

Report annual

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2001

Ministry of Agriculture and Forestry
Te Manatu Ahuwhenua, Ngaherehere

30 june

2002





Annual Report of the

Ministry of Agriculture and Forestry

for the year ended 30 June 2002

Presented to the House of Representatives Pursuant to
Section 39 of the Public Finance Act 1989

House of Representatives
Parliament Buildings
Wellington

Pursuant to Section 39 of the Public Finance Act 1989, I present to you the Annual Report of the operations of the Ministry of Agriculture and Forestry for the year ended 30 June 2002, together with the audited financial statements in respect of that year.

A handwritten signature in dark ink, appearing to read 'M A Sherwin', followed by a long horizontal line.

M A Sherwin
Director-General

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Terms and Definitions Used

ACC	Accident Compensation Corporation
ACVM	Agricultural Compounds and Veterinary Medicines
AFTA	ASEAN Free Trade Area
ANZFA	Australia and New Zealand Food Authority
APEC	Asia Pacific Economic Co-operation
CER	Closer Economic Relations
CODEX	International Food Standards Setting Body
E-Cert	Electronic Certification
EU	European Union
FAO	Food and Agricultural Organisation of United Nations
GM/GMO	Genetically modified/genetically modified organism
GMP	Good Manufacturing Practice
GST	Goods and Services Tax
HSNO	Hazardous Substances and New Organisms
MAF	Ministry of Agriculture and Forestry
MFAT	Ministry of Foreign Affairs and Trade
MmmLC	Mycoplasma mycoides mycoides large colony
MOU	Memorandum of Understanding
NCDI	National Centre for Disease Investigation
NZ/EU	New Zealand/European Union
NZFSA	New Zealand Food Safety Authority
OECD	Organisation for Economic Co-operation and Development
OSH	Occupational Safety and Health
PPRL	Plant and Pest Reference Laboratories
SILNA	South Island Landless Natives Act
SPS	Sanitary and Phytosanitary
Tb	Tuberculosis
WHO	World Health Organisation
WTO	World Trade Organisation

Director-General's Overview



Murray Sherwin **Director-General**

The Ministry of Agriculture and Forestry (MAF) exists to pursue national well-being through our agricultural and forestry industries. To that end, we collect, analyse and disseminate information, advise Ministers, regulate, certify products as fit for purpose, manage forests, and provide services such as those associated with biosecurity.

MAF comprises about 1300 people in approximately 110 locations who undertake a remarkably diverse and important range of activities. We are a science-based organisation and our work touches a huge proportion of New Zealand's economic activity. MAF matters because the health and vitality of our agriculture and forestry sectors

is vital for the well-being of all New Zealanders.

The significance to the New Zealand economy of our primary production sectors has been heavily underlined over the past two years. Dairy and meat farmers have enjoyed returns on a scale not seen in 30 years. Good weather, reasonable prices in international markets and a rare combination of a very low real exchange rate, low nominal interest rates and on-going low inflation have all contributed to that outcome.

These factors are all outside the direct influence of farmers or MAF, but it would be a mistake to ascribe all of the rural success of the past couple of years to the purely serendipitous forces of weather and financial markets. The reality is that New Zealand farmers and foresters have been working hard to be competitive in global markets, cutting costs and raising productivity over many years which they have to do if they are to survive. Without protection or subsidies, New Zealand primary producers have learned that they must adapt or wither.

Around 90 percent of what we grow on our farms and forests is exported. These goods, together with fish products, account for about two-thirds of our total merchandise exports. Many of these products cannot leave our shores without a MAF certificate confirming that they are fit for purpose. This is not a requirement imposed by MAF, it is a requirement of the governments of the countries with which we trade.

Likewise, products arriving in New Zealand, and all international visitors, require clearance from MAF that they are free from unwanted pests and diseases.

Because our primary industries are so uncommonly reliant on export markets, a large part of MAF's activities relate to international trade. Facilitating this trade and managing the risks associated with it, means we, together with the Ministry of Trade and Foreign Affairs (MFAT), must work closely with our counterparts in foreign countries, and with the international organisations and agencies that set international

trade rules. We then must work with New Zealand producers, exporters and importers to ensure that they are familiar with the rules governing international trade in their products, and that they meet the required standards.

International trade rules impact directly on the well-being of all New Zealanders. The way these rules are developed and applied shapes our ability to access markets, the costs faced by exporters and importers, and how we manage the risks to our unique ecology that could be threatened by imported pests and diseases.

MAF employees are directly and heavily engaged in shaping international trade rules. Our influence is well beyond the size of our economy, and well beyond the numbers of people we have engaged in this vital work.

While MAF has become a much smaller organisation over the past 10 to 15 years through a variety of restructurings, the scope and complexity of the issues we grapple with each day have increased and continue to expand rapidly.

This is most obvious in biosecurity. What began as an exercise designed primarily to protect New Zealand from Foot and Mouth Disease and a few other animal diseases has now expanded to cover any pest or unwanted organism. Consequently, the MAF Biosecurity Authority struggles to keep pace with rapidly expanding public and political expectations about what should be achieved, and rapidly expanding technical possibilities about what could be achieved. The challenge is to keep expectations of MAF performance broadly in line with the available resources recognising that there will always be a gap between what is technically feasible and what taxpayers and other funders can afford. A biosecurity strategy development process is currently underway to progress this matter.

Similar issues arise with food safety. But on this front, strategies are more settled and structures now in place to manage the challenges. The decision to establish the New Zealand Food Safety Authority (NZFSA) as a semi-autonomous agency attached to MAF provides us with a mechanism to provide an integrated producer to consumer food safety programme encompassing, for the first time, both export and domestic markets. The past year has seen extraordinary efforts to prepare for the launch of the NZFSA on 1 July 2002. The next year will require similar resolve to establish NZFSA's work programme. This will require a regulatory regime that: meets the needs of consumers here and abroad; is credible for the regulatory agencies of our trading partners; is effective and efficient for local food producers and processors; and which maintains the essential linkages within MAF, especially with the Biosecurity Authority, the Operations Group and MAF Policy.

The MAF Operations Group consists of about two-thirds of all MAF personnel, in the Quarantine Service, Verification Agency and laboratories. This group is geographically dispersed and, as its name suggests, largely operational. The challenge for this team is to: close the gaps created by geographic isolation; enhance the sense of attachment with MAF; improve the information flows and provide training and development opportunities to assist the groups to meet the standards of excellence that the public expects.

The "F" in MAF stands for "Forestry". Our Forestry Management Group is the nation's eighth-largest forest owner with gross revenue during this financial year of \$81.7m. This group manages those forests for the Crown, in many cases in partnership with Māori – a successful commercial partnership of Māori land and Crown funding. The result is not just a commercial rate of return for both parties,

but also the development of a substantial resource base for Māori, employment and training opportunities for the local people, and the opportunity to return to the Māori land-owners a valuable, commercially viable asset.

However, MAF's activities in forestry run well beyond the management of forests. The Indigenous Forest Unit is undertaking pioneering work to regulate sustainable management of privately-owned indigenous forests, while the East Coast Forestry Project is engaged in crucial work to stabilise the erosion-prone hills of the East Coast. In so doing, this unit is also assisting to build a sustainable resource base that will underpin a substantial forestry industry for a region desperately in need of economic development. MAF has other important forestry-related effort: statistical collection underpinning the exotic forest description database, work in forestry biosecurity, trade access work aimed at breaking down barriers to exports of New Zealand forest products, and work on the Wood Processing Strategy to identify and overcome impediments to the development of our forestry industry.

The Wood Processing Strategy has a milestone of the forestry sector becoming the largest merchandise exporter by 2005. MAF intends to be alongside our forestry companies, local government and central government agencies facilitating the progress of the industry and assisting it to realise its full and extensive potential.

At the heart of MAF's capability as a public policy ministry is the MAF Policy Group. It is within this group that information is gathered, analysed, and disseminated. It is here that MAF's crucial policy development work is undertaken, including the international trade negotiations work. The spectrum of issues covered by the Policy team is enormous: genetic modification, climate change, producer board reforms, policies related to rural communities, water quality and allocation, sustainable farming practice, and the application of our partnership with Māori in the agriculture and forestry sectors. The MAF policy team is one of the largest policy advisory groups in Wellington, and MAF's success depends on the quality of the analysis and advice developed in this group.

A new CEO appointed to a large organisation after a period of significant restructuring provides an opportunity to reassess the organisational strengths and weaknesses, to review where the organisation is going and why, and to redefine the scope and priorities of the organisation. That process is underway. Within MAF, staff are committed to a strong and successful organisation, but less clear about what that may mean in practice. From stakeholders there is an equally firm commitment to a strong and successful MAF and a clear understanding that MAF's effectiveness, international reputation and credibility impact directly on the profitability of New Zealand's agriculture and forestry sectors. Ministers and core government agencies are also committed to a dynamic and influential MAF because they recognise just how significant MAF is for our largest industries.

Within MAF, we recognise that there are opportunities to refocus our attention, review our strategies and capabilities and reset our targets. The first step lies in building our capability to strategise and implement those strategies. That part of the process is underway.

We understand how important our agricultural and forestry sectors are to the performance of the New Zealand economy. We understand the considerable potential to build on the existing base, to innovate and grow on the back of good science, good management, efficient processing and great marketing. Agriculture and forestry can be at the centre of a New Zealand growth and innovation strategy.

Our role at MAF is to help identify the opportunities and manage the risks in that strategy as we facilitate the development and growth of our biggest and highest-performing sectors.

Highlights for the year are summarised below.

Biosecurity

Contribution to the National Biosecurity Strategy

The Ministry of Agriculture and Forestry's contribution to the development of the Biosecurity Strategy for New Zealand has been a major activity for 2001/02. The Biosecurity Strategy is intended to provide direction and guidance for all agencies involved in biosecurity and to obtain agreement on the priorities, goals, objectives and measurable targets for New Zealand's biosecurity programmes.

The consultation phases for the development of the strategy have been completed. These involved a series of regional consultation workshops, public meetings and hui. To assist in analysing the complex array of information and options, the Strategy Team convened four issues groups drawn from biosecurity stakeholders.

A draft strategy was prepared and further work on the strategic, high-level elements is to be undertaken by a dedicated policy team, managed by a steering group of the Biosecurity Council. Particular emphasis is being given to the vision, goals and objectives, governance and accountability arrangements, a risk management framework and New Zealand's statement on acceptable levels of protection. The proposed strategy should be submitted to the Minister for Biosecurity, an ad hoc group of Ministers with portfolio interests in biosecurity, and the Cabinet later this year, followed by public consultation. The project, based on a modified timeframe approved by the current Minister, is on target to deliver the strategy to Government in March 2003.

Implementation of the Biosecurity Awareness Programme

The programme, which aims to improve biosecurity awareness and is targeted at travellers, importers, primary industries and the general public, was a major activity for the 2001/02. During the course of the year a logo was designed to help the public better understand the issues surrounding biosecurity and to encourage them to be more personally responsible for the biosecurity of New Zealand. A "spokesperson" was created in the form of "Max the Beagle" who delivered the biosecurity message through publications, a television advertising campaign and the "Protect New Zealand" website. A number of support campaigns have also been run targeting groups which have been identified through research as requiring greater awareness of the biosecurity message.

Biosecurity Capability

The Ministry of Agriculture and Forestry was involved in a "Value for Money" exercise with the Treasury and State Services Commission, which considered capability issues for the Biosecurity Authority. The Painted Apple Moth Eradication Programme has given rise to questions regarding the Ministry's ongoing biosecurity capability. A number of initiatives are underway within the Ministry to address these issues, including the application of a project management approach to future response programmes and a review of the respective roles and accountabilities of Chief Technical Officers, appointed under the Biosecurity Act, and Directors of the

Authority. These issues will be addressed over the course of the 2002/03 year in conjunction with the publication and implementation of the Biosecurity Strategy.

Business Environment

Dairy and Pipfruit Industry Deregulation

In 2001/02 major progress was made with respect to the restructuring of the dairy industry, including removal of the Dairy Board's single desk export powers, and the removal of ENZA's privileged export right for apples and pears.

The Dairy Industry Restructuring Act 2001 was passed in September 2001, enabling the formation of Fonterra. MAF led the policy development process involving contributions from government departments and consultation with the dairy industry and other stakeholders. A range of implementation activity followed enactment of the legislation, some of which will continue into the 2002/03 financial year. A key issue will be the arrangements relating to country specific tariff quota market access.

The Apple and Pear Industry Restructuring Act Repeal Act 2001 was passed in September 2001. The Act deregulated the exporting of apples and responded to issues relating to foreign exchange losses.

International Trade

2001/02 has seen a continuation of MAF's contribution to the advancement of New Zealand's interests in respect of agricultural, horticultural and forestry exports. In particular MAF:

- Worked with MFAT, the Cairns Group and other trading partners as well as the domestic industry to launch the Doha Development Round in Qatar in November, and subsequently participated actively in the preliminary stages of the agricultural and forestry negotiations.
- Provided significant policy input into the successful resolution of the US lamb safeguards case, as well as providing both technical and policy input into the Dispute Settlement outcome on Canadian Dairy Export Subsidies.
- Prepared for, and participated in, various meetings of the Cairns Group, the WTO Committee on Agriculture, the OECD, the FAO, APEC, the United Nations Forum on Forests (UNFF), the International Tropical Timber Organisation (ITTO), and the World Wine Trade Group (formerly known as New World Wine Producers).
- Participated actively in a range of Closer Economic Partnership (CEP) discussions, either as part of the negotiating team (Hong Kong/NZ) or as part of the officials discussions/analyses assessing the particular merits of a range of CEPs such as US/NZ and AFTA/CER.

Food Safety

Establishment of the New Zealand Food Safety Authority

The Government's wish to progress with New Zealand Food Safety Authority (NZFSA) in the form of a semi-autonomous body was communicated in December 2001. A comprehensive strategic plan and associated business case were produced, as requested, by the end of January 2002. Both were accepted without change. Despite on-going uncertainties about whether the enabling legislation would be passed in time, the NZFSA was launched on 1 July 2002. At that time, all staff

transfer processes were completed, new premises leased and fitted-out, the NZFSA web-site was operational and all operations continued without disruption.

Codex Meetings

In early 2002, New Zealand hosted and chaired the Codex Committee on Milk and Milk Products and the Codex Committee on Meat and Poultry Hygiene. Both committees made considerable progress in a number of areas that will improve international trading conditions.

Office International des Epizooties (OIE)/Codex Alimentarius Commission Linkage

New Zealand has been invited to provide leadership and also to develop a discussion paper on how to bring the animal standard setting functions of OIE and the food standard setting of Codex Alimentarius closer. A NZFSA representative has been invited to lead a permanent working group set up to progress this work and to influence the development of OIE standards that impact on food safety towards a science and risk based approach.

Organic Products to the European Union (EU)

After two years negotiation, New Zealand has achieved third country approval for organic exports to the EU. This will mean that all organic products to the EU will be certified by NZFSA to New Zealand standards and will allow access to markets in Europe previously not accessible.

Sustainable Resource Base

East Coast Forestry Project

In 2001 new forest establishment funded by East Coast Forestry Project grants was the lowest since the project commenced in 1992. This was a direct result of continuing low log prices reducing interest in new forest investment, which resulted in low numbers of tenders being received in 2000. However, a substantial rise in new tenders received in 2001 indicates a healthy upward trend in area to be established in 2002 and beyond.

Sustainable Forest Management

MAF participated with a number of other departments in assisting the Government to reach decisions on its approach to the sustainable management of the SILNA forests. MAF's ongoing role will relate to the management of the voluntary moratoria and assistance with the development of sustainable management plans and permits by forest owners.

The Parliamentary Primary Production Committee undertook an investigation into sustainable management of private indigenous forests. MAF serviced the Committee, analysing submissions and preparing a series of papers on indigenous forest management. The report was comprehensive and spanned a wide variety of issues from ecological versus yield sustainability; improving processes and efficiencies of local, regional and central government; to promotion of sustainable management and the need for assistance to be provided to private forest owners.

Water

MAF completed the initial part of a joint programme with the Ministry for the Environment (MfE) considering strategic issues relating to water quality,

management and allocation. A particular outcome from this project was the establishment of a Group consisting of Fonterra, a representative of Regional Government, MAF and MfE which addressed the “dirty dairy issue” and Fonterra’s proposed response. This was an excellent example of partnership between Government, Regional Government and the private sector.

Treaty of Waitangi

Crown Forestry

During the year the Minister of Forestry and the Lake Rotoaira Forest Trustees signed a major variation to the Rotoaira forest lease. The outcome of this is that the Trust will become progressively involved directly in the business of forestry and will become a significant forest owner, while the Crown will progressively exit. This arrangement allows both parties to meet their respective objectives. From the Crown’s perspective it can now continue to withdraw from its direct involvement in commercial forestry having done its important task of developing the land and establishing a high quality first rotation. From the Trust’s perspective it provides the opportunity to achieve economic development and economic self-determination through the productive use of its own resources.

Relationships with Māori

As a significant stakeholder group, it is important that MAF effectively responds to the aspirations and concerns of Māori. Previous hui have identified a range of issues relating to obtaining greater access to information and data, and a desire for increased input and participation in policy and decision making by Māori. An example of MAF responding effectively to the aspirations and concerns of Māori was the re-negotiation of the forest lease arrangement with the Rotoaira Forest Trust. The negotiation of a new lease with Rotoaira Forest Trust has resulted in a strengthening of MAF’s relationship with Ngati Tuwharetoa. This is expected to have ongoing benefits for MAF’s relationship with Māori. MAF has also established Māori stakeholder groups to provide input in the areas of Border Control and Biosecurity, and is looking at the establishment of a key Māori stakeholder group to provide advice across other MAF business groups.

Contribution to the Collective Interest

MAF has been involved in a number of cross-government initiatives over the course of the year. These have included:

- **Biosecurity Strategy** – MAF has seconded staff to the Biosecurity Strategy Team and participated fully in the various groups involved in the development of the Strategy. The Director-General of MAF has convened meetings of Biosecurity Chief Executives to assist in the development of the Strategy.
- **Climate Change** – MAF has continued to play a significant role in Government’s Climate Change work programme as a participant in the project team, and as a key player in issues relating to agricultural greenhouse gases, forest sinks, international negotiations on land use and land use change issues, and in terms of sectoral impacts.
- **Dairy Industry Reform** – MAF led the project, which resulted in the deregulation of the dairy industry.

- **Growth and Innovation Framework** – MAF continues to participate in the meetings of the senior officials group that is overseeing the implementation of the framework. In addition, a senior MAF Manager was seconded to the Office of the Minister for Trade Negotiation to lead the report back on the Boston Consulting Group report ‘Building the Future’.
- **Royal Commission on Genetically Modified Organisms** – MAF, along with the other departments involved, has played a significant role in the process leading up to and following the Commission’s report. In particular, we have been engaged on issues relating to co-existence, Biotechnology Strategy and the Bioethics Council.
- **Trade Liberalisation and Market Access** – MAF maintains a very close working relationship with MFAT in pursuing New Zealand’s agricultural, horticultural, forestry and fisheries, and related trade liberalisation and market access agenda.
- **Water Studies** – MAF has participated in a variety of projects focused on water allocation, management and quality issues in conjunction with Ministry for the Environment, Regional Government and industry (in particular dairy).
- **Wood Processing Strategy** – MAF has been part of the Wood Processing Strategy Secretariat, and has also participated in some working groups, notably Climate Change, Trade Access, Labour/Skills, Resource Management Act and, to a lesser degree, Certification.

Overall, MAF’s achievements during the year reflect the commitment, enthusiasm and skills of the organisation’s staff. I am confident that MAF will continue to support New Zealand’s primary sectors to make the best possible contribution to the nation’s well-being.



M A Sherwin
Director-General

Ministry of Agriculture and Forestry: Strategic Direction

Operating Philosophy

In deciding to establish the Ministry of Agriculture and Forestry in 1997 the Government described the outcome it sought from the agricultural, horticultural and forestry sectors as being:

The best contribution from the land-based sectors to New Zealand's welfare through sustainable economic growth and environmental quality.

This outcome statement recognises that the sectors are all based on natural resources (land, water, genetic material) and biological production systems, and heavily reliant on international trade for their profitability. Within this context the Ministry of Agriculture and Forestry's operating philosophy is to enable New Zealand's primary sectors to make the best possible contribution to the nation's well-being. It does this by creating opportunity for and managing risk to New Zealand and its food, fibre, forestry and associated industries.

Functions

Overall, MAF is about agriculture, horticulture and forestry; safe food; a protected environment; the wise use of the land; the creation of clean, green product and the economic success of those who produce it. To achieve these outcomes MAF's roles are:

- To provide policy advice on the trading environment, sustainable resource use, rural affairs and the regulation of product safety, biosecurity and related matters.
- To administer the regulation of product safety, biosecurity and related matters, plus forestry legislation.
- To provide services where government needs to be the provider.

More specifically:

- We provide the Government and the rural sectors with information, analysis and advice on agricultural and forestry issues.
- We work with the Ministry of Foreign Affairs and Trade to help win access to overseas markets for New Zealand product. We do much of the thinking behind the country's representation in international organisations such as the World Trade Organisation (WTO) and the OECD.
- We set the rules that ensure New Zealand's food products are safe to eat. We then certify export produce as fit for purpose so that overseas consumers can choose New Zealand produced food with confidence.
- We protect New Zealand's farms and wildlife from imported pests and disease. We work to minimise the number of foreign pests and diseases entering our borders, and if they do, we attempt to eradicate them or to limit the damage they may cause.
- We manage Government-owned forests.
- We support rural communities with initiatives such as co-ordinating drought relief and improving telecommunications access.

- We ensure that animals are treated humanely, and we encourage sustainable ‘environmentally friendly’ farming and growing practices.

Strategic Direction

MAF has categorised its work into a number of areas, with ongoing work programmes designed to achieve long-term goals over a ten-year period. Each of the areas is listed below.

Biosecurity – By 2010 New Zealand will have in place an integrated, effective and accepted Biosecurity Strategy that meets expectations and international obligations.

MAF will have government-agreed risk management parameters that give an appropriate level of protection and meet New Zealand’s international obligations, and will have applied those parameters consistently in formulating and implementing import health and other biosecurity standards. MAF will also have set standards, strategies and regulatory and operational policy in full consultation with stakeholders, and in conjunction with interested parties, introduced plans and schemes for managing and eradicating unwanted organisms of national and/or regional significance. MAF will have acceptance by government and New Zealanders that the MAF biosecurity expectations are achievable and achieved.

Business environment – By 2010 the sectors will be competing efficiently and effectively in a freer and more open international trading environment.

MAF will have contributed to an international trading environment where significant reductions have been made to economic distortions and economic and technical market access barriers identified and lowered. It will have assessed and highlighted the benefits of modifying or removing costs and barriers to innovation, and made industry aware of opportunities and risks in the trading environment.

Sustainable resource base – By 2010 the sectors will be able to demonstrate that they are operating in a sustainable manner on the basis of commonly accepted performance measures.

MAF will have identified and promoted commonly accepted performance measures of the sustainability of the sectors, and worked with the sectors and their stakeholders to identify and promote the adoption of best practice techniques for the sectors. It will also have identified and assessed the need for, and efficiency of, central and local government interventions to promote sustainable resource use by the sectors.

Sanitary and phytosanitary assurances – By 2010 New Zealand Government assurances for both domestic consumers and foreign governments will be provided by MAF, with producers taking responsibility for meeting agreed, outcome focused, risk based standards.

MAF will have government agreed risk management parameters that give an appropriate level of protection and meet New Zealand’s international obligations, and applied those parameters consistently in formulating standards for products to ensure “fitness for purpose”. It will also have introduced the “optimal regulatory model” where MAF acts as government’s risk management agent with contestable, third party audit/verification of industry safety plans/operations, and industry meeting all responsibilities for producing products which are “fit for purpose”. In addition, it will have set standards, strategies, regulatory and operational policy in

full consultation with stakeholders, and have acceptance by government and consumers, and foreign governments, that MAF assurance is credible.

Treaty of Waitangi – By 2010 Māori will be better able to use the productive resources available to them to meet their aspirations.

MAF will have identified with Māori their aspirations for, expectations of, and impediments to optimising the benefits to them from the productive resources they own and assessed both the need for and efficiency of central and local government interventions, which impede or assist Māori in meeting their aspirations and expectations.

Credibility – By 2010 MAF will be valued by its stakeholders as an integral and indispensable part of government.

MAF will have anticipated and prepared for the future of New Zealand, the sectors and the public service and provided the government with information, advice and services which the Government finds unique and necessary. MAF will have the respect and trust of governments, industries and the public for itself and its brand, and shown itself to be effective, efficient and to have provided demonstrable value for money.

Outcome Statements

Contribution to Government's Goals

The Government in February 2000 published a set of key goals to guide the public sector. MAF believes that it has contributed to the key Government's goals in the following respects:

- **Grow an Inclusive, Innovative Economy for the Benefit of All:** Much of MAF's work was directed to analysing and informing on the business environment in which primary production sectors operate, with a view to enhancing the opportunities available to the sectors.
- **Protect and Enhance the Environment:** MAF delivered results in areas of the sustainable resource base and biosecurity, both of which contribute to this goal.
- **Restore Trust in Government and Provide Strong Social Services:** Initiatives in the rural affairs portfolio in particular contributed to this goal.
- **Reducing Inequalities in Health, Education, Employment and Housing:** MAF's Māori strategy focuses on effectively responding to the aspirations and concerns of Māori.
- **Improve New Zealanders' Skills:** Initiatives in sustainable development and rural affairs provided positive contributions to this goal.
- **Strengthen National Identity and Uphold the Principles of the Treaty of Waitangi:** MAF has worked to improve its competencies in contributing positively to improve relationships with and enhance participation by Māori in its functional areas.

Key Priorities

MAF's output priorities for 2001/02 were built around the following key priorities that link to Government's goals:

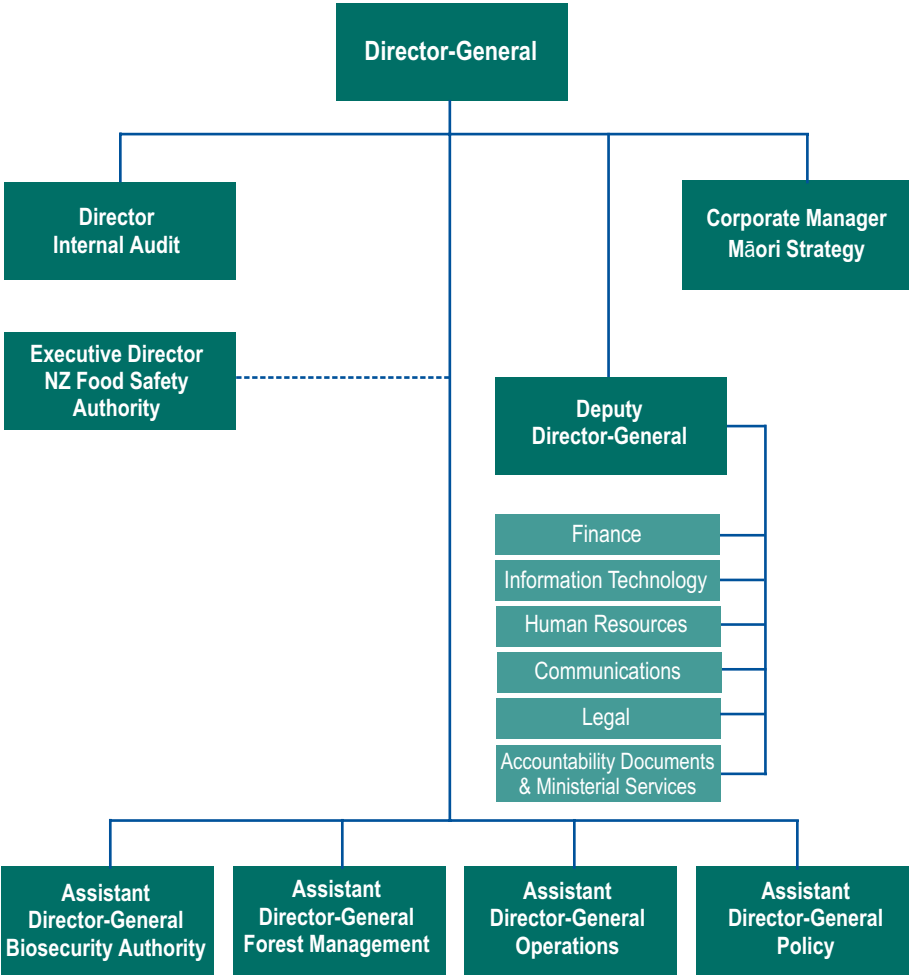
- Improving New Zealand's biosecurity capability:
 - Progressing the development of a Biosecurity Strategy incorporating Government positions on acceptable levels of protection, import risk analysis, and generic incursion response policy.
 - Co-ordination of biosecurity activities amongst government departments to ensure that the Government's biosecurity policies are implemented effectively and efficiently.
 - Continuing to enhance MAF's operational capability at the border to cover all biosecurity risk areas.
 - Expanding on MAF's work to increase awareness of biosecurity risks to New Zealand through the implementation of a programme aimed at improving the general public's understanding of the importance of biosecurity and its knowledge of how to access support and information on biosecurity activities.
- Improvements to the primary sector business environment:
 - Continuing to evaluate and provide advice to Government on proposals to change the regulatory regimes applying to the export marketing of dairy

products, apples and pears, wool, and wood products.

- Participating in the Wood Processing Strategy.
- Contributing to the advancement of New Zealand's interests in respect of agricultural, horticultural and forestry exports in the context of the World Trade Organisation (WTO) round, and to participate in the current round of trade disputes.
- Develop New Zealand's sustainable resource base:
 - Providing support for community-driven projects that are aimed at improving financial and environmental performance of land based sectors.
 - Contributing to the development of a domestic policy regime for the implementation of New Zealand's commitments in respect of the reduction of greenhouse gasses.
 - Participating in the review of the efficacy of the regulatory regime governing the allocation and management of water resources.
 - Promoting legislative change in the use of indigenous forest produce from sustainably managed forests.
- Ensure that efficient sanitary and phytosanitary regulatory frameworks are in place:
 - Working with bilateral trading partners and multilateral fora to minimise technical barriers to trade.
 - Providing advice to Government on the recommendations of the Royal Commission of Inquiry into Genetic Modification as they relate to the sectors.
- Improving food safety standards:
 - Implementation of the risk management framework.
 - Consultation and risk communication.
- Providing advice to Government on opportunities to increase the participation of Māori in, and their returns from their involvement in the sectors by:
 - Facilitating the disposal of the Crown's forestry interest.
 - Assisting with the Treaty of Waitangi process as required by the Office of Treaty Settlements.
- Developing Capability and Linkages:
 - Communication with stakeholder groups and consultative fora.
 - Support the "whole of government" approach.
 - Develop proposals identified in the Policy Capability Implementation Plan.
 - Continue to develop core organisational systems.

Organisational Structure

The Ministry employs approximately 1300 staff across four business groups (Biosecurity, Forest Management, Operations and Policy), a Corporate Services group and, as from 1 July 2002 a semi-autonomous body (NZFSA) attached to MAF.



Financial Statements

Statement of Responsibility

In terms of sections 35 and 37 of the Public Finance Act 1989, I am responsible, as Chief Executive of the Ministry of Agriculture and Forestry, for the preparation of the Ministry's financial statements and the judgements made in the process of producing those statements.

I have the responsibility of establishing and maintaining, and I have established and maintained, a system of internal control procedures that provide reasonable assurance as to the integrity and reliability of financial reporting.

In my opinion, these financial statements fairly reflect the financial position and operations of the Ministry for the year ended 30 June 2002.



M A Sherwin
Director-General



D C Graham
Chief Financial Officer

Report of the Auditor-General

To the Readers of the Financial Statements of the Ministry of Agriculture and Forestry

for the year ended 30 June 2002

We have audited the financial statements on pages 23 to 136. The financial statements provide information about the past financial and service performance of the Ministry of Agriculture and Forestry and its financial position as at 30 June 2002. This information is stated in accordance with the accounting policies set out on pages 23 to 26.

Responsibilities of the Director-General

The Public Finance Act 1989 requires the Director-General to prepare financial statements in accordance with generally accepted accounting practice in New Zealand that fairly reflect the financial position of the Ministry of Agriculture and Forestry as at 30 June 2002, the results of its operations and cash flows and service performance achievements for the year ended on that date.

Auditor's responsibilities

Section 15 of the Public Audit Act 2001 and section 38(1) of the Public Finance Act 1989 require the Auditor-General to audit the financial statements presented by the Director-General. It is the responsibility of the Auditor-General to express an independent opinion on the financial statements and report that opinion to you.

The Auditor-General has appointed Jeff Galt, of Audit New Zealand, to undertake the audit.

Basis of opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Director-General in the preparation of the financial statements; and
- whether the accounting policies are appropriate to the Ministry of Agriculture and Forestry's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with the Auditing Standards published by the Auditor-General, which incorporate the Auditing Standards issued by the Institute of Chartered Accountants of New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

We have carried out assurance related assignments for the Ministry of Agriculture and Forestry in the areas of taxation compliance and contract management.

Other than these assignments and in our capacity as auditor acting on behalf of the Auditor-General, we have no relationship with or interests in the Ministry of Agriculture and Forestry.

Unqualified opinion

We have obtained all the information and explanations we have required.

In our opinion the financial statements of the Ministry of Agriculture and Forestry on pages 23 to 136:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect:
 - the Ministry of Agriculture and Forestry's financial position as at 30 June 2002;
 - the results of its operations and cash flows for the year ended on that date; and
 - its service performance achievements in relation to the performance targets and other measures set out in the forecast financial statements for the year ended on that date.

Our audit was completed on 30 September 2002 and our unqualified opinion is expressed as at that date.



J Galt
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Statement of Accounting Policies

For the year ended 30 June 2002

Reporting Entity

The Ministry of Agriculture and Forestry is a government department as defined by Section 2 of the Public Finance Act 1989.

These are the financial statements of the Ministry of Agriculture and Forestry prepared pursuant to section 35 of the Public Finance Act 1989.

In addition, the Ministry has reported the Crown activities and trust monies which it administers.

Measurement System

The financial statements have been prepared on an historical cost basis modified by the revaluation of certain fixed assets.

Accounting Policies

The following particular accounting policies which materially affect the measurement of financial results and financial position have been applied.

Budget Figures

The budget figures are those presented in the Budget Night Estimates (Main estimates) and those amended by the Supplementary Estimates (Supp. estimates) and any transfer made by Order in Council under section 5 of the Public Finance Act 1989.

Revenue

The Ministry derives revenue through the provision of outputs to the Crown and for services to third parties. Such revenue is recognised when earned and is reported in the financial period to which it relates.

Cost Allocation

The Ministry has determined the cost of outputs using the cost allocation system outlined below.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities based on cost drivers and related activity/usage information.

“Direct Costs” are those costs directly attributed to an output. “Indirect Costs” are those costs that cannot be identified in an economically feasible manner, with a specific output.

Direct costs are charged directly to outputs. Depreciation and capital charge are charged on the basis of asset utilisation. Personnel costs are charged on the basis of actual time incurred. Property and other premises costs, such as maintenance, are charged on the basis of floor area occupied for the production of each output.

Indirect costs are assigned to business groups based on various cost drivers including assessed charges and usage, personnel numbers and estimated allocation of time.

Debtors and Receivable

Receivables are recorded at estimated realisable value after providing for doubtful and uncollectable debts.

Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease expenses are recognised on a systematic basis over the period of the lease.

Property, Plant and Equipment

Land and buildings are stated at fair value as determined by an independent registered valuer. Fair value is determined using market-based evidence. Land and Buildings are revalued at least every five years. Additions between revaluations are recorded at cost.

The results of revaluing land and buildings are credited or debited to an asset revaluation reserve for that class of asset. Where a revaluation results in a debit balance in the revaluation reserve, the debit balance will be expensed in the statement of financial performance.

All other fixed assets, or groups of assets forming part of a network which are material in aggregate, costing more than \$5,000 are capitalised and recorded at cost. Any write-down of an item to its recoverable amount is recognised in the statement of financial performance.

Depreciation

Depreciation is provided on a straight line basis on all fixed assets, other than freehold land and items under construction, at a rate which will write off the cost (or valuation) of the assets to their estimated residual value over their useful lives.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Buildings	50 years	(2%)
Plant and Equipment	3-10 years	(10-33%)
Motor Vehicles	5-7 years	(15-20%)
Leasehold Improvements	5- 10 years	(10-20%)
Computer Equipment	3-4 years	(25-33%)

The cost of lease improvements is capitalised and depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is shorter.

Items under construction are not depreciated. The total cost of a capital project is transferred to the appropriate asset class on its completion and then depreciated.

Inventories

Inventories acquired for use in the provision of goods and services are expensed except for bulk stocks, which are capitalised and expensed when used. Inventories are valued at the lower of cost (assigned to inventory quantities on hand at balance date using the first in first out (FIFO) basis) or net realisable value. Full provision is made for obsolescence where applicable.

Employee Entitlements

Provision is made in respect of the Ministry's liability for annual leave, long service and retirement leave. Annual leave and other entitlements that are expected to be settled within 12 months of reporting date, are measured at nominated values on an actual entitlement basis at current rates of pay.

Entitlements that are payable beyond 12 months, such as long service and retiring leave, have been calculated on an actuarial basis based on the present value of expected future entitlements.

Statement of Cash Flows

Cash means cash balances on hand, held in bank accounts, and deposits with the Debt Management Office.

Operating activities include cash received from all income sources of the Ministry and record cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise capital injections by, and repayment of capital to, the Crown.

Foreign Currency

Foreign currency transactions are converted into New Zealand dollars at the exchange rate at the date of the transaction. Where a forward exchange contract has been used to establish the price of a transaction, the forward rate specified in that foreign exchange contract is used to convert that transaction to New Zealand dollars.

Consequently, no exchange gain or loss resulting from the difference between the forward exchange contract rate and the spot exchange rate on date of settlement is recognised.

Monetary assets and liabilities are translated to New Zealand at the closing exchange rate. The resulting unrealised exchange gain or loss is recognised in the Statement of Financial Performance. Other exchange gains or losses, whether realised or unrealised, are recognised in the Statement of Financial Performance in the period to which they relate.

Financial Instruments

The Ministry is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, debtors, creditors and foreign currency forward contracts. The Ministry enters into the foreign currency forward contracts to hedge currency transactions. Any exposure to gains or losses on those contracts is generally offset by a related loss or gain on the item being hedged. Apart from foreign currency forward contracts, all financial instruments are recognised in the Statement of Financial Position and all revenues and expenses in relation to financial instruments are recognised in the Statement of Financial Performance.

Except for those items covered by a separate accounting policy all financial instruments are shown at their estimated fair value.

Goods and Services Tax (GST)

The Statement of Unappropriated Expenditure and the Statements of Departmental and Non-Departmental Expenditure and Appropriations are inclusive of GST. The Statement of Financial Position is exclusive of GST, except for Creditors and Payables and Debtors and Receivables which are GST inclusive. All other statements are GST exclusive.

The amount of GST owing to or from the Inland Revenue Department at balance date, being the difference between Output GST and Input GST, is included in Creditors and Payables or Debtors and Receivable (as appropriate).

Unearned Revenue

Unearned Revenue is revenue received in the current accounting period that relates to services that the Ministry will provide in future accounting periods.

Taxation

Government departments are exempt from the payment of income tax in terms of the Income Tax Act 1994. Accordingly, no charge for income tax has been provided for.

Commitments

Future expenses and liabilities to be incurred on contracts that have been entered into at balance date are disclosed as commitments to the extent that there are equally unperformed obligations.

Contingent Liabilities

Contingent liabilities are disclosed at the point at which the contingency is evident.

Taxpayers' Funds

This is the Crown's net investment in the Ministry.

Changes in Accounting Policies

The Ministry has changed its accounting policy for the valuation of land and buildings in order to comply with FRS-3, *Property Plant and Equipment*. This standard came into effect for periods ending on or after 31 March 2002. It requires the Ministry to revalue its land and buildings at fair value which has been determined by reference to the highest and best use of those assets. The previous policy had been to determine the fair value of those items by reference to their existing use.

The effect of this change has been to decrease the value of land and buildings by \$214,000. In accordance with the transitional provision of FRS-3, the financial effect of this change in accounting policy has been recognised in the Statement of Movement in Taxpayers Funds.

There have been no other changes in accounting policies, including cost allocation accounting policies, since the date of the last audited financial statements.

All policies, other than those noted above, have been applied on a basis consistent with the prior year.

Statement of Financial Performance

For the year ended 30 June 2002

Actual June 2001 \$(000)		Notes	Main Estimates June 2002 \$(000)	Supp Estimates June 2002 \$(000)	Actual June 2002 \$(000)
	Revenue				
76,025	Crown		78,004	90,232	88,196
60,132	Other	(1)	60,440	66,511	65,214
136,157	Total operating revenue		138,444	156,743	153,410
	Expenditure				
71,862	Personnel costs	(2)	72,822	80,753	80,768
60,670	Operating costs	(3)	61,680	72,157	66,531
3,445	Depreciation	(4)	3,530	3,447	3,415
246	Capital charge	(6)	377	386	330
52	Other expenses	(5)	60	1,572	267
136,275	Total expenses		138,469	158,315	151,311
(118)	Net surplus/(deficit)		(25)	(1,572)	2,099

The accompanying accounting policies and notes form part of these financial statements. For information on major variances against budget refer to Note 18 (page 44).

Statement of Movements in Taxpayers' Funds

For the year ended 30 June 2002

Actual June 2001 \$(000)		Notes	Main Estimates June 2002 \$(000)	Supp Estimates June 2002 \$(000)	Actual June 2002 \$(000)
2,436	Taxpayers' funds as at 1 July		3,153	3,630	3,630
(118)	Net surplus/(deficit)		(25)	(1,572)	2,099
-	Increase/(decrease) in revaluation reserves	(7)	-	-	(214)
(118)	Total recognised revenues and expenses for the year		(25)	(1,572)	1,885
(46)	Provision for repayment of surplus to the Crown	(14)	(35)	-	(2,366)
1,358	Capital contribution		200	1,901	438
3,630	Taxpayers' funds as at 30 June		3,293	3,959	3,587

The accompanying accounting policies and notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2002

Actual June 2001 \$(000)		Notes	Main Estimates June 2002 \$(000)	Supp Estimates June 2002 \$(000)	Actual June 2002 \$(000)
	TAXPAYERS' FUNDS				
3,101	General funds	(7)	2,764	3,430	3,269
529	Revaluation reserve	(7)	529	529	318
3,630	Total taxpayers' funds		3,293	3,959	3,587
	Represented by:				
	CURRENT ASSETS				
19,505	Cash		6,989	17,059	18,533
8,498	Debtors and receivables	(8)	11,350	9,018	9,068
496	Inventory		207	207	88
186	Prepayments		199	186	428
28,685	Total current assets		18,745	26,470	28,117
	NON-CURRENT ASSETS				
11,616	Fixed assets	(12)	12,650	12,001	10,662
40,301	Total assets		31,395	38,471	38,779
	CURRENT LIABILITIES				
15,571	Creditors and payables	(11)	9,110	12,964	13,004
46	Provision for repayment of surplus to the Crown	(14)	35	-	2,366
10,481	Employee entitlements	(10)	8,992	10,700	9,049
4,718	Unearned revenue	(9)	3,680	4,718	4,470
749	Provisions	(13)	1,673	550	571
31,565	Total current liabilities		23,490	28,932	29,460
	NON-CURRENT LIABILITIES				
5,106	Employee entitlements	(10)	4,612	5,580	5,732
36,671	Total liabilities		28,102	34,512	35,192
3,630	Net assets		3,293	3,959	3,587

The accompanying accounting policies and notes form part of these financial statements.

Statement of Cash Flows

For the year ended 30 June 2002

Actual June 2001 \$(000)		Main Estimates June 2002 \$(000)	Supp Estimates June 2002 \$(000)	Actual June 2002 \$(000)
	CASH FLOWS - OPERATING ACTIVITIES			
	Cash was provided from:			
	Supply of outputs to:			
78,672	Crown	74,947	87,159	83,856
64,190	Customers	60,425	65,831	65,836
	Cash was applied to:			
	Produce outputs			
(71,067)	Personnel	(69,767)	(78,755)	(82,562)
(47,363)	Operating	(54,338)	(61,338)	(55,864)
(9,406)	Net GST paid	(10,062)	(11,358)	(10,253)
(246)	Capital charge	(377)	(386)	(330)
(52)	Other expenses	(60)	(1,572)	(267)
14,728	Net cash inflows/(outflows) from operating activities	768	(419)	416
	CASH FLOWS - INVESTING ACTIVITIES			
	Cash was provided from:			
867	Sales of fixed assets	1,193	747	661
	Cash was disbursed for:			
(3,722)	Purchase of fixed assets	(4,761)	(4,629)	(3,203)
(2,855)	Net cash inflows/(outflows) from investing activities	(3,568)	(3,882)	(2,542)
	CASH FLOWS - FINANCING ACTIVITIES			
	Cash was provided from:			
1,358	Capital contribution from Crown	200	1,901	1,200
	Cash was disbursed to:			
(344)	Payment of surplus to Crown	-	(46)	(46)
1,014	Net cash inflows/(outflows)from financing activities	200	1,855	1,154
12,887	Net increase (decrease) in cash held	(2,600)	(2,446)	(972)
6,618	Add opening cash	9,589	19,505	19,505
19,505	Closing cash	6,989	17,059	18,533

The accompanying accounting policies and notes form part of these financial statements.

Statement of Commitments

As at 30 June 2002

The Ministry has long-term leases on premises throughout New Zealand. The amounts disclosed below as future commitments are based on the current rental rates.

Other operating leases include lease payments for computer equipment, facsimile machines and photocopiers.

Actual June 2001 \$(000)		Actual June 2002 \$(000)
	OPERATING COMMITMENTS	
	Accommodation Leases:	
3,124	Not later than one year	3,760
2,645	Later than one year and not later than two years	3,236
6,677	Later than two years and not later than five years	9,019
3,210	Later than five years	1,840
15,656	Total accommodation leases	17,855
	Other Operating Leases:	
2,323	Not later than one year	1,743
1,274	Later than one year and not later than two years	897
552	Later than two years and not later than five years	196
4,149	Total other operating leases	2,836
19,805	Total commitments	20,691

The Ministry has entered into non-cancellable contracts for computer maintenance and support. These non-cancellable contracts totalled \$6.162 million as at 30 June 2002 (2001: Nil).

The accompanying accounting policies and notes form part of these financial statements.

Statement of Contingent Liabilities

As at 30 June 2002

Actual June 2001 \$(000)		Actual June 2002 \$(000)
6,134	Total Contingent Liabilities	4,281

Proceedings have been commenced against the Ministry for the above sum at balance date. The various claims relate to such things as review proceedings in administering the law, negligence, negligent misstatement, breach of contract, personal grievances and defamation. The Ministry is defending these in all cases.

Statement of Unappropriated Expenditure

For the year ended 30 June 2002
(Figures are GST inclusive where applicable)

The Ministry incurred no unappropriated expenditure during the year ended 30 June 2002.

Unappropriated Expenditure June 2001 \$(000)		Annual Appropriation June 2002 \$(000)	Actual Expenditure June 2002 \$(000)	Unappropriated Expenditure June 2002 \$(000)
52	D7 Contestable Services	2,025	1,524	-
52	Total Vote Agriculture and Forestry	2,025	1,524	-

Statement of Trust Monies

For the year ended 30 June 2002

Meat Levies Trust Account

The Meat Levies Trust Account holds levy funds received from meat works for the killing of animals that are payable to the Animal Health Board, the New Zealand Meat Board and the Pork Industry Board.

July 2001 \$(000)	Capital Contribution \$(000)	Capital Distribution \$(000)	Revenue \$(000)	Expenses \$(000)	June 2002 \$(000)
3	-	-	57,258	57,199	62

The accompanying accounting policies and notes form part of these financial statements.

Statement of Departmental Appropriations and Expenditure

For the year ended 30 June 2002

(Figures are GST inclusive where applicable)

Type of Appropriation	June 2002 Appropriation Voted* \$000	June 2002 Expenditure Actual \$000
VOTE AGRICULTURE AND FORESTRY		
Classes of outputs to be supplied by the Department (Mode B Gross)		
D1 Agriculture and Forestry Policy Advice	17,640	17,165
D2 Administration of Food Assurance Standards	23,652	22,127
D3 Administration of Indigenous Forestry Provisions	1,500	1,439
D4 Enforcement of Agricultural, Food and Forestry Legislation	846	841
D5 Contract, Grant and Asset Management	3,382	2,540
D6 Verification Services	31,649	30,917
Total appropriations for classes of outputs to be supplied by the Department (Mode B gross)	78,669	75,029
Classes of outputs to be supplied by the Department (Mode B net)		
D7 Contestable Services	2,025	1,524
Other expenses to be incurred by the Department		
Restructuring expenses	1,769	300
Capital Contribution to the Department	1,901	438
Total Vote Agriculture and Forestry	84,364	77,291
VOTE BIOSECURITY		
Classes of outputs to be supplied by the Department (Mode B Gross)		
D1 Biosecurity and Animal Welfare Policy Advice	4,929	4,909
D2 Administration of Biosecurity and Animal Welfare Standards and Pest Management Strategies	15,815	14,965
D3 Border Inspection	38,196	38,184
D4 Disease and Pest Surveillance Response Capability	18,473	17,953
D5 Enforcement and Prosecutions	2,571	2,566
D6 Specific Disease and Pest Responses	12,934	12,608
Total appropriations for classes of outputs to be supplied by the Department (Mode B gross)	92,918	91,185
Classes of outputs to be supplied by the Department (Mode B Net)		
D13 Discretionary Services	2,726	2,481
Total Vote Biosecurity	95,644	93,666
Combined Votes Total	180,008	170,957

*This includes adjustments made in the Supplementary Estimates and transfers under section 5 of the Public Finance Act 1989.

The accompanying accounting policies and notes form part of these financial statements.

Statement of Non-Departmental Appropriations and Expenditure

For the year ended 30 June 2002

(Figures are GST inclusive where applicable)

Type of Appropriation	June 2002 Appropriation Voted* \$(000)	June 2002 Expenditure Actual \$(000)
VOTE AGRICULTURE AND FORESTRY		
Non-Departmental Output Classes		
Management of Crown Forestry Assets	65,045	56,738
Total Appropriations for Non-Departmental Output Classes	65,045	56,738
Other Expenses to be incurred by the Crown		
Adverse Climatic Events	400	(22)
Community Irrigation Schemes	15	11
Compensation	200	170
East Coast Afforestation Grants	4,000	1,801
Loss on Transfer or Disposal of Crown Forests	41	41
Organic Initiatives	250	250
SILNA Goodwill Payments	402	402
Subscriptions to International Organisations	2,128	2,044
Sustainable Resource Development	14,048	5,532
Total appropriations for Other Expenses to be incurred by the Crown	21,484	10,229
Capital Contributions		
Forestry Encouragement Loans	25	-
Total Vote Agriculture and Forestry	86,554	66,967
VOTE BIOSECURITY		
Non-Departmental Output Classes		
Control of Tb Vectors	33,216	29,084
Total Appropriation for Non-Departmental Output Classes	33,216	29,084
Other Expenses to be incurred by the Crown		
MmmLC Compensation	649	400
Subscriptions to International Organisations	200	199
Varroa Compensation	440	428
Total appropriations for Other Expenses to be incurred by the Crown	1,289	1,027
Total Vote Biosecurity	34,505	30,111
Combined Votes Total	121,059	97,078

*This includes adjustments made in the Supplementary Estimates and transfers under section 5 of the Public Finance Act 1989.

The accompanying accounting policies and notes form part of these financial statements.

Statement of Non-Departmental Crown Revenue Flows

For the year ended 30 June 2002

Type of Appropriation	June 2002 Appropriation Voted* \$000	June 2002 Expenditure Actual \$000
VOTE AGRICULTURE AND FORESTRY		
Current Receipts		
Levy charged under the Dairy Industry Restructuring Act	1,627	-
Management of Crown Forestry Assets	74,828	75,438
Capital Receipts		
Crown Forestry Asset Sales	-	6,130
Forestry Encouragement Loans	938	200
Irrigation Suspensory Loan Refunds	100	98
Total Vote Agriculture and Forestry	77,493	81,866
VOTE BIOSECURITY		
Current Receipts		
Biosecurity Act 1993 Fines	1,600	1,687
Total Vote Biosecurity	1,600	1,687
Combined Votes Total	79,093	83,553

*This includes adjustments made in the Supplementary Estimates and transfers under section 5 of the Public Finance Act 1987.

The accompanying accounting policies and notes form part of these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2002

Other Revenue

Note 1

Actual June 2001 \$(000)		Main Estimates June 2002 \$(000)	Supp Estimates June 2002 \$(000)	Actual June 2002 \$(000)
	Statutory Fees and Charges			
2,255	Animal Remedies and Pesticides	2,538	2,540	2,165
2,035	Dairy Industry	3,011	3,090	2,403
25,337	Meat Inspection - Verification Authority	26,317	28,132	27,482
9,715	Meat Inspection - Food Assurance Authority	9,104	10,491	10,319
1,304	Import/Export Certification	1,187	1,427	1,553
36	Sawmill Registration	40	40	37
326	Border Inspection - Aircraft & Passenger Clearance	400	400	724
11,760	Border Inspection - Cargo Clearance	11,302	12,776	13,480
60	NCDI/PPRL Labs - Test Fees	40	300	178
41	Animal Welfare Court Fines	-	-	-
52,869	Total statutory fees and charges	53,939	59,196	58,341
	Sale of Goods and Services			
273	Animal Health Surveillance	-	-	(8)
68	Specific Disease Response Fees	60	83	60
560	NCDI/PPRL Labs - Other Test Revenue	560	872	719
4,808	Contestable Services	2,927	3,360	4,283
1,554	Discretionary Service Charges	2,954	3,000	1,800
-	Gain on Sale of Fixed Assets	-	-	19
7,263	Total sale of goods and services	6,501	7,315	6,873
60,132	Total revenue other	60,440	66,511	65,214

Personnel

Note 2

Actual June 2001 \$(000)		Main Estimates June 2002 \$(000)	Supp Estimate June 2002 \$(000)	Actual June 2002 \$(000)
67,751	Salary and Wages	68,722	76,428	76,610
672	Employer Superannuation Contributions	700	775	711
478	ACC Levies	450	500	512
2,322	Other Personnel Costs	2,300	2,400	2,245
639	Retirement and Long Service Leave	650	650	690
71,862	Total personnel	72,822	80,753	80,768

Operating Costs

Note 3

Actual June 2001 \$(000)		Main Estimates June 2002 \$(000)	Supp Estimate June 2002 \$(000)	Actual June 2002 \$(000)
110	Audit fees for audit of financial statements	103	110	120
-	Fees to auditors for other services provided	-	-	20
5,527	Operating Lease rentals	4,101	6,161	6,462
37	Bad Debts Written-Off	15	-	24
124	Increase/(Decrease) in Provision for Doubtful Debts	-	-	(295)
74	Net Loss on Sale of Fixed Assets	50	50	-
54,798	Other Operating Costs	57,411	65,836	60,200
60,670	Total operating costs	61,680	72,157	66,531

Depreciation

Note 4

Actual June 2001 \$(000)		Main Estimates June 2002 \$(000)	Supp Estimate June 2002 \$(000)	Actual June 2002 \$(000)
21	Buildings	12	46	41
104	Leasehold Improvements	103	127	127
2,572	Plant and Equipment	2,715	2,474	2,422
748	Motor Vehicles	700	800	825
3,445	Total depreciation charge	3,530	3,447	3,415

Other Expenses

Note 5

Actual June 2001 \$(000)		Main Estimates June 2002 \$(000)	Supp Estimate June 2002 \$(000)	Actual June 2002 \$(000)
52	Residual change management expenses	60	60	29
-	NZ Food Safety Authority establishment costs	-	1,512	238
52	Total other expenses	60	1,572	267

Capital Charge

Note 6

The Ministry pays the Crown a capital charge on the average level of Taxpayers' Funds recorded in the Statement of Financial Position. The 2001/02 rate was 9 percent. The capital charge is allocated to outputs consistent with the amount of capital used to produce each output. The rate applied in 2000/01 was 9.5 percent.

Taxpayers' Funds

Note 7

Taxpayers' Funds comprises two components:

General Funds

Actual June 2001 \$(000)		Main Estimates June 2002 \$(000)	Supp Estimate June 2002 \$(000)	Actual June 2002 \$(000)
1,907	General Funds as at 1 July	2,624	3,101	3,101
(118)	Net operating surplus/(deficit)	(25)	(1,572)	2,099
-	Gains on revaluation realised (from revaluation reserve)	-	-	(3)
1,358	Capital contribution	200	1,901	438
3,147		2,799	3,430	5,635
(46)	Provision for repayment of surplus to the Crown	(35)	-	(2,366)
3,101	General funds as at 30 June	2,764	3,430	3,269

Revaluation Reserve

Land June 2001 \$(000)	Buildings June 2001 \$(000)	Total June 2001 \$(000)		Land June 2002 \$(000)	Buildings June 2002 \$(000)	Total June 2002 \$(000)
188	341	529	Balance as at 1 July	188	341	529
-	-	-	Losses/(Gains) on revaluation realised (transferred to general funds)	182	(179)	3
-	-	-	Revaluation changes at 30 June	(195)	(19)	(214)
188	341	529	Balance at 30 June	175	143	318

Debtors and Receivables

Note 8

Actual June 2001 \$(000)		Actual June 2002 \$(000)
	Trade Debtors:	
3,873	Current Balance	4,173
1,286	Overdue One Month	1,163
382	Overdue Two Months	107
1,183	Overdue Three Months and Over	1,263
6,724	Sub Total	6,706
(588)	Less Provision for Doubtful Debts	(293)
6,136	Sub total	6,413
-	Crown debtor	1,047
2,362	Accrued Revenue	1,608
8,498	Total debtors and receivables	9,068

Unearned Revenue

Note 9

Actual June 2001 \$(000)		Actual June 2002 \$(000)
586	Animal Remedies and Pesticide Fees	406
1,707	Meat Inspection - Verification Authority	1,871
1,291	Meat Inspection - Food Assurance Authority	1,210
1,064	E-Cert	831
6	Rural Bulletin Sponsorship	-
31	Plant Market Access Consultative Committee	53
33	Sawmill Registration Fees	-
-	Database Panel Revenue	10
-	Taiwan Apple Revenue	89
4,718	Total unearned revenue	4,470

Employee Entitlements

Note 10

Actual June 2001 \$(000)		Actual June 2002 \$(000)
	Current Liabilities:	
5,186	Salary	3,392
5,109	Annual Leave	5,452
186	Long Service Leave	205
10,481	Total current portion	9,049
	Non-Current Liabilities:	
533	Long Service Leave	589
4,573	Retiring Leave	5,143
5,106	Total non-current portion	5,732
15,587	Total employee entitlements	14,781

Creditors and Payables

Note 11

Actual June 2001 \$(000)		Actual June 2002 \$(000)
2,983	Trade creditors	4,938
3,073	Crown creditor	-
8,643	Accrued expenses	7,126
872	GST payable	940
15,571	Total creditors and payables	13,004

Fixed Assets

Note 12

Actual June 2001 \$(000)		Actual June 2002 \$(000)
	Land	
370	At valuation - 30 June 2002	175
	Buildings	
1,484	At valuation - 30 June 2002	1,965
(105)	Accumulated depreciation	-
1,379	Buildings - net current value	1,965
	Leasehold Improvements	
1,010	At cost	1,075
(450)	Accumulated depreciation	(577)
560	Leasehold improvements - net book value	498
	Plant and Equipment	
13,047	At cost	12,435
(7,225)	Accumulated depreciation	(9,018)
5,822	Plant and equipment - net book value	3,417
	Motor Vehicles	
4,557	At cost	5,078
(1,212)	Accumulated depreciation	(1,419)
3,345	Motor Vehicles - net book value	3,659
	Items under Construction	
43	At cost	948
43	Items under construction - net book value	948
	Properties Surplus to Requirements	
97	Buildings	-
-	Accumulated depreciation	-
97	Properties surplus to requirements - net book value	
	Total Fixed Assets	
20,608	At cost and valuation	21,676
(8,992)	Accumulated depreciation	(11,014)
11,616	Total carrying amount of fixed assets	10,662

Freehold land and buildings have been valued at fair value as at 30 June 2002 by an independent registered valuer, DTZ New Zealand Ltd.

Provisions

Note 13

Actual June 2001 \$(000)		Actual June 2002 \$(000)
	Restructuring Provision	
1,273	Opening balance	749
-	Additional provisions made during the year	-
(524)	Charged against provision for the year	(178)
-	Unused amounts reversed during the year	-
749	Closing balance	571

The restructuring provision arises from the merger of the Ministry of Agriculture and the Ministry of Forestry in 1998. The provision represents the Ministry's best estimate of the cost of surplus accommodation leases, equalisation allowances and record storage/destruction. It is anticipated that all the costs associated with the restructuring will be incurred by 2007.

Provision for Payment of Surplus to the Crown Note 14

Actual June 2001 \$(000)		Actual June 2002 \$(000)
(118)	Net surplus/(deficit)	2,099
52	Add: Other expenses not for the production of outputs (note 5)	267
(66)	Net surplus/(deficit) from delivery of outputs	2,366
46	Aggregated deficits from mode B net outputs	-
46	Total provision for repayment of surplus	2,366

Reconciliation of Net Surplus to Net Cash Flows from Operating Activities

Note 15

Actual June 2001 \$(000)		Main Estimates June 2002 \$(000)	Supp Estimate June 2002 \$(000)	Actual June 2002 \$(000)
(118)	Net surplus/(deficit)	(25)	(1,572)	2,099
	Add/(less) non-cash items			
3,445	Depreciation	3,530	3,447	3,415
3,445	Total Non-cash Items	3,530	3,447	3,415
	Add/(less) working capital movements			
270	(Increase)/decrease in inventories	270	289	408
3,011	(Increase)/decrease in accounts receivable	-	(520)	746
13	(Increase)/decrease in prepayments	-	-	(242)
2,293	Increase/(decrease) in accounts payable	-	466	350
124	Increase/(decrease) in provision for doubtful debts	-	-	(295)
472	Increase/(decrease) in GST payable	-	-	68
2,647	Increase/(decrease) in Crown balance	(3,057)	(3,073)	(4,882)
1,038	Increase/(decrease) in unearned revenue	-	-	(248)
1,983	Increase/(decrease) in employee entitlements	-	693	(806)
(524)	Increase/(decrease) in other provisions	-	(199)	(178)
11,327	Working capital movements - net	(2,787)	(2,344)	(5,079)
	Add/(less) investing activities items:			
74	Net (gain)/loss on sale of fixed assets	50	50	(19)
14,728	Net cash flow from operating activities	768	(419)	416

Financial Instruments

Note 16

The Ministry is party to financial instrument arrangements as part of its everyday operations. These include instruments such as bank balances, accounts receivable, trade creditors and foreign currency forward contracts.

Credit Risk

Credit risk is the risk that a third party will default on its obligations to the Ministry, causing the Ministry to incur a loss. In the normal course of its business, the Ministry incurs credit risk from trade debtors, and transactions with financial institutions and the New Zealand Debt Management Office (NZDMO).

The Ministry does not require any collateral or security to support financial instruments with financial institutions that the Ministry deals with, or with the NZDMO, as these entities have high credit ratings. For its other financial instruments, the Ministry does not have significant concentration of credit risk.

Fair Value

The fair value of all financial instruments is equivalent to the carrying amount disclosed in the Statement of Financial Position.

Currency Risk

Currency risk is the risk that debtors and creditors due in foreign currency will fluctuate because of changes in foreign exchange rates. The Ministry uses foreign exchange forward contracts to manage foreign exchange exposures.

Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. This could impact on the return on investments or the cost of borrowing. The Ministry has no significant exposure to interest rate risk on its financial instruments.

Under section 46 of the Public Finance Act the Ministry cannot raise a loan without Ministerial approval and no such loans have been raised. Accordingly, there is no interest rate exposure for funds borrowed.

Related Parties

Note 17

The Ministry is a wholly owned entity of the Crown. The Government significantly influences the roles of the Ministry as well as being a major source of revenue.

The Ministry enters into numerous transactions with other government departments, Crown agencies and state-owned enterprises on an arm's length basis. Where those parties are acting in the course of their normal dealings with the department, related party disclosures have not been made for transactions of this nature.

Apart from those transactions described above, the Ministry has not entered into any related party transactions.

The following explanations account for the major variations between the initial Budget Night Estimates and the actual results for 2001/2002. The increase in revenue Crown and revenue other and the consequential increase in personnel and operating costs were the result of the following:

Statement of Financial Performance

(a) Revenue Crown

Increased revenue Crown was mainly the result of:	\$(000)
Expense Transfers from 2000/01 to 2001/02 for:	
- Surveillance Programme for Scolid Wasps and Argentine Ants	157
- Biosecurity Risk Management Initiatives	756
Increased funding to respond to the following pest incursions:	
- Painted Apple Moth in west Auckland suburbs	7,091
- Red Imported Fire Ant at Auckland airport	1,012
- Mycoplasma Mycoides in goats and cattle in the Waikato	835
Increase in funding for NZ Food Safety Authority	365
	10,216

(b)Revenue Other

Increased revenue other was mainly the result of increased levels of activity in the following output classes:

	\$(000)
- Output Class D2 Administration of Food Assurance Standards	1,170
- Output Class D6 Verification Services	1,165
- Output Class D2 Admin of Biosecurity and Animal Welfare Standards and Pest Management Strategies	463
- Output Class D3 Border Inspection	2,502
- Output Class D13 Discretionary Services	(531)
	4,769

D1 Agriculture and Forestry Policy Advice

Description

This class of outputs includes purchasing a range of policy advice and decision support for the Minister(s) and Government including analysis and advice on legislation, institutional arrangements, rural communities and the policy to be applied to developing and implementing strategies to enable the agriculture, forestry, horticulture and seafood sectors to maximise their contribution to New Zealand's sustainable environmental, economic and social development. Outputs in this class include:

- **Policy Advice: Sustainable Resource Base:** resource use policies, interventions and practices to encourage the sustainability of the sectors.
- **Policy Advice: Sanitary and Phytosanitary Assurances:** domestic and international SPS assurances.
- **Policy Advice: Business Environment Domestic:** strategic, economic, competition, Māori and regulatory issues relevant to the performance of the sectors and rural communities.
- **Policy Advice: Business Environment International:** international market access, trade and environment issues.
- **Ministerial Services:** services to support the Minister(s) including replies to correspondence, Parliamentary Questions, Official Information Act and Ombudsman requests.

Effective implementation of policy decisions requires policy input to ensure implementation decisions are consistent with policy objectives. Similarly the development of good policy advice requires technical input to ensure advice is well informed and practicable. Agreed work programmes are required to ensure issues are dealt with in a timely manner by appropriately skilled people.

The outputs also incorporate purchasing any services that maximise the use of assets and personnel employed by the Ministry for the purposes of achieving the output class delivery.

This class of outputs contributes to the Government's Key Goals, in particular:

- Grow and Inclusive, Innovative Economy for the Benefit of All.
- Protect and Enhance the Environment.
- Reduce Inequalities in Health, Education, Employment and Housing.
- Restore Trust in Government and Provide Strong Social Services.

Quantity and Quality of Agriculture and Forestry Policy Advice

All Outputs

All Policy advice will conform with criteria set out in Schedule A of the Purchase Agreement between the Minister(s) and the Director-General.

- | | |
|---|--|
| <div>■ <i>To the satisfaction of the Minister(s) as assessed by a bi-annual questionnaires/discussions.</i></div> | <p>Met with the Minister of Forestry in August 2001 and February 2002 to discuss performance. In general the Minister was happy, however, he was interested in more information. A regular monthly briefing note on key issues has been established and is working well.</p> <p>The Minister of Agriculture provided written feedback on performance in August 2001 and March 2002, noting that the performance of MAF Policy was very good on both occasions.</p> |
|---|--|

Priority work is completed as agreed or, as subsequently amended by agreement, between the Minister(s) and the Director-General via the 2001/2002 Purchase Agreement.

- | | |
|--|---|
| <div>■ <i>Programme of work produced as agreed with the Minister(s).</i></div> | <p>Purchase Agreement signed off with the Minister in August 2001. Other priority work completed as agreed.</p> |
|--|---|

Output: Policy Advice: Sustainable Resource Base

Advice on, and input into national issues of sustainable resource use and the environment including amendments to the Forests Act; frameworks for water allocation, sector water quality issues, national strategies enquiries and policies relating to indigenous forestry; and biodiversity on private land.

- | | |
|--|---|
| <div>■ <i>Provide advice on strategic water issues including the adequacy of regulatory, planning and other allocation mechanisms for water use.</i></div> | <p>Completion of five water studies under the Sustainable Resource Development (SRD) studies fund for 2000/01.</p> <p>Internal MAF seminar held on SRD studies including water studies.</p> <p>Presentations to Ministry for the Environment (MfE) Regional Council water liaison group.</p> <p>Development of MAF SRD water studies programme for 2001/2002 and letting of relevant projects including projects on water reliability, and a strategic study of water and agriculture, and case law relating to water allocation.</p> <p>Development and presentation to ministers (Environment and Agriculture) of a joint MfE/MAF briefing paper on</p> |
|--|---|

Performance Standards	Performance Results
<ul style="list-style-type: none"> ■ <i>Provide advice on sector related microbiological and other contamination of surface and ground water.</i> 	<p>future options for Nationally Important Water bodies. Establishment of future work programme.</p> <p>Development of Budget Bid on a future Water programme for MAF.</p> <p>Report commissioned from AgResearch on pathways for microbiological contamination of water via feral animals.</p> <p>Commissioning of research on riparian strips for water quality.</p> <p>Development of a project on Pathways to Microbial Contamination of Water, which was accepted for funding as part of the Departmental Contestable Research Pool. The Project plans now being implemented.</p>
<ul style="list-style-type: none"> ■ <i>Provide advice on the Forests Amendment Bill and service the select committees considering the Bill.</i> 	<p>Prepared advice to Minister on options for progressing Forests Amendment Bill and attended meeting of Select Committee on report back.</p> <p>Prepared and presented ten papers to the Primary Production Select Committee conducting an inquiry into sustainable forest management. Assisted the Select Committee in completing and reporting back to Parliament its review of Sustainable Forest Management.</p> <p>Analyse and report on submissions contributed to collation of final report tabled in Parliament.</p>
<ul style="list-style-type: none"> ■ <i>Provide advice and implement Government policy in relation to ending unsustainable harvesting of South Island Landless Natives Act (SILNA) forests.</i> 	<p>In January 2002, Cabinet agreed to a preferred policy option on SILNA lands.</p> <p>Cabinet paper prepared by MAF on SILNA policy implementation was considered by Cabinet Policy Committee (POL) on 17 April and accepted.</p> <p>Advice provided on status of SILNA forests and the views of owners. MAF contacted a Government spokesperson to communicate the government's policy package to groups of SILNA owners.</p> <p>MAF administered the re-offering of the voluntary moratorium to SILNA owners.</p>
<p><i>Influencing, implementing, and evaluating laws, policies, and programmes designed to protect and enhance the environment relevant to the sectors.</i></p>	
<ul style="list-style-type: none"> ■ <i>Contribute to the development, adoption and evaluation of best management practices, policies and strategies, Environmental Management Systems and environmental indicators programmes.</i> 	<p>Participated in New Zealand Water and Wastes Association Incorporated (NZWWA) Conference to develop guidelines for the application of biosolids to farm and forest lands.</p> <p>Reviewed cabinet paper from Ministry of Health on a proposed subsidy for sewage works for small rural communities.</p>

Developing policies and research programmes on monitoring and mitigation of the production of agricultural greenhouse gases.

■ *Improve the agricultural greenhouse gas emission inventory.*

No improvements yet, however, a strategy for improving the agricultural greenhouse inventory was developed.

The Expert groups NzOnet and the Methane Working Group met and produced advice on implementing the strategy. Eight research projects were let covering the range of priorities identified.

Preliminary reports have been submitted reviewing the national inventory methodologies for methane and nitrous oxide.

■ *Develop mitigation strategies for agricultural greenhouse gas emissions.*

A report on mitigation strategies for greenhouse gases (GHGs) in agriculture was received from AgResearch. This has been publicised to the agricultural sector and through the internet.

The agricultural industry sectors were engaged and supported in their establishment of a consortia to research mitigation technologies for agricultural GHGs.

A budget bid on agricultural GHG mitigation was developed.

■ *Engage agricultural industry including Māori stakeholders in climate change policy development on agricultural greenhouse gas emissions and undertake sector impact analysis.*

Several workshops were held with agriculture sector representatives, including Māori, on climate change and options for climate change policy and research needs.

Briefings were provided to forest owners and agricultural interests on the outcome of climate change negotiations.

We received reports from Australian Bureau of Agricultural and Resource Economics (ABARE) on the economic consequences of climate change policy scenarios on New Zealand including agriculture.

The agricultural sector were consulted on climate change policy development as part of the national consultation process.

A meeting with the Hawkes Bay Regional Council on climate change impacts and climate variability was contributed to.

Developing climate change policies and regulatory regimes to manage and enhance forests and other sinks.

■ *Develop a legislation and regulatory framework including a monitoring and reporting regime for forest sinks under the Kyoto Protocol.*

Following public consultation, papers related to the domestic policy on climate change, including legislation are being finalised.

Performance Standards	Performance Results
■ <i>Engage the forestry industry and Māori stakeholders and undertake forestry sector impact analysis.</i>	Analysis based on discussions with industry and consideration of impact included in current series of papers from Department of the Prime Minister and Cabinet.
■ <i>Lead international negotiation on Land Use, Land Use Change and Forestry under the Kyoto Protocol.</i>	Attended Conference of the Parties (COP) 6.5 in Bonn; and COP 7 in Marrakech and successfully led negotiations on Land Use, Land Use Change and Forestry under the Kyoto Protocol. Rules were substantially finalised.
<i>Influence relevant environmental policies and programmes of the sectors, local government and other government agencies.</i>	
■ <i>Participate in significant Regional/National working liaison groups, prepare advice on major resource management issues and brief the Minister as required.</i>	Kept a watching brief on and participated in Tribunal hearings on the Water Conservation Order for the Rangitata River. Contributed to a regional council forum on climate variability impacts. Participated in officials group on Oceans Policy development.

Output: Policy Advice: Sanitary and Phytosanitary Assurances

<i>Provide policy advice on and participate in the implementation of the Animal Products Act.</i>	
■ <i>Provide policy advice on the development of specifications and other tertiary legislation proposals.</i>	Contributed policy advice to work being led by MAF Food Assurance Authority on a range of projects.
■ <i>Complete development of cost recovery regulations.</i>	The Animal Products (Fees, Charges and Levies) Regulations came into force on 1 September 2001. Cabinet approved policy to amend the Animal Products (Fees, Charges and Levies) Regulations. Drafting has commenced. Released discussion paper on cost recovery for the Animal Products Electronic Certification system. Commenced work on other aspects of developing a new cost recovery regime under the Animal Products Act.
■ <i>Provide policy advice and assist with the development of the contaminant regulator control scheme.</i>	Developed draft Cabinet Paper on the policy approvals needed for the contaminants and surveillance monitoring regulatory control scheme.
■ <i>Provide policy advice and assist with the development of the shellfish growing and harvesting regulator control scheme (RCS).</i>	Contributed to the development work on the regulations and specifications that will need to be made to establish the regulated control scheme (RCS).

Performance Standards

■ *Provide policy advice and assist with the development of the inshore fishing vessels regulator control scheme.*

■ *Provide policy advice and assist with the development of the bees regulator control scheme.*

Provide policy advice on amendments to the Animal Products Act.

■ *Prepare advice on amendments to the Animal Products Act to meet the requirements of the legislative programme (if possible passed by 31 December 2001).*

Review the Dairy Industry Act and develop new policy on issues relating to food safety and delivery of official assurances.

■ *Provide policy advice in relation to the review of the Act to meet the requirements of the legislative programme (to proceed to a select committee in 2001).*

Undertake a review of the Winemakers Act, Wine Makers Levy Act and provide policy advice on the regulation of the wine industry.

■ *Provide policy advice in relation to the review of the Act to meet the requirements of the legislative programme (to proceed to a select committee in 2001).*

Performance Results

Contributed to the development of draft specifications for the limited processing fishing vessel regulated control scheme. The Animal Products (Regulated Control Scheme – Limited Processing Fishing Vessels) Regulations 2001 were made by Order in Council on 5 November 2001 to come into force on 20 November 2001.

Work has not commenced.

Provided additional advice regarding the Animal Products Act Amendment Bill.

Cabinet agreed to the introduction to the House of the Animal Products Amendment Bill. Speech notes for the first Reading were provided and updated to take account of timing factors.

Draft Cabinet Paper on a proposed Supplementary Order Paper prepared and circulated to government agencies for comment.

Drafting Instructions to incorporate dairy into the Animal Products Act have been forwarded to Parliamentary Counsel Office (PCO).

Released Discussion Paper on proposed regulations for exporter registration and control under the Dairy Industry Act 1952.

Cabinet has approved policy for exporter registration and control. Drafting of the regulations is being finalised.

A briefing paper was drafted to update the Minister on the progress of the Wine Legislation Review.

Reached agreement with the Wine Institute and Fruit Wine Association on the policy proposals to be included in the Wine Bill.

A briefing paper was drafted to update the Minister on the agreement reached on the policy for the proposed Wine Bill.

Performance Standards	Performance Results
	<p>Produced three Cabinet papers seeking approval for the policy proposed for the Wine Bill.</p> <p>Made a legislative bid for the Wine Bill to be enacted in 2002 (sought a category 2 legislative priority).</p> <p>Sent drafting instructions for the Wine Bill to the PCO.</p>
<i>Provide policy advice on the regulation of plant products.</i>	
<p>■ <i>Provide policy advice on the development of a Plant Products Act including the release of a public discussion document by July 2002.</i></p>	No progress has been made.
<i>Provide policy advice on and participate in the implementation of the Agricultural Compounds and Veterinary Medicines Act.</i>	
<p>■ <i>Prepare policy advice on a Bill to provide for the commencement of the Agricultural Compounds and Veterinary Medicines Act independent of the Hazardous Substances and New Organisms Act (if possible passed by 31 December 2001).</i></p>	Agricultural Compounds and Veterinary Medicines Act commenced on 2 July 2001 therefore the Bill is no longer required.
<p>■ <i>Prepare advice on the need for genetically modified stock feed regulation.</i></p>	A project has been established to plan a programme to monitor research into the health aspects of genetically modified (GM) feeds.
<i>Review and implementation of the WTO-SPS Agreement.</i>	
<p>■ <i>Provide policy advice on New Zealand's position as required.</i></p>	<p>Participated in New Zealand delegation to SPS Committee meetings (July, October 2001 and March 2002) to represent New Zealand's interests. Co-drafted delegation reports. Attended relevant workshops.</p> <p>Contributed to special meeting of SPS Committee on equivalence in October 2001, including drafting of Decision on Implementation of Article 4: Equivalence.</p>
<i>Provide strategic policy advice and lead NZ input on Codex matters in policy and commodity committees.</i>	
<p>■ <i>Prepare Codex strategic plan for NZ/raise profile of Codex.</i></p>	<p>The Codex strategic plan was completed and published.</p> <p>Held workshops at universities (Dunedin and Christchurch) to raise the profile of Codex activities and to seek and encourage input from academic and technical experts.</p>

■ *Attend and provide advice (as required) for Codex Commission and Committee meetings.*

Initiated internal discussions and prepared briefings on the EU regulation on the labelling of GM foods.

Attended the International Dairy Federation (IDF) annual meeting held in Auckland as part of raising the profile of the NZ Codex Committee Milk and Milk Products (CCMMP) Secretariat and to discuss the Committee's work programme.

Presentation for the Nutritionists' Conference on Codex activities and opportunities for input.

Presentation for the Meat Industry Association on Codex and the activities of the Codex Committee on Meat and Poultry Hygiene.

Initiated discussions on the 2002-2004 Codex team work programme and a profile document outlining the role, functions and activities of the team.

Prepared and represented the New Zealand position at the 24th Session of the Codex Alimentarius Commission. Adoption of the CCMMP standards at Step 8 were approved, the DDT level was maintained and the issue referred back to the Codex Committee on Pesticide Residues (CCPR) for further discussion.

Attended the special session of Codex Executive Committee and contributed to the advancement of the proposal by FAO and WHO to review Codex.

Participated in the third session of Codex Ad Hoc Task Force on Foods derived from Biotechnology relating to principles and guidelines for risk analysis of GM foods and safety assessment of recombinant DNA plants.

Led development of position statements on precaution and traceability in the context of food, toward developing MAF-wide policies.

Through MFAT, negotiated with FAO on Memorandum of Responsibilities for hosting Codex sessions in 2002. Organisation of those sessions is ongoing.

Prepared and represented the NZ position at the extraordinary session of the Executive Committee. Key points for New Zealand were adoption of the remaining standards at Step 5, the issue of traceability and the title of the Codex Committee on Meat and Poultry Hygiene. Prepared the NZ country paper for the Global Forum on Food Safety Regulators Meeting.

Prepared and represented the NZ position at the 34th session of Codex Committee on Food Hygiene.

Organised and attended the working group meeting for the Milk Committee. Assisted Malaysia in completion of the working group report and agenda paper.

Prepared NZ comments for the Task Force on Foods Derived from Biotechnology, and the Committee on Milk and Milk Products, Task Force on Animal Feeding,

Committee on General Principles, Committee on Food Import and Export Certification Systems, and the Task on Fruit and Vegetable Juices.

Assisted in the development and finalising of the NZ delegation briefing and position to the Committees on Nutrition for Special Dietary Uses and Residues of Veterinary Drugs in Foods.

Prepared and represented the NZ position at the working group on the draft principles on Risk Analysis.

Prepared and consulted on the NZ delegation briefing for the forthcoming Codex Committee on General Principles (CCGP). The key objectives for the meeting are to progress development of the Risk Analysis document and to promote the NZ position on traceability.

Prepared for the hosting of the Codex Committee on Milk and Milk Products. Initiated work on the NZ delegation briefing, the Chairman's briefing, draft a strategy to complete the committee's work programme and hold a preparatory meeting to finalise the NZ position.

Prepared for the February 2002 consultation meetings on Foods Derived from Biotechnology.

Prepared and represented the NZ position at the Task Force meeting on Foods Derived from Biotechnology. Reviewed and finalised the draft texts relating to principles and guidelines for Risk Analysis of GM foods and safety assessment of recombinant DNA plants.

Reactivated and hosted the Codex Committee on Meat and Poultry Hygiene in Wellington. The Committee agreed to advance the Principles document to Step 5 for preliminary adoption by the Codex Executive Committee and to circulate the comments for Draft Code of Hygienic Practice at Step 3. The Committee also agreed to set up a working group led by New Zealand to revise the Code based on comments received.

Provided briefing for the Director-General on the issue of traceability for the visit by the Delegation of Sweden.

Prepared and represented the NZ position at the Codex Committee on Food Import Export Inspection Certification Systems.

Facilitated work for the Quadrilateral Food Safety Working Group on Animal Feeding. Reviewed the terms of reference for the group and its work programme.

Provided briefing material for the Quadrilateral Food Safety meeting on Codex issues held in April 2002.

Reviewed the Joint FAO/WHO Evaluation document on Codex Alimentarius Commission.

Performance Standards

Performance Results

Contribute to reviews and provide policy advice on Australia and New Zealand Food Authority (ANZFA) treaty and related issues.

- *Participate in reviews of the ANZFA Treaty and the operation and work programme of ANZFA.*
- *Provide input (including monitoring the impact on New Zealand) into the Australian review of its Public Health and Safety Regulatory Arrangements.*

Participated in review of Food Standards Treaty, including drafting of text and negotiations with Australian officials in respect of both the Treaty and Australian domestic legislation.

Contributed through the review of the ANZFA Treaty and comment on amendments to the Australian domestic legislation.

Monitor and review the impact of regulation including the effect of actual and reasonable pricing.

- *Provide policy advice on the outcomes of the sustainable resource development fund research project into the cost of compliance for agricultural chemicals.*

A report by New Zealand Institute of Economic Research (NZIER) was received in late November 2001. A briefing was prepared and sent to the Minister.

- *Undertake research into the impact of the Dairy Industry (Fees) Regulations 2000 on small dairy businesses.*

Work has not commenced.

- *Review potential legislative barriers/gaps to MAF outcomes (relationship of Animal Welfare, ACVM, HSNO, Animal Products, and Biosecurity Acts).*

Review undertaken and advice was prepared on the implications resulting from the ruminant to ruminant feed ban, control of pet food and the control of feeding raw milk to livestock.

Development and provision of policy advice on risk management parameters for food safety regulation.

- *Undertake economic, social and environmental analyses of risk factors for incorporation in the development of risk management parameters.*

Contributions to this output are being made through work underway in the Codex area, in particular work in the Codex Committee on Food Hygiene, and Import Export Inspection and Certification Systems.

Participate in and provide policy advice on the review of food administration.

- Provide policy advice in relation to the review of food regulation.

The provision of policy advice is ongoing.

Output: Policy Advice: Business Environment Domestic

Provide advice on issues relating to producer boards and statutory authorities.

- Provide advice, and develop legislation and regulations where necessary.

Dairy Industry Restructuring Act was passed enabling the formation of Fonterra. MAF:

- led an interdepartmental team in the policy development process involving development of an innovative regulatory framework, negotiation with Fonterra proponents, and consultation with the dairy industry and other stakeholders;
- drafted numerous briefings, discussion papers and Cabinet papers;
- participated in the drafting of the legislation and the preparation of Ministerial speech notes; and
- serviced the Select Committee.

Apple and Pear Industry Restructuring Act passed deregulating the pipfruit industry and responding to issues relating to forging exchange losses:

- led the consultation and policy development process;
- participated in the drafting of the legislation and the preparation of Ministerial speech notes; and
- serviced the Select Committee.

Wool industry reform:

- consulted Wool Board and Federated Farmers on reform issues including distribution of Board's assets and funding of industry good activities;
- commented on Wool Board's referendum material;
- prepared speech notes, briefings and responses to Parliamentary Questions for the Minister; and
- advised SheepCo on the Commodity Levies Act.

Hop industry reform:

- briefed Minister on deregulation proposals;
- prepared Cabinet papers and participated in drafting of deregulation legislation; and
- Bill was introduced.

Veterinarians Act amendment:

- developed policy for amendments to legislation to enable more self regulation by the veterinary profession.

Considered proposal for legislation to regulate veterinary nursing profession, briefed Minister obtaining agreement that the proposal be declined.

Provide advice on issues relating to compulsory levies and fees.

■ *Provide advice on:*

— *The Commodity Levies Act 1990;*

Provided advice and consulted the Meat, Wool, Pork and Game Industry Boards, Deer Farmers' Association, Avocado Growers' Association, Federated Farmers and the New Zealand Forest Owners' Association on the requirements of the Commodity Levies Act.

— *The Wine Makers Levy Act 1976;*

Reached agreement with the Wine Institute and Fruit Wine Association to apply the provisions of the Commodity Levies Act to wine through the proposed new Wine Act and increase the required level of support at a levy referendum from 50 percent to 60 percent of participants. Cabinet has agreed to proceed with the proposal, drafting instructions for PCO are being prepared.

Assessed request from the Wine Institute for new levy rate, completed a brief to the Minister, and published a gazette notice of the new rate.

— *Other levy issues as necessary.*

Completed a brief to the Minister and advised the industry and the Animal Health Board on dairy and game industries' contribution to the Animal Health Board funding for Tb control, and whether the Commodity Levies Act could be used.

Completed a report to the Regulations Review Committee on the Commodity Levies (Orchard Fruit) Order 2001.

Advised the Department of Labour and commented on its briefing and Cabinet papers on its proposal to introduce a training levy along the lines of the Commodity Levies Act.

Completed a report to Law Commission on the use of search powers in all the levying legislation MAF is responsible for.

Monitor and evaluate existing sector-specific business policies and legislation, and advise Minister as necessary.

■ *Report to Minister on proposals for changes to industry specific legislation, including:*

— *Meat*

Advised the Pork Industry Board on the Commodity Levies Act. Completed briefing and Cabinet paper for amendments to the Board's regulations relating to election of directors. Participated in drafting of the amended regulations. Completed a report to the Regulations Review Committee on the amended regulations.

— *Wool*

Working with the New Zealand Wool Board preparing details for legislative proposals to disestablish the Board.

Performance Standards	Performance Results
– <i>Hop</i>	<p>In November 2001 Cabinet approved the policy for the Hop Industry Restructuring Bill to deregulate the New Zealand Hop Marketing Board by removing its single desk powers and restructuring the Board into a co-operative company.</p> <p>The Bill was drafted and introduced in March 2000.</p>
– <i>Game</i>	<p>Met with the Game Industry Board (GIB) and Deer Farmers Association (DFA), and completed two briefs to the Minister regarding industry's proposals for amendments to the Game Industry Board Regulations, and the proposed merger of DFA and GIB.</p>
<p><i>Monitor and evaluate new sector-specific business policies and legislation, and advise Minister as necessary.</i></p> <p>■ <i>Report to Minister on implementation of any new regulatory regimes, including:</i></p>	
– <i>Apple and Pear</i>	<p>Met with apple and pear industry participants, Pipfruit Growers New Zealand Incorporated (PGNZI), ENZA and Primary Production Select Committee and completed a number of briefings to the Minister regarding ENZA's proposals for getting growers to pay for losses arising from foreign exchange cover.</p> <p>Completed briefing papers and attended meetings on the apple and pear industry's interest in coming under the Horticulture Export Authority (HEA) framework.</p>
– <i>Kiwifruit</i>	<p>Met with kiwifruit industry leaders, drafted a brief to the Minister and a reply to the Minister of Māori Affairs on more liberalised and collaborative marketing, including those for Māori participants.</p>
– <i>Wine</i>	<p>Assessed request from Wine Institute for new levy rate, completed a brief to the Minister, and published a gazette notice of the new rate.</p>
– <i>Dairy</i>	<p>Undertook an implementation work programme for the Dairy Industry Restructuring Act involving:</p> <ul style="list-style-type: none"> – preparation of Herd Testing and Dairy Core Database Regulations and appointments to Core Database Access Panel; – preparation of herd testing standards; – approval of five applications from certification bodies for herd testing; – levy proposals to fund the merger related work of the Commerce Commission, the Data Access Panel and a proposed Commodity Levy to fund industry good activities; – preparation of Raw Milk Regulations; and – Cabinet paper on new regime for allocating access to dairy quota markets.

Performance Standards

Performance Results

Implement existing business-focused regulatory frameworks, including providing advice, developing regulations where necessary, and providing information to the industries.

- *Process applications for levies under the Commodity Levies Act 1990 within legal deadlines.*

The following levy orders were made under the Commodity Levies Act (completed reports to the Minister, Cabinet papers, and comments on draft orders from the Parliamentary Counsel) and were completed within legal deadlines:

- Commodity Levies (Orchard Fruit) Order 2001;
- Commodity Levies (Feijoas) Order 2001;
- Commodity Levies (Avocados) Order 2001;
- Commodity Levies (Blueberries) Order 2001;
- Commodity Levies (Farmed Deer Products) Order 2001;
- Commodity Levies (Vegetables) Order 2001; and
- Commodity Levies (Blackcurrants) Order 2001.

- *Process appointments to statutory boards.*

Completed briefing papers to the Minister and Cabinet papers for appointments to the following boards:

- Agricultural and Marketing Research and Development Trust (AGMARDT);
- Wool Board;
- Telford Farm Training Institute;
- Horticulture Export Authority;
- Dairy Industry Core Database Access Panel;
- completed papers to extend the terms of two members on the Wool Board; and
- advised the Meat Board on elections of processor/exporter directors to the Board.

Provide advice and raising awareness of opportunities to optimise performance in the sector.

- *Publish Information Paper on emerging industries.*

The contracted work for an information paper has been completed and is being prepared for publication.

Economic Inclusion - Work in partnership with a range of Government agencies to develop policy options that fairly consider and balance the needs of the rural community and businesses against other competing considerations.

- *Work with other agencies and provide contestable advice to the Minister for Rural Affairs on a range of issues including ACC, Employment, Energy,*

Initiated a meeting between Department of the Prime Minister and Cabinet (DPMC) and Work and Income New Zealand (WINZ) to consider policy approach to provision of labour assistance in and after natural emergencies (including to farmers and orchardists).

Performance Standards	Performance Results
<i>Local Government and Rating, OSH, Public Works Act, Taxation, Telecommunications and Transport.</i>	<p>Examined and commented on discussion papers on proposed ACC premiums for 2002/2003 and provided advice for inclusion in replies to parliamentary questions.</p> <p>Organised and chaired the quarterly OSH/ACC Agriculture Industry Focus Meeting.</p> <p>Commented on draft Health Safety and Employment Amendment Bill – particularly section 16 issues, which are being dealt with in a favourable way.</p> <p>Received draft report on Sustainable Resource Development Policy Fund project on skills and labour in primary sectors. Met and discussed with authors and provided feedback.</p> <p>Discussed with New Zealand Immigration Service and provided briefing to the Minister on options for people with skills in floriculture to enter New Zealand.</p> <p>Met with FruitFed/VegFed to discuss seasonal labour shortage problems and discussed possible course of action with Department of Labour.</p> <p>Provided Minister of Forestry with briefing to follow-up adoption of the amendments to the Electricity Act.</p> <p>Contributed to officials' report to Ministers on recommendations of the Business Compliance Cost Panel's Report. Consulted with sector groups, including Federated Farmers.</p> <p>Briefed Minister for Rural Affairs on Local Government Funding Powers Review and the Local Government Act Review.</p> <p>Provided a MAF submission on a government discussion paper on changes to Charities Taxation regime.</p> <p>Organised and chaired land-based sector workshop of the Waikato e-commerce summit. Attended Taranaki and Wairarapa e-commerce summits.</p> <p>Attended Rural e-Commerce Action Team (ECAT) meeting.</p> <p>Prepared briefing for Minister for Rural Affairs on six transport Cabinet papers.</p> <p>Prepared submission on Land Transport Rule relating to vehicle dimensions and mass.</p> <p>Provided briefing for the Minister for Rural Affairs on the Shipping Industry Review.</p> <p>Provided briefing for the Minister for Rural Affairs on the New Zealand Transport Strategy.</p> <p>Provided briefing to the Minister for Rural Affairs on the application of the Personal Property Securities Act.</p> <p>Provided input to Cabinet paper on Government role in mitigating electric fence problems with telecommunications.</p> <p>Provided input on Cabinet paper concerning bandwidth provision in rural areas.</p>

Provided briefing to the Minister for Rural Affairs on Telecom NZ points raised regarding the Telecommunications Bill, and on the likely impacts the Bill might have in rural areas.

Supplied comment to Department of Internal Affairs on draft Cabinet Paper on Fire Service funding.

Provided comments on two draft Postal Policy Cabinet Papers as part of the process leading to a review of the Deed of Understanding between Government and New Zealand Post.

Worked extensively with Ministry of Economic Development (MED) and drafted a joint briefing for MAF and MED to send to the Minister of Forestry/Energy outlining views on how best to progress the Electricity (Hazards from Trees) regulations. Completed MED/MAF paper on policy options and sent to Minister of Forestry/Energy for decision on who is responsible for clearance of trees around power lines.

Met with Fruitfed/Vegfed to discuss the concerns of this sector and the initiatives they are taking to attract people into the industry.

Completed draft report on the achievements recorded against the Positive Ageing 2001/2002 action plan, and completed draft of the 2002/2003 Action Plan.

Prepared a comparison of Australian and New Zealand forestry-related taxation.

Primary Sector Labour and Skills Workshop – agreed with pastoral industry representatives to hold a workshop in Rotorua on 8-10 July 2002 to discuss primary sector employment and establish a steering group to progress work on this issue.

Telecommunications – provided input to MED on Cabinet Paper on allowing Telecom to charge for false 111 calls. Provided input to MED on Cabinet Paper on contestability of the Kiwishare obligations. Working on behalf of Electric Fence Interference group developed a baseline survey. A questionnaire was posted out, responses received, data coded and analysis commenced.

Provide advice on establishing the frameworks, policies and parameters of industry and regional development initiatives developed by Ministry of Economic Development.

■ *Participate in the Wood Processing Strategy (WPS).*

Attended meetings of the WPS Subgroup on Skills and Labour and had input into discussion on development of a “good employer” scheme and an “earning supplement” scheme.

Social Inclusion - Work in partnership with a range of Government agencies to develop policy options that fairly consider and balance the needs of the rural community and businesses against other competing considerations.

■ *Work with other agencies and provide contestable advice to the Minister for Rural Affairs on the following issues including Education, Health, Housing, Law and Order and Welfare.*

Assisted with management of the WPS by being on the Secretariat.

Undertook (with Industry NZ) a review of Stage I of the WPS and presented the subsequent report to the Steering Group.

Represented MAF at Steering Group meetings.

Provided input to Cabinet papers on criteria for allocation of Sectoral and Regional Initiatives Funding.

Attended Hui to discuss economic development in the Eastern Bay of Plenty and in Northland.

Arranged for Minister for Rural Affairs to open Heartland Service Centre in Kaitaia and provided briefing for the opening speech.

Met with all agencies drafting parts of the UN Convention on Elimination of Discrimination Against Women (CEDAW) report.

Drafted report for Ministry of Women's Affairs on the status of Rural Women in New Zealand, reporting against Article 14 of CEDAW.

Commented on Cabinet papers concerning the new Public Health Bill.

Provided comments on draft rural health plan (being established under Primary Health Care Strategy).

Attended meeting of Housing Statistics User Group about a proposed housing survey to be carried out later in 2002.

Contributed to, and edited rural section of Positive Ageing strategy update report.

Developed discussion document on compulsory education issues.

Participated in West Coast Principals Association Conference and led a workshop on rural issues.

Reviewed Education Amendment Bill (No 2) and identified concerns for rural areas.

Developed strategy to discuss review of decile ratings with Ministry of Education.

Developed a statistical database on criminal offending rates and pattern of crime in rural areas between police districts.

Performance Standards	Performance Results
	<p>Discussed school transport safety issues with Land Transport Safety Authority (LTSA) and Ministry of Education.</p> <p>Met with Ministry of Education to discuss school boarding allowances.</p> <p>Provided speech notes on Health for the Minister for Rural Affairs' address to Rural Women NZ.</p> <p>Drafted comments on the New Zealand Citizens Advice Bureau draft discussion paper.</p>
<p><i>Contribute to the development of new policies to facilitate Māori agriculture and forestry development.</i></p> <p>■ <i>Report by August 2001 on proposal for government funding of forestry development on Māori land.</i></p>	<p>Proposals discussed with Māori forestry stakeholders.</p> <p>Papers which were revised following discussions with members of the Wood Processing Strategy Steering Group, and further consultation with departments, were approved in principle by Cabinet on 3 December 2001, subject to a strategic business plan and sound business case being provided and funding being approved in the 2002 budget.</p> <p>A business case and strategic business plan were presented as part of the 2002 Budget round, however, because of other spending priorities no government funding was approved at this time. The preparation of this business case involved consultation with Māori forestry stakeholders.</p>
<p>■ <i>Report by October 2001 on role of government in providing information on land-use options to Māori landowners.</i></p>	<p>Consulted departments and gathered information relating to various regional initiatives.</p> <p>Visited Māori stakeholders in Bay of Plenty to discuss access to funding and information relating to Māori land use opportunities.</p> <p>Paper prepared for Cabinet Economic Development Committee (DEV) 7 May 2002 discussing the appropriate role for government in providing landowners with information about climate, soils and land use options.</p> <p>Met with range of regional stakeholders, and contributed ideas relating to Māori land to workshop on "achieving the balance", at Regional Development Conference in Rotorua.</p>
<p>■ <i>Report by December 2001 on economic development and employment potential of Māori-owned indigenous forests.</i></p>	<p>Final research report received and draft paper prepared after consultation with departments.</p> <p>Proposal discussed with Māori indigenous forest stakeholders.</p> <p>Paper for DEV committee finalised 13 December 2001.</p> <p>Further DEV committee paper prepared 16 January 2002.</p>

Provide advice on issues affecting Māori, including Treaty claims relevant to farming and forestry.

- *Maintain effective communication with Māori stakeholders on relevant policy issues.*

Meeting held with key Māori stakeholders on 6 September 2001 to consult on plantation forestry issues.

Visited Māori stakeholders in Bay of Plenty to discuss access to funding and information relating to Māori land use opportunities.

Meeting held with Māori indigenous forests stakeholders to consult on sustainable forest management issues.

Ongoing informal communication with Māori stakeholders on policy issues as required.

- *Report on Crown response to Wai 790 (PKW/dairy industry restructuring claim) as required.*

Advice prepared for Ministers as required during preparation and passage of dairy legislation.

Attended Waitangi Tribunal hearing on arguments relating to urgency 28 August 2001.

Paper for Cabinet policy committee on proposed Crown response to Wai 790 claim prepared in consultation with departments and approved by Cabinet on 10 September 2001.

Statements of MAF evidence for Waitangi Tribunal hearing prepared in consultation with Crown Law Office.

Attended and gave evidence at Tribunal hearing of claim on 12-13 November 2001.

Briefed Minister of Agriculture on Tribunal findings 12 December 2001.

Prepared draft paper on suggested Crown response to Wai 790 claim, consulted Te Puni Kokiri, Treasury, Office of Treaty Settlements and Crown Law, following their feedback a further paper was written and this has been sent to departments for comment.

Provide Sector Information.

- *Undertake regular statistical surveys of the forestry sector and publish the results.*

Updated lists of forest owners.

Published 42 Forestry Statistical Releases.

Completed the 2001 planting survey.

Published the October and December 2001 log prices.

- *Develop an on-going programme to collect agricultural statistics in partnership with Statistics New Zealand.*

AgStats strategic advisory group established.

2002 Census ready for mail out to 92,500 farms in early July.

Produced 'In Brief' statistics booklet on agriculture, forestry and horticulture.

Performance Standards

Performance Results

Monitor and evaluate the key determinants of income and production levels from the sectors.

- *Twice annually prepare forecasts of production and price of the agriculture, forestry and horticulture sectors, according to Treasury's macroeconomic forecasting timetable.*

Farm Monitoring and Current Economic Situation (CES) rounds completed and published. Both contribute to production forecasts.

Forecasts provided to Treasury in November 2001 and April 2002.

Situation Outlook New Zealand Agriculture and Forestry (SONZAF) 2001 published in October 2001. Update in May 2002 on Internet.

- *Undertake annual monitoring and reporting on the sheep, beef, dairy, forestry, and horticulture sectors.*

Farm Monitoring sector and regional reports all produced with the inclusion of the Survey results.

Provide reports and policy advice on effects of natural disasters and adverse climatic events affecting agriculture, horticulture and forestry.

- *Provide advice to government on effects of natural disasters, appropriate recover measures and co-ordination with other relevant agencies.*

Provided the Minister with reports on drought, winter feed shortages, and winter snow fall in the Central Otago.

Conducted activities between MAF Policy, Federated Farmers, rural suppliers, vets, and stock food manufacturers to develop responses to feed shortages, and animal welfare.

Reviewed and advised on follow-up to Marlborough fires.

Three climate briefings contracted to National Institute of Water and Atmospheric Research (NIWA):

- Presentation;
- Internet; and
- Intranet.

- *Contribute to the development of national strategies and policies for managing events.*

Major review of Emergency Management Response Capability completed.

Publish Rural Bulletin.

- *Publish 11 Rural Bulletins by 30 June 2002.*

Published 11 monthly Rural Bulletins, streamlined mailouts to reduce expenditure, and provided websites for linkages.

Output: Policy Advice: Business Environment International

Develop in conjunction with MFAT, agriculture and forestry trade liberalisation strategies for WTO, APEC, OECD, UNFF and other fora.

Performance Standards	Performance Results
<p>■ <i>Work with Cairns Group and other trading partners to launch a broad based WTO Round as soon as possible</i></p>	<p>Actively promoted agriculture and forestry interests in many inter-departmental meetings in lead up to launch of Doha Development Round.</p> <p>Participated as part of NZ delegation in Doha, Qatar to launch the Doha Round. The Doha outcome was very good from the point of view of NZ's agriculture and forestry and MAF's role at the meeting was commended by MFAT.</p> <p>Promoted NZ interests in Informal and Formal Special Sessions of the WTO Committee of Agriculture, and associated Cairns Groups expert meetings in Geneva.</p> <p>Undertook discussions with main trading partners, including the EU, US, Japan, Switzerland on aspects of a broad based WTO Round and used the Cairns Group Ministerial in Uruguay to further NZ interests.</p>
<p>■ <i>Revise and continue to develop the New Zealand strategy on issues for the mandated WTO Agriculture negotiations which commenced in 2000, including tariffs and tariff quotas, export subsidies and domestic support. Participate actively in these negotiations.</i></p>	<p>Prepared papers (some for input into the Cairns Group and the formal WTO process) on the special agriculture safeguard, rural development, blue box, tariff quota expansion, tariff reductions, green box and geographic indications etc.</p> <p>Promoted NZ interests at Committee on Agriculture (COA) meetings in Special Sessions. This is the key negotiating forum and NZ has had a significant influence.</p> <p>Participated in WTO Agriculture bilateral discussions with Australian and US agricultural negotiators.</p> <p>Met regularly with NZ stakeholders on WTO issues with the objective of taking a "NZ Inc" position into the agriculture negotiations.</p> <p>Used computer modelling tools to estimate returns from the Uruguay Round and optional outcomes from the current negotiations.</p>
<p>■ <i>Contribute to and participate in WTO Dispute Settlement cases and implementation work, in particular US lamb and Canadian Special Milk Classes.</i></p>	<p>Provided significant policy input into the resolution of the US – Lamb safeguards case. Following New Zealand's success in WTO Dispute Settlement the tariff quota was removed by the US on 15 November 2001.</p> <p>Significant technical and policy input into the Dispute Settlement outcome in the Canada Special Milk Classes (export subsidies) case including drafting and participation at panel and Appellate Body hearings. The decision remains subject to appeal.</p>
<p>■ <i>Provide briefings for and participate in as required, OECD, FAO, APEC, international forestry meetings, such as UNFF and ITTO, and those of other international bodies.</i></p>	<p>On-going management of Montreal process reporting including: review and dissemination of contracted research reports, representation and presentation at an international technical workshop and joint management of production of workshop outcomes in Portland, formation of a co-ordinating committee and delineation of responsibilities and a timetable to deliver a draft Montreal Process report by April 2002, participation in, and alignment with Australian implementation group activities presentation of overview report.</p>

Attended OECD Working Parties on Agricultural Policies and Markets, the Policy Evaluation Matrix, and Agriculture and Environment.

Accompanied the Associate Foreign Minister to FAO meeting of South West Pacific Ministers of Agriculture.

Undertook preparations for visit of Acting Director-General, to Paris for High Level Meeting of OECD Committee for Agriculture and liaised with Committee Chair.

Advanced arrangements for a United Nations Forestry Forum (UNFF) Intersessional Expert Meeting on the Role of Planted Forests in Sustainable Forest Management to be hosted by New Zealand in March 2003.

Worked with other relevant government agencies to co-ordinate action in implementing Ad Hoc Intergovernment Panel on Forests (IPF)/International Forum on Forestry (IFF) proposals for action on sustainable forest management.

Represented NZ at an expert panel in Japan to develop an action plan for the International Tropical Timber Organisation (ITTO) covering the period 2002-2006.

Attended FAO Council and regional meetings, including special meeting regarding arrangements for deferred World Food Summit: Five Years Later.

Drafted chapters on Land Resources, Sustainable Agriculture and Rural Development, and Combating Desertification and Drought for NZ Country Profile document in preparation for World Summit on Sustainable Development.

Provided Ag/Forestry briefings for the Convention on Biological Diversity (CBD) Subsidiary Body on Scientific, Technical and Technological Advice Seventh Meeting (SBSTTA 7) Montreal meeting.

Montreal Process overview report (a summary of seven strategic indicators) submitted to the report co-ordinating office in Canada.

Finalised and forwarded a paper on New Zealand's wine labelling regime to Canada in preparation for the meeting of the New World Wine Producers Group (NWWP) in Toronto 16-19 December.

Prepared briefing and attended NWWP meeting in South Africa June/July.

Attended FAO Regional Conference in Nepal.

Attended Prepcom IV, in Bali, for World Summit on Sustainable Development (WSSD) to be held in Johannesburg. Acceptable language in Johannesburg Plan of Action (JPOA) on agriculture, desertification, forests and mountains achieved.

Performance Standards

Performance Results

Assist MFAT with agricultural trade issues relating to accessions to the WTO and free trade agreements/closer economic partnerships.

- *Co-ordinate and provide input and comment on agriculture and forestry issues relating to countries' accessions to the WTO, and closer economic partnerships between New Zealand and potential partners.*

Provide advice on the domestic agriculture and forestry policies of other countries.

- *Undertake analysis and prepare briefings as required.*

Provide advice on ongoing agriculture and forestry market access issues with key trading partners such as the EU, China, Korea, Japan and the United States.

- *Prepare briefings and represent New Zealand's interests as required.*

Attended meeting of FAO Committee on World Food Security in Rome, including election to Drafting Committee. Also participated in Open-Ended Working Group that negotiated the political declaration for endorsement at World Food Summit: Five Years Later.

Participated actively in a range of Closer Economic Partnership (CEP) discussions, either as part of the negotiating team (Hong Kong/NZ) or as part of the officials discussions/analyses assessing the particular merits of a range of CEPs such as US/NZ and AFTA/CER.

Worked closely with MFAT to provide guidance and instruction on New Zealand's position in the final stages of the accession working parties on China and Taiwan, and monitored developments with regards to our negotiation with China on wool tariff quota administration.

Continued to undertake detailed work and analysis on Russian and Ukraine accessions and especially that pertaining to the domestic support elements.

Participation in the formulation of NZ's position for other accessions such as Vietnam, Cambodia, Nepal and Saudi Arabia.

Prepared a partial analysis of the US Farm Bill 2002, with the objective of gaining better knowledge of the US's main domestic support measures to better understand the US's WTO position and motives.

Prepared papers on range of issues for the November Joint Economic Consultations (JEC) meeting in Japan, the Draft Report for the Wood Processing Strategy Trade Access Group, and Trade Policy Reviews for the Slovak Republic.

Prepared Trade Policy Review for Mexico.

Contributed to development of a MAF position on proposed EU labelling regulations for GM food. Contributed to briefing for Minister's and Director-General's trips to US and Europe.

Prepared briefing for the Japan Ad Hoc Forestry Working Group Meeting – the group following up on issues raised during the Prime Minister's visit to Japan and planning for the Japan New Zealand Business Council Meeting in November.

Worked with MFAT on issues relating to new draft Building Standards being developed in the Chinese, Korean, and Taiwanese markets, prepared the agriculture and forestry briefing for the Indonesia/NZ Joint Trade and Economic Commission (JTEC) and Korea meeting, contributed to discussions on the possible joint Australia/New Zealand forest products international market access initiative, and attended the Bilateral Forestry discussions with the Korean delegation from the State Forestry Administration.

Worked on various issues with respect to dairy import policies in the United States and Canada (with the New Zealand Dairy Board (NZDB) and MFAT), including milk protein concentrates, dairy check-offs and butter oil blends.

Liaised with MFAT and Fonterra on issues related to Venezuela dairy import regime administration.

Participated in the Saudi Arabia/New Zealand WTO Accession Bilateral Market Access Negotiations on which substantial agreement on market access issues was reached.

Concluded analysis of EU requirements to advance our derogation application for sweet wine, which led to the recommendation to put on hold our derogation application.

Undertook significant work in establishing a case to reduce the tariff from 12% to zero on NZ's exports of boysenberries to the EU under the Autonomous Tariff Quota (ATQ). Both the EU Commission and Council agreed, with the upshot that the ATQ tariff is now reduced to zero.

Held discussions with Director-General of Indian Forest Service. Topics covered included promoting greater access for NZ wood products and a possible MOU.

Held separate meetings with Japanese MAFF to follow up on overtures to Japan regarding its Dairy Tariff Quota Administration practices.

Undertook significant analysis on the Japan dairy tariff quota access issues, and prepared submissions to Japanese MAFF (with NZDB and MFAT).

Participated in joint SPS consultations with China – including the signing of a MOU establishing a joint SPS Commission between the two countries.

Participated in the China and New Zealand JTEC, and led the New Zealand delegation at the Joint Forestry Commission (JFC) meeting in Beijing. Also met with Ministry of Construction to discuss the Chinese development of building codes.

■ *Chair the annual Japan/NZ Dairy Supply and Demand Talks.*

■ *Prepare briefings for and participate in annual agriculture consultations with the EU, and the JTEC/Joint Commissions with China*

Policy Advice: Ministerial Servicing

Description:

The output covers the provision of services to Ministers of the Crown in respect of replies to correspondence on behalf of the Minister of Agriculture and Minister of Forestry, and includes:

- replies to Parliamentary Questions;
- replies to Official Information Act Requests; and
- replies to Ombudsman's enquiries.

Ministerial Correspondence

<i>As required, but estimate for the full year is 1,200. The range is 1,000 to 1,400.</i>	Total number responded to date: 895
■ 95% acceptable for Minister's signature without amendment.	98% were accepted for Minister's signature without amendment.
■ 95% drafts produced within 15 working days.	91% drafts produced within 15 working days.
■ 100% drafts produced within 20 working days.	95% drafts produced within 20 working days.

Parliamentary Questions

<i>As required, but estimate for the full year is 300. The range is 270 to 330.</i>	Total number responded to date: 211
■ 100% accepted by the Minister (or a delegated authority in his or her office) without amendment.	98% were accepted by the Minister without amendment.
■ 100% produced within time limit specified in Order Paper.	100% were produced within the time limit specified in Order Paper.

Official Information Act Requests

<i>As required, but estimate for the full year is 70. The range is 50 to 90.</i>	Total number responded to date: 24
■ 95% acceptable for Minister's signature without amendment.	96% acceptable for Minister's signature without amendment.
■ 95% drafts produced within 15 working days.	88% drafts produced within 15 working days.
■ 100% drafts produced within 20 working days.	88% drafts produced within 20 working days.

Performance Standards	Performance Results
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Ombudsman’s Enquiries

<i>As required, but estimate for the full year is 10. The range is 5 to 15.</i>	Total number responded to date: 1
■ <i>95% acceptable for Minister’s signature without amendment.</i>	100% acceptable for Minister’s signature without amendment.
■ <i>95% drafts produced within 15 working days.</i>	100% produced within 15 working days.
■ <i>100% drafts produced within 20 working days.</i>	100% produced within 20 working days.

Cabinet Papers

	Total Number prepared to date: 91
■ <i>95% acceptable by the Minister’s Office, Cabinet Office or Cabinet Committees without amendment.</i>	100% acceptable to the Minister’s Office, Cabinet Office or Cabinet Committee.
■ <i>95% supplied to the Minister’s Office in time to meet dates scheduled for appropriate Cabinet Committees.</i>	95% supplied to the Minister’s Office in time to meet dates scheduled for appropriate Cabinet Committees.

Financial Performance of Agriculture and Forestry Policy Advice

(GST exclusive)

Actual June 2001 \$(000)		Main Estimates June 2002 \$(000)	Supp Estimates June 2002 \$(000)	Actual June 2002 \$(000)
	Revenue:			
15,069	Crown	15,510	15,480	15,338
160	Other	375	200	45
15,229	Total Revenue	15,885	15,680	15,383
	Expenses:			
5,579	- Sustainable Resource Base	5,132	4,847	4,797
764	- Sanitary and Phytosanitary Assurances	895	895	892
5,714	- Business Environment Domestic	6,840	6,920	6,512
2,395	- Business Environment International	2,210	2,210	2,276
778	- Ministerial Services	808	808	765
15,230	Total Expenses	15,885	15,680	15,242
(1)	Surplus/(Deficit)	-	-	141

D2 Administration of Food Assurance Standards

Description

General

This output class covers the regulation of the primary processing and export of food through the development, promulgation and maintenance of standards designed to give effect to New Zealand law and policies covering food assurance arrangements. This enables Government's food assurance objectives to be met including the provision of official assurances for trade purposes.

Standards will be designed to give effect to government agreed risk management parameters that describe New Zealand's appropriate level of protection (i.e. the "acceptable levels of risk/agreed safety levels" for consumers), and the desired outcome of New Zealand's food assurance programme.

The standards may incorporate other factors that contribute to ensuring product is "fit for purpose", including grade, truth in labelling, composition, wholesomeness and other consumer perception issues. Standards may cover related areas such as animal welfare and biosecurity where the functions are inseparable from "fitness for purpose" food assurance. In some instances Government assurances are required for matters such as volume and are covered by this output class.

The regulatory control of agricultural compounds and veterinary medicines to ensure risks associated with their importation, manufacture, sale and use and management is included.

Operational and Regulatory Policy

The development, promulgation and ongoing maintenance of standards requires the setting of operational and regulatory policies to support decision-making.

Effective policy advice requires technical input to ensure decisions are well informed and practicable. Similarly, the implementation of policy decisions through the standard setting process requires policy input to ensure decisions are consistent with Government's policy. Agreed work programmes are required to ensure issues are dealt with in a timely manner by appropriately skilled people.

Operational and regulatory policy also requires the provision of technical advice on food assurance, general reporting and support to the Minister on all aspects of the administration of food assurance legislation.

It covers the co-ordination of the inputs necessary in supporting other accountable policy/technical departments to meet their own outputs and those required to administer the joint standards settings arrangements through ANZFA.

Risk Framework

Regulatory oversight of food administration should be based on a scientific assessment of risks to human health. Establishment of a risk management framework will allow decisions to be taken that are proportionate to the health risks involved, allow innovation and flexibility in application of sanitary measures and allow due regard to be taken of costs and benefits. This output class covers the establishment of a risk assessment framework, including the development of an appropriate mechanism for determining an appropriate level of consumer protection.

International Environment

Setting food assurance standards requires involvement at an international level. Involvement in setting the international technical framework for, and the actual standards covering food assurance, is required to ensure New Zealand risk management parameters and policies are promoted into international standards and practices. International standards covering residue limits, composition and labelling, as well as food quality standards are all encompassed in the administration of food assurance.

Harmonisation and mutual recognition of standards with Australia under CER is included.

Standard Setting

Technically justifiable food assurance standards are set to meet required safety levels.

Standards are similarly set for agricultural compounds and veterinary medicines and animal feedstuffs.

Standards are also designed to cover surveillance/monitoring of animals and their products for undesirable contaminants such as agricultural compounds, veterinary medicines, environmental contaminants and for relevant pathogens/diseases/pests of concern to food assurance and in international trade.

As well as setting food assurance standards, there is involvement in technical and other operational standards for service providers to ensure delivery and the achievement of Government's "optimal regulatory model".

Standards must be agreed and set for exports. Negotiation with trading partners will be aimed at cost effective and efficient food assurance and at creating more favourable trading terms for New Zealand while protecting the integrity of Government assurances. This requires building and maintaining bilateral relationships with counterpart controlling authorities to ensure Government's objectives are met.

Approvals/Accreditations

Administration of food assurance standards includes recognising organisations, facilities, people, products and procedures which are required to give effect to primary standards. In the process external second parties (e.g., International Accreditation New Zealand) and independent third parties (e.g., accredited service providers) will be used. Examples of official recognition include:

- **Organisations:** accreditation of service providers.
- **Facilities:** registration of premises under the Dairy Industries Act.
- **People:** empowering competent people to discharge functions.
- **Products:** approving processes to produce products (meat, fish), registration of agricultural compounds and veterinary medicines and products themselves, e.g., chemicals used in dairy factories, meat slaughter premises and in treating timber.
- **Procedures:** recognising product safety and risk management plans.

Compliance

Audit of the programme to provide confidence that:

- food assurance standards are implemented as required,
- contract provisions are met, and
- food assurance can be substantiated by performance;

is critical.

This involves audits by core government personnel, independent of the service provider and industry and covers the application of appropriate sanctions in cases of non-performance.

Audit of compliance with agricultural compounds and veterinary medicines standards and food assurance standards is included.

Where third party service providers do not have the necessary powers to manage compliance with safety plans, government personnel will be involved in resolving the issues.

The output is funded by the Crown and through cost recovery from beneficiaries.

The outputs also incorporate purchasing any services that maximise the use of assets and personnel employed by the Ministry for the purposes of achieving the output class delivery.

This class of outputs contributes to the Government’s Key Goals, in particular:

- Grow an Inclusive, Innovative Economy for the Benefit of All.
- Protect and Enhance the Environment.
- Restore Trust in Government and Provide Strong Social Services.

Specific Responses

This output class does not provide for specific responses. Should the Government decide to activate an actual response to a food assurance emergency, the additional costs associated with generating the operational level of capability, deployment and sustaining the process will be appropriated under Vote Agriculture and Forestry. A specific output for the particular event will be created in this situation and appropriations sought on a case by case basis. This output class will cover the actual response to a food assurance emergency and the co-ordination of the response.

Quantity and Quality of Administration of Food Assurance Standards

Performance Standards	Performance Results
All Outputs	
<i>The Minister requires that standards and accreditation programmes are routinely reviewed according to a schedule set by the Director concerned.</i>	
■ All standards reviewed as required.	The MAF Food Strategic Plan was reviewed in conjunction with stakeholders as part of the work to establish a new food safety authority.

Performance Standards	Performance Results
	All standards and accreditation programmes were reviewed according to schedules set by the Directors concerned in their Operational Plans.

Output: Risk Management Framework

Develop generic risk management parameters.

- *Parameters developed/modified and approved by Group Director in accordance with schedule set by 1 September 2001.*

Generic risk management parameters, including further development of the risk management framework, were developed and modified in accordance with schedules set by Directors in annual Operational Plans.

Provision of input into bilateral and multilateral trade standards.

- *Input provided to satisfaction of MAF Policy as judged by the Director-General.*

Technical input provided to bilateral and multilateral trade standards as agreed.

Output: Standards: Meat, Poultry, Seafood and Honey

New and reviewed standards developed and/or modified in response to:

*Changes in law;
National policy;
Technical requirements or negotiated changes in bilateral agreements for importing countries;
Emerging food safety threats.*

Standards were developed, reviewed and/or modified as required.

- *Approved by the Director in accordance with Operational Plans by 1 October 2001, particularly:*

- *Standards for implementation of Animal Products Act;*
- *Implementation of the European Veterinary Agreement;*
- *Requirements from trading partners;*
- *Standards for risk management plans.*

The Operational Plan was agreed by the Director by 1 October 2001 and established the programme for the development and review of standards over the period.

During the 2001/2002 period, particular emphasis was focused on the development of standards for the implementation of the Animal Products Act 1999 and the Amendment Bill and the development of standards for risk management plans. Work also proceeded with the implementation of the European Veterinary Agreement and in responding to requirements from trading partners.

The interests of New Zealand's producers of animal products are represented internationally.

- *New Zealand's interests are represented in international standard setting fora for the development of international standards by meetings*

New Zealand's interests were represented in a wide range of international standard setting meetings, including:

- the World Meat Congress where MAF Food had four keynote speakers;

Performance Standards

Performance Results

attended and New Zealand interests represented.

- the Codex Committee on Meat and Poultry (chaired and hosted by New Zealand);
- the WHO/FAO Global Food Safety Forum;
- APEC standards meeting; and
- Keynote addresses at the SPS implementation seminar.

■ *Bilateral agreements reached with overseas trading partners and importing countries.*

Agreements that provided more extensive or more favourable market access conditions for New Zealand products were reached with a number of trading partners including:

- Mexico regarding animal product labelling;
- access for canned possum meat to Korea, Japan and Singapore;
- ostrich and emu meat to the European Union;
- more favourable access conditions to the United States for bobby calves; and
- acceptance of the equivalence of our sampling programme by the United States.

■ *Bilateral relationships maintained with counterpart controlling authorities.*

Bilateral relationships were maintained and further developed with trading partners, including the United States, Mexico, Thailand, Singapore, Taiwan, China, Iran, Saudi Arabia, Egypt, Costa Rica, El Salvador, Guatemala, Russia, Germany, Brazil, Hong Kong, Malaysia, Chile, European Union, Dubai, Kuwait and Canada.

■ *Visits to/from counterpart controlling authorities.*

Visits were made to or received from controlling authorities from Germany, Hong Kong, Iran, Saudi Arabia, Kuwait, Dubai, Mexico, Canada, United States, Egypt, Jordan, Australia, Singapore, Taiwan, Mongolia, Spain, Italy and South Africa.

Register of required standards and details of the standards publicly available.

■ *Register and standards available to the public via the Internet.*

Register of standards is available via the internet.

No technically justified rejection of product in markets associated with failure of MAF certification systems or inadequacy of standards/specifications reported.

■ *None reported.*

No technically justified rejection of product in markets associated with failure of MAF certification systems or inadequacy of standards/specifications reported.

Level of food safety incidents in New Zealand or in trading partner countries associated with failure of MAF certification systems reported by relevant authorities.

Performance Standards	Performance Results
<p>■ <i>No incidents reported.</i></p>	<p>Problems were reported with oysters from New Zealand in Hawaii, Hong Kong and Auckland. This resulted in the closure of two growing areas and further investigations continue.</p> <p>The death of the Sumatran tiger at Wellington Zoo led to an investigation and further action, including prosecution, is likely to follow.</p> <p>Problems arose as the result of poaching of feral deer. Work to resolve these is continuing.</p>
<p><i>Animal Products Act promulgated and implemented as required.</i></p>	
<p>■ <i>Animal Products Act implemented in accordance with timeframes as agreed with the Minister.</i></p>	<p>Implementation of the Act is progressing in accordance with agreed time frames.</p>
<p><i>Facilities, people and processes approved/licensed in accordance with required standards. Performance of services to accredited delivery system and/or standards confirmed by audit.</i></p>	
<p>■ <i>Meat Act and Animal Products Act regulations and implementation standards.</i></p>	<p>Approval/licensing is proceeding as required, including:</p> <ul style="list-style-type: none"> ■ Meat Act 1981 <ul style="list-style-type: none"> – 7 Licences ■ Animal Products Act 1999 <ul style="list-style-type: none"> – 8 Animal Material Depots – 101 Exporters – 5 Inedible Pharmaceutical Operators – 37 Limited Processing Fishing Vessels – 18 Homekill and Recreational Catch Service Providers – 36 Transport Operators – 30 Risk Management Programmes – 1 Pet Food Factory – 1 By-products Factory – 4 Vehicle Docking Facilities – 32 Accredited Persons – 1 Recognised Agency
<p>■ <i>Audit report produced for each audit in accordance with MAF Food procedures which confirms or otherwise performance to accredited delivery system and/or standard.</i></p>	<p>Audit reports produced as per procedures. Turnaround time targets have now been set and are monitored.</p>
<p>■ <i>Any corrective action required taken to the satisfaction of the Group Director.</i></p>	<p>Procedures reviewed to further improve time frames.</p>

Output: Standards: Dairy, Edible Plants

<p><i>New and reviewed standards developed and/or modified in response to:</i></p> <p><i>Changes in law;</i> <i>National policy;</i> <i>Technical requirements or negotiated changes in bilateral agreements for importing countries;</i> <i>Emerging food safety threats;</i> <i>New import proposals.</i></p> <p>■ <i>Approved by the Director in accordance with Operational Plans by 1 October 2001, particularly:</i></p> <p>– <i>Standards for implementation of the New Zealand regulatory programme;</i></p> <p>– <i>European Union requirements;</i></p> <p>– <i>Overseas market access requirements.</i></p> <p>– <i>Organic certification.</i></p> <p><i>The interests of New Zealand’s producers of dairy and plant products are represented internationally.</i></p> <p>■ <i>New Zealand’s interests are represented in international standard setting fora for the development of international standards by meetings attended and New Zealand interests represented.</i></p> <p>■ <i>Bilateral agreements reached with overseas trading partners and importing countries.</i></p> <p>■ <i>Bilateral relationships maintained with counterpart controlling authorities.</i></p>	<p>Standards were developed, reviewed and/or modified as required.</p> <p>The Operational Plan was agreed by the Director by 1 October 2001 and established the programme for the development and review of standards over the period.</p> <p>Standards were developed, reviewed and/or modified as required.</p> <p>.....</p> <p>New Zealand’s interests were represented in international standard setting meetings, including:</p> <p>– the International Dairy Federation standing committee;</p> <p>– the Codex Committee on Milk and Milk Products (New Zealand hosted and chaired);</p> <p>– Codex working groups; and</p> <p>– OECD Fruit and Vegetable Scheme.</p> <p>Discussions were held with Brazilian and Egyptian authorities on access conditions for New Zealand dairy products.</p> <p>The New Zealand Organic Assurance Programme was listed by the European Union.</p> <p>Visits were made to:</p> <p>– the European Union Customs on the Inward Monitoring Agreement (IMA) and discussions were held with EU officials on dairy, organic and fresh produce access and with the US Food and Drug Administration (US FDA) on dairy access arrangements.</p>
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Performance Standards	Performance Results
<p>■ <i>Visits to/from counterpart controlling authorities.</i></p> <p><i>A register of required standards and details of the standards publicly available.</i></p> <p>■ <i>Register available to the public.</i></p> <p><i>No technically justified rejection of product in markets associated with failure of MAF certification systems or inadequacy of standards/specifications reported.</i></p> <p>■ <i>None reported.</i></p> <p><i>Level of food safety incidents in New Zealand or in trading partner countries associated with failure of MAF certifications systems reported by relevant authorities.</i></p> <p>■ <i>No incidents reported.</i></p> <p><i>Facilities, people and processes approved/licensed in accordance with required standards.</i></p> <p>■ <i>Relevant regulations and implementation standards.</i></p> <p><i>Performance of services to accredited delivery system and/or standards confirmed by audit.</i></p> <p>■ <i>Audit report produced for each audit in accordance with MAF Food procedures which confirm or otherwise performance to accredited delivery system and/or standard.</i></p> <p>■ <i>Any corrective action required taken to the satisfaction of the Group Director.</i></p>	<p>Visits were received from the EC Milk Products unit head and to the EU Customs and related authorities on quota access issues.</p> <p>Register available as required.</p> <p>None reported.</p> <p>No incidents reported.</p> <p>Facilities approved and licensed in accordance with approved standards.</p> <p>Audits conducted in accordance with MAF Food procedures.</p> <p>Corrective actions completed to the satisfaction of the Group Director.</p>

Output: Standards: Agricultural Compounds, Veterinary Medicines and Chemical Contaminants

New and reviewed standards developed and/or modified in response to:

- changes in law;
- national policy;
- technical requirements or negotiated changes in bilateral agreements with importing countries;
- emerging food safety threats.

■ *Approved by the Director in accordance with Operational Plans by 1 October 2001, particularly:*

- Standards for the implementation of the Optimal Regulatory Model;
- Agricultural Compounds and Veterinary Medicines Act;
- Alignment with the Hazardous Substances and New Organisms (HSNO) Act.
- VICH – harmonisation of registration requirements.

Standards were developed, reviewed and/or modified as required.

The Operational Plan was agreed by the Director by 1 October 2001 and established the programme for the development and review of standards over the period.

Standards were developed, reviewed and/or modified as required, particularly:

- updated chemistry standard;
- registration information for provisional registration;
- Agricultural Compounds and Veterinary Medicines (ACVM) Group Compliance Operating Principles;
- Operational Policies;
- Import Approval Forms and Guidelines;
- Codes of Practice; and
- participation in Veterinary International Committee on Harmonisation working groups and meetings.

The interests of the New Zealand farming sector in relation to agricultural compounds and veterinary medicines are represented internationally.

■ *New Zealand’s interests are represented in international standard setting forums for the development of international standards.*

NZ interests were represented at a range of standard setting meetings including:

- Australia New Zealand (ANZ) Registration Management Committee
- Codex Committee on Residues of Veterinary Medicines in Food;
- Conference of Residue Chemists in Canberra; and
- OECD on Pesticide Residue Zoning Scheme.

■ *Contribute to the development and implementation of the Australia New Zealand Registration Management Committee harmonisation work programme.*

Meeting of the ANZ Registration Management Committee held in Wellington to agree on industry/regulator priorities.

Performance Standards	Performance Results
<ul style="list-style-type: none"> ■ <i>Implement the New Zealand/ European Union (NZ/EU) mutual recognition agreement on animal remedy Good Manufacturing Practice (GMP).</i> 	<p>EU Mutual Recognition Agreement (MRA) agreed and fully effective from 1 June 2002.</p> <p>EU audit of premises in New Zealand undertaken.</p> <p>Visit made to EU to prepare for final stage of transition.</p> <p>Visits made to NZ by European Medicines Evaluation Agency, and documentation can now be finalised and the MRA agreement signed.</p>
<ul style="list-style-type: none"> ■ <i>Bilateral relationships maintained with counterpart controlling authorities.</i> 	<p>Relationships were maintained with all relevant counterpart controlling authorities, including Australia, US and Canada.</p>
<ul style="list-style-type: none"> ■ <i>Visits to/from counterpart controlling authorities.</i> 	<p>Visits were received from Victorian and NSW authorities and ANZFA and made to Australian Agriculture and Veterinary Policy Co-ordination Group (AVCPC) meetings in Australia.</p>
<p><i>A register of required standards and details of the standards publicly available.</i></p>	
<ul style="list-style-type: none"> ■ <i>Register available to the public.</i> 	<p>Registers available as required. ACVM register now available and register of ACVM Act approved codes of practice available via the website.</p>
<p><i>Facilities, people and processes approved/licensed in accordance with required standards.</i></p>	
<ul style="list-style-type: none"> ■ <i>Registration/licences issued in accordance with the Animal Remedies Act, Pesticides Act, Fertiliser Act, Stock Foods Act and ACVM Act and the applicable ACVM policies and standards.</i> 	<p>MOU signed with Environmental Risk Management Authority (ERMA) to cover Pesticides Act activity in transitional period.</p> <p>Notice of termination given due to ACVM Act implementation. Agreement being reworked.</p> <p>Operational agreement finalised with MAF Biosecurity and ERMA on animal welfare issues.</p>
<ul style="list-style-type: none"> ■ <i>ACVM application risk assessors accredited in accordance with ACVM policies and standards</i> 	<p>Risk assessments undertaken as required by ACVM. There has been no demand for externally accredited assessors to date.</p>
<ul style="list-style-type: none"> ■ <i>Animal remedy manufacturers in accordance with GMP code of practice.</i> 	<p>All GMP approvals up to date as required.</p> <p>Cost recovery introduced under the ACVM Act for GMP audits.</p>
<ul style="list-style-type: none"> ■ <i>Vertebrate pest control licences issued in accordance with the applicable policies and standards.</i> 	<p>MOU signed with ERMA on the process during the transitional period.</p> <p>Licenses issued according to agreed policies.</p> <p>Audits and activity undertaken to bring users into compliance.</p> <p>Notice of termination of MOU given due to ACVM Act full implementation.</p>

Output: Compliance

Audit reports produced for each review.

- *In accordance with documented systems.*

Assurances provided that delivery is in accordance with MAF Food Assurance Standards.

- *According to programme agreed with relevant Directors by 1 October 2001.*

All audit reports were produced in accord with current documented Compliance and Investigation Group operating procedures.

Audit findings confirmed overall accord with Standards. Where discord found, corrective actions successfully applied to restore compliance with Standards.

Audits completed were either as agreed in programme 1 October 2001 or as subsequently amended by agreement with Directors when priorities changed during the audit year.

Financial Performance of Administration of Food Assurance Standards

(GST exclusive)

Actual June 2001 \$(000)		Main Estimates June 2002 \$(000)	Supp Estimates June 2002 \$(000)	Actual June 2002 \$(000)
	Revenue:			
3,024	Crown	3,023	3,337	3,339
15,189	Other	15,216	17,687	16,386
18,213	Total Revenue	18,239	21,024	19,725
	Expenses:			
774	- Risk Management Framework	1,110	1,604	1,679
9,985	- Standards: Meat, Poultry, Seafood and Honey	10,256	11,342	10,236
3,303	- Standards: Dairy and Edible Plants	3,712	3,741	3,756
2,862	- Standards: Agricultural Compounds, Veterinary Medicines and Chemical Contaminants	3,161	3,071	2,680
1,286	- Compliance and Issues Investigations	-	1,266	1,310
18,210	Total Expenses	18,239	21,024	19,661
3	Surplus/(Deficit)	-	-	64

D3 Administration of Indigenous Forestry Provisions

Description

This output class involves the administration of Part IIIA (the indigenous forestry provisions) of the Forests Act 1949:

- Administration of export controls including inspection of indigenous forest produce exports to ensure that they are either from forests managed in accordance with a sustainable forest management plan or permit, or meet other requirements as specified in the Forests Act 1949.
- Administration of indigenous forest sawmill controls, to ensure that only sawmills registered with the Ministry process indigenous timber from approved sources.
- Administration of sustainable forest management plans and permits.

Outputs within the class are as follows:

- Accreditation of sustainably managed indigenous forests and sawmills permitted to mill indigenous timber and indigenous timber exports under Part IIIA of the Forests Act 1949.
- Audit for compliance of sustainable managed indigenous forests and sawmills permitted to mill indigenous timber.

The outputs also incorporate purchasing any services that maximise the use of assets and personnel employed by the Ministry for the purposes of achieving the output class delivery.

This class of outputs contributes to the Government's Key Goals, in particular:

- Grow an Inclusive, Innovative Economy for the Benefit of All.
- Protect and Enhance the Environment.

Overall Performance Statement

The indigenous provisions of the Forests Act will be administered in an open, efficient and enabling way to ensure that privately owned forests are managed to provide a full range of products and amenities in perpetuity while retaining the forest's natural values.

Quantity and Quality of Administration of Indigenous Forestry Provisions

Performance Standards	Performance Results
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Output: Accreditation of Sustainably Managed Indigenous Forests and Sawmills Permitted to Mill Indigenous Timber and Indigenous Timber Exports under Part IIIA of the Forests Act 1949

Issue of Sustainable Forest Management Permits, approval of draft Sustainable Forest Management Plans, certification for other provisions for timber milling, registration of sawmills, approval of notifications of intention to export indigenous forest produce.

■ Estimated at:		Approved/Issued:	
Plans	10	– Plans	8
Permits	75	– Permits	76
Logging plans	60	– Logging plans	65
Minor timber milling	450	– Minor timber milling certificates	340
Sawmills registered	350	– Sawmills registered	309
Export notifications	400	– Export notifications	420

Information provided on application for:

- Draft plan and permit Applications;
- Sawmill registration/other Timber milling;
- Export notification.

■ Estimated at:		All information requests were responded to.	
Plans/Permits	1500	– Plans/Permit enquiries	1040
Sawmill registration/milling	1500	– Sawmill registration/milling enquiries	1175
Export	150	– Export enquiries	173

Applications are examined, amended as necessary and approved.

■ In accordance with the Forests Act 1949 or the Customs and Excise Act 1996.	All applications were reviewed and amended as necessary prior to approval in accordance with Part IIIA of the Forests Act 1949 or the Customs Export Prohibition Order 1996.
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Performance Standards
Performance Results

Output: Audit for Compliance of Sustainable Managed Indigenous Forests and Sawmills Permitted to Mill Indigenous Timber

Inspection of forest operations, sawmills and export consignments.

<div> <div>■</div> <div>Estimated at:</div> </div>	<div> <div>Inspections completed:</div> <div> <div>– Logging plans</div> <div>– Minor timber milling</div> <div>– Registered sawmills</div> <div>– Export consignments</div> </div> </div>
<div> <div>Logging plans</div> <div>Minor timber milling</div> <div>Registered sawmills</div> <div>Export consignments</div> </div>	<div> <div>40</div> <div>75</div> <div>125</div> <div>400</div> </div>
	<div> <div>39</div> <div>62</div> <div>125</div> <div>420*</div> </div>
	<div> <div>* Export notifications are handled by AgriQuality. Not all are inspected e.g. in the case of exporters who have quality assurance status.</div> </div>

Inspections verify compliance.

<div> <div>■</div> <div>In accordance with the Forests Act 1949 or the Customs and Excise Act 1996.</div> </div>	<div> <div>All inspections undertaken verified compliance in accordance with the Forests Act 1949.</div> </div>
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Financial Performance of Administration of Indigenous Forestry Provisions

(GST exclusive)

Actual June 2001 \$(000)		Main Estimates June 2002 \$(000)	Supp Estimates June 2002 \$(000)	Actual June 2002 \$(000)
	Revenue:			
1,233	Crown	1,233	1,233	1,233
42	Other	100	100	50
1,275	Total Revenue	1,333	1,333	1,283
	Expenses:			
786	- Accreditation of Sustainably Managed Indigenous Forests and Sawmills Permitted to Mill Indigenous Timber	740	740	730
525	- Audit for Compliance of Sustainably Managed Indigenous Forests Sawmills Permitted to Mill Indigenous Timber	593	593	549
1,311	Total Expenses	1,333	1,333	1,279
(36)	Surplus/(Deficit)	-	-	4

D4 Enforcement of Agricultural, Food and Forestry Legislation

Description

This class of outputs relates to the purchase of services for enforcement of the law through investigations and subsequent prosecutions where illegal activity is evident. The scope includes the legal requirements of the Animal Remedies Act (until replaced by the Agricultural Compounds and Veterinary Medicines Act), Dairy Industry Act, Food Act, Forests Act, Meat Act (until replaced by the Animal Products Act), Pesticides Act (until replaced by the Hazardous Substances and New Organisms Act), and the Plants Act.

Outputs provide for the investigation of suspected illegal activity and prosecutions. The investigations are performed in accordance with agreed strategies and generally cover people/organisations in breach of the law, either wittingly or unwittingly. Prosecutions are demand driven and funded on a case by case basis.

Outputs also incorporate the sale of any services that maximise the utilisation of assets and personnel employed by the Ministry for the purposes of achieving the delivery of classes of outputs.

The outputs also incorporate purchasing any services that maximise the use of assets and personnel employed by the Ministry for the purposes of achieving the output class delivery.

This class of outputs contributes to the Government's Key Goals, in particular:

- Grow an Inclusive, Innovative Economy for the Benefit of All.
- Protect and Enhance the Environment.
- Restore Trust in Government and Provide Strong Social Services.

Performance Standards	Performance Results
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Quantity and Quality of Enforcement of Agricultural, Food and Forestry Legislation	
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<i>Investigation into alleged breaches of the indigenous provisions of the Forests Act, in particular, but not confined to, breaches of the sawmill provisions, the Forestry (Indigenous Timber Milling) Regulations 1993, the Export Provisions and the Customs Export Prohibition Order.</i>	
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- | | |
|---|-----------------------------------|
| ■ Estimated at 15 investigations per annum. | 14 investigations were completed. |
| ■ Estimated at 3 prosecutions per annum. | No prosecutions were taken. |

Investigations of alleged breaches and subsequent prosecutions under the Animal Products Act, Dairy Industry Act, Meat Act, Agricultural Compounds and Veterinary Medicines Act.

- *As identified and followed up on prioritised basis. Undertaken in accordance with legislation.*

All investigations in accordance with internal standards for investigation.

- *Investigations as required. 100% investigation files acceptable to MAF Legal section and able to establish a prima facie case in law.*

- *Investigations meet prosecution or other relevant timetables.*

A total of 79 investigations were undertaken under the Animal Products Act, Dairy Industry Act, Meat Act, Agricultural Compounds and Veterinary Medicines Act.

From these investigations, a total of five successful prosecutions were undertaken with another two recommended and awaiting hearings.

The investigations and prosecutions were undertaken in accordance with a prioritised strategy and programme and in accordance with legislation.

All investigations met required internal standards.

Investigations were undertaken as required.

All investigation files were acceptable to MAF Legal and where necessary, established a prima facie case in law.

All timetables met.

Financial Performance of Enforcement Agricultural, Food and Forestry Legislation

(GST exclusive)

Actual June 2001 \$(000)		Main Estimates June 2002 \$(000)	Supp Estimates June 2002 \$(000)	Actual June 2002 \$(000)
	Revenue:			
522	Crown	522	752	752
-	Other	-	-	-
522	Total Revenue	522	752	752
	Expenses:			
462	- Investigation of Suspected Illegal Activity	462	577	597
60	- Prosecutions	60	175	150
522	Total Expenses	522	752	747
-	Surplus/(Deficit)	-	-	5

D5 Contract and Grant Management

Description

This class of output involves the purchase of services associated with the management of government's participation in contracts and agreements with the private sector in forestry and agriculture. This includes arrangements encompassed by legislation and regulation established by previous governments for which the Crown retains an ownership interest or ongoing obligation. The scope of the output class includes:

- Management of the Crown's ownership interest on forests established on leased Māori land.
- Management of the Crown's ownership interest in certain forests established on Crown owned land.
- Management of the Crown's ownership interest in certain forests established on Crown owned land and leased to second parties
- Management of the Crown's ownership interest in Tarawera Forests Ltd
- Management of the Crown's financial interests in loans made to encourage afforestation in accordance with the Forestry Encouragement Loans Regulations 1967.
- Management of the Crown's commitments under the Forestry (East Coast) Grant Regulations 1992 to establish and tend forests in the erosion-prone land within the Gisborne district.
- Irrigation and Government Approved Grants for Agricultural Schemes, this output includes management of government assistance programmes and a Sustainable Farming Fund.

Outputs also incorporate purchasing any services that maximise the use of assets and personnel employed by the Ministry for the purposes of achieving the output class delivery.

This class of outputs contributes to the Government's Key Goals, in particular:

- Grow an Inclusive, Innovative Economy for the Benefit of All.
- Protect and Enhance the Environment.
- Reduce Inequalities in Health, Education, Employment and Housing.

Overall Performance Statements

The Crown's interest in forestry leases on Māori land, residual Crown forest and other forestry assets shall be managed in accordance with sound forestry practice and whatever lease or other agreements are in place.

Any sale of the Crown's interest in forestry leases on Māori land, residual Crown forest and other forestry assets shall be undertaken in accordance with Treasury directions and Office of Treaty Settlements policy.

The East Coast Forestry Project will be used to encourage and effect the stabilisation of severely eroding and highly erodible land in the East Coast Region by funding suitable erosion control treatments.

Quantity and Quality of Contract and Grant Management

Performance Standards	Performance Results
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Output: Management of Crown Forests

Forests, leases and other assets managed.

■ <i>Management of 37,980 hectares of Crown forests under 18 Māori land leases is undertaken in accordance with the lease provisions and management plans that take into account return on investment and good forestry management practices.</i>	Management has been undertaken in accordance with lease provisions for all 18 leases comprising 36,461 net stocked hectares of forest. The variation is due to the precise areas handed back at Lake Taupo and Parengarenga differing slightly from earlier forecasts.
■ <i>Management of 10 Crown forests comprising 8,807 hectares planted on other land is undertaken in accordance with management plans that take into account return on investment and good forestry management practices.</i>	Management of eight Crown forests comprising 7,031 net stocked hectares planted on Crown Forest Land has been undertaken in accordance with existing management objectives. The variation in forest numbers and area are due to two forests (Riverhead and Hikurangi) being sold by Crown Forestry Management Ltd prior to these forests being transferred to MAF and a substantial part of Pureora Central Forest being purchased by claimants under the Pouakani Treaty of Waitangi Claim process.
■ <i>Management of the Crown's interest in 17 leases of Crown land for forestry purposes is undertaken in accordance with the lease provisions.</i>	Management of the Crown's interest in 17 afforestation leases on Crown Land has been undertaken. Key issues addressed this year were: <ul style="list-style-type: none">– re-valuation for accounting purposes;– updating of some lease agreements; and– potential Crown exit from some leases.
■ <i>Management of the Crown's interest in Tarawera Forests Ltd and Haparangi Trust is undertaken to protect the Crown's equity and ensure returns to the Crown are optimised within the terms of the joint venture agreements.</i>	<p>The General Manager Crown Forestry was duly appointed as a Director of the Company and attended six Board meetings of Tarawera Forests Ltd in this capacity.</p> <p>Assistance was provided to Te Puni Kokiri in negotiations over the Crown's exit from the Haparangi Forest Trust.</p> <p>The Crown continued to act as the forest manager at Haparangi.</p>

Planning

■ <i>All forests are managed in accordance with annually updated management plans.</i>	<p>Each of the 18 leases has a current management plan that sets out the obligations of the Crown under the lease, and the management intentions for the forest. These management plans are updated annually. Work programmes and budgets in these plans were updated for the period 2001 to 2004.</p> <p>Management Plans for three of the eight transferred Crown forests planted on Crown Forest Land were prepared and the management plans for the remaining five forests are in preparation. (No previous plans existed).</p>
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Contractor performance.

■ <i>Contract manager performance for the forestry assets managed by the Crown</i>	The five management contractors employed by the Ministry as at 30 June 2001 had their contracts renegotiated from 1 July 2001. The re-negotiation process included an
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Performance Standards

Performance Results

is evaluated as part of, and prior to, any re-negotiation of management contracts based upon predetermined criteria and independent benchmarks.

evaluation and benchmarking of contractor performance and fees for the preceding 12 months in accordance with the Crown Forestry Quality Management System.

A further management contractor, who had previously been employed by Crown Forestry Management Ltd, was contracted to manage Waipoua and Waiuku Forests on a similar basis to the other five contract companies.

Payment for work done.

■ *Contractor payments for the forestry assets managed by the Crown are made at the agreed level upon delivery of services and are subject to audits specified in a quality management system.*

Two regionally based staff carried out audits of operations and site inspections on a planned basis in accordance with an internal Crown Forestry Quality Management System.

■ *All amounts paid and work done is in accordance with Government policy, legislation, regulations and MAF's financial policies and internal procedures.*

Payment for all forest management contracts have been made within specified time frames and audited in line with management contracts and the Crown Forestry Quality Management System.

Independent audit of forestry management.

■ *Independent audit of each forest managed by the Crown is completed at two-year intervals to ensure forest management practices and procedures are sound and that lease obligations are being achieved.*

An independent audit of the Northland forests was completed covering:

- Parengarenga A Crown Lease Forest;
- Parengarenga 3G Crown Lease Forest;
- Onepu Crown Lease Forest;
- Pouto 2F Crown Lease Forest;
- Otakanini Topu Crown Lease Forest;
- Waiuku Crown Forest; and
- Waipoua Crown Forest.

The auditor's final report has yet to be received but preliminary findings are that no significant shortcomings have been noted and that all seven forests (including five leases) were assessed as being managed to an acceptable industry standard.

Consultation with lessors and lessees

■ *Consultation with lessors and lessees about forest management plans and about other issues is undertaken as matters arise and as required under the respective lease agreements.*

In addition to consultation on the sale of the Crown's interest in the leases (detailed later):

- the Pouto 2F Trustees were consulted about the management of the forest, and the options for the future of the lease;
- consultation took place with a representative of the Māori Trustee over options for the future of the Kahotea lease;
- a consultation process began with stakeholders in the Waiuku Forest over forest management issues;
- staff attended a meeting of the owners of the Te Whaiti-nui-a-Toi block and outlined the harvesting programme due to commence in 2003;

- the Lake Taupo Forest Joint Forest Management Committee (FORMAC) met in July, September, November 2001, January, March and May 2002 to discuss joint management issues arising from the Deed of Variation to the lease. The last of these meetings also incorporated the Rotoaira Forest Joint Forest Management Committee;
- a ceremony was held with the lessors of Parengarenga 3G in August to mark the first clearfelling in this Forest;
- the lessors of Lake Taupo and Rotoaira forests have been consulted on ongoing harvesting and marketing activities in accordance with an agreed protocol; and
- staff attended the Annual General Meetings (AGMs) with Lessors to report on forest management over the 2001/02 year (Parengarenga Incorporation AGM (one lease), Parengarenga 3G AGM (one lease), Tairāwhiti Consultation Committee AGM (six East Coast leases)).

Manage the sale of the Crown's interest in the leases, forests and other assets managed.

- *Valuations are prepared, and negotiation is undertaken with other parties and their advisors in accordance with Crown Policy and as requested by lessors.*

Further negotiation took place with the Management Committee of the Otakanini Topu Incorporation, and representatives of the Rotoaira Forest Trust about the option of shortening their leases to one rotation, and progressively surrendering the lease as the crop is harvested. The Rotoaira Forest Trust and Cabinet have agreed to the proposal and the Deed of Variation has been signed by both parties.

A proposal to vary the Mangahauini lease to allow an early Crown exit was approved by Cabinet, and documentation has been completed and executed by the Minister of Forestry and the lessor.

Preliminary negotiations took place with the Waimate District Council, the Whakatu Afforestation Trust, Fletcher Challenge Forests, Carter Holt Harvey and the Taupo District Council over options for varying their long term leases of Crown Forest Land for the mutual benefit of both parties. Subsequently the Waimate District Council offered to buy the Crown's leasehold interest for \$600,000.

Approval was given by the Ministers of Finance and State Owned Enterprises being the responsible Ministers for Crown Forest Land for the sale of Waimate, Mt Hutt, plus four small Marlborough leases, and the Lake Taupo and Rotoaira enclaves. An accredited agent is employed to complete the Treaty of Waitangi Clearance and the "offer-back" provisions of s40 of the Public Works Act.

Work continued on the sale of Manutahi Forest with an accredited agent being employed to complete the required clearances and the disposal process.

Assistance was given to the Office of Treaty Settlements over the use of Waipoua Forest in the settlement of the Te Roroa claim.

Manage other matters relating to lease and other agreements.

- *Stumpage shares, annual rents, and other land issues and performance issues are reviewed as required by the respective lease and other agreements.*

Work continued on the establishment of the transfer value of the part of Pureora Central Forest that is included in the settlement of the Pouakani claim. A value of \$6.13m was eventually determined by arbitration. The claimants elected to purchase the asset at this price, and the transaction was settled on 8 May 2002.

A proposal was made to the Lake Taupo Forest Trust for the Trust to buy an area of forested Crown Forest Land that adjoins the Lake Taupo Forest lease. The Crown would retain a forestry right over the existing crop. The Trust are interested in the proposal and negotiations will resume when valuations have been obtained.

The first partial surrender of the Parengarenga A lease was completed with 720 ha of land returned to the landowners.

A further 708 ha of land was surrendered from the Lake Taupo lease following clearfelling.

The first partial surrender of the Rotoaira lease was completed with 526 hectares of land returned to the Rotoaira Forest Trust.

Legal access into the Onepu lease across Department of Conservation (DoC) land is being investigated.

Work continues on acquiring legal access on four roads into the Te Manawa-o-tuhoe lease.

Work continues on boundary adjustments on the Whakatu, Koromiko, Prattley, Nelson Pine, Carter Holt Harvey and Fletcher Challenge Forests leases. The process involves survey, the issue of new titles, reallocation agreements with DoC and partial lease surrenders.

New leasehold titles were issued for three Māori land blocks in the Lake Taupo Forest lease.

The approval of owners and Māori Land Court approval was gained for a boundary adjustment of a Māori land block in the Rotoaira Forest lease.

Output: Management of Forestry Encouragement Loans

Management of loan portfolio.

- *Loan balances are maintained for the loans held under 46 currently registered agreements.*

Loan balances for the agreements are maintained by MAF Finance and are a true and correct record.

Field inspections of loan forests.

- *Field inspections of all forests associated within the loan portfolio are carried out annually or as required, to ensure compliance with the loan agreements.*

All forests were inspected or the loanees were contacted and all conditions of the loans were being complied with.

Performance Standards**Performance Results**

Audit of all operations requiring payment.

- *Operations are audited to ensure that work is completed, in accordance with acceptable standards and costs.*

No payments have been made this year.

Payment for work done.

- *All payments to borrowers undertaking forest operations are as prescribed in the respective loan agreements.*

No payments were made this year.

- *All amounts paid and work done is in accordance with Government policy, legislation, regulations and MAF's financial policies and internal procedures.*

No payments were made this year.

Repayment of loans.

- *All loans are repaid to the Crown when they fall due.*

Two loans (Waitaki District Council and Central Otago District Council) were repaid on the due date.

Output: Management of Forestry (East Coast) Grant Regulations

Tenders accepted in accordance with the objectives of the scheme in line with predetermined standards and procedures laid out in the Terms of Reference for the East Coast Forestry Project.

- *Approval certificates will be issued within financial and area approved maximums which meet the objective of the scheme which is to encourage control of soil erosion.*

Formal approval has been given to 15 provisionally approved tenders and a further 15 provisionally approved tenders may be able to be given formal approval any time over the next two years when they secure landholding over the relevant land.

Every new tender assessed for accordance with scheme's criteria.

- *Predetermined Standards and Procedures encompass purchasing aerial photography, inspection and mapping of grant proposals, verification of compliance with indigenous forestry criteria.*

43 tenders were received and assessed in accordance with the scheme's criteria involving the use of aerial photography, inspection and mapping of grant proposals. 13 tenders were declined as they did not contain any target land and a number of tenders had indigenous vegetation removed to comply with the indigenous criteria of the project.

Performance Standards

Performance Results

Promotional material consistent with agreed standards.

- *The Ministry's standard publication proforma and standards to be applied.*

One article was published for the Gisborne Herald along with four tender notices and a series of eight advertisements that promoted the 'Project'. A marketing brochure has also been prepared for use with the rural sector and persons interested in the project. All material met the Ministry's required standards.

Payments made according to the accepted tenders.

- *Establishment grant payments are to be made after assessment of inspection to verify area planted and quality of work.*
- *Tending payments are to be made on the basis of a random sampling inspections process that verify silviculture work meets approved standards and criteria.*
- *All amounts paid and work done in accordance with government policy, legislation, regulations and the Ministry's financial policies and internal procedures.*

Payments for new forest establishment have been made on 840 hectares following field audits. Payments have been withheld on a further 45 hectares of new forest establishment due to excessive grass growth smothering newly established seedlings.

Payments for tending of forests have been made on 4,633 hectares following field audits.

All payments met approved standards and criteria, in accordance with Government policy, legislation, regulations and the Ministry's financial policies and internal procedures.

Receipt and assessment of all tenders against Grant scheme criteria.

- *Estimated at 40.*

43 tenders were received in both the large and small tender rounds with 30 meeting the schemes criteria. This is up on 18 received last year and is due to increased and timely promotion last year, allowing a better understanding of the changes made to the project in 2000.

Inspections of new forests planted in the prior year to support establishment grant payments; processing grant payments.

- *Estimated at 3500 ha and 30 payments.*

A total of 889 hectares have been inspected to assess new forest establishment as detailed in the 14 grant claims that were processed for payment.

Inspection of forests presented for silvicultural grant payments; processing silvicultural grant payments.

Performance Standards

Performance Results

- *Estimated at 5000 ha and 50 payments.*

A total of 4,633 hectares have been inspected to assess forest tending as detailed in the 53 grant claims that were processed for payment.

Administration and maintenance of contracts with Grantees.

- *Estimated at 190 contracts.*

Approved contracts total 193. Fifteen new contracts have been approved, four existing contracts have been transferred to new owners and four existing contracts have been varied to accommodate approved changes to either planting year or planting area.

Tenders for grants examined and approved within the time specified in the Forestry (East Coast) Grants Regulations (2000) and East Coast Forestry Project guide booklet.

- *All tenders actioned in accordance with time frames specified in the Forestry (East Coast) Grants Regulations (2000).*

Results for the large tender round were notified eight weeks late due to a substantial delay in the provision of aerial photography as a result of continual poor weather. Staffing changes also made a substantial impact.

Results for the small tender round were delayed by three weeks as a result of the flow-on effect of the earlier delay in aerial photography.

Output: Irrigation and Government Approved Grants for Agricultural Schemes

Provide reports and policy advice on the disposal and management of irrigation assets and liabilities.

- *Complete the Crown obligations under the irrigation sale agreements.*

Provided ongoing assistance to Otago Regional Council and irrigation companies in identifying and developing water assets.

Reviewed unsold Crown water assets to identify current status and prepare for possible disposal.

Submitted an application to the Department of Conservation relating to the disposal of the Kerikeri Irrigation Lakes and assistance to Kerikeri Irrigation Company during public consultation.

Provided draft easement agreement for Kerikeri Irrigation Lakes.

- *Provide six-monthly progress reports.*

Reported to Minister of Agriculture on progress with irrigation sales issues on 8 August 2001.

Contribute to effective management of Government-approved programmes.

Performance Standards	Performance Results
<ul style="list-style-type: none"> ■ <i>Delivery of Government-approved grant programmes for natural disasters including co-ordination with other Government Agencies.</i> 	<p>Issued a brochure for rural people on readiness and response to adverse climatic and natural events.</p> <p>Advised Minister to reduce grazing limitations on the Wither Hills that were re-seeded following the Marlborough Fires in January 2001.</p> <p>Conducted snow recovery in Central Otago with New Zealand Defence Force.</p>
<p><i>Manage crown funds for Government approved programmes and compensation.</i></p>	
<ul style="list-style-type: none"> ■ <i>Administer irrigation settlement payments.</i> 	<p>Applied to High Court for determination of costs relating to Williams claim.</p>
<ul style="list-style-type: none"> ■ <i>Administer Government assistance programmes for adverse events relief.</i> 	<p>No payments made.</p>
<ul style="list-style-type: none"> ■ <i>Manage Farm Improvement Co-ordinator Programme for under-utilised land on the East Coast of the North Island.</i> 	<p>Local co-ordinating/steering group operational.</p> <p>Benchmark parameters established.</p> <p>A series of Focus Farm Groups established and operational.</p> <p>All key local stakeholders involved.</p> <p>Many local contacts made and serviced.</p> <p>Clear audit report from Te Puni Kokiri/Audit NZ.</p>
<ul style="list-style-type: none"> ■ <i>Manage the Sustainable Farming Fund, including the contestable water studies programme.</i> 	<p>114 operational projects (\$13.6 million grants committed).</p> <p>14 projects completed.</p> <p>February 2002 application process completed; contract negotiation underway.</p> <p>Sustainable Farming Fund Website completed.</p>

Financial Performance of Contract and Grant Management

(GST exclusive)

Actual June 2001 \$(000)		Main Estimates June 2002 \$(000)	Supp Estimates June 2002 \$(000)	Actual June 2002 \$(000)
	Revenue:			
2,446	Crown	2,540	2,986	2,390
1	Other	-	20	17
2,447	Total Revenue	2,540	3,006	2,407
	Expenses:			
1,070	- Management of Crown Forests	1,280	1,300	1,212
547	- Management of Forestry (East Coast) Grant Regulations	563	563	523
67	- Forestry Encouragement Loans	65	65	54
578	- Irrigation and Government Approved Grants for Agricultural Schemes	632	1,078	450
2,262	Total Expenses	2,540	3,006	2,239
185	Surplus/(Deficit)	-	-	168

D6 Verification Services

Description

This output covers the delivery of services associated with the delivery of SPS and related official assurances as required by MAF Food Assurance Authority (MAFFAA) technical and operational standards which include importing countries own biosecurity requirements. In particular the service includes:

- **Food Safety:** making judgements on food safety matters.
- **Validation:** assessment of companies' documented systems to ensure they are capable of delivering the required regulatory outcomes.
- **Verification:** monitoring and controlling company programmes to ensure they achieve the required regulatory outcomes and display effective control and rectification of non conformances.
- **Certification Services:** completion of appropriate certification for companies involved in primary production, processing and/or marketing of meat, game and seafood products; and plants.

This output is user pays on a cost recovery basis.

Outputs also incorporate the sale of any services that maximise the utilisation of assets and personnel employed by the Ministry for the purposes of achieving the delivery of classes of outputs.

The activity in this output class by sector is as follows:

- **Export Meat** Premises slaughtering and processing meat* for export markets.
- **Local Meat** Premises slaughtering and processing meat* for local markets.
- **Seafood** Premises and vessels processing fish and shellfish for the local and export markets.
- **Cold Stores** Premises storing meat, game and seafood products for export markets.
- **Game** Premises slaughtering and processing game for local and export markets.
- **Plants** Exporters of plants and plant products.
Packhouses supplying plants and plant products for export.
- **Dairy** Issue of MAF certificates for export of dairy products.

* Meat includes: sheep & lambs, beef, goats, bobby calves & horses.

The outputs also incorporate purchasing any services that maximise the use of assets and personnel employed by the Ministry for the purposes of achieving the output class delivery.

This class of outputs contributes to the Government's Key Goals, in particular:

- Grow an Inclusive, Innovative Economy for the Benefit of All.

Quantity and Quality of Verification Services

Performance Standards	Performance Results
<i>The Verification Agency complies with Food legislation and Technical Directives issued by MAF Food Assurance Authority.</i>	The Verification Agency has complied with all legislative and technical directives issued.
■ <i>Compliance measured by MAFFAA audit.</i>	MAF Food Assurance Authority have undertaken 69 audits during the year, of which three failed to reach the pass criteria. Seven investigations were undertaken during the year.
<i>All costs incurred are invoiced for recovery. Financial accounts meet professional accounting standards and the apportionment of costs to clients is transparent and professional as evaluated by external agencies and passes external audit scrutiny.</i>	All costs incurred have been recovered and Audit New Zealand have undertaken their annual audit of MAF's annual financial statements.
■ <i>No significant unfavourable audit comments.</i>	No significant unfavourable comments.
■ <i>Industry acceptance of accuracy of accounts.</i>	Industry accepted accuracy of the 2000/2001 accounts.
<i>Quality systems are maintained.</i>	
■ <i>Accreditation to ISO17020.</i>	International Accreditation New Zealand Accreditation to ISO17020 is maintained.

Financial Performance of Verification Services

(GST exclusive)

Actual June 2001 \$(000)		Main Estimates June 2002 \$(000)	Supp Estimates June 2002 \$(000)	Actual June 2002 \$(000)
	Revenue:			
-	Crown	-	-	-
25,337	Other	26,317	28,132	27,482
25,337	Total Revenue	26,317	28,132	27,482
	Expenses:			
25,951	- Verification Services	26,317	28,132	27,482
25,951	Total Expenses	26,317	28,132	27,482
(614)	Surplus/(Deficit)	-	-	-

D7 Contestable Services

Description

This output covers the sale of administrative services and property rental to maximise the utilisation of assets and personnel employed in the Ministry.

Financial Performance of Contestable Services

(GST exclusive)

Actual June 2001 \$(000)		Main Estimates June 2002 \$(000)	Supp Estimates June 2002 \$(000)	Actual June 2002 \$(000)
	Revenue:			
-	Crown	-	-	-
1,865	Other	1,800	1,800	1,653
1,865	Total Revenue	1,800	1,800	1,653
	Expenses:			
1,911	- Contestable Services	1,850	1,800	1,317
1,911	Total Expenses	1,850	1,800	1,317
(46)	Surplus/(Deficit)	(50)	-	336

D1 Biosecurity and Animal Welfare Policy Advice

Description

This class of outputs includes providing analysis and advice on, and development of policies, legislation, and organisational arrangements to be applied to, developing and implementing strategies for achieving effective, efficient, and equitable outcomes for biosecurity and animal welfare.

The outputs in the class include:

- **Policy Advice: Biosecurity Strategic** - advice on implementing the Biosecurity Act and its interface with other relevant legislation.
- **Policy Advice: Biosecurity Pest Management** - advice on the role of government in national and regional pest management strategies, and on monitoring national pest management strategies.
- **Policy Advice: Science** - advice on government and industry science strategies and priorities, innovation, and the transfer of technology affecting biosecurity outcomes.
- **Policy Advice: Animal Welfare** - advice on the animal welfare policy and the implementation of animal welfare legislation. (Note: the funding for this output is provided through Vote: Biosecurity – Agriculture and Forestry. Portfolio responsibility for Animal Welfare is with the Minister of Agriculture).
- **Ministerial Services** - services to support the Minister including replies to correspondence, Parliamentary Questions, Official Information Act and Ombudsman Requests.

Effective implementation of policy decisions requires policy input to ensure implementation decisions are consistent with policy objectives. Similarly the development of good policy advice requires technical input to ensure advice is well informed and practicable. Agreed work programmes are required to ensure that issues are dealt with in a timely manner by appropriately skilled people.

The outputs also incorporate purchasing any services that maximise the use of assets and personnel employed by the Ministry for the purposes of achieving the output class delivery.

This class of outputs contributes to the Government's Key Goals, in particular:

- Grow an Inclusive, Innovative Economy for the Benefit of All.
- Protect and Enhance the Environment.

Quantity and Quality of Biosecurity and Animal Welfare Policy Advice

Performance Standards	Performance Results
All Outputs	
<i>All policy advice will conform with criteria set out in Schedule A of the Purchase Agreement between the Minister for Biosecurity and the Director-General.</i>	
■ <i>The satisfaction of the Minister as assessed by a bi-annual questionnaire.</i>	The Minister for Biosecurity provided written feedback on performance in August 2001 and March 2002, noting that the performance of MAF Policy was very good on both occasions.
<i>Priority work is completed as agreed or, as subsequently amended by agreement, between the Minister for Biosecurity and the Director-General via the 2001/2002 Purchase Agreement.</i>	
■ <i>Programme of work completed as agreed with the Minister.</i>	Purchase Agreement signed off with the Minister in August 2001. Other priority work completed as agreed.
Output: Policy Advice: Biosecurity Strategic	
<i>Implement Government's policy on cost recovery for passenger and craft clearance at the border.</i>	
■ <i>As agreed with the Minister.</i>	<p>Two draft Cabinet papers have been prepared (one seeking a decision on how to fund services and one on implementing cost recovery if this were the preferred option).</p> <p>The Appeal Court overturned a High Court ruling that MAF charging for border services at regional international airports is illegal. The judgement means MAF can continue to charge at the regional airports while providing the same services free of charge at the metropolitan airports. This decision is subject to appeal to the Privy Council.</p>
<i>Maintain efficient and effective border control.</i>	
■ <i>Contribute to the development of a border vision and strategy, and improved border process integration, risk management and information management, to address the recommendations of the Border Review Team on the need to enhance the efficiency and effectiveness of border management.</i>	<p>Cabinet considered three papers on the border control review: process integration, risk management and information infrastructure.</p> <p>Cabinet has considered and approved a vision and strategy for border management, which was developed in consultation with industry and Māori stakeholders.</p>

Performance Standards

Performance Results

Maintain appropriate legislation and regulations to promote effective biosecurity.

■ *Provide advice and support for an amendment to the Biosecurity Act to make technical and policy adjustments to meet the requirements of the legislative programme.*

■ *Provide advice and support for changes to regulations as agreed by the Minister.*

Provided support for the Minister during introduction of the Bill.

Prepared briefing information for meeting with Select Committee considering the Bill.

Completed MAF report on the Bill.

Completed speech notes in preparation for second reading.

Completed Law Commission project on MAF use of powers.

Consultation on an amendment to the Biosecurity (Costs) Regulations has been completed and a first draft of new regulations has been received from Parliamentary Counsel. Liaison with stakeholders is continuing and the new regulations are scheduled to take effect from August 2002.

Developed proposals for amendment of the ruminant protein regulations.

Contributed to the development of policy options for managing risks in feeding of organic matter to pigs.

Contributed to Biosecurity Strategy Issues Paper on Appropriate Level of Protection. Ongoing work with facilitating a MAF policy position.

Provide a strategic policy focus on SPS issues, contribute to the development of New Zealand positions on SPS issues and present those positions in relevant forums as required.

■ *By 30 June 2002 develop policies on:*

- *appropriate level of protection against biosecurity risks;*
- *precaution principle;*
- *recognition of equivalence of phytosanitary measures.*

Policy development included:

- initiation and contribution to an internal workshop on precaution. Ongoing work facilitating a MAF position;
- co-ordination of MAF response and contribution to an SPS Committee report on equivalence in phytosanitary measures. Ongoing work co-ordinating NZ response on how equivalence is addressed in the SPS Committee; and
- representation of NZ positions at July, November 2001 and March 2002 meetings of the SPS Committee.

Surveillance and response.

■ *By 30 June 2002 co-ordinate the development of a generic response policy for new organism incursions to provide a framework for consistent management of responses.*

Contributed to the development of an amendment to the Animal Identification Regulations.

Contributed to a number of focus group workshops on the development of the Civil Defence and Emergency Management national strategy.

A generic response policy for new organism incursions was developed and has been adopted by the Biosecurity Council.

Performance Standards

Performance Results

Contribute to the development of a Biosecurity Strategy for New Zealand.

- *By 30 September 2001 complete the development of a public discussion document on development of a Biosecurity Strategy for New Zealand.*

An independent review of current surveillance procedures was commissioned.

Prepared a discussion paper on border controls to prevent genetically modified seeds being imported with non-GM seeds. This paper reviews the testing protocol for sweet corn that was introduced in August 2001, suggests changes to it, and suggests that audits be extended to all corn as well as canola/oilseed rape seed imports.

Assisted the Biosecurity Strategy Development Team with drafting the Issues Paper for the Strategy.

Co-ordinated and contributed to a MAF submission on draft Issues Paper and assisted with the establishment of issues groups to help develop the draft strategy.

Provided a second MAF submission on strategy objectives and principles.

Contributed to the work of the four issues groups addressing key issues for the draft strategy.

The Strategy is scheduled to be delivered to Government in early 2003.

Output: Policy Advice: Biosecurity Pest Management

Contribute to review and amendment of the Bovine Tb National Pest Management Strategy.

- *By 30 December 2001:*

– *provide policy advice for review and implementation of a revised strategy review (due to commence 1 July 2001); and*

Contributed to the implementation of the Board of Inquiry to advise the Minister on issues raised during consultation on the strategy proposal.

Undertook an analysis of funding for the strategy and highlighted the need for potential changes to the funding arrangements to more fairly involve all beneficiaries.

Contributed to advice to the Minister on an increase in the cattle slaughter levy that partly funds the strategy.

Prepared documents for Board of Inquiry.

– *develop, review and amend the regulations to support the revised strategy.*

On hold until MAF reports on the outcome of the Board of Inquiry and the Minister makes final decisions.

Contribute to the development of response plans including National Pest Management Strategies (NPMSSs) where appropriate.

Performance Standards	Performance Results
<p>■ <i>By 30 June 2002 contribute to the development of response plans for:</i></p> <ul style="list-style-type: none"> – <i>Lymantriids (including Gypsy moth)</i> – <i>Fruit fly</i> – <i>Varroa</i> – <i>Painted apple moth</i> – <i>Scoliid wasps</i> – <i>Argentine ants</i> – <i>Exotic animal diseases</i> <p><i>Contribute to the revision of the Regional Pest Management Strategies.</i></p> <p>■ <i>Complete Orders-in-Council for obligations of the Crown to regional pest management strategies by 30 June 2002.</i></p>	<p>MAF has determined that a NPMS for Lymantriids is not appropriate. Response plans are in place and surveillance and response contracts maintained.</p> <p>MAF has determined that a NPMS for Fruit fly is not appropriate. Response plans are in place and surveillance and response contracts maintained.</p> <p>Updated Cabinet on progress in developing a long-term management strategy for Varroa and obtained approval for the Minister to release a discussion document.</p> <p>Drafted a section on funding a Varroa pest management strategy for the discussion document.</p> <p>Prepared a paper for Cabinet recommending a preferred response to Painted apple moth.</p> <p>Provided policy input into the planning of and consultation on the response to Painted apple moth including advice on spraying over conservation land and advice on using the Biosecurity Act exemption to Part III of the Resource Management Act to enable aerial spraying to proceed.</p> <p>Provided policy input and advice to Cabinet on development of responses to Scoliid wasps.</p> <p>Provided policy input and advice to Cabinet on development of responses to Argentine ants.</p> <p>Provided policy advice to Cabinet on MAF's response to the incursion of <i>Mycoplasma mycoides mycoides</i> (large colony).</p> <p>Cabinet considered paper and approved preparation of drafting instructions.</p> <p>MAF Legal are preparing drafting instructions in consultation with Department of Conservation.</p>

Output: Policy Advice: Science

MAF Operational Research in Progress (current objectives) and Operational Research Report (research results).

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|---|---|
| <p>■ <i>Documents published on the Internet at MAF's website by 30 June 2002.</i></p> | <p>"Research in Progress" documentation (for 2001/02) is now completed, published, and distributed.</p> |
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Royal Commission into Genetic Modification (RCGM).

<ul style="list-style-type: none"> ■ <i>Provide responses to the Commission report and advice on matters arising from it.</i> 	<p>Summary Results material, and preparation of the “Research Results” documentation (for both 1999/2000 & 2000/01) contracts is completed, published, and distributed.</p> <p>Contributed to “whole of government” analysis and advice on the RCGM including: initial advice on the content of the report, advice on extending the moratorium, and analysis of the recommendations.</p> <p>Contributed to implementation of the government’s response to the RCGM. Work has focused on the Biotechnology Strategy, the Bioethics Council, amendments to the HSNO Act (including conditional release), and developing public information about GM. Work is running four to six weeks behind the timelines agreed in Oct 2001, with major consultations planned for mid-late 2002.</p> <p>Work has not yet begun on coexistence of GM and other forms of agriculture, or on the economic impacts of GM agriculture.</p>
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Output: Policy Advice: Animal Welfare (Note: the funding for this output is provided through Vote: Biosecurity – Agriculture and Forestry. Responsibility for Animal Welfare has been delegated to the Minister of Agriculture.)

Contribute to and provide policy advice on the Animal Welfare Act implementation.

<ul style="list-style-type: none"> ■ <i>Contract a review of the Animal Welfare (Records and Statistics) Regulations 1999 and develop new regulations as required.</i> 	<p>Consulted National Animal Ethics Advisory Committee (NAEAC) on the issues, including leading discussion at its August 2001 meeting.</p> <p>Commenced drafting of a discussion paper on the review of the Regulations, for wider consultation in early 2002.</p>
<ul style="list-style-type: none"> ■ <i>Provide policy advice on the development and issue of six codes of welfare.</i> 	<p>Contributed to on-going work on the codes.</p>
<ul style="list-style-type: none"> ■ <i>Provide policy advice on the development a policy on religious slaughter.</i> 	<p>Commenced drafting of a briefing paper on legal and policy issues arising from National Animal Welfare Advisory Committee (NAWAC) position paper on religious slaughter.</p>
<ul style="list-style-type: none"> ■ <i>Provide policy advice on proposals to prohibit or restrict traps and devices.</i> 	<p>Managed projects on glueboards, electro-immobilisers and specified leg hold traps is on-going. Draft discussion papers on all three issues (written within the Biosecurity Authority and MAF Policy) have been distributed for internal and external expert comment.</p> <p>Liaised with Department of Conservation and Department of Internal Affairs on leg hold traps.</p>
<ul style="list-style-type: none"> ■ <i>Provide policy advice on approved organisations.</i> 	<p>No new organisations sought approval.</p>
<ul style="list-style-type: none"> ■ <i>Prepare advice on amendments to the Animal Welfare Act.</i> 	<p>Submitted a proposal for an amendment to the Act for the 2001 Statutes Amendment Bill. Obtained policy approval from Cabinet for a stand-alone Animal Welfare Bill.</p>

Performance Standards	Performance Results
■ <i>Provide policy advice to, NAWAC and NAEAC on issues arising from the implementation of the Act.</i>	Provided policy advice as requested.
■ <i>Prepare advice on Animal welfare and international trade.</i>	Met with MFAT to discuss and agree on a position paper on animal welfare and trade. Awaiting response from MFAT.
■ <i>Prepare policy advice on Codes of Ethical Conduct.</i>	Met with NAEAC to discuss options for a guidelines paper on drafting codes of ethical conduct.

Output: Policy Advice: Ministerial Services

Description:

The output covers the provision of services to Ministers of the Crown in respect of replies to correspondence on behalf of the Minister for Biosecurity and includes:

- replies to Parliamentary Questions;
- replies to Official Information Act Requests; and
- replies to Ombudsman's enquiries.

Performance Standards	Performance Results
Ministerial Correspondence	
<i>As required, but estimate for the full year is 300. The range is 200 to 500.</i>	Total number responded to date: 304
■ <i>95% acceptable for Minister's signature without amendment.</i>	96% were accepted for Minister's signature without amendment.
■ <i>95% drafts produced within 15 working days.</i>	96% drafts produced within 15 working days.
■ <i>100% drafts produced within 20 working days.</i>	99% drafts produced within 20 working days.

Parliamentary Questions

<i>As required, but estimate for the full year is 120. The range is 100 to 140.</i>	Total number responded to date: 167
■ <i>100% accepted by the Minister (or a delegated authority in his or her office) without amendment.</i>	99% were accepted by the Minister without amendment.
■ <i>100% produced within time limit specified in Order Paper.</i>	100% were produced within the time limit specified in Order Paper.

Official Information Act Requests

<i>As required, but estimate for the full year is 30. The range is 20 to 40.</i>	Total number responded to date: 10
■ <i>95% acceptable for Minister's signature without amendment.</i>	90% acceptable for Minister's signature without amendment.

Performance Standards	Performance Results
■ 95% drafts produced within 15 working days.	100% drafts produced within 15 working days.
■ 100% drafts produced within 20 working days.	100% drafts produced within 20 working days.
Ombudsman’s Enquiries	
<i>As required, but estimate for the full year is 5. The range is 0 to 10.</i>	Total number responded to date: 1
■ 95% acceptable for Minister’s signature without amendment.	100% acceptable for Minister’s signature without amendment.
■ 95% drafts produced within 15 working days.	100% produced within 15 working days
■ 100% drafts produced within 20 working days.	100% produced within 20 working days.
Cabinet Papers	
	Total Number prepared to date: 14
■ 95% acceptable by the Minister’s Office, Cabinet Office or Cabinet Committees without amendment.	86% acceptable to the Minister’s Office, Cabinet Office or Cabinet Committee.
■ 95% supplied to the Minister’s Office in time to meet dates scheduled for appropriate Cabinet Committees.	100% supplied to the Minister’s Office in time to meet dates scheduled for appropriate Cabinet Committees.

Financial Performance of Biosecurity and Animal Welfare Policy Advice

(GST exclusive)

Actual June 2001 \$(000)		Main Estimates June 2002 \$(000)	Supp Estimates June 2002 \$(000)	Actual June 2002 \$(000)
	Revenue:			
4,828	Crown	4,381	4,381	4,381
-	Other	-	-	-
4,828	Total Revenue	4,381	4,381	4,381
	Expenses:			
823	- Policy Advice: Strategic Biosecurity	885	885	879
3,029	- Policy Advice: Pest Management Strategies	2,574	2,574	2,564
249	- Policy Advice: Science	397	397	394
324	- Policy Advice: Animal Welfare	123	123	123
385	- Ministerial Servicing	402	402	401
4,810	Total Expenses	4,381	4,381	4,361
18	Surplus/(Deficit)	-	-	20

D2 Administration of Biosecurity and Animal Welfare Standards and Pest Management Programmes

Description

This class of outputs includes the development, promulgation, maintenance, enforcement of and accreditation of standards. It also includes co-ordinating the development of pest and disease management programmes and the development of codes of animal welfare and review of codes of ethical conduct. Standard development involves consultation with affected parties within New Zealand and interaction with overseas countries to facilitate market access and ensure standards are scientifically based and reflect New Zealand's unique circumstances.

This output class includes the co-ordination of biosecurity activities and biosecurity policy development across government departments with operational responsibility for biosecurity. Specifically, it includes co-ordinating the development of a Biosecurity Strategy for New Zealand. For the first time, the output class also provides for the development and implementation of a biosecurity awareness programme aimed at increasing the knowledge and therefore compliance of importers, travellers, industry groups, pathway operators and the general public.

The output class covers the management of the Crown's financial commitment for control of Tb vectors in accordance with the National Bovine Tuberculosis Pest Management Strategy (refer non-departmental output class O1 - Control of tuberculosis vectors).

The outputs in this class include:

- **Biosecurity Co-ordination:** co-ordination of biosecurity activities across MAF and other government agencies with operational responsibility for biosecurity.
- **Import Health Standards:** specification of phytosanitary and zoosanitary requirements to be met by importing countries and provision of certification that conditions have been met.
- **Animal Welfare and Ethics Standards:** development, promulgation and maintenance of science based standards for animal welfare including ethical conduct in animal based research.
- **Border Inspection, Transitional Facility and Containment Standards:** development, promulgation and maintenance of border inspection and post-entry quarantine standards and accreditation of facilities and operators against these standards.
- **Disease and Pest Surveillance and Response Capability Standards:** development, promulgation and maintenance of animal disease and plant and forest pest surveillance and response standards and approval of suppliers against these standards.
- **Development of Pest Management Programmes:** facilitation and development of pest management programmes, including national pest management strategies under the Biosecurity Act.

- **Export Phytosanitary and Zoosanitary Standards and Operational Standards:** development, promulgation and maintenance of standards for official phytosanitary and zoosanitary export assurances as required by importing countries and accreditation of facilities, people and procedures against these standards.
- **International Agreements and Standards:** representation of New Zealand's interests in international animal, plant and forest health organisations and animal welfare forums and compliance with New Zealand's obligations under international agreements.
- **Audit for Compliance:** audit of service providers and pest management programmes to ensure compliance with relevant biosecurity and animal welfare standards and legislation.

Effective policy advice requires technical input to ensure decisions are well informed and practicable. Similarly, the implementation of policy decisions through the standard setting process requires policy input to ensure decisions are consistent with Government's policy. Agreed work programmes are required to ensure issues are dealt with in a timely manner by appropriately skilled people.

The outputs also incorporate purchasing any services that maximise the use of assets and personnel employed by the Ministry for the purposes of achieving the output class delivery.

This class of outputs contributes to the Government's Key Goals, in particular:

- Grow an Inclusive, Innovative Economy for the Benefit of All.
- Protect and Enhance the Environment.

Quantity and Quality of Administration of Biosecurity and Animal Welfare Standards and Pest Management Programmes

Standards and accreditation programmes are routinely reviewed according to schedules set by Directors and agreed by the Minister. Reviews may be initiated by changes in law, policy, technical requirements or negotiated changes in bilateral agreements.

Project "milestones" are agreed between the Minister and the Directors in respect of the development of national pest management programmes.

The Minister requires that investigations of alleged breaches and subsequent prosecutions are undertaken in accordance with policy agreed with the Minister.

Detailed performance criteria are set out in the purchase agreement between the Minister and the Chief Executive. Included are the following key areas against which performance can be measured:

- Facilitation of the effective management or eradication of pests and diseases.
- Facilitation of market access for animals, plants and animal, plant and forest products.
- Ensuring that New Zealand's views and interests with respect to animal welfare and biosecurity issues are adequately represented internationally.

Biosecurity Co-ordination

Co-ordinate biosecurity activities across government agencies with operational responsibility for biosecurity.

- *Co-ordinate the development of a Biosecurity Strategy for New Zealand in accordance with agreed project milestones.*

The Biosecurity Strategy is being carried forward by a team headed by the Chair of the Biosecurity Council, and comprising members with skills in economic, environmental and social aspects of biosecurity. This new team will transform the initial team's report into a focused strategic document. This draft Biosecurity Strategy will establish the future direction for biosecurity and provide a blueprint for improving governance, leadership and decision-making in biosecurity.

The draft Strategy will be reviewed by the strategy advisory group and the Biosecurity Council before being presented to the Minister. Companion documents are also being developed covering analysis of submissions and the current state and future challenges faced by departments in improving their biosecurity programmes.

Once satisfied with the draft Strategy, the Minister will seek approval from Cabinet for its public release. The current indicative timetable is for the Strategy to be completed by June 2003 and funding proposals for new initiatives arising from the strategy to be considered in the 2004 Budget.

- *Develop and implement a Biosecurity Awareness Strategy in accordance with agreed project milestones.*

The Biosecurity Awareness Programme aims to improve biosecurity awareness and is targeted at travellers, importers, primary industries and the general public. During the course of the year a logo was designed to help the public better understand the issues surrounding biosecurity and to encourage them to be more personally responsible for the biosecurity of New Zealand. A "spokesperson" was created in the form of "Max the Beagle" who delivered the biosecurity message through publications, a television advertising campaign and the "Protect New Zealand" website. A number of sub-campaigns have also been run targeting groups which have been identified through research as requiring greater awareness of the biosecurity message. As a result of the success of the Programme, \$350,000 additional funding was provided in the 2002 budget for its continuation. Previous funding had restricted the Programme to three years.

- *Develop or review Memoranda of Understanding (MOU) with MoH, DOC, and Ministry of Fisheries.*

An MOU was finalised with each of the other biosecurity departments and operational agreements also agreed and signed. The MOU has subsequently been reviewed and updated.

- *Provide secretariat services to the Biosecurity Council, Biosecurity Consultative Forum and Pest Management Strategy Advisory Committee.*

Secretarial services were provided to these and other biosecurity consultations according to the agreed schedule of meetings.

Performance Standards

Performance Results

- *Maintain accurate register of all unwanted organisms on MAF's internet site in accordance with requirements of Biosecurity Act 1993.*

An accurate register of all unwanted organisms has continued to be made available on MAF's website.

Import Health Standards

Specify phytosanitary and zoosanitary requirements that must be met by importing countries to maintain New Zealand's animal, forest and plant health status.

- *Undertake risk analyses in accordance with MAF Biosecurity standards and procedures.*
- *Develop, review and disseminate import health standards in accordance with MAF Biosecurity standards and the requirements of the Biosecurity Act.*
- *Assess the biosecurity risks to indigenous flora and fauna resulting from the importation of animal, forest and plant products.*
- *Maintain publicly available register of all import health standards on world wide web in accordance with requirements of Biosecurity Act.*
- *Issue permits to import animals and plants, and animal, plant and forest products within five working days of receipt of application by MAF.*
- *Carry out research on the risks posed by imported sea containers by 30 November 2001.*

MAF Biosecurity continues to undertake risk analyses in accordance with its standards and procedures as a precursor to the development of an import health standard.

Import health standards have been developed, reviewed and disseminated in accordance with MAF Biosecurity standards and the requirements of the Biosecurity Act. MAF Biosecurity is continuing to address the backlog which has built up over the years of Import Health Standards (IHSs), particularly in the plants area, in addition to maintaining the ongoing programme for the development of IHSs.

MAF Biosecurity Authority's Indigenous Flora and Fauna team has completed an operational plan for assessing biosecurity risks to indigenous flora and fauna resulting from the importation of animal, forest and plant products. The team has drafted a pest risk assessment for exotic spiders in table grapes.

MAF Biosecurity continues to maintain a register of all import health standards on the world wide web in accordance with the requirements of Biosecurity Act.

All import permits have been issued by MAF Biosecurity within the standard of five working days on receipt of an application.

The survey of 13,500 sea containers has been completed and the information gathered is being analysed. Other information from previous surveys is being added to more accurately determine the level of risk and possible methods to minimise the risk. New requirements for imported sea containers will be promulgated early in the new year.

Animal Welfare Standards

Ensure the effective and appropriate implementation of the Animal Welfare Act 1999.

- *Complete actions in accordance with Animal Welfare Act 1999 implementation plan and timetable.*
- *Manage in concert with NAWAC, the development of animal welfare codes in accordance with requirements of Animal Welfare Act.*
- *Review codes of ethical conduct in concert with NAEAC and make recommendations to the Director-General.*

Implementation of the Animal Welfare Act has been carried out effectively and appropriately.

Actions, including training of directors, release of publicity and extension material and appointment of approved organisations, have been completed in accordance with the Animal Welfare Act 1999 implementation plan and timetable.

The development of three draft animal welfare codes has been managed in conjunction with NAWAC and in accordance with requirements of Animal Welfare Act. Work on three other codes has been rescheduled to 2003 due to the volume of public submissions on the pig and poultry codes.

One code of ethical conduct to meet the requirements of the Animal Welfare Act has been developed in conjunction with NAEAC and approved by the Director-General during the course of the year. A total of 10 codes must be submitted for approval by 31 December 2002.

Border Inspection, Transitional Facility and Containment Standards

Develop, distribute and accredit to, border inspection, transitional facility and containment standards.

- *Develop standards in accordance with MAF Biosecurity standards and procedures and the requirements of the Biosecurity Act.*
- *Accredit and maintain a register of animal and plant facilities.*
- *Develop business case for the implementation of 'electronic sniffer' technology and improved container inspection stands, based on scientific studies, by 30 September 2001.*
- *Develop a business case for the implementation of new sea container decontamination procedures based on scientific studies, by 30 December 2001.*

Three standards for transitional facilities have been developed during the course of the year.

Of 27 border standards, in this category, four were reviewed and issued, two others are under consultation and two are currently being reviewed in accordance with MAF Biosecurity standards and procedures and the requirements of the Biosecurity Act.

Onshore and offshore new facilities for both testing and treatment have been approved in accordance with MAF Biosecurity standards and the procedures and standards of the Biosecurity Act, and an accurate register of animal and plant facilities maintained.

A final report on the electronic "sniffer" technology project was received in February 2002 and evaluated in relation to project milestones. Electronic "sniffer" technology appears to have limited potential and MAF Biosecurity does not propose to pursue this line of research further at this stage.

Data from a comprehensive container survey is currently being collated and a business case (via a published consultation document) will be available by 1 December 2002.

Disease and Pest Surveillance and Response Capability Standards

Develop and review standards for disease and pest surveillance and response capability.

- *Develop and review standards in accordance with MAF Biosecurity procedures and standards.*

Standards for disease and pest surveillance and response capability have been developed and reviewed as set out in the relevant schedule of the 2001/02 Vote Biosecurity: Agriculture and Forestry Purchase Agreement.

- *Undertake a strategic review of New Zealand's biosecurity surveillance in accordance with agreed project milestones.*

The Strategic Review of New Zealand's biosecurity surveillance was completed in accordance with agreed project milestones.

Development of Pest Management Programmes

Facilitate the effective management or eradication of pests and diseases.

- *Develop contingency programmes for managing pests within agreed time frames.*

MAF Biosecurity has continued to develop contingency programmes for managing pests within agreed time frames. These have included this year the National Bovine Tuberculosis Pest Management Strategy and National American Foulbrood Pest Management Strategy.

Export Phytosanitary and Zoosanitary Standards and Operational Standards

Facilitate market access for animals, plants and animal, and forest products.

- *Develop and review export operational standards in accordance with MAF Biosecurity standards*

Export operational standards have been developed and reviewed in accordance with MAF Biosecurity standards.

- *Accredit/approve facilities, procedures and people to export operational standards and maintain a publicly available register of accredited suppliers and systems on MAF website.*

MAF Biosecurity has continued to accredit/approve facilities, procedures and people to export operational standards and maintain a publicly available register of accredited suppliers and systems on the MAF website. New standards are being developed under the Animal Products Act 1999.

International Agreements and Standards

Meet New Zealand's requirements under the SPS agreement for a national Notification Authority and National Enquiry Point.

- *Notify the World Trade Organisation (WTO) of New Zealand SPS measures in accordance with the requirements of the SPS agreement.*

Relevant New Zealand SPS measures have been notified in accordance with the requirements of the SPS Committee.

Performance Standards	Performance Results
<p>■ <i>Circulate SPS notifications, received from WTO on behalf of other countries, to relevant departments within agreed timeframes.</i></p> <p><i>Record and report unwanted organisms that affect animal, forest and plant health.</i></p> <p>■ <i>Undertake reporting requirements that arise from legal, trade or international treaty obligations within agreed time frames.</i></p> <p><i>Ensure New Zealand's views and interests with respect to the animal welfare and biosecurity issues are adequately represented internationally.</i></p> <p>■ <i>Participate in international forums in accordance with MAF Biosecurity travel schedule and policy.</i></p>	<p>During the first part of the year the loss and absence of staff meant that SPS notifications were being processed in 10-15 working days rather than the desired five days. This situation was rectified and SPS notifications are now being processed to the required standard.</p> <p>MAF Biosecurity Authority has continued to meet the reporting requirements that arise from legal, trade or international treaty obligations and within agreed time frames.</p> <p>The Animal Welfare Group of MAF Biosecurity has continued to ensure that New Zealand's views and interests with respect to the animal welfare and biosecurity issues are adequately represented internationally.</p> <p>MAF Biosecurity Authority has continued to participate in a number of international fora in accordance with its travel schedule and policy.</p>

Audit for Compliance	
<p><i>Ensure industry and service providers are complying with relevant MAF Biosecurity standards.</i></p> <p>■ <i>Undertake audits in accordance with MAF Standards.</i></p>	<p>The following re-prioritised schedule of Plant Exports audits were completed during the 2001/02 year:</p> <ul style="list-style-type: none"> – Lily & Tulip bulb programme to Japan: AgriQuality (December 2001) - seven recommendations were made in the audit report. – End-point inspection & Treatment supervision procedures: AgriQuality (November 2001) - two recommendations. – End-point inspection & Treatment supervision procedures: SGS (November 2001) - 2 recommendations. – Onion Smut Survey procedures: AgriQuality (October 2001) - eight recommendations.

Performance Standards	Performance Results
<ul style="list-style-type: none"> ■ <i>Review audit reports within 2 weeks of receiving report. Provide feedback to suppliers within 4 weeks of receiving report.</i> 	<p>The Plant Exports Group reviewed each draft audit report and within two weeks of receiving the report from the auditor(s) provided them with comments in order for them to finalise the report with the auditee(s). Plant Exports, in conjunction with the auditor(s), undertook a “audit close out meeting” with the auditee(s) to confirm the audit findings, agree on any additional corrective actions and verify those that had been implemented within four weeks of the final audit report being distributed.</p>

Class of Outputs

Financial.

<ul style="list-style-type: none"> ■ <i>Costs not to exceed revenue from Crown and other sources.</i> 	<p>Costs did not exceed revenue.</p>
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Financial Performance of Administration of Biosecurity and Animal Welfare Standards and Pest Management Programmes

(GST exclusive)

Actual June 2001 \$(000)		Main Estimates June 2002 \$(000)	Supp Estimates June 2002 \$(000)	Actual June 2002 \$(000)
	Revenue:			
10,055	Crown	11,540	12,340	11,584
1,478	Other	1,316	1,718	1,779
11,533	Total Revenue	12,856	14,058	13,363
	Expenses:			
1,745	- Biosecurity Co-ordination	848	3,086	2,415
4,506	- Import Health Standards	5,479	3,319	3,377
1,641	- Animal Welfare and Ethics Standards	1,034	1,029	1,113
792	- Border Inspection, Transitional Facility and Containment Standards	1,038	1,470	1,357
1,374	- Disease and Pest Surveillance and Response Capability Standards	1,069	1,475	1,421
298	- Development of Pest Management Programmes	379	550	570
829	- Export Phytosanitary and Zoosanitary Standards and Operational Standards	1,333	2,004	2,007
199	- International Agreements and Standards	961	670	580
36	- Audit for Compliance	715	455	455
11,420	Total Expenses	12,856	14,058	13,295
113	Surplus/(Deficit)	-	-	68

D3 Border Inspection

Description

This class of outputs involves the delivery of services for the management of biosecurity risks at the border in accordance with the provisions of the Biosecurity Act 1993 and applicable technical and operational standards.

Outputs include the inspection of risk goods and clearance of people and vessels to ensure compliance with the Biosecurity Act 1993. Performance measures covered by this output class include:

- The interception of restricted or prohibited goods entering New Zealand via aircraft and vessels.
- The interception of restricted or prohibited goods entering New Zealand via cargo and containers.

Other activities covered by this output class include:

- Passenger Clearances.
- Mail Clearances.
- Issue of Infringement Notices.

The outputs also incorporate purchasing any services that maximise the use of assets and personnel employed by the Ministry for the purposes of achieving the output class delivery.

This class of outputs contributes to the Government's Key Goals, in particular:

- Grow an Inclusive, Innovative Economy for the Benefit of All.
- Protect and Enhance the Environment.

Quantity and Quality of Border Inspection

The Minister requires that all services are provided in accordance with the Biosecurity Act and any approved written service standards. The providers of the border service will be audited for compliance with standards. Detailed performance criteria are set out in the purchase agreement between the Minister and the Chief Executive.

Performance Standards	Performance Results
Aircraft and Vessel Clearances	
<i>Intercept restricted or prohibited goods entering New Zealand via aircraft and vessels.</i>	
<i>Clear an estimated: 18,200 aircraft and 3,000 vessels in accordance with biosecurity legislation and MAF Biosecurity standards.</i>	22,175 aircraft and 3,424 vessels (including yachts) were cleared in accordance with biosecurity legislation and MAF Biosecurity standards. This represents 100% of aircraft and vessel arrivals.

Cargo and Container Clearances

Intercept restricted or prohibited goods entering New Zealand via cargo and containers.

■ <i>Clear an estimated 500,000 cargo consignments in accordance with biosecurity legislation and required standards.</i>	Approximately 512,000 items/consignments of cargo were cleared. Audit reports indicated several areas of non-compliance with biosecurity standards and legislation. These non-compliances have been addressed.
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Passenger Clearances

Intercept restricted or prohibited goods entering New Zealand via aircraft and vessel passengers and their personal effects.

■ <i>Ensure:</i>	
<i>100% of arriving passenger baggage, that is not manually searched, is x-rayed and</i>	All passenger and crew baggage was either x-rayed or manually searched. Audit reports have recommended additional training for some regional staff. This is being addressed.
<i>98% of international flights into New Zealand are covered by quarantine detector dog teams.</i>	MAF Quarantine Service detector dog teams are present at the airport during clearance of 98% of international arrivals. Some flights are unsuitable for detector dog use e.g. flights where baggage is already known to contain foodstuffs and a manual search is more appropriate.

Mail Clearances

Intercept restricted or prohibited goods entering New Zealand through the mail system.

Undertake:

■ <i>monitoring of an estimated 51 million mail items.</i>	Approximately 50 million mail items were monitored.
■ <i>clearance of an estimated 4 million parcels.</i>	Parcels are no longer recorded separately for statistical purposes since the x-ray of all mail items was implemented.
■ <i>x-ray of an estimated 51 million mail/parcel items.</i>	Approximately 50 million mail items were x-rayed, representing 100% of all arriving mail.
■ <i>inspection of an estimated 90,000 mail/parcel items in accordance with biosecurity legislation and MAF Biosecurity standards.</i>	Inspection of an estimated 88,538 mail/parcel items was undertaken in accordance with biosecurity legislation and MAF Biosecurity standards. The decision to open and inspect mail is based on the x-ray image, the detector dog response, or the inspector's observation of the parcel.

Infringement Notices

Implement the accelerated infringement notice provisions of the Biosecurity Act 1993, for passengers who make erroneous biosecurity declarations when they arrive in New Zealand.

Performance Standards	Performance Results
<ul style="list-style-type: none"> ■ <i>Conduct an education and publicity programme aimed at incoming passengers and associated industries to advise them of the proposed implementation of infringement notices prior to the implementation of infringement notice provisions.</i> ■ <i>Issue approximately 18,000 infringement notices to travellers in accordance with MAF standards and the requirements of the Biosecurity Act 1993.</i> 	<p>An education and publicity programme advising of the implementation of infringement notices was carried out as part of the Biosecurity Awareness Programme in early 2002.</p> <p>9,630 infringement notices were issued to travellers in accordance with MAF standards and the requirements of the Biosecurity Act 1993. Only 288 out of 9630 (3%) erroneous declarations have been waived.</p>

Class of Outputs

Financial.

<i>Costs not to exceed revenue from Crown and other sources.</i>	Costs did not exceed revenue.
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Financial Performance of Border Inspection

(GST exclusive)

Actual June 2001 \$(000)		Main Estimates June 2002 \$(000)	Supp Estimates June 2002 \$(000)	Actual June 2002 \$(000)
Revenue:				
16,752	Crown	20,755	20,776	20,776
12,086	Other	11,702	13,176	14,204
28,838	Total Revenue	32,457	33,952	34,980
Expenses:				
311	- Aircraft Clearances	233	259	308
1,479	- Vessel Clearances	1,620	1,620	1,497
10,868	- Cargo and Container Clearances	11,302	12,776	11,148
14,733	- Passenger Clearances	16,754	16,749	18,140
1,375	- Mail Clearances	1,271	1,271	1,587
120	- Implementation of Infringement Notices	1,277	1,277	1,131
28,886	Total Expenses	32,457	33,952	33,811
(48)	Surplus/(Deficit)	-	-	1,169

D4 Disease and Pest Surveillance Response Capabilities

Description

This class of outputs involves the delivery of services for the surveillance of animal and plant populations and forests. The purpose of these surveillance activities is to maintain an accurate knowledge of New Zealand's animal, forest and plant health status.

The output class also includes the delivery of services to maintain a capability to diagnose and respond to unrecorded, unwanted organisms that are detected. This includes responding to any confirmed incursion of nominated unwanted organisms in accordance with the Biosecurity Act 1993 and applicable technical and operational standards.

MAF maintains or contracts accredited systems and procedures, trained personnel, a diagnostic laboratory capacity and database management to enable the control of eradication of unwanted organisms or pests at the direction of a Chief Technical Officer in accordance with the provisions of the Biosecurity Act 1993.

Performance measures covered by this output class include:

- Limiting the impact of exotic disease incursions on New Zealand's animal biosecurity.
- Facilitation of the early detection of forest pests.
- Facilitation of the early detection of plant pests.

Other Outputs covered in this class include:

- animal health surveillance and disease response capability;
- forest pest surveillance and response capability;
- plant pest surveillance and response capability; and
- initial investigations into suspected unwanted organisms.

The outputs also incorporate purchasing any services that maximise the use of assets and personnel employed by the Ministry for the purposes of achieving the output class delivery.

This class of outputs contributes to the Government's Key Goals, in particular:

- Grow an Inclusive, Innovative Economy for the Benefit of All.
- Protect and Enhance the Environment.

Quantity and Quality of Disease and Pest Surveillance Response Capabilities

The Minister requires a level of service sufficient to ensure notifiable organisms that may impact severely on agricultural productivity and trade are detected in a timely fashion and reported in accordance with international obligations.

The emergency response capability is maintained as set out in the written standards, which specify the legal, technical and operational requirements of the service, and will be confirmed by audit.

Detailed performance criteria are set out in the purchase agreement between the Minister and the Director-General.

Animal Health Surveillance and Disease Response Capability

Facilitate the early detection of animal diseases.

- *Undertake an estimated 95,000 laboratory tests of diagnostic samples.*
- *Design and implement animal disease surveys in livestock species in accordance with relevant MAF Biosecurity and international standards and agricultural security and market access requirements.*

Approximately 86,655 laboratory tests of diagnostic samples were undertaken during the year. This is within the +/- 10% of 95,000 that is part of the performance measure.

Animal disease surveys in livestock species designed and completed in accordance with relevant MAF Biosecurity and international standards and agricultural security and market access requirements.

Limit the impact of exotic disease incursions on New Zealand's animal biosecurity.

- *Carry out measured responses as required in accordance with MAF Biosecurity standards.*
- *Carry out emergency responses as required in accordance with MAF Biosecurity standards.*
- *Serve an estimated 2-6 Restricted Place notices.*

19 measured responses were carried out in accordance with MAF Biosecurity standards.

No emergency responses were carried out during the year.

Six restricted place notices were served.

Forest Pest Surveillance and Response Capability

Facilitate the early detection of forest pests.

- *Put in place gypsy moth trapping system in areas designated as high risk, in accordance with MAF Biosecurity standards.*
- *Undertake surveys of international port environs and industrial sites designated as high risk in accordance with MAF Biosecurity standards.*
- *Implement a surveillance programme for wood boring insects and nominated disease of native wildlife in accordance with agreed project milestones.*

A gypsy moth trapping system was put in place in accordance with MAF Biosecurity standards. 1,066 traps were placed and inspected from 1 November 2001 to 30 April 2002. No gypsy moths were trapped.

Surveys were undertaken in accordance with MAF Biosecurity standards. 171 inspections were carried out at 41 risk sites throughout New Zealand. Five inspections per year for the six Auckland ports, and four per year for other sites. No new to New Zealand pests were detected.

A wood boring and bark beetle trapping system was put in place in accordance with MAF Biosecurity standards and in accordance with agreed project milestones. 380 traps were placed between 1 November 2001 and 30 April 2002. 19,801 insects were identified from traps. No new to New Zealand insects were captured.

Plant Pest Surveillance and Response Capability

Facilitate the early detection of plant pests.

- | | |
|--|---|
| ■ Put in place national fruit fly trapping system at 45 locations in accordance with MAF Biosecurity standard. | A fruit fly trapping system was implemented at 45 locations in accordance with MAF Biosecurity standards. |
| ■ Develop and carry out crop survey plan to the approval of the Director Plants Biosecurity and in accordance with MAF Biosecurity standard. | A crop survey plan was developed and carried out to the approval of the Director Plants Biosecurity and in accordance with MAF Biosecurity standards. |
| ■ Monitor and control sites with notifiable plant pests in accordance with management plans. | Ongoing monitoring and control of sites with notifiable plant pests is being undertaken under contract in accordance with management plans. |

Diagnose and report the occurrence of pests specified in Biosecurity (Notifiable Organisms) Order 1993 or Biosecurity (Notifiable Organisms) Order 1997.

- | | |
|---|--|
| ■ Diagnose and report specified pests to the Chief Technical (CTO) responsible. | No notifiable pests were detected during the year. |
|---|--|

Initial Investigations into Suspected Unwanted Organisms Affecting Animal, Forest and Plant Health

Determine the presence of pests and diseases affecting animal, forest and plant health in New Zealand.

- | | |
|---|--|
| ■ Undertake initial investigations and delimiting surveys for new reports of unwanted organisms in accordance with MAF Biosecurity standards. | 155 initial investigations into suspected unwanted organisms affecting animal, forest and plant health were undertaken in accordance with MAF Biosecurity standards.

Two delimiting surveys were undertaken in accordance with MAF Biosecurity standards. |
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Class of Outputs

Financial

- | | |
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| <i>Costs not to exceed revenue from Crown and other sources.</i> | Costs exceeded revenue by \$43,000. |
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Financial Performance of Disease and Pest Surveillance Response Capabilities

(GST exclusive)

Actual June 2001 \$(000)		Main Estimates June 2002 \$(000)	Supp Estimates June 2002 \$(000)	Actual June 2002 \$(000)
	Revenue:			
16,030	Crown	14,948	15,288	15,031
893	Other	600	1,132	889
16,923	Total Revenue	15,548	16,420	15,920
	Expenses:			
10,663	- Animal Health Surveillance and Disease Response Capability	9,578	10,307	10,369
747	- Forest Health Surveillance for Disease Response Capability	413	1,139	1,013
4,108	- Plant Pest Surveillance and Response Capability	3,565	4,333	4,220
1,444	- Initial Investigations into Unwanted Organisms	1,992	641	361
16,962	Total Expenses	15,548	16,420	15,963
(39)	Surplus/(Deficit)	-	-	(43)

D5 Enforcement and Prosecutions

Description

This output class includes investigating and prosecuting (where appropriate) individuals and organisations who breach biosecurity or animal welfare legislation. Performance measures in this output class include:

- Responding to and investigating (where appropriate) breaches of the Animal Welfare Act 1999 and the Biosecurity Act 1993.
- Prosecuting (where appropriate) breaches of the Animal Welfare Act 1999 and the Biosecurity Act 1993.

The outputs also incorporate purchasing any services that maximise the use of assets and personnel employed by the Ministry for the purposes of achieving the output class delivery.

This class of outputs contributes to the Government’s Key Goals, in particular:

- Grow an Inclusive, Innovative Economy for the Benefit of All.
- Protect and Enhance the Environment.
- Restore Trust in Government and Provide Strong Social Services.

Performance Standards	Performance Results
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Investigation of Illegal Activity	
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<i>Respond to and investigate (where appropriate) breaches of the Biosecurity Act 1993 and the Animal Welfare Act 1999.</i>	
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| ■ Investigate an estimated 120 breaches and 2 to 4 illegal activities under the Biosecurity Act 1993 in accordance with MAF standards for investigation. | 198 investigations were undertaken in accordance with the Biosecurity Act. |
| ■ Respond to an estimated 1,000 complaints under the Animal Welfare Act 1999 in accordance with MAF standards for investigation. | 1,161 complaints and/or calls under the Animal Welfare Act 1999 were responded to in accordance with MAF standards for investigation. |

Prosecutions	
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<i>Prosecute (where appropriate) breaches of the Animal Welfare Act 1999 and the Biosecurity Act 1993.</i>	
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- | | |
|--|---|
| ■ Prosecute an estimated 60 cases of illegal activities under the Biosecurity Act 1993 in accordance with MAF standards. | 81 cases of illegal activities under the Biosecurity Act 1993 were prosecuted in accordance with MAF standards. 51 of these have been prosecuted successfully, 18 are still awaiting court hearing, and 12 have been referred to MAF Legal section for authorisation of prosecutions. |
|--|---|

Performance Standards	Performance Results
■ Prosecute an estimated 20 animal welfare cases under the Animal Welfare Act 1999 in accordance with MAF standards.	23 animal welfare cases were prosecuted under the Animal Welfare Act 1999 in accordance with MAF standards.

Class of Outputs
Financial
Costs not to exceed revenue from Crown and other sources.
Costs exceeded revenue by \$40,000.

Financial Performance of Enforcement and Prosecutions

(GST exclusive)

Actual June 2001 \$(000)		Main Estimates June 2002 \$(000)	Supp Estimates June 2002 \$(000)	Actual June 2002 \$(000)
	Revenue:			
1,648	Crown	1,648	2,245	2,245
70	Other	-	40	-
1,718	Total Revenue	1,648	2,285	2,245
	Expenses:			
1,618	- Investigations of Illegal Activity	1,558	2,165	2,165
90	- Prosecutions	90	120	120
1,708	Total Expenses	1,648	2,285	2,285
10	Surplus/(Deficit)	-	-	(40)

D6 Specific Disease and Pest Responses

Description

This class of outputs includes the purchase of services to respond to a specific exotic disease/pest incursion and the co-ordination of that response.

Recent examples include: painted apple moth, rabbit calicivirus disease, white-spotted tussock moth and varroa bee mite.

Current exotic disease or pest responses include:

- Dutch Elm Disease Response.
- Subterranean Termite Response.
- Gumleaf Skeletoniser Response.
- Painted Apple Moth Response.
- Varroa.
- Scoliid Wasps.
- Argentine Ants.
- Wood Boring Insects.
- Brucella.

This output is demand driven. If funding for a response has been appropriated through reprioritisation from other Votes Biosecurity or Output Classes within Vote Biosecurity - Agriculture and Forestry, on the completion of the responses the original funding levels in Votes Biosecurity or Output Classes will be resumed.

The outputs also incorporate purchasing any services that maximise the use of assets and personnel employed by the Ministry for the purposes of achieving the output class delivery.

This class of outputs contributes to the Government's Key Goals, in particular:

- Grow an Inclusive, Innovative Economy for the Benefit of All.
- Protect and Enhance the Environment.
- Restore Trust in Government and Provide Strong Social Services.

Quantity and Quality of Specific Disease and Pest Responses

Detailed performance criteria are set out in the purchase agreement between the Minister and the Chief Executive.

Performance Standards	Performance Results
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Limit the impact of biosecurity incursions on New Zealand's animal, forest and plant health status.

- | | |
|---|---|
| ■ Undertake biosecurity responses in accordance with agreed MAF Biosecurity standards and Cabinet directives. | Specific responses for the diseases and pests listed above have been undertaken in accordance with Cabinet directives and agreed MAF Biosecurity standards. |
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Class of Outputs

Financial

<i>Costs not to exceed revenue from Crown and other sources.</i>	Costs exceeded revenue by \$23,000.
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Financial Performance of Specific Disease and Pest Responses

(GST exclusive)

Actual June 2001 \$(000)		Main Estimates June 2002 \$(000)	Supp Estimates June 2002 \$(000)	Actual June 2002 \$(000)
Revenue:				
4,418	Crown	1,904	11,414	11,127
68	Other	60	83	60
4,486	Total Revenue	1,964	11,497	11,187
Expenses:				
131	- Dutch Elm Disease Response	207	184	303
62	- Subterranean Termite Response	86	55	37
25	- Gumleaf Skeletoniser Response	37	32	25
1,436	- Painted Apple Moth Response	250	7,425	8,344
2,745	- Varroa Bee Mire Response	1,384	1,954	1,342
-	- Red Fire Ant Response	-	1,012	712
-	- MmmLC Response	-	835	447
76	- Brucella	-	-	-
4,475	Total Expenses	1,964	11,497	11,210
11	Surplus/(Deficit)	-	-	(23)

D13 Discretionary Services

Description

This class of outputs involves the utilisation of MAF resources at the border to undertake monitoring and inspection for other departments and comprises services which contribute to other biosecurity departments' outputs plus miscellaneous services associated with the provision of border control activities. Services are funded via fees, contracts or service level agreements.

Services delivered under this output include:

(a) Contribution to other government departments' outputs:

- Monitoring the Convention on the International Trade in Endangered Species controls (CITES) - Department of Conservation accountability.
- Monitoring for pests and diseases of concern for Ministry for the Environment and Ministry of Health.
- Monitoring the Ballast Water Controls (Ministry of Fisheries).
- Inspection of imported used vehicles for accident damage on behalf of Land Transport Safety Authority.

(b) Miscellaneous – supports other MAF or Government activities:

- Certification of plants and crops for export.
- Supervision and monitoring of quarantine and containment facilities.
- Treatment of private goods imported via mail, air and sea passengers.
- Training of 3rd parties in quarantine systems (mainly Pacific Island nations).

This class of outputs contributes to the Government's Key Goals, in particular:

- Grow an Inclusive, Innovative Economy for the Benefit of All.
- Protect and Enhance the Environment.

Financial Performance of Discretionary Services

(GST exclusive)

Actual June 2001 \$(000)		Main Estimates June 2002 \$(000)	Supp Estimates June 2002 \$(000)	Actual June 2002 \$(000)
	Revenue:			
-	Crown	-	-	-
2,943	Other	2,954	2,423	2,630
2,943	Total Revenue	2,954	2,423	2,630
	Expenses:			
2,565	- Discretionary Services	2,869	2,423	2,152
2,565	Total Expenses	2,869	2,423	2,152
378	Surplus/(Deficit)	85	-	478

MAF Publications Published in the Period 1 July 2001 - 30 June 2002

MAF Corporate

- Primary Source
- MAF Profile

Indigenous Forestry Unit

- Ecological Site Classification of Indigenous Forests
- Developing Management Guidelines for Pinhole Borer in Beech Forests
- Progress Report for Group-Selection Research Trials in Beech Forest at Glenhope and Station Creek
- Standards and Guidelines for Sustainable Management of Indigenous Forests
- Technical Paper No. 01/6 Indigenous Forestry on Private Land: Present Trends and Future Potential

Forestry Statistics

- National Exotic Forest Description as at 1 April 2001
- Annual Production Surveys
 - Sawn timber
 - Pulp, paper and paperboard
 - Veneer, plywood, particleboard and fibreboard
- Quarterly Production and Stock Level Surveys
 - Sawn timber
 - Pulp, paper and paperboard
 - Veneer, plywood, particleboard and fibreboard
- Roundwood Removals
- Forest Products Exports
- Log and Woodchip Exports and Sawn Timber Exports by Port
- Selected Forestry Products
- Forestry Products Exports Price and Volume Indexes
- Forestry Products Imports

MAF Biosecurity Authority

- Biosecurity Magazine
- Surveillance Magazine
- Biosecurity Profile
- Strategic Focus

Animal Welfare Group

- Animal Welfare in New Zealand
- Animal Welfare Profile
- National Animal Welfare Advisory Committee Annual Report: May 2002
- National Animal Welfare Advisory Committee News: February 2002
- National Animal Ethics Advisory Committee Annual Report: June 2002
- National Animal Ethics Advisory Committee News: January 2002
- Guide on Code of Ethical Conduct: May 2002
- Summary of Operational Research 1993-2001: June 2002
- Animal Welfare and Behaviour: From Science to Solution: June 2002

MAF Policy

- MAF 2001 Sheep and Beef Monitoring Report
- MAF 2001 Arable Monitoring Report
- MAF 2001 Dairy Monitoring Report
- MAF 2001 Deer Monitoring Report
- MAF 2001 Horticulture Monitoring Report
- MAF 2001 South Monitoring Report
- MAF 2001 South Central Monitoring Report
- MAF 2001 North Monitoring Report
- MAF 2001 North Central Monitoring Report
- Situation and Outlook for New Zealand Agriculture and Forestry 2001
- Biological Management of Possums – Report of Conference Held Under Auspices of the National Science Strategy Committee for Possum and Bovine Tb Control 2001
- Rural Bulletin
- RM Update

MAF Information Papers

- No. 40 ‘Small-scale Management of Unwanted Organisms and Section 100 of the Biosecurity Act’
- No. 41 ‘2001 Research in Progress - 2001/02 Operational Research Objectives’
- No. 42 ‘2001 Research Results – 1999/2000 and 2000/2001 Operational Research Results’
- No. 44 New Zealand’s Forest Growing & Wood Processing Sectors Regional Study - West Coast

MAF Discussion Papers

- No. 25 Amendment to The Biosecurity (Costs) Regulations 1993 And Proposed Levy
- No. 26 Feeding of Food Waste to Pigs
- No. 27 Recovery of Costs: Official Organic Assurance Program
- No. 31 Border Control for Genetically Modified (GM) Seeds
- No. 32 Proposed Bivalve Molluscan Shellfish Regulated Control Scheme

MAF Technical Papers

- 2001/03 Total Energy Indicators of Agricultural Sustainability: Dairy Farming Case Study
- 2001/07 Economic Efficiency of Water Allocation
- 2002/01 Understanding the costs and risks of conversion to Organic Production Systems
- 2002/03 Sustainable Development Extension
- 2002/04 Review of Emerging Weed Problems in Hill Country Pastures

Māori Strategy Unit

- Korero Whenua

MAF Quarantine Service

- MAF QS Annual Statistics, 1993/94 – 2000/01
- MAF QS First Quarter Statistics, 1993 – 2001
- MAF QS Half-yearly Statistics, 1993 – 2001
- MAF QS Third Quarter Statistics, 1993/94 – 2001/02
- MAF QS Regional Airport Statistics, 2001 – 2002
- MAF QS Infringement Programme Report, June 2001 – June 2002
- MAF Quarantine Service Budget 2002 – 2003
- MAF Quarantine Service Budget Financial Statements for the financial year ended 30 June 2002
- Chart of Accounts update
- MAF QS Highlights 1.7.01 – 31.12.01
- MAF QS Profile
- MAF QS Strategic Plan
- MQS Outlook

MAF Food

- Safe Harvest
- Animal Products Bulletin
- AgVet Link
- Dairy Connection
- Food Focus

Dairy Discussion Papers

- No. 34 Farm Dairy Water
- No. 35 Dairy Heat Treatment
- No. 36 Independent Verification Programme
- No. 37 MAF Approved Dairy Test Methods
- No. 38 National Chemical Contaminants Programme

Requests for printed copies of these documents should be directed to:

Publications Officer
MAF Information Bureau
PO Box 2526
Wellington
New Zealand

Telephone: 64 4 474 4100
Facsimile: 64 4 474 4111
E-mail: library@maf.govt.nz

Legislation Administered by MAF as at 30 June 2002

Public Acts

Agricultural and Pastoral Societies Act 1908
Agricultural Compounds and Veterinary Medicines Act 1997
Agriculture (Emergency Powers) Act 1934
Animal Control Products Limited Act 1991
Animal Identification Act 1993
Animal Products Act 1999
Animal Products (Ancillary and Transitional Provisions) Act 1999
Animal Welfare Act 1999
Animals Law Reform Act 1989
Apple & Pear Industry Restructuring Repeal Act 2001
Biosecurity Act 1993
Commodity Levies Act 1990
Dairy Board Act 1961
Dairy Industry Act 1952
Dairy Industry Restructuring Act 2001
Forestry Encouragement Act 1962
Forestry Rights Registration Act 1983
Forests Act 1949
Forests (West Coast Accord) Act 2000
Franklin-Manukau Pests Destruction Act 1971
Irrigation Schemes Act 1990
Kiwifruit Industry Restructuring Act 1999
Marketing Act 1936
Meat Act 1981
Meat Board Act 1997
Ministry of Agriculture and Fisheries (Restructuring) Act 1995
Ministries of Agriculture and Forestry (Restructuring) Act 1997
Ministry of Agriculture and Forestry (Restructuring) Act 1998
New Zealand Horticulture Export Authority Act 1987
Phosphate Commission of NZ Dissolution Act 1989
Plants Act 1970
Pork Industry Board Act 1997
Potato Industry Act Repeal Act 1988
Poultry Board Act Repeal Act 1989
Primary Products Marketing Act 1953
Public Works Act 1981 (Part XIX)
Royal New Zealand Institute of Horticulture Act 1953
Taratahi Agricultural Training Centre (Wairarapa) Act 1969
Veterinarians Act 1994
Wine Makers Levy Act 1976
Wool Board Act 1997
Wool Testing Authority Dissolution Act 1988

Private Acts

Auckland Agricultural Pastoral & Industrial Shows Board Act 1972
Canterbury Agricultural & Pastoral Association Empowering Act 1982
Clevedon Agricultural & Pastoral Association Empowering Act 1994
Kumeu District Agricultural & Horticultural Society Act 1991
Marlborough Agricultural & Pastoral Association Empowering Act 1974
Palmerston North Showgrounds Act 1974
Telford Farm Training Institute Act 1963
Tokoroa Agricultural & Pastoral Association Empowering Act 1968
United Wheat Growers Act 1936
Waikato Show Trust Act 1965

Subordinate Legislation

Agricultural and Pastoral Societies Appeals Regulations 1934
Agricultural Chemicals (Paraquat Specifications) Notice 1979
Agricultural Chemicals (2,4,5-T Specification) Notice 1973
Agricultural Compounds and Veterinary Medicines Act Commencement Order 2001
Agricultural Compounds and Veterinary Medicines Regulations 2001
Agricultural Compounds and Veterinary Medicines (Fees and Charges) Regulations 2002
Agricultural Compounds and Veterinary Medicines (Transitional Provisions) Regulations 2002
Animal Control Products Limited Vesting Order 1992
Animal Products Regulations 1999
Animal Products (Additional Products For Which Exporter Registration Required) Order 1999
Animal Products (Exemptions) Order 1999
Animal Products (Definition of Primary Processor) Notice 2000
Animal Products Act Commencement Order 2000
Animal Products Regulations 2000
Animal Products (Ancillary and Transitional Provisions) Regulations 2000
Animal Products (Exemptions and Inclusions) Order 2000
Animal Products (Fees, Charges, and Levies) Regulations 2002
Animal Products (Regulated Control Scheme – Limited Processing Fishing Vessels) Regulations 2001
Animal Remedies (Develvetting) Regulations 1994
Animal Remedies Regulations 1980
Animal Welfare (Forms) Regulations 1999
Animal Welfare (Records and Statistics) Regulations 1999
Animal Welfare Export Certificate Regulations 1999
Animals Protection (Codes of Ethical Conduct) Regulations 1987
Berryfruit Marketing Licensing Authority (Dissolution) Regulations 1991
Biosecurity (Animal Identification Systems) Regulations 1999
Biosecurity (Auckland Regional Plant Pest Management Strategy) Crown Obligations Order 1998
Biosecurity (Bay of Plenty Regional Plant Pest Management Strategy) Crown Obligations Order 1999
Biosecurity (Bay of Plenty Regional Animal Pest Management Strategy) Crown Obligations Order 1999
Biosecurity (Bovine Tuberculosis - Cattle Levy) Order 1998

Biosecurity (Bovine Tuberculosis - Otago Land Levy) Order 1998
 Biosecurity (Canterbury Regional Pest Management Strategy) Crown Obligations Order 1998
 Biosecurity (Deer and Other Testing Costs) Regulations 1998
 Biosecurity (Gisborne District Plant and Animal Pest Management Strategy) Crown Obligations Order 1998
 Biosecurity (Hawkes Bay Regional Animal Pest Management Strategy) Crown Obligations Order 1998
 Biosecurity (Hawkes Bay Regional Plant Pest Management Strategy) Crown Obligations Order 1998
 Biosecurity (Imported Animals, Embryos, and Semen Information) Regulations 1999
 Biosecurity (Manawatu-Wanganui Regional Council Regional Plant Pest Management Strategy) Crown Obligations Order 1998
 Biosecurity (Manawatu-Wanganui Regional Council Regional Animal Pest Management Strategy) Crown Obligations Order 1998
 Biosecurity (Marlborough Regional Rabbit Pest Management Strategy) Crown Obligations Order 1998
 Biosecurity (Marlborough Regional Plant Pest Management Strategy) Crown Obligations Order 1998
 Biosecurity (National American Foulbrood Pest Management Strategy) Order 1998
 Biosecurity (National Bovine Tuberculosis Pest Management Strategy) Order 1998
 Biosecurity (Northland Regional Pest Management Strategies) Crown Obligations Order 1998
 Biosecurity (Otago Regional Pest Plant Management Strategy) Crown Obligations Order 1998
 Biosecurity (Otago Regional Rabbit Pest Management Strategy (including Hares and Chinchillas)) Crown Obligations Order 1998
 Biosecurity (Ruminant Protein) Regulations 1999
 Biosecurity (Taranaki Regional Plant Pest Management Strategy) Crown Obligations Order 1998
 Biosecurity (Tasman-Nelson Regional Pest Management Strategy) Crown Obligations Order 1998
 Biosecurity (Waikato Regional Pest Management Strategy) Crown Obligations Order 1998
 Biosecurity (Wellington Regional Plant Pest Management Strategy) Crown Obligations Order 1998
 Biosecurity (Southland Regional Pest Plants Management Strategy) Crown Obligations Order 1998
 Biosecurity (Southland Regional Rabbit Pest Management Strategy) Crown Obligations Order 1998
 Biosecurity (Costs) Regulations 1993
 Biosecurity (Forms) Regulations 1995
 Biosecurity (Notifiable Organisms) Order 2002
 Biosecurity (Resource Management Act Exemption) Regulations 2002
 Biosecurity (Small Scale Organism Management) Order 1993
 Citrus Marketing Authority (Dissolution) Regulations 1981
 Commodity Levies (Arable Crops) Order 2000
 Commodity Levies (Eggs) Order 1999
 Commodity Levies (Winemaking Grapes) Order 1998
 Commodity Levies (Vegetables) Order 2001

Commodity Levies (Farmed Deer Products) Order 2001
 Commodity Levies (Blueberries) Order 2001
 Commodity Levies (Blackcurrants) Order 2001
 Commodity Levies (Avocados) Order 2001
 Commodity Levies (Orchard Fruit) Order 2001
 Commodity Levies (Bee Products) Order 1996
 Commodity Levies (Pipfruit) Order 2000
 Commodity Levies (Summerfruit) Order 1996
 Commodity Levies (Passionfruit) Order 1996
 Commodity Levies (Tamarillos) Order 1997
 Commodity Levies (Non-Proprietary and Uncertified Herbage Seeds) Order 1997
 Commodity Levies (Wheat Grain) Order 1997
 Commodity Levies (Nashi Asian Pears) Order 1999
 Commodity Levies (Asparagus) Order 2000
 Commodity Levies (Feijoas) Order 2001
 Dairy Industry (Exporter Registration) Regulations 2002
 Dairy Industry (Fees) Regulations 2000
 Dairy Industry Regulations 1990
 Dairy Industry (Food Act 1981) Exemption Order 1996
 Dairy Industry (IMA Certification) Regulations 2000
 Dairy Industry (National Residue Monitoring Programme) Regulations 2002
 Dairy Industry Restructuring (Herd Testing and New Zealand Dairy Core Database) Regulations 2001
 Dairy Industry Restructuring (Raw Milk) Regulations 2001
 Fish Export Processing Regulations 1995
 Forest Disease Control Regulations 1967
 Forest Produce Import and Export Regulations 1989
 Forest Service Fees and Charges Regulations 1953
 Forestry (East Coast) Grants Regulations 2000
 Forestry (Indigenous Timber Milling) Regulations 1993
 Forestry Encouragement Grants Regulations 1993
 Forestry Encouragement Loans Regulations 1967
 Forestry Rights Registration Act Commencement Order 1983
 Game Industry Board Regulations 1985
 Game Regulations 1975
 Herd Testing Regulations 1958
 Honey Marketing Authority (Dissolution) Regulations 1983
 Hop Marketing Regulations 1939
 Horticultural Prescribed Products (Apricots) Order 1987
 Horticultural Prescribed Products (Avocados) Order 1989
 Horticultural Prescribed Products (Blackcurrants) Order 1990
 Horticultural Prescribed Products (Boysenberries) Order 1990
 Horticultural Prescribed Products (Buttercup Squash) Order 1988
 Horticultural Prescribed Products (Nectarines) Order 1987
 Horticultural Prescribed Products (Peaches) Order 1987
 Horticultural Prescribed Products (Persimmons) Order 1988
 Horticultural Prescribed Products (Plums) Order 1987
 Horticultural Prescribed Products (Sweet Cherries) Order 1987
 Horticultural Prescribed Products (Table Grapes) Order 1988
 Horticultural Prescribed Products (Tamarillo) Order 1991
 Horticultural Prescribed Products and New Zealand Horticulture Export Authority

Orders Revocation Order 1998
 Horticultural Prescribed Products (Garlic) Revocation Order 1999
 Indigenous Forest Timber Advisory Committee Regulations 1966
 Irrigation Schemes (Ida Valley Irrigation Company Limited Vesting Order No. 1) Order 1993 (Gaz. p. 588)
 Kiwifruit Export Regulations 1999
 MAF Advances Orders 1942 & 1951
 Margarine Regulations 1940
 Meat Board Regulations 1998
 Meat (Payments) Regulations 1990
 Meat (Residues) Regulations 1996
 Meat Regulations 1969
 Meat (Game & Stock) Order 1998
 NZ Grown Fruit & Vegetables Regulations 1975
 NZ Horticulture Export Authority (Chestnuts) Order 1997
 NZ Horticulture Export Authority (Fees) Regulations 1993
 NZ Horticulture Export Authority (Nashi/Asian Pear) Order 1994
 Pesticides Act Commencement Orders 1981 & 1983
 Pesticides Amendment Act Commencement Order 1994
 Pesticides (Antifouling Paints) Order 1989
 Pesticides (Bacterial & Fungal Preparations) Order 1984
 Pesticides (Fees) Regulations 1997
 Pesticides (Organochlorine) Notice 1984
 Pesticides (Organotin Antifouling Paints) Regulations 1993
 Pesticides Regulations 1983
 Pesticides (Vertebrate Pest Control) Regulations 1983
 Pork Industry Board Regulations 1999
 Raspberry Marketing Authorities (Dissolution) Regulations 1999
 Royal NZ Institute of Horticulture Examinations Approval Notices 1957, 1961, 1971, 1982 & 1985
 Slaughter of Stock, Game, and Poultry Regulations 1969
 Standard Grade and Packing for the Export of Apples & Pears Notice 1987
 Standard Grade for Export of Apricots Notice 1984
 Standard Grade for Export of Buttercup Squash Notice 1992
 Standard Grade for Export of Cherries Notice 1977
 Standard Grade for Export of Citrus Notice 1982
 Standard Grade for Export of Kiwifruit Notice 1984
 Standard Grade for Export of Nectarines & Peaches Notice 1977
 Standard Grade for Export of Onions Notice 1977
 Standard Grade for Export of Plums Notice 1977
 Standard Grade for Export of Potatoes Notice 1978
 State Forests Parks and Forest Recreation Regulations 1979
 Telford Farm Training Institute Order 1979
 Timber Industry Training Centre Advisory Committee Regulations 1966
 Timber Production Advisory Committee Regulations 1949
 Timber Regulations 1948
 Veterinarians (Fees) Regulations 1999
 Veterinarians (Elections) Regulations 1995
 Wool Board Regulations 1998
 Wool Testing Authority Dissolution Act Commencement Orders 1988 & 1989
 Zoological Gardens Regulations 1977

