 2021 Budget are co-ordinated by a Budget communications committee, and that any requests for early announcement will need to have both the written approval of the Minister of Finance and sign-off from the Prime Minister's office.

Michael Webster
Secretary of the Cabinet

Vote: Agriculture, Biosecurity, Fisheries and Food Safety

Appropriation Administrator: Ministry for Primary Industries

Title: Accelerating Agricultural Climate Change Research and On-Farm Emissions Mitigation

Description: This initiative will accelerate and increase agricultural greenhouse gas mitigation research and development in high impact areas including vaccine development, methane and nitrous oxide inhibitors, low emissions animal breeding, and soil carbon enhancement. More research in these areas is needed to increase options available to cost-effectively reduce emissions on-farm, providing tools for the agricultural sector to meet methane and other greenhouse gas reduction targets.

Appropriation changes

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance Impact	-	4.000	3.000	3.000	3.000
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	4.000	3.000	3.000	3.000

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Non-Departmental Output Expenses:					
New Zealand Agricultural Greenhouse Gas Research (MYA)	-	4.000	3.000	3.000	-
Multi-Category Expenses and Capital Expenditure:					
Agriculture: Programmes Supporting Sustainability (MCA)					
<i>Non-Departmental Output Expenses:</i>					
Agriculture: New Zealand Agricultural Greenhouse Gas Research	-	-	-	-	3.000
Total Operating	-	4.000	3.000	3.000	3.000

Additional recommendations

- 8 **agreed** that the Multi-Year Appropriation: New Zealand Agricultural Greenhouse Gas Research is adjusted by \$10.000 million;
- 9 **note** that amounts shown in the appropriations changes table for the Multi-Year Appropriation: New Zealand Agricultural Greenhouse Gas Research is the change to the indicative annual spending profile;
- 10 **note** that there is an associated initiative in Vote Business, Science and Innovation (Initiative 13541);

Initiative No: 13192

Vote: Agriculture, Biosecurity, Fisheries and Food Safety

Appropriation Administrator: Ministry for Primary Industries

Title: Accelerating the Delivery of a National Integrated Farm Planning System to New Zealand's Farmers and Growers

Description: This initiative provides funding to accelerate delivery of a national integrated farm planning system in partnership with industry and the regional sectors. It will support a career pathway scheme for farm advisors, an integrated farm planning accelerator fund, data and tools for farmers to develop plans, and the ongoing development of the integrated farm planning framework. Building on the existing industry assurance programmes and regional sectors farm planning systems will ensure up to 40,000 farmers and growers have access to effective farm planning to improve on-farm performance and meet freshwater and greenhouse gas regulatory requirements by 2025.

New appropriation approvals

Name	Period	Type	Category Name	Scope
Agriculture: Integrated Farm Plan Accelerator Fund	Multi-Year Appropriation Start: 1/07/2021 Finish: 30/06/2026 Amount (\$m): 14.441	Non-Departmental Other Expenses	N/A	This appropriation is limited to expenses incurred in conjunction with co-funding from industry, community and catchment groups, and regional councils that significantly accelerate or reduce barriers to the implementation of integrated farm plans.
Agriculture: Farm Advisor Scheme	Multi-Year Appropriation Start: 1/07/2021 Finish: 30/06/2026 Amount (\$m): 5.679	Non-Departmental Other Expenses	N/A	This appropriation is limited to the making of contributions to farm consultancies capable of delivering integrated farm plans as required by the Minister of Agriculture and in accordance with government approved criteria and guidelines.

Appropriation changes

	\$m - increase/(decrease)					
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26 only
Operating Balance Impact	-	5.642	12.950	10.858	7.765	2.299
Debt Impact	-	-	-	-	-	-
No Impact	-	-	-	-	-	-
Total	-	5.642	12.950	10.858	7.765	2.299

	\$m - increase/(decrease)					
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26 only
Non-Departmental Other Expenses:						
Agriculture: Farm Advisor Scheme (MYA)	-	0.480	3.202	1.347	0.650	-
Agriculture: Integrated Farm Plan Accelerator Fund (MYA)	-	1.320	3.300	4.710	3.390	1.721
Multi-Category Expenses and Capital Expenditure:						
Development and Implementation of Primary Industries Policy Advice (MCA)						
<i>Departmental Output Expenses:</i>						
Agriculture: Policy Advice and Ministerial Servicing (funded by revenue Crown)	-	3.842	6.448	4.801	3.725	0.578
Total Operating	-	5.642	12.950	10.858	7.765	2.299

Additional recommendations

- 11 **agreed** that the Multi-Year Appropriation: Agriculture: Integrated Farm Plan Accelerator Fund is established at \$14.441 million;
- 12 **noted** that the amounts shown in the appropriations changes table for the Multi-Year Appropriation: Agriculture: Integrated Farm Plan Accelerator Fund is the change to the indicative annual spending profile;
- 13 **agreed** that the Multi-Year Appropriation: Agriculture: Farm Advisor Scheme is established at \$5.679 million;
- 14 **noted** that the amounts shown in the appropriations changes table for the Multi-Year Appropriation: Agriculture: Farm Advisor Scheme is the change to the indicative annual spending profile;
- 15 **agreed** that the original amount of \$14.441 million of the Multi-Year Appropriation: Agriculture: Integrated Farm Plan Accelerator Fund be reflected in the Estimates for Vote Agriculture, Biosecurity, Fisheries and Food Safety;

Vote: Agriculture, Biosecurity, Fisheries and Food Safety

Appropriation Administrator: Ministry for Primary Industries

Title: Biosecurity Screening for Increasing Mail Volumes and Advanced Screening Technology at the New Auckland Mail Centre

Description: This investment will fund additional biosecurity officers, new 3D scanners and advanced data systems for the new Auckland mail processing centre being built by New Zealand Post. This will strengthen the management of increasing mail pathway biosecurity risks and automate and improve the biosecurity screening at the new centre.

Appropriation changes

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance Impact	-	1.827	2.602	2.282	2.139
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	1.827	2.602	2.282	2.139

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Biosecurity: Border and Domestic Biosecurity Risk Management (MCA)					
<i>Departmental Output Expenses:</i>					
Border Biosecurity Monitoring and Clearance (funded by revenue Crown)	-	1.827	2.602	2.282	2.139
Total Operating	-	1.827	2.602	2.282	2.139

Vote: Agriculture, Biosecurity, Fisheries and Food Safety

Appropriation Administrator: Ministry for Primary Industries

Title: Continuing Production of Agricultural Production Statistics for Domestic and International GDP and Greenhouse Gas Reporting

Description: This initiative provides funding to produce agricultural production statistics. The statistics provide information that is used to inform trade negotiations, policy development, economic forecasting, and to meet domestic and international reporting requirements. Over time, the information allows trends to be identified and acted on such as progress towards greenhouse gas reduction goals and environmental performance and informs planning decisions on New Zealand land.

Appropriation changes

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance Impact	-	0.090	0.600	0.100	0.110
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.090	0.600	0.100	0.110

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Development and Implementation of Primary Industries Policy Advice (MCA)					
<i>Departmental Output Expenses:</i>					
Agriculture: Policy Advice and Ministerial Servicing (funded by revenue Crown)	-	0.090	0.600	0.100	0.110
Total Operating	-	0.090	0.600	0.100	0.110

Vote: Agriculture, Biosecurity, Fisheries and Food Safety

Appropriation Administrator: Ministry for Primary Industries

Title: Continuing the Mycoplasma Bovis Eradication Programme

Description: This initiative continues the Mycoplasma bovis eradication programme. The funding will cover surveillance testing across dairy and beef herds, restricting animal movements where there is a risk of infection, culling herds where there are confirmed cases, compensating farmers for losses attributed to regulatory actions, and supporting affected farmers and families through the process. It will also fund the design and transition to a long-term surveillance programme to provide evidence that the disease is no longer present in New Zealand.

Appropriation changes

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance Impact	-	66.080	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	66.080	-	-	-

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Biosecurity: Border and Domestic Biosecurity Risk Management (MCA)					
<i>Departmental Output Expenses:</i>					
Response to Mycoplasma bovis (funded by revenue Crown)	-	66.080	-	-	-
Total Operating	-	66.080	-	-	-

Additional recommendations

- 16 **agreed** to transfer up to \$50 million of any unspent portions of the 2020/21 Response to Mycoplasma Bovis and “Compensation and Ex-Gratia Payments in Response to Mycoplasma Bovis appropriations to 2021/22 to continue to fund the next stage of the response;
- 17 **noted** that the final amounts of the underspends need to be confirmed through baseline updates;

Vote: Agriculture, Biosecurity, Fisheries and Food Safety

Appropriation Administrator: Ministry for Primary Industries

Title: Funding to Maintain Primary Industry Compliance and Enforcement of the National Animal Identification and Tracing Scheme

Description: This initiative will enable the Ministry for Primary Industries to continue its enforcement of the National Animal Identification and Tracing Act 2012 by maintaining existing analytical capability to support the current workforce of compliance officers, legal, management, analysis and coordination capability. The initiative aims to achieve and maintain greater levels of legislative compliance in order to ensure the national animal tracing system is reliable and supports the programme to eradicate *Mycoplasma bovis*.

Appropriation changes

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance Impact	-	5.629	5.629	5.629	5.629
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	5.629	5.629	5.629	5.629

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Agriculture: Programmes Supporting Sustainability (MCA)					
<i>Departmental Output Expenses:</i>					
Animal Welfare: Education and Enforcement (funded by revenue Crown)	-	5.629	5.629	5.629	5.629
Total Operating	-	5.629	5.629	5.629	5.629

Vote: Agriculture, Biosecurity, Fisheries and Food Safety

Appropriation Administrator: Ministry for Primary Industries

Title: Maintaining Essential Border Biosecurity Capacity

Description: This funding enables the Ministry for Primary Industries (MPI) to continue essential biosecurity border services. These services are experiencing significant revenue reductions due to COVID-19 international travel restrictions. MPI has mitigated the loss of revenue by temporarily redeploying staff and reducing other support costs. This financial support to retain core biosecurity capability will enable New Zealand's borders to immediately reopen when it is safe to do so while helping ensure that New Zealand's biodiversity and primary industries are protected from biosecurity incursions.

Appropriation changes

	\$m – increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	25.000	-	-	-
No Impact	-	-	-	-	-
Total	-	25.000	-	-	-

	\$m – increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Capital Injections:					
Ministry for Primary Industries – Capital Injection	-	25.000	-	-	-
Total Capital	-	25.000	-	-	-

18 **agreed** that Initiative 13319 be charged against the COVID-19 Response and Recovery Fund established at Budget 2020.

Vote: Agriculture, Biosecurity, Fisheries and Food Safety

Appropriation Administrator: Ministry for Primary Industries

Title: Protecting and Preserving Kauri, New Zealand's Iconic Taonga

Description: This initiative provides funding to manage the threat of kauri dieback to New Zealand's iconic kauri trees and buy time while seeking a cure by containing the disease. It will finalise and implement a Kauri Protection National Pest Management Plan under the Biosecurity Act 1993, which will build on and enhance the work of existing kauri programmes and provide a national, prioritised and managed response to kauri dieback, while there is still an opportunity to contain the disease.

Appropriation changes

	\$m - increase/(decrease)					
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26 only
Operating Balance Impact	-	8.000	8.000	8.000	4.000	4.000
Debt Impact	-	-	-	-	-	-
No Impact	-	-	-	-	-	-
Total	-	8.000	8.000	8.000	4.000	4.000

	\$m - increase/(decrease)					
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26 only
Multi-Category Expenses and Capital Expenditure:						
Biosecurity: Border and Domestic Biosecurity Risk Management (MCA)						
<i>Departmental Output Expenses:</i>						
Biosecurity Incursion Response and Long Term Pest Management (funded by revenue Crown)	-	8.000	8.000	8.000	4.000	4.000
Total Operating	-	8.000	8.000	8.000	4.000	4.000