

# *Introduction*

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## Purpose of the *Estimates of Appropriations*

The *Estimates of Appropriations* (the *Estimates*) provides members of Parliament with details of the terms of all proposed appropriations and departmental net asset balances. This ensures that Parliament can exercise an appropriate level of scrutiny and control over the Government's operating and investing activities.

The *Estimates* and associated volumes of *Information Supporting the Estimates* are presented to the House of Representatives on the same day as the government introduces the first Appropriation Bill for each financial year.

New Votes since the 2010/11 *Estimates* are Vote Canterbury Earthquake Recovery and Vote Tertiary Education (which has been split out of Vote Education). These appropriations that were in Vote Crown Research Institutes and Vote State-Owned Enterprises are now in Vote Finance. Vote Research, Science and Technology has been renamed to Vote Science and Innovation.

## Purpose and Nature of Appropriations

An appropriation is a statutory authority from Parliament allowing the Crown or an Office of Parliament to incur expenses or capital expenditure.

Neither the Crown nor an Office of Parliament can legally incur any expense or capital expenditure - as those terms are defined in the Public Finance Act 1989 (PFA) - unless it is expressly authorised by or under an Act of Parliament.

## Limits Created by Appropriations

Each appropriation is allocated to, and managed as, one of six **types** of appropriation.

Each appropriation has a defined **scope** that limits the uses or activities for which the expenses or capital expenditure can be incurred. The scope should be sufficient on its own to establish the nature and extent of the authority to incur expenses or capital expenditure. The wording of the appropriation scope should achieve the balance between being sufficiently precise to act as an effective constraint against non-authorised activities and not so specific that it inadvertently limits activity intended to be authorised.

In most cases an appropriation also limits the **amount** of expenses or capital expenditure that can be incurred, and the time **period** within which those expenses or capital expenditure can be incurred.

Aside from the very limited exclusions provided for in the PFA, the amount of expense or capital expenditure authorised by an appropriation is measured in accordance with generally accepted accounting practice.

### Frequently Asked Questions

Question: Where do I find out what is to be achieved with the resources voted for each appropriation in a Vote?

Answer: In Parts 2-6 for that Vote of the relevant sector volume of the *Information Supporting the Estimates* [B.5A Vol.1-Vol.10].

Question: If the structure of appropriations in a Vote has changed since last year, how do I find out how the amount being sought for this year for each appropriation relates to what was appropriated last year?

Answer: Part 1.4 of the *Information Supporting the Estimates* for the Vote concerned should contain a table showing how the structural change impacts on the amount of each of last year's appropriations affected by the change, to provide a comparison for this year. This table should be accompanied by a narrative explanation of the change.

## Responsibility for Appropriations

Each appropriation is the responsibility of a designated Minister, who controls the right to use that appropriation within the limits authorised by Parliament. A department is also assigned to administer that appropriation in accordance with the Minister's wishes concerning its use.

A Vote is a group of appropriations (and can be a single appropriation) administered by a single department. Different appropriations within a Vote may be the responsibility of different Ministers.

## Relationship to Other Documents

The chart on the following two pages shows how each type of appropriation in the Estimates relates to information in other documents presented prior to the start of the financial year and to annual reports presented after the end of the financial year.

Other documents presented to the House prior to or near the start of a financial year are:

- The **Information Supporting the Estimates** [B.5A Vol.1-Vol.10] which is presented on Budget day and consists of 10 volumes each of which sets out details of the services to be purchased, or the transfer payments to be made, or the capital expenditure to be incurred from each appropriation in the Votes in the sector to which the volume relates.
- Each **department's statement of intent** which is attached to the relevant sector volume of the Information Supporting the Estimates [B.5A Vol.1-Vol.10] presented on Budget day and sets out the department's future operating intentions for at least the next three financial years.
- Each **Crown entity's statement of intent** which is presented shortly after Budget day and sets out the Crown entity's future operating intentions for at least the next three financial years.

Annual reports presented to the House after the end of a financial year:

- Each **department's annual report and financial statements** which is presented 3-4 months after the end of the financial year and includes reporting on:
  - the services provided from each departmental output expense appropriation compared with what was forecast to be provided, and
  - the actual expenses or capital expenditure incurred against each appropriation (and each component output class in a multi-class output appropriation) administered by the department.
- Each **Crown entity's annual report and financial statements** which is presented 4-5 months after the end of the financial year and includes reporting on the services supplied by the Crown entity that have been funded by the government compared with what was forecast to be provided.
- **Ministers' reports under section 32A of the Public Finance Act** which are presented 3 months after the end of the financial year and report on significant non-departmental appropriations where the services provided or results achieved with the expenditure authorised by the appropriation are not reported in a department's or Crown entity's annual report, because the services have been provided or the funding used, by a body that is not a department or Crown entity.

The chart on the next two pages shows how each type of appropriation in the Estimates relates to the information in the Information Supporting the Estimates and statements of intent presented to the House prior to the start of a financial year and to the annual reports presented to the House after the end of that financial year.

## How the Appropriations in the Estimates Relate to the Budget Day or Near the Start of a Financial Year and to the

|   | Departmental Output Expenses (DOE)   | Non-Departmental Output Expenses (NDOE)  | Benefits and Other Unrequited Expenses (BOUE)  | Borrowing Expenses   |
|---|--|--|--|--|
| <b>Estimates</b>                            | Amount, scope and period of appropriation(s) for services to be supplied by the department which administers the Vote – in every Vote except those administered by intelligence and security departments.  | Amount, scope and period of appropriation(s) for services to be purchased by the Crown from Crown entities or other third parties – in less than half of all Votes.  | Amount and scope of appropriations for benefits and other unrequited expenses – in only a small number of Votes.                             | Amount and scope of appropriations for borrowing expenses – usually only in Vote Finance and Vote Revenue.                                       |
| <b>Information Supporting the Estimates</b> | <b>Part 2.1</b> for each Vote provides information on the intended impacts, outcomes or objectives of, and the nature and standard of the services expected to be provided from, DOE appropriations.   | <b>Part 2.2</b> provides information on the intended impacts, outcomes or objectives of, and the nature and standard of the services expected to be purchased from, NDOE appropriations plus a summary of service providers.   | <b>Part 3.2</b> provides information on the intended impacts, outcomes or objectives of BOUE appropriations and the conditions on their use. | <b>Part 4.2</b> provides information on the intended impacts, outcomes or objectives of departmental other expense appropriations.               |
| <b>Agency's Statement of Intent (Sol)</b>   | <b>Department's Sol</b> provides information on the functions, intended operations and objectives of the department providing the services funded by these DOE appropriations.   | Where service provider is a <b>Crown entity</b> , its <b>Sol</b> provides information on its functions, intended operations and objectives.<br><br>For <b>other providers</b> none   | None   | None   |
| <b>Annual Report</b>                        | <b>Department's annual report</b> includes:<br><ul style="list-style-type: none"><li>Actual services provided from each DOE appropriation compared with what was forecast to be provided.</li><li>Actual expenditure incurred against each appropriation administered by the department.</li></ul> | Where service provider is a <b>Crown entity</b> , its <b>annual report</b> reports actual services purchased from NDOE appropriations.<br><br>For <b>other providers</b> where amount is significant, actual services purchased are reported by Minister responsible for appropriation in <b>report under s32A of PFA.</b> | Annual report of department administering these appropriations reports actual expenditure incurred against each BOUE appropriation.          | Annual report of department administering these appropriations reports actual expenditure incurred against each borrowing expense appropriation. |

## Information in Associated Documents Presented on Annual Reports Presented After the End of that Financial Year

| Departmental Other Expenses  | Non-Departmental Other Expenses   | Departmental Capital Expenditure  | Non-Departmental Capital Expenditure  | Expenses or Capital Expenditure incurred by an Intelligence and Security Department   |
|--|---|---|---|---|
| Amount and scope of appropriations for operating expenses incurred by a department that are not output expenses – rare.                      | Amount, scope and period of appropriations for non-departmental operating expenses that are not output, BOUE, or borrowing expenses – in many Votes.  | Amount and scope of appropriation for capital expenditure to be incurred by a department – a PLA under section 24 of the Public Finance Act – in Vote of the Minister responsible for a department's financial performance. | Amount, scope and period of appropriations for capital expenditure to be incurred on acquiring or developing a non-departmental asset or investing in a Crown entity or other third party – in less than half of all Votes. | Amount and scope of the single appropriation administered by an intelligence and security (I&S) department.   |
| <b>Part 5.1</b> provides information on the intended impacts, outcomes or objectives of non-departmental other expense appropriations.       | <b>Part 5.2</b> provides information on the intended impacts, outcomes or objectives of non-departmental other expense appropriations, the results expected from them, and the conditions on their use. | <b>Part 6.1</b> provides information on the intended impacts, outcomes or objectives of departmental capital expenditure.   | <b>Part 6.2</b> provides information on the intended impacts, outcomes or objectives of non-departmental capital expenditure appropriations and the results expected from them.   | <b>Part 1.3</b> only, which provides information on actual expenditure for previous financial years and forecast expenditure for future financial years.  |
| Where departmental other expenses relate to major departmental restructuring, <b>department's Sol</b> should provide information about this. | None  | <b>Department's Sol</b> provides information on the future operating intentions of the department, including on the department's capability to perform its functions.   | For capital investment in a <b>Crown entity</b> , its <b>Sol</b> provides information on expected results from that investment.   | For <b>other</b> capital investment, none   |
| Annual report of department reports actual expenditure incurred against each departmental other expense appropriation.                       | Where expenditure by Crown entity, results achieved reported in <b>Crown entity's annual report</b> .   | <b>Department's annual report</b> reports on department's performance during financial year, including capital expenditure it has incurred.   | Where investment in Crown entity, results achieved reported in <b>Crown entity's annual report</b> .  | <b>Annual reports of I&amp;S departments</b> presented to the House under section 4J(3) of the NZSIS Act 1969 or section 12(3) of the GCSB Act 2003 include actual expenditure incurred against appropriation but not statement of service performance. |
|  | In <b>other cases</b> where amount of a non-departmental other expense is significant, results achieved reported by Minister responsible for appropriation in <b>report under section 32A of PFA</b> .  |   | In <b>other cases</b> where amount of non-departmental capital expenditure is significant, results achieved reported by Minister responsible for appropriation in <b>report under section 32A of PFA</b> .                  |   |

## Types of Appropriation

The *PFA* provides for six types of appropriation. Four appropriation types authorise the incurring of expenses; one type authorises the incurring of capital expenditure; and the remaining type authorises both.

These appropriation types can be further differentiated by whether the expenses or capital expenditure are departmental or non-departmental transactions.

| Appropriation Type  | Transaction Status | Description   |
|---|--------------------|---|
| Output Expenses   | Departmental       | Authorises expenses to be incurred by a department or an Office of Parliament in supplying a specified category of outputs (goods and services).  |
|   | Non-Departmental   | Authorises expenses to be incurred by the Crown (excluding departments) in purchasing a specified category of outputs (goods and services) from Crown entities or other third parties.  |
| Benefits and Other Unrequited Expenses  | Non-Departmental   | <p>Authorises expenses to be incurred by the Crown (excluding departments) in transferring resources (generally to individuals for their personal benefit) for which the Crown receives nothing directly in return.</p> <p>Examples include the Unemployment Benefit, student allowances and various scholarships and awards.</p>   |
| Borrowing Expenses  | Departmental       | <p>Authorises the incurring of interest or other financing expenses for loans made to a department or an Office of Parliament, or for public securities (undertakings that represent part of the public debt) issued by a department or an Office of Parliament.</p> <p>In practice, limitations on the rights of departments to borrow or issue securities mean that these are likely to be incurred only by Offices of Parliament.</p>  |
|   | Non-Departmental   | <p>Authorises the incurring of interest or other financing expenses for loans made to the Crown (excluding departments), or public securities (undertakings that represent part of the public debt) issued by the Crown.</p> <p>Crown debt management is centralised, which means that most debt-servicing expenses appear in Vote Finance.</p>   |
| Other Expenses  | Departmental       | <p>Authorises expenses to be incurred by a department or an Office of Parliament that are not either output expenses or borrowing expenses.</p> <p>Other expenses should be used only for events that cannot be related back to output production, such as redundancy costs arising from a government decision to cease purchasing certain types of outputs, or a loss on sale of assets made surplus by departmental restructuring.</p>  |
|   | Non-Departmental   | <p>Authorises expenses to be incurred by the Crown (excluding departments) that are not structured or managed as output expenses, benefits and other unrequited expenses, or borrowing expenses.</p> <p>Other expenses is the residual appropriation type, which should not be used where an appropriation could be better classified or managed as one of the other appropriation types (eg, as output expenses).</p> <p>Examples include disposal of an asset for less than market value, grants to community organisations, subscriptions for membership of international bodies and remuneration of independent statutory officers.</p> |
| Capital expenditure   | Departmental       | Authorises capital expenditure to be incurred by a department or an Office of Parliament to acquire or develop assets for the use of the department.  |
|   | Non-Departmental   | Authorises capital expenditure to be incurred by the Crown (excluding departments) to acquire or develop Crown assets, including the purchase of equity, or making a loan to a person or organisation that is not a department.   |
| Expenses or Capital expenditure Incurred by an Intelligence and Security Department | Departmental       | Authorises both expenses and capital expenditure to be incurred by the New Zealand Security Intelligence Service or the Government Communications Security Bureau.  |

## Types of Output Expense Appropriations

A number of variations are possible for output expense appropriations. In particular, the annual limit on the level of expense that can be incurred is not always a fixed amount; and an output expense appropriation can cover more than one class of outputs.

| Output Expense Appropriations Type and Authority  | Description, Constraints on Form and Typical Application  |
|---|---|
| <b>Standard Output Expense Appropriations</b><br><br>(section 7(1), Public Finance Act 1989)              | <p><b>Departmental or non-departmental:</b> Authorise a department or an Office of Parliament to incur expenses in supplying a specified class of outputs (goods and services), or the Crown (excluding departments) to incur expenses to purchase a specified class of outputs.</p> <p><b>Annual or multi-year:</b> The authority lapses at the end of the financial year or multi-year period specified.</p> <p><b>Single output class only:</b> The scope is limited to a single class of outputs (defined as a grouping of similar outputs).</p> <p><b>Amount limited by Appropriation Act:</b> The amount of a standard output expense appropriation is limited to a set amount of NZ dollars specified in an Appropriation Act.</p> <p><b>Typical application:</b> The normal or default form for an output expense appropriation, used for a wide range of outputs for which the flexibility offered by the other types of output expense appropriation is not required.</p>   |
| <b>Multi-Class Output Expense Appropriations (MCOA)</b><br><br>(section 7(3)(b), Public Finance Act 1989) | <p><b>Departmental or non-departmental:</b> Authorise a department or an Office of Parliament to incur expenses in supplying more than one specified class of outputs (goods and services), or the Crown (excluding departments) to incur expenses to purchase more than one specified class of outputs.</p> <p>A proposed MCOA must be approved by the Minister of Finance before it is presented in the <i>Estimates</i>. The information supporting the <i>Estimates</i> must explain why those classes of outputs are grouped in one appropriation.</p> <p><b>Annual or multi-year:</b> The authority lapses at the end of the financial year or multi-year period specified.</p> <p><b>Multiple output classes:</b> The scope of an MCOA is determined by combining the scope of each of the output classes included in that appropriation.</p> <p><b>Amount limited by Appropriation Act:</b> The amount of an MCOA is limited to a set amount of NZ dollars specified in an Appropriation Act. The amount of expense that can be incurred in relation to each component output class is flexible within the total amount of the MCOA, although expenses must be separately forecast and reported for each individual class in the <i>Estimates</i>, <i>Information Supporting the Estimates</i>, <i>Supplementary Estimates</i> and the department's annual report.</p> <p><b>Typical application:</b> An MCOA is used where it is appropriate to give the responsible Minister or department ongoing discretion over the output mix across two or more classes of outputs. Such discretion will most commonly be sought where the output classes contribute to a common outcome, or use a common or closely related set of inputs or processes, and the circumstances that determine the appropriate output choice or mix are likely to vary during the appropriation period.</p> |
| <b>Revenue-Dependent Appropriations (RDA)</b><br><br>(section 21(1), Public Finance Act 1989)             | <p><b>Departmental only:</b> Authorise a department or an Office of Parliament to incur expenses in supplying a specified class of outputs (goods and services) that are not paid for directly by the Crown.</p> <p>A proposed RDA must be approved by the Minister of Finance, before it is presented in the <i>Estimates</i>. Each class of outputs for which an RDA is approved is listed in an Appropriation Act for the relevant financial year.</p> <p><b>Annual only:</b> The authority lapses at the end of the financial year specified.</p> <p><b>Single output class only:</b> The scope of an RDA is limited to a single class of outputs (defined as a grouping of similar outputs).</p> <p><b>Amount limited by amount of revenue earned:</b> The amount of an RDA is limited to the amount of revenue earned by a department or an Office of Parliament from other departments or from parties other than the Crown during a financial year. The Minister of Finance can further direct a department to incur expenses to a level lower than the amount of revenue earned, though such directions have been rare.</p> <p><b>Typical application:</b> An RDA provides flexibility to respond to unanticipated changes in the level of external demand for a class of outputs, where the full cost of the outputs is met by external parties and not the Crown.</p>  |



| Output Expense Appropriations Type and Authority   | Description, Constraints on Form and Typical Application   |
|--|--|
| <p>Department-to-Department Appropriations (DDA)</p> <p>(section 20(2), Public Finance Act 1989)</p> | <p><b>Departmental only:</b> Authorise a department or an Office of Parliament to incur expenses in supplying specified outputs (goods and services) paid for by another department.</p> <p>Creation of a DDA requires an agreement between two departments. Implicitly, the approval of the Minister that will become responsible for the appropriation - namely, the Minister responsible for the supplying department - as the agreement has implications for the scope and risk of that department's operations.</p> <p><b>Annual or multi-year:</b> The period of a DDA will depend on the negotiated terms of the agreement.</p> <p><b>Single or multiple output class(es):</b> The scope of a DDA (and hence whether it covers one or more classes of outputs) will depend on the way in which the agreement defines what is to be delivered. In most cases, an agreement that provides for a range of different outputs is better treated as creating several single-class DDAs.</p> <p><b>Amount limited by departmental agreement:</b> The amount of a DDA is limited to either the amount of revenue earned from the commissioning department, or the cost incurred by the supplying department in providing those outputs (if that cost is less than the amount of revenue earned under the agreement).</p> <p><b>Typical application:</b> DDAs are intended to make collaboration between departments easier by reducing the time and effort required to obtain or adjust the relevant appropriations while also allowing a commissioning department to retain full control over the resources it provides.</p> <p>The use of a DDA is not confined to bilateral agreements. A set of related DDAs could be used to enable one department to co-ordinate and manage the work of several departments that must together contribute to providing an integrated service to third parties, or to pool contributions from several departments to enable another department to provide a specific service to or on behalf of those departments.</p> |

## Appropriation Period

The length of the appropriation period affects how appropriations are presented in the *Estimates* and *Supplementary Estimates*. Three kinds of appropriation can be distinguished on the basis of period - annual and multi-year (as referred to in the above table on types of output expense appropriations), and permanent:

- Annual Appropriations** - Most appropriations listed in the *Estimates* and *Supplementary Estimates* allow expenses or capital expenditure to be incurred only during a particular financial year. The annual amounts, for which parliamentary authority is normally sought, are shown in **bold type** in Details of Annual and Permanent Appropriations in the *Estimates* and *Supplementary Estimates* for each Vote. The amounts for RDAs and annual DDAs are forecasts only, and are not shown in bold type.
- Multi-Year Appropriations (MYAs)** - The PFA also permits appropriations that allow expenses or capital expenditure to be incurred during a specified period that spans the whole or parts of more than one financial year, but no more than five financial years. The details of each MYA, including its commencement date and expiry date, are specified in Details of Multi-Year Appropriations in the *Estimates* and *Supplementary Estimates* for relevant Votes.
- Permanent Appropriations** (sometimes referred to as permanent legislative authorities or PLAs) - Permanent appropriations are authorised by legislation other than an Appropriation Act and continue in effect until revoked by Parliament. Generally the authorising legislation will impose limits on the scope of the appropriation and not its amount. For those appropriations with limits set in cash terms, section 11(2) of the Public Finance Act 1989 requires that they be reported on an accrual basis. The usual legislative wording allows for expenses to be incurred for the purpose specified in the legislation "without further appropriation than this section". Details of permanent appropriations are included in Details of Annual and Permanent Appropriations in the *Estimates* and *Supplementary Estimates* for each Vote for completeness, though the amount specified is a forecast rather than a limit. The amounts of permanent appropriations are therefore not shown in bold type. The scope of a permanent appropriation will reference the relevant section of the authorising legislation.



## Types of Crown Revenue and Capital Receipts

An operating and capital split also applies to Crown revenue and receipts. The following table outlines the three revenue/receipt types:

| Crown Revenue Type | Departmental Status | Description   |
|--------------------|---------------------|---|
| Tax Revenue        | Non-Departmental    | Tax payable to the Crown, such as Income Tax, GST and Fringe Benefit Tax  |
| Non-Tax Revenue    | Non-Departmental    | Revenue earned by the Crown from its investing and other operating activities. Examples include interest income, capital charges and dividends from State-owned enterprises.  |
| Capital Receipts   | Non-Departmental    | Capital received by the Crown: <ul style="list-style-type: none"> <li>when loans are raised (which appear in Vote Finance) or repayments of principal are made on debts owed to the Crown (for example, in Vote Social Development), or</li> <li>when capital assets are sold.</li> </ul> |

## Types of Movements in Departmental Net Asset Balances

The following information on types of movements in each department's net asset balance appears at the end of the Vote containing appropriations that belong to a department's Responsible Minister. The movements reconcile a department's opening and closing net asset balances. The projected closing net asset balance sets an upper bound on the amount of the Crown's accumulated net investment in a department throughout the financial year.

| Movement Type                               | Description   |
|---|---|
| Capital injections                          | Investment by the Crown in a department, which increases the department's net asset balance.  |
| Capital withdrawals                         | Returns of capital by a department to the Crown, which reduce the department's closing net asset balance.   |
| Surplus to be retained / (Deficit incurred) | The net surplus forecast to be retained by a department from its operations for a financial year in accordance with section 22(1) of the <i>PFA</i> , or the forecast deficit for the department. A surplus or deficit will, respectively, increase or decrease the department's closing net asset balance.   |
| Other movements                             | Any other adjustment required to ensure that the amount of a department's authorised net asset balance is not a forecast but an upper bound within which the department must operate throughout the financial year. Such movements should include offsets to forecast deficits (if any), to ensure that net assets remain within approved limits should the deficit be less than forecast. Other movements may include offsets to forecast withdrawals, to ensure that net assets remain within approved limits until the capital is withdrawn. |

# Guide to Reading the *Estimates*

The *Estimates* comprise this Introduction, a series of Summary Tables, details of appropriations in each Vote, and schedules of departmental net asset balances.

## Summary Tables

The Summary Tables provide a high-level perspective and comparative “ready reference” for all appropriations (annual, permanent and MYAs). They cover:

- the trends for all Votes - showing actual or estimated actual totals for the five years to 2010/11, Budget totals proposed for 2011/12 and estimated totals for the three financial years to 2014/15 with respect to each type of appropriation and of Crown revenue and capital receipts
- each appropriation type and total appropriations - showing budgeted and estimated actual totals for 2010/11 and totals proposed for 2011/12 for each Vote
- current-year revenue-dependent appropriations for each Vote
- multi-year appropriations by Vote, appropriation type and period
- types of Crown revenue and Crown capital receipts for 2010/11 and 2011/12 associated with each Vote, and
- net assets of each department - showing closing balances for 2010/11 and 2011/12.

For inclusion in the Summary Tables, MYAs are converted into actual or forecast amounts for each financial year.

## Layout of Each Vote

The *Estimates* present Votes in alphabetical order. The title page for each Vote specifies the Minister(s) responsible for existing and proposed appropriations in the Vote, the administering department for the Vote, and the Responsible Minister for that department. This is followed by:

- **Overview of the Vote** - A plain language summary of what the amounts in the Vote are to be spent on. The Overview is repeated in the Supporting Information for the relevant sector.
- **The Details of Appropriations** - Tables containing information on each appropriation in a Vote:
  - **Details of Annual and Permanent Appropriations** - The type, title, scope and amount of each annual and permanent appropriation. The annual amounts for which parliamentary authority is sought in the Appropriation (2011/12 Estimates) Bill appear in **bold type**.
  - **Details of Multi-Year Appropriations** - The type, title, scope and amount of each MYA, including any adjustments since originally appropriated, amounts incurred or estimated for particular years, and the estimates remaining balance.
- **Details of Projected Movements in Departmental Net Assets** - Information on the opening and closing balances of each department is included in the Vote that contains appropriations belonging to a Department’s Responsible Minister.

Other information supporting the appropriations set out in the *Estimates*, including information about future operating intentions of administering departments, is presented in 10 sector-based volumes of *Information Supporting the Estimates*. Votes and department included in each sector are listed in the following table.

# Votes and Departments in Each Sector

| Votes by Sector   | Departments by Sector                          |
|---|--|
| <b>Economic Development and Infrastructure Sector - B.5A Vol.1</b>  |  |
| Vote Economic Development   | Ministry of Economic Development               |
| Vote Commerce   |  |
| Vote Communications   |  |
| Vote Consumer Affairs   |  |
| Vote Energy   |  |
| Vote Tourism  |  |
| Vote Canterbury Earthquake Recovery   | Canterbury Earthquake Recovery Authority       |
| Vote Transport  | Ministry of Transport                          |
| Vote Labour   | Department of Labour                           |
| Vote ACC  |  |
| Vote Employment   |  |
| Vote Immigration  |  |
| <b>Education and Science Sector - B.5A Vol.2</b>  |  |
| Vote Education  | Ministry of Education                          |
| Vote Tertiary Education   |  |
| Vote Education Review Office  | Education Review Office                        |
| Vote Science and Innovation   | Ministry of Science and Innovation             |
| <b>Environment Sector - B.5A Vol.3</b>  |  |
| Vote Environment  | Ministry for the Environment                   |
| Vote Climate Change   |  |
| Vote Conservation   | Department of Conservation                     |
| Vote Local Government (this Vote is administered by the Department of Internal Affairs, which is in the Māori, Other Populations and Cultural Sector)     |  |
| Vote Parliamentary Commissioner for the Environment   | Parliamentary Commissioner for the Environment |
| <b>External Sector - B.5A Vol.4</b>   |  |
| Vote Foreign Affairs and Trade  | Ministry of Foreign Affairs and Trade          |
| Vote Official Development Assistance  |  |
| Vote Defence  | Ministry of Defence                            |
| Vote Defence Force  | New Zealand Defence Force                      |
| Vote Veterans' Affairs - Defence Force  |  |
| Vote Customs  | New Zealand Customs Service                    |
| <b>Finance and Government Administration Sector - B.5A Vol.5</b>  |  |
| Vote Prime Minister and Cabinet   | Department of the Prime Minister and Cabinet   |
| Vote Communications Security and Intelligence   | Government Communications Security Bureau      |
| Vote Security Intelligence  | New Zealand Security Intelligence Service      |
| Vote State Services   | State Services Commission                      |
| Vote Finance  | The Treasury                                   |
| Vote Revenue  | Inland Revenue Department                      |
| Vote Ministerial Services (this Vote is administered by the Department of Internal Affairs, which is in the Māori, Other Populations and Cultural Sector) |  |

| Votes by Sector   | Departments by Sector                               |
|---|---|
| <b>Finance and Government Administration Sector - B.5A Vol.5 (cont'd)</b>                                       |   |
| Vote Office of the Clerk  | Office of the Clerk of the House of Representatives |
| Vote Parliamentary Service  | Parliamentary Service                               |
| Vote Audit  | Controller and Auditor-General                      |
| Vote Ombudsmen  | Office of the Ombudsmen                             |
| <b>Health Sector - B.5A Vol.6</b>   |   |
| Vote Health   | Ministry of Health                                  |
| <b>Justice Sector - B.5A Vol.7</b>  |   |
| Vote Justice  | Ministry of Justice                                 |
| Vote Courts   |   |
| Vote Corrections  | Department of Corrections                           |
| Vote Police   | New Zealand Police                                  |
| Vote Serious Fraud  | Serious Fraud Office                                |
| Vote Attorney-General   | Crown Law Office                                    |
| Vote Parliamentary Counsel  | Parliamentary Counsel Office                        |
| <b>Māori, Other Populations and Cultural Sector - B.5A Vol.8</b>  |   |
| Vote Arts, Culture and Heritage   | Ministry for Culture and Heritage                   |
| Vote Sport and Recreation   |   |
| Vote Statistics   | Statistics New Zealand                              |
| Vote Māori Affairs  | Te Puni Kōkiri                                      |
| Vote Treaty Negotiations (this Vote is administered by the Ministry of Justice, which is in the Justice Sector) |   |
| Vote Pacific Island Affairs   | Ministry of Pacific Island Affairs                  |
| Vote Women's Affairs  | Ministry of Women's Affairs                         |
| Vote Internal Affairs   | Department of Internal Affairs                      |
| Vote Community and Voluntary Sector   |   |
| Vote Emergency Management   |   |
| Vote National Archives  |   |
| Vote National Library   |   |
| Vote Racing   |   |
| <b>Primary Sector - B.5A Vol.9</b>  |   |
| Vote Agriculture and Forestry   | Ministry of Agriculture and Forestry                |
| Vote Biosecurity  |   |
| Vote Fisheries  |   |
| Vote Food Safety  |   |
| Vote Lands  | Land Information New Zealand                        |
| <b>Social Development and Housing Sector - B.5A Vol.10</b>  |   |
| Vote Social Development   | Ministry of Social Development                      |
| Vote Senior Citizens  |   |
| Vote Veterans' Affairs - Social Development   |   |
| Vote Youth Development  |   |
| Vote Housing  | Department of Building and Housing                  |

## Terms and Definitions

The table below contains terms that are used in the *Estimates* and the *Information Supporting the Estimates*.

|                        |  |
|------------------------|--|
| Appropriation          | An appropriation is a parliamentary authorisation for the Crown or an Office of Parliament to incur expenses or capital expenditure.   |
| Appropriation scope    | One of the defining terms of an appropriation that establishes limits on the activities for which the Crown or an Office of Parliament is authorised to incur expenses or capital expenditure under that appropriation.  |
| Capital expenditure    | The cost of assets acquired or developed including any ownership interest in entities, but excluding inventory.  |
| Crown revenue          | Revenue earned on behalf of the Crown. These flows are accounted for as revenue to the Crown rather than as departmental revenue.  |
| DDA                    | Department-to-department appropriations, which are authorised by section 20(2) of the Public Finance Act 1989.   |
| Department             | Generally references to Departments also include an Office of Parliament as provided in section 26E(4) of the Public Finance Act 1989.   |
| Expenses               | Amounts consumed or losses of service potential or future economic benefits, other than those relating to capital withdrawals, in a financial year. [An accrual concept measured in accordance with generally accepted accounting practice.]   |
| GST                    | Goods and services tax. Appropriations are stated GST exclusive.   |
| MCOA                   | Multi-class output expense appropriation.  |
| MYA                    | Multi-year appropriation.  |
| N/A                    | Not applicable.  |
| Outcomes               | States or conditions of society, the economy or the environment, including changes in those states or conditions.  |
| Outputs                | Goods or services supplied by departments and other entities to external parties. Outputs are a variety of types, including policy advice, administration of contracts and grants, and the provision of specific services.   |
| PFA                    | Public Finance Act 1989.   |
| PLA                    | Permanent Legislative Authority - the traditional term for an appropriation authorised for an indefinite period by legislation other than an Appropriation Act (also known as a permanent appropriation).  |
| Minister               | The Minister responsible for specific appropriations being sought within a Vote. As several Ministers may now hold appropriations within a single Vote, each appropriation will have a tag (M1, M2 etc) identifying the Minister responsible for that line item.                       |
| RDA                    | Revenue-dependent appropriations, which are authorised by section 21(1) of the PFA 1989.   |
| Responsible Minister   | The Minister responsible for the financial performance of a department or Crown entity. In relation to an Office of Parliament, the Office of the Clerk of the House of Representatives, and the Parliamentary Service, the Speaker is the Responsible Minister.                       |
| Revenue from the Crown | Revenue earned by a department from the Crown for the provision of outputs to or on behalf of the Crown. These flows are accounted for as departmental revenue. Revenue from the Crown is eliminated for purposes of reporting the Crown's overall financial performance and position. |
| Revenue from Others    | Revenue earned by a department from other departments and from third parties. Revenue from other departments is eliminated for purposes of reporting the Crown's overall financial performance and position.   |
| Vote                   | A grouping of one or more appropriations that are the responsibility of one or more Ministers of the Crown and are administered by one department.   |

## Useful Links

The suite of Budget 2011 documents can be accessed in the Budgets section of the website: [www.treasury.govt.nz/budget/2011](http://www.treasury.govt.nz/budget/2011). Documents providing guidance on the PFA and the public sector financial management system can be accessed in the Public Finance Overviews section of the Treasury's website: [www.treasury.govt.nz/publications/guidance/publicfinance](http://www.treasury.govt.nz/publications/guidance/publicfinance).