

Ministry for Primary Industries
Manatū Ahu Matua



2022/23

ANNUAL REPORT

PŪRONGO-Ā-TAU

Our 2022/23 highlights

Ā mātou hirahiratanga 2022/23

In 2022/23, we continued to increase the value of our services, helping boost the economic and environmental performance of New Zealand's food and fibre sector.



The Ministry for Primary Industries won Gold at the 2023 Australasian Reporting Awards for its 2021/22 annual report.



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\$57.4 billion
sector export revenue in 2022/23

\$39.5 billion
in total earnings from food and fibre sector exports to free trade agreement partners in 2022/23

As at 30 June 2023
16,766 people
supported into food and fibre sector employment through the Opportunity Grows Here attraction campaign and the Primary Sector Workforce Programme since 2020/21

3,840.4 hectares
of trees established under the One Billion Trees Fund in 2022/23

\$54 million
committed by the Centre for Climate Action since it was launched in November 2022, as at 30 June 2023

86.8%
of fish stocks evaluated as having no sustainability issues in 2022/23

Since 2018, over
\$566 million
co-invested into Sustainable Food and Fibre Futures projects by MPI and industry, as at 30 June 2023

156 food recalls successfully managed by New Zealand Food Safety in 2022/23

Approximately
4.9 million passengers
screened for biosecurity threats at the border in 2022/23

\$3.6 million
committed to 22 new Māori Agribusiness Extension clusters in 2022/23

As at 30 June 2023
\$64 million
paid to farmers and growers from the Cyclone Gabrielle Primary Sector Recovery Fund, with 5,616 applications approved for funding

Supported farmers to transport over
45,000 animals
off Hawke's Bay farms following Cyclone Gabrielle by the end of April 2023

Our vision

Tā mātou mātaki whānui

New Zealand will be the world's most sustainable provider of high-value food and primary products.

Our purpose

Tā mātou whāinga

The Ministry for Primary Industries (MPI) is the lead government agency for the food and fibre sector. Our services traverse the whole chain of production to help grow New Zealand's economy, improve the environment, and protect New Zealand from harmful pests and diseases.

Working with farmers and growers, businesses, industry bodies, the public, other agencies, iwi and hapū and international counterparts, MPI has over 3,800 staff protecting and supporting the sector.



Contents

Ngā ihirangi

Director-General's foreword	4
1 MPI is the lead agency for New Zealand's food and fibre sector	7
We create value for New Zealanders through our six core services	8
We base our decisions and advice on evidence	10
We are organised around the sector we support	12
Our business units and structure	13
Our people and locations	17
Good governance and independent assurance underpin what we do	19
Food and fibre sector opportunities and challenges	22
2 We are focusing on four big outcomes for New Zealand	25
Prosperity	31
Sustainability	41
Protection	51
Visible Leadership	61
3 We provide vital, high-quality services to the food and fibre sector, Ministers and the public	71
4 Our financial statements	123
5 We are continuing on our emission reduction journey	199
Achieving the public sector's carbon neutral goals: Our progress in 2022/23	200
How we are tracking against our emission reduction plan and targets	201
Demonstrating MPI's progress through reporting on our emissions	202
6 We are strengthening our organisation to deliver more value for New Zealand	205
Appendices	217
Appendix 1: Crown entity monitoring	218
Appendix 2: Grant programmes	219
Appendix 3: Legislation we administer	224
Appendix 4: Government Health and Safety Lead	226
Appendix 5: How we are delivering on the Budget significant initiatives since 2020/21	228
Abbreviations	234
Ministers' reports on non-departmental appropriations	237

Director-General's foreword

Te kupu whakataki ā te Tumuaki Ahurei

I am proud to present the 2022/23 Annual Report for MPI.

The food and fibre sector continues to be the engine room of New Zealand's economy driving record export revenue of \$57.4 billion in the year to June 2023.

This result is impressive given the range of challenges navigated by our farmers, growers, fishers, foresters and processors over the last year, including major adverse weather events.

An important focus for MPI this year was working alongside sector partners and rural communities to respond to the weather events in the North Island, including Cyclone Gabrielle. I saw the magnitude of the damage in Hawke's Bay and Gisborne Tairāwhiti first-hand and witnessed the incredible work by community and sector groups involved in clean-up efforts.

At its peak, more than 500 of MPI's people were focused on cyclone work supporting the response and recovery. This included setting up a system to distribute recovery grants to farmers and growers as quickly as possible and provide support on the ground through our regional people and On Farm Support teams. We continue to work alongside recovery agencies and sector groups as the affected regions develop their medium and long-term recovery plans.

Helping New Zealand and the sector

Our world-class biosecurity system continues to play a major role in protecting New Zealand from pests and diseases. Our teams working at the border have done an excellent job adapting to the changing numbers of international travellers, which continue to increase post-pandemic.

In 2022/23, Biosecurity New Zealand strengthened the system to prevent new incursions and reduce the impact of established pests and diseases.

Our world-first eradication of *Mycoplasma bovis* is on track. We are now five years into this 10-year eradication programme, and we have cleared



infections from 280 farms. We are now in the tail-end of the outbreak and our efforts are concentrated on eradicating any remaining pockets of infection.

This year we also established the foot and mouth disease (FMD) Task Force, in response to an outbreak in Indonesia, to keep FMD out of New Zealand.

MPI supported the most significant changes to the Fisheries Act this year: The Fisheries Amendment Act 2022 became law on 1 November 2022. The changes include clarifying commercial fishing rules, new graduated offences and penalties and using on-board cameras more widely.

Our New Zealand Food Safety team is focused on protecting consumers from foodborne illness, and New Zealand continues to be a trusted provider of safe and nutritious food. This year we have facilitated major food product recalls, including imported frozen berries to protect consumers from Hepatitis A and tahini due to the possible presence of salmonella.

Our On Farm Support team provides on-the-ground help, supporting farmers and growers to take an integrated approach to their farm planning and connecting them with the right expertise, tools, resources and services. The team is working across 10 regions nationwide.

Animal welfare remains a priority and this year we've strengthened the codes of animal welfare and ensured farmers are continuing to follow best practice. The adverse weather events have highlighted the importance of animal welfare, and we have supported affected farmers in the regions affected.

Planning for the future

MPI is committed to the ongoing success of the sector and its significant contribution to the wellbeing of everyone in New Zealand and its economy. This includes building the foundations for further sustainable growth.

This year we worked closely with the Ministry of Foreign Affairs and Trade (MFAT) and New Zealand Trade and Enterprise (NZTE) to deliver New Zealand's free-trade agreement (FTA) with the United Kingdom and sign the FTA with the European Union.

The importance of agricultural cooperation was reaffirmed with China, one of New Zealand's key trading partners, through the signing of an updated Strategic Plan on Promoting Agricultural Cooperation in June 2023.

In November 2022, we established the new Centre for Climate Action on Agricultural Emissions – Joint Venture AgriZero^{NZ} – a world-first partnership between the Government and agribusinesses to accelerate the reduction of agricultural emissions. An important part of this is strengthening the role of research and development to get new tools and technology to farmers and growers to cut their on-farm emissions, while maintaining efficiency, production, and profitability.

This year we produced our first long-term insights briefing, *The future of Aotearoa New Zealand's food sector: Exploring global demand opportunities in the year 2050*, which aims to provide information about medium and long-term trends, risks, and opportunities that may affect the future of New Zealanders.

As this annual report shows, it's been a productive 12 months for MPI, both in delivering our important day to day work with the food and fibre sector and in building foundations for the future.

I invite you to read more about our work.

A handwritten signature in black ink, appearing to read 'Ray Smith'.

Ray Smith
Director-General



01.

MPI is the lead agency for New Zealand's food and fibre sector

Ko te Manatū Ahu Matua te pokapū matua mō
te rāngai kai me te weu

We create value for New Zealanders through our six core services

Ka hanga wāriu mātou mō ngā tāngata katoa o Aotearoa mā ā mātou ratonga matua e ono

The following Ministerial portfolios are supported through MPI's six core services. These portfolios are: agriculture including animal welfare, rural communities, biosecurity, oceans and fisheries, food safety, and forestry.

Delivering our services as one agency enables MPI to provide Ministers with comprehensive policy advice, identify and address complex challenges across regulatory systems and maintain a strong international reputation.

MPI has networks and an international market presence that help to expand New Zealand's food and fibre exports in an integrated way. It also ensures science, risk assessment and enforcement are approached consistently.

Our six core services are as follows:

1. Providing support and services to the sector

MPI supports communities to adapt to change and connect customers with the right information and services to make informed decisions, on issues such as climate challenges and making the most of market opportunities.

2. Investing and partnering with the sector in research, innovation and workforce development

MPI funds research and innovation projects that position the food and fibre sector for future growth and environmental sustainability. With a budget of approximately \$40 million a year, the Sustainable Food and Fibre Futures (SFF Futures) fund supports problem solving and innovation.¹

1. You can find out more about SFF Futures on our website: <https://www.mpi.govt.nz/funding-rural-support/sustainable-food-fibre-futures>.

Māori are our Tiriti o Waitangi partners, and supporting the growth of Māori agribusiness is one of our areas of focus.

We also support the sector to attract new employees, upskill existing employees and provide high-quality jobs for New Zealanders, especially in the regions.

3. Responding to adverse events and helping rural communities build resilience

MPI responds to adverse events affecting the sector. This includes helping farmers, growers and whenua Māori owners recover from the impact of adverse weather events and the effects of the COVID-19 pandemic.

We prepare for and prevent biosecurity incursions and build resilience against pests and diseases.

We also help rural and fishing communities by funding networks that help people upskill, build connections and maintain strong mental health.

4. Ensuring producers can export to overseas markets

New Zealand's food and fibre sector relies on being able to export its products to the world. Using our extensive networks and international market presence, we maintain and improve access for New Zealand's products so the nation can increase the value of its food and fibre exports.

5. Protecting and enhancing New Zealand's reputation by regulating the sector

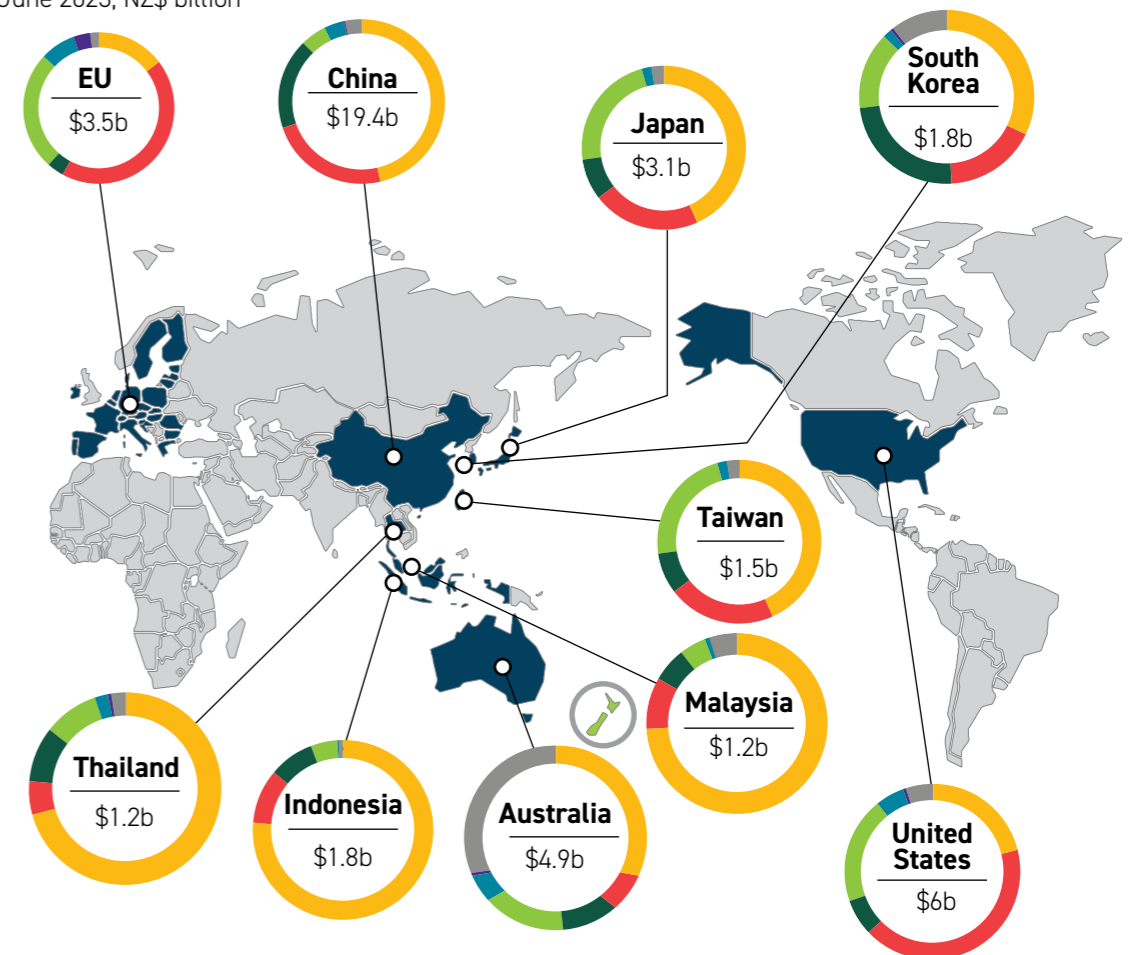
MPI manages the regulatory systems that allow the food and fibre sector to operate and grow safely. Māori customary rights regarding kaimoana are protected, as guaranteed by te Tiriti o Waitangi. MPI helps protect biodiversity and the wider environment, human health, animal welfare and New Zealand's reputation as a trusted producer.

6. Advising the Government on policy

MPI provides the Government with policy advice on issues affecting the food and fibre sector and rural communities, and we directly support MPI's Ministers.

The top ten export destinations for New Zealand's food and fibre products across the world

Year to 30 June 2023, NZ\$ billion²



	Export revenue (NZ\$ billion)		Export revenue (NZ\$ billion)
Dairy	26.008	Meat and wool	12.120
Forestry	6.354	Horticulture	7.036
Seafood	2.097	Arable	0.272
Processed food and other products	3.491	Total	57.378

2. The data in the diagram on this page comes from the Stats NZ overseas merchandise trade datasets: <https://www.stats.govt.nz/large-datasets/csv-files-for-download/overseas-merchandise-trade-datasets>.

We base our decisions and advice on evidence

I takea mai ā mātou whakataua me ngā kupu āwhina i te pūtaiao

MPI is a major funder, user and generator of science in the food and fibre sector. Science, mātauranga Māori and other evidence back the decisions we make to support the sector to grow and thrive, meet climate challenges and protect production systems and the environment from pests and diseases.

Science influences us and prepares us to respond

In 2022/23, science played a significant part in MPI's response to Cyclone Gabrielle and the development of strategies to manage future extreme weather events. Immediately following Cyclone Gabrielle, research was undertaken to determine the best ways to manage the sediment inundation and waterlogging of crops and orchards to minimise immediate and future losses. Collaboration with external research organisations was critical in obtaining data that was specific to the recovery of pasture and crop species. This work contributed significantly to the development of government recovery packages.

The scientific research undertaken for sediment management also contributed to the identification of ideas for further research that will help the country

better manage future extreme weather events. This includes research on the importance of integrated satellite imagery and the ongoing work to provide evidence for longer-term impacts on eroded lands, primary production areas and the marine environment.

Science research funding has also continued to progress work on the development of better diagnostic tools to manage animal diseases, such as *Mycoplasma bovis* (*M. bovis*). This has resulted in significant progress towards its eradication. New Zealand is leading the way in identifying possible markers for detecting asymptomatic cases.

A highlight for MPI was in June 2023, when the World Organisation for Animal Health elevated the MPI Animal Health Laboratory to the top tier of expertise in American foulbrood and varroa, two major honeybee diseases. This is the first laboratory in New Zealand to achieve this standard.



We are organised around the sector we support

Kua nahanaha mātou mō ngā ahumahi e tautokona nei e mātou

Our customers and industry stakeholders

MPI's customers range from individuals to businesses located within New Zealand and around the world and include local councils and governing bodies. We help people to understand how to carry out their activities – whether customary, business or recreational – within the regulatory requirements. This ranges from recreational fishers who need to know fishing limits to international travellers who need to know what products cannot be brought into the country. We support businesses – small and large – to follow our regulations, including when growing and exporting food and fibre products to over 150 countries.

Our industry bodies and stakeholders include those representing the interests of specific food and fibre industries, members of the public, Crown research institutes, other government agencies and New Zealand's trading partners. We work with groups to develop better ways to deliver our services, and we consult with stakeholders regularly. This helps us gather information to inform decision making and improve compliance with regulatory requirements.

Numerous partnerships with industry bodies exist across MPI's business units. These partnerships provide support to industry bodies and stakeholders across New Zealand's food and fibre sector. These relationships were critical during the 2022/23 adverse events response and recovery work. See chapter 2, under the outcome Visible Leadership, for more information on this.

Supporting our te Tiriti o Waitangi partners and Māori food and fibre sector businesses

The Māori food and fibre sector is growing, with nearly one third of Māori businesses in the food and fibre sector. Māori hold significant interests in fisheries and forestry assets, and they play a substantial role in primary production.

MPI's first Māori primary sector plan, *Rautaki mo te taurikura – Embracing change for prosperity*, was launched in December 2022. This plan is supporting the Māori food and fibre sector to achieve its aspirations.³

In 2021/22, MPI established a dedicated business unit, Māori Partnerships and Investment, to strengthen its ability to build relationships that facilitate the growth of the Māori economy and deliver on the Crown's commitments under te Tiriti o Waitangi.

3. You can find the rautaki on our website: (<https://www.mpi.govt.nz/dmsdocument/54376-MPI-MaoriStrategy-Food-Fibre-report-Rautaki-mo-te-Taurikura-Embraing-change-for-prosperity>).

Our business units and structure

Ā mātou tōpūtanga pakihī me te hanganga

We provide services to our customers through five customer-facing business units. These frontline units and the whole organisation are supported by four additional business units.

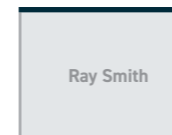
Our professional leads provide technical advice to the Director-General and wider senior leadership team on matters relating to science, mātauranga Māori and the sector's regulatory systems.

While each business unit focuses on important opportunities and challenges within specific areas of the food and fibre sector, the structure is designed to be collaborative. Because we cover all aspects of the

sector, we can deploy staff from different units and systems in an integrated way and respond quickly to the needs of the sector, the Government and the public. Our structure includes a robust compliance capacity, which is crucial to maintaining trust in New Zealand's food and fibre sector.

Our Director-General is also the Government Health and Safety Lead (GHSL). This functional leadership role focuses on strengthening the public sector's health and safety capability.

Director-General and Government Health and Safety Lead

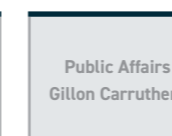
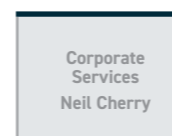


Our customer-facing business units

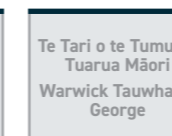
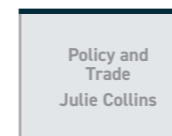


Agriculture & Investment Services
Tapuwae Ahuwhenua

Our supporting business units



Biosecurity New Zealand
Tiakitanga Pūtaiao Aotearoa



 **Fisheries New Zealand**
Tini a Tangaroa

Our professional leads



New Zealand Food Safety
Haumarū Kai Aotearoa



 **Te Uru Rākau**
New Zealand Forest Service

Our customer-facing business units

Agriculture & Investment Services

Tapuwae Ahuwhenua

Agriculture and Investment Services works to create a thriving and sustainable future for farmers, growers, the wider primary industries and rural communities. MPI leads and facilitates the management of animal welfare policy and practice in New Zealand. We are responsible for the operational delivery of compliance services associated with animals, through our animal welfare inspectors and National Animal Identification and Tracing staff.

Agriculture and Investment Services also provides advice and helps people across the food and fibre sector to access information that supports them to build sustainability and add value in their businesses. We fund innovation and research through sector, business and community partnerships across New Zealand's food and fibre sector.

Agriculture and Investment Services plays an important part in regional and community support and development; MPI's response to, and recovery from, significant adverse events; helping Māori to achieve their agribusiness aspirations; animal health and welfare; and building the food and fibre sector's workforce.

Biosecurity New Zealand

Tiakitanga Pūtaiao Aotearoa

Biosecurity New Zealand protects New Zealand from harmful pests and diseases by:

- managing biosecurity threats offshore, at the border and domestically,
- eradicating and controlling pests and diseases that are already present or find their way into the country, and
- supporting all New Zealanders and visitors to play their part in protecting the country's economy, trade, environment, human and animal health, and social and cultural wellbeing.



Fisheries New Zealand

Tini a Tangaroa

Fisheries New Zealand operates the fisheries management system and works to ensure that fisheries resources are managed to provide the greatest overall benefit to New Zealanders. Its focus is on the sustainability of New Zealand's wild fish stocks, aquaculture and wider marine environment.

One of Fisheries New Zealand's most important roles is to recognise, consider and provide for the rights and interests of tangata whenua across all areas of fisheries and aquaculture.

New Zealand Food Safety

Haumarū Kai Aotearoa

New Zealand Food Safety protects consumers from foodborne illness and supports the economy by ensuring food businesses have robust safety practices. It makes sure consumers can trust that the food they eat is safe, suitable and accurately labelled.

It maintains the integrity of the food safety system by ensuring industry compliance and leading responses to foodborne illnesses when they arise. We make sure the right requirements are in place to support businesses to make safe and suitable food for New Zealand and its export markets.

New Zealand Food Safety supports market access by providing export assurances on behalf of the New Zealand Government to overseas governments. We also help the food and fibre sector respond to emerging threats and trends.



Te Uru Rākau – New Zealand Forest Service supports and advances sustainable growth and management of New Zealand's forestry and wood-processing sector, the transition to a low-emissions economy, and other forestry-related priorities of the Government. It aims to plant trees for a healthy environment, strengthen New Zealand's forestry system and grow the country's bioeconomy.

Te Uru Rākau – New Zealand Forest Service also manages the Crown's commercial forest assets, administers the forestry component of the Emissions Trading Scheme and regulates laws relating to the forestry system.

Our supporting business units

Te Tari o te Tumuaki Tuarua Māori

Te Tari o te Tumuaki Tuarua Māori (Office of the Deputy Director-General Māori) supports, monitors and co-ordinates activities across MPI to ensure it is joined up in its efforts to strengthen the Crown's relationship with Māori. Te Tari o te Tumuaki Tuarua Māori supports MPI to:

- grow the Māori food and fibre sector
- position our organisation to uphold the Māori Crown relationship and consistently meet our obligations under te Tiriti o Waitangi and the Public Service Act 2020, and
- build an organisation that can best serve all New Zealanders.

Corporate Services

The role of Corporate Services is to support MPI business units to effectively and efficiently deliver their operations, services and outputs. Its support activities and functions include: finance and cost recovery, people and capability, digital technology services, privacy and security, safety and wellbeing, property, investigations and compliance, audit and risk and legal services.

Policy and Trade

Policy and Trade provides strategic thinking, insights and policy advice on agriculture, forestry, fisheries, food safety, biosecurity, animal welfare and rural communities. They provide economic and trade data which informs our policy and implementation work. It also has important trade and international functions, ensuring access to export markets is maintained within the international rules-based trading environment.

Policy and Trade works across MPI, and with other government agencies, te Tiriti o Waitangi partners, food and fibre sector organisations on economic, environmental and natural resource issues.

Public Affairs

Public Affairs brings together the functions that help MPI's Director-General to meet the expectations of the public, Ministers and industry stakeholders. It includes the Communications and Engagement and Information directorates, Government Services (covering Ministerial Services, the Official Information Act team and the Customer Enquiry Centre), the Chief Transformation Officer and the Strategy, Governance and Performance Directorate.

Our professional leads

Deputy Director-General China Relations

The Deputy Director-General China Relations is based at the New Zealand Embassy in Beijing and leads MPI's engagement with China.

Chief Departmental Science Adviser

The Chief Departmental Science Adviser provides independent and strategic advice to the Director-General, is a member of the senior leadership team, and provides scientific leadership and oversight across MPI. The Chief Departmental Science Adviser is also a member of the Prime Minister's Chief Science Adviser's Forum to ensure MPI is well integrated into the national and international science community.

Inspector General Regulatory Systems

The Inspector General Regulatory Systems reports directly to the Director-General and is independent of the senior leadership team and MPI's business units. The Office of the Inspector General reviews MPI's regulatory systems and provides impartial advice to the Director-General on how the regulatory systems are working in practice. Reports from these reviews are published on MPI's website and system leaders are encouraged to respond to the review findings.

Government Health and Safety Lead

The Government Health and Safety Lead (GHSL) role was established in 2017. The current GHSL is MPI's Director-General, Ray Smith, who serves as the functional lead of health and safety for government departments as well as some of the large Crown entities.

The purpose of the functional lead is to build public sector health and safety capability, performance and maturity, with a focus on harm reduction.

Our senior leadership team



Our senior leadership team from left - Neil Cherry, Karen Adair, Sam Keenan, John Roche, Ray Smith, Gillon Carruthers, Julie Collins, Stuart Anderson, Vincent Arbutckle, Warwick Tauwhare-George and Dan Bolger.

Our people and locations

Ā mātou kaimahi me ngā tauwāhi

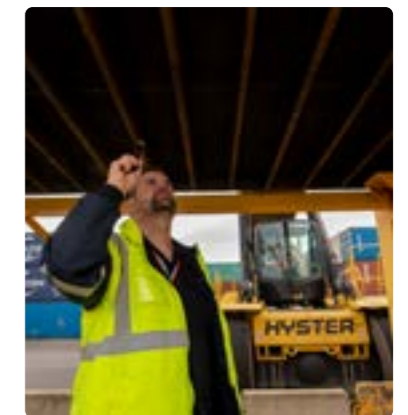


MPI operates across the whole chain of primary production, from the paddock, orchard, forest and ocean, through processing, packaging and transportation system, all the way to market and the customer.

With over 3,800 staff in a variety of roles throughout New Zealand and internationally, we have an agile and connected network of specialists ready to respond where they are needed most.



The variety of MPI's work is reflected by the diverse and specialised skills that our people bring to the organisation: the collective expertise of our people is our greatest asset. We employ a range of primary industry specialists, including scientists, veterinarians, economists, technology experts and advisers.





We are based at over 50 sites across more than 25 towns and cities in New Zealand, and at 11 sites overseas, supporting all the areas that interact with the food and fibre sector.

We operate in a variety of environments, from offices to international airports and ports, to fishing vessels out at sea, in transitional storage facilities, in processing plants and on farms.

Good governance and independent assurance underpin what we do

Ko te tūāpapa o ā mātou mahi he mana whakahaere pai me te whakaū motuhake

Our governance system

A robust and effective governance system at MPI ensures the decisions we make as an organisation are the right ones for our people, the food and fibre sector and New Zealand. Through our governance system, we aim to:

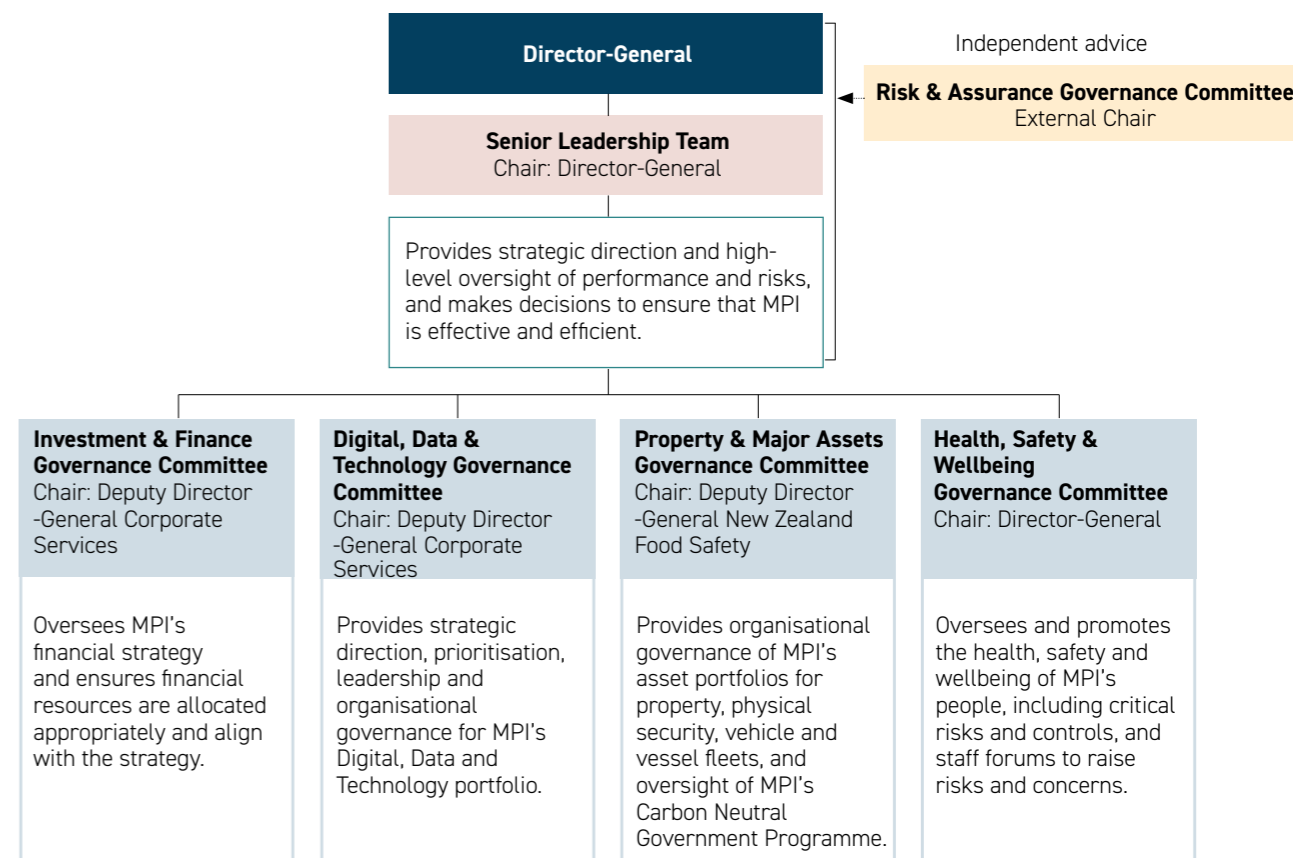
- set our strategic direction and priorities
- hold ourselves to account by ensuring there is transparency in, and accountability for, our decisions, and
- shape our organisational culture by driving positive change through visible leadership.

The senior leadership team is the executive governing body for MPI. It has oversight to ensure MPI carries out its legislative duties and functions, provides advice to Ministers and is run efficiently and effectively.

The senior leadership team has established a set of governance committees to ensure effective decision-making. These committees consist of senior leadership team members along with other individuals (staff and non-staff) who have relevant responsibilities and expertise.

MPI Governance Structure

Summary of Governance Committees that report to the Senior Leadership Team



Risk and Assurance Governance Committee

The Risk and Assurance Committee provides impartial advice to ensure we are managing key risks and that the organisation is operating effectively. The committee consists of five independent external members with skills in assurance, financial management, risk management and organisational change. In 2022/23, the committee met four times to consider significant risk information and host business-led, risk-focused discussion on adverse events (for example - Cyclone Gabrielle) and biosecurity risks at the border.

How we manage risk

Our aim is to deepen our understanding, management and reporting of major strategic and operational business risks, as part of our approach to strengthening organisational resilience. Our risk management policy outlines risk principles and accountabilities, and the requirements for managing and reporting risk within the organisation.

Over the past year, we have continued to strengthen MPI's risk management capabilities, including:

- ensuring we have the right skills and experience in our Risk Management team
- reviewing our risk management documentation, including clarifying the roles and responsibilities of all staff to manage risk, with a particular focus on monitoring and testing of major controls
- developing and implementing new risk management training courses, templates and resources for staff
- developing and facilitating dedicated and tailored risk management workshops across all areas of MPI, and
- introducing a risk management community of practice across the organisation.

Boards and entities at MPI

To ensure efficiency and effectiveness in functioning and decision-making, MPI administers certain statutory bodies, including boards, entities, groups and committees.

The New Zealand Food Safety Advisory Board is one of these, comprising external experts who provide advice to the Deputy Director-General New Zealand Food Safety and assurance to MPI's Director-General.

Led by an external chair, the Advisory Board members have expertise in:

- regulatory system design and operation
- food safety science
- public health
- food industry, and
- te reo Māori and Māori-Crown partnerships.

The Advisory Board provides advice through its 10 meetings per year, helping enhance the ways in which New Zealand Food Safety makes sure New Zealand's food is safe and suitable.

Integrity at MPI

Overview of our internal audit function

The Internal Audit team provides advice on the effectiveness of MPI's internal control framework. Based on the approved annual audit plan, the team carries out reviews designed to ensure the systems and processes supporting MPI are robust and major risks are being addressed. Review findings and recommendations are reported to the senior leadership team on a quarterly basis. Audit findings are followed up to make sure issues are addressed to help further strengthen the overall operating environment.

Professional Standards Unit

The Professional Standards Unit (PSU) leads on preventing, responding to and reporting on integrity matters across MPI.

Over the past year, the PSU has presented to our people on integrity, conflicts of interest, fraud awareness, behavioural awareness and expectations of public servants during election year. The PSU is refreshing MPI's code of conduct as part of broader work on "Positive and Safe Workplaces". This involves engaging with directorates, employee networks and people leaders to make sure their voices are heard.

Regulatory reviews of MPI performance

The Inspector General Regulatory Systems provides the Director-General with impartial advice on the regulatory systems MPI stewards. A programme of reviews is set and reviewed annually. Reports from the reviews, along with MPI's responses to the findings are published online.

Since its establishment, the Office of the Inspector General Regulatory Systems has undertaken reviews relating to dairy manufacturing, agricultural compounds and veterinary medicines, and considering how MPI undertakes compliance investigations. The reviews currently under way are looking at how cost recovery operates at MPI and containment facilities.



Food and fibre sector opportunities and challenges

Ngā āheinga me ngā wero o te rāngai kai me te weuweu

Supporting those affected by adverse events

MPI has a responsibility for supporting the food and fibre sector and animal welfare when adverse events occur. We provide advice to Ministers for classifying adverse events under the Primary Sector Recovery Policy as localised (small), medium or large scale. The scale and type of the event determines the package of support that the Government provides.

In 2022/23, under the Primary Sector Recovery Policy, one large-scale, five medium-scale and eight localised adverse events were classified during weather events, including Cyclone Gabrielle. More on the support provided by MPI can be found in the Visible Leadership stories in chapter 2 and the Grants section.

Supporting the sector to navigate climate change

More extreme and frequent climate-related events are having significant effects across the world, including in food and fibre production systems. To combat climate change, New Zealand has committed to reducing its methane emissions and achieving net zero for other greenhouse gases by 2050.

Nearly half of New Zealand's greenhouse gas emissions are from agricultural production. Achieving emissions reductions and understanding the impacts of a changing climate will support farmers and growers to be able to adapt and be more resilient. This will require investment in capacity and capability shared by government, industry, and farmers and growers. See chapter 2, under the Sustainability outcome, for information on the integrated advisory support available to farmers and growers.

4. You can find the long-term insights briefing on our website: (<http://www.mpi.govt.nz/dmsdocument/56350-The-Future-of-Aotearoa-New-Zealands-Food-Sector-Exploring-Global-Demand-Opportunities-in-the-Year-2050>).

Supporting New Zealand's economic prosperity in the post-pandemic era

The world economy continues to face challenges, exacerbated by policy measures to contain inflation, financial sector turbulence, the ongoing conflict in Ukraine, and other geopolitical tensions. These factors contributed to high input costs and supply chain challenges and complicated exporters' ability to access markets. See chapter 2, under the Prosperity outcome, to learn about MPI's efforts to grow New Zealand's economy.

Consumer preferences continue to change

Global food consumption patterns are changing, driven by demographic, social and economic trends.

Over the past year, MPI continued efforts to support and invest in transformation and innovation in the food and fibre sector. This includes the development of industry transformation plans, and publication of the first long-term insights briefing: *The future of Aotearoa New Zealand's food sector: Exploring global demand opportunities in the year 2050*.⁴

It is an example of the work MPI is doing to strengthen the sector to meet the demands of the future.

Protecting the sector from biosecurity incursions

As the impacts of climate change increase, the extreme weather events and new temperature norms create conditions for an increasing number of harmful pests and diseases to arrive and become established across the country.

A continued focus area in 2022/23 has been the strengthening of the biosecurity system and refresh of the biosecurity strategy. We are currently five years into the *M. bovis* programme. On 1 November 2023, the long-term surveillance phase of the Programme will be contracted to disease management agency OSPRI.⁵

Sector workforce

The food and fibre sector is a major employer in New Zealand, employing an estimated 360,000 people.⁶

To maintain the vital food and fibre sector here, New Zealand's workforce needs to diversify, upskill and incorporate more technology. MPI is helping the sector attract more people through its workforce programme. This includes the Opportunity Grows Here attraction campaign, which we manage with support from industry groups.

In 2020, we established the Primary Sector Workforce Programme with the aim of supporting at least 10,000 New Zealanders into the food and fibre sector over four years. 16,766 New Zealanders have been supported into jobs within the sector, as at 30 June 2023.



Grand finalists of the New Zealand Young Farmers of the year at the Fieldays Opportunity Grows Here Careers Hub 2023.

5. <https://www.ospri.co.nz>

6. This is from the New Zealand Institute of Economic Research and MPI (2022); The food and fibre workforce: Data on its size and composition: (<https://www.workforceinsights.govt.nz/assets/Documents-and-reports/NZ-food-fibre-sector-workforce-NZIER-MPI-June-2022.pdf>).



02.

We are focusing on four big outcomes for New Zealand

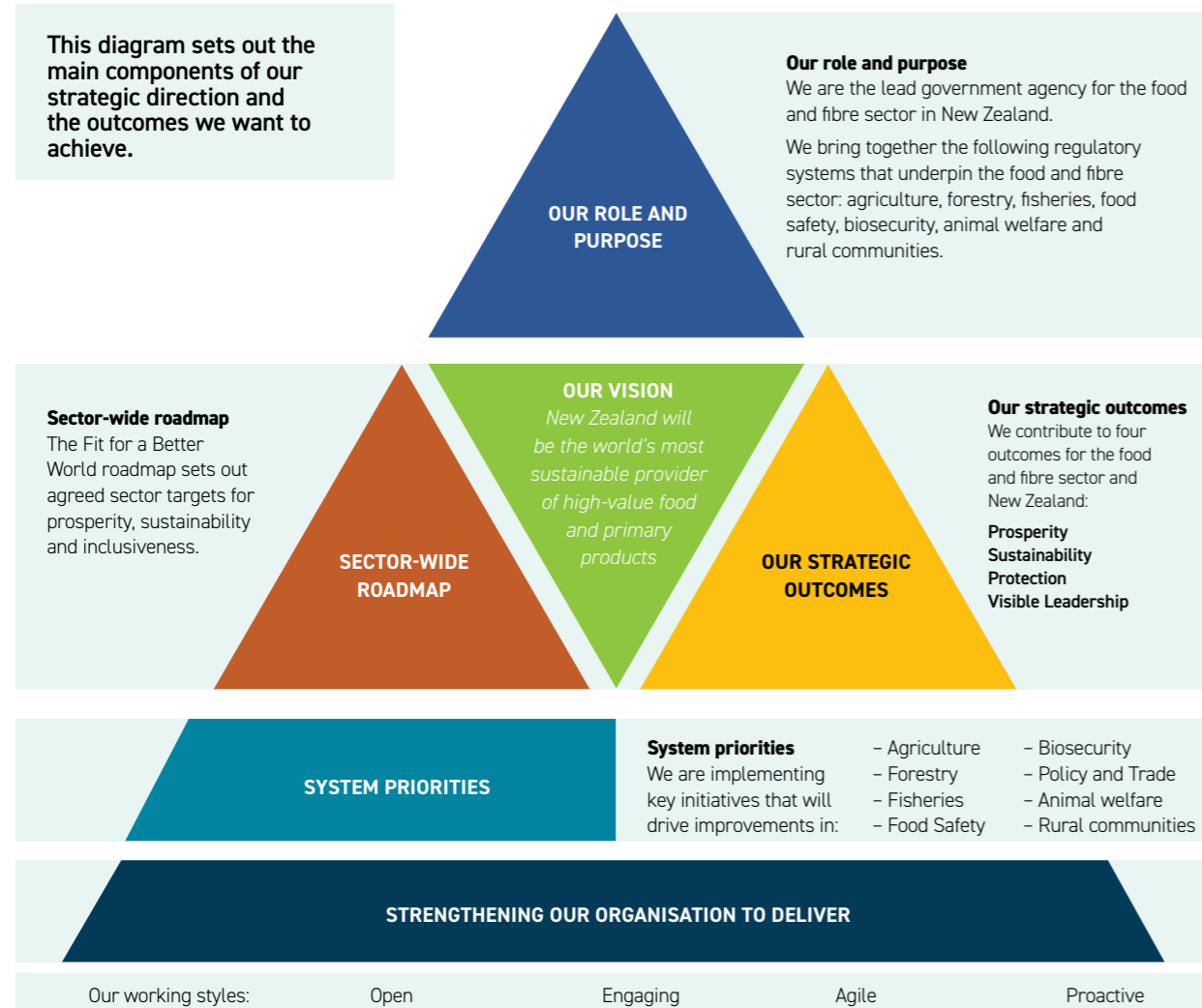
E aro ana mātou ki ngā hua nui e whā
mō Aotearoa

Our strategy is positioning the sector for long-term, sustainable success

Strategic framework

At the heart of MPI's strategy is our vision: **New Zealand will be the world's most sustainable provider of high-value food and primary products.** This is an essential part of the integrity of New Zealand's brand and crucial to its competitive advantage.

MPI is partnering with the sector to find ways to produce higher-value products while reducing the use of natural resources and overall environmental impact.



Our strategic outcomes

To deliver on our purpose and vision, we are focusing on four outcomes:

- Prosperity – Tōnuitanga
- Sustainability – Kauneke Tauwhiro
- Protection – Whakangungu
- Visible Leadership – Ngā Manukura

This section describes how we are working towards these outcomes as we continue to improve our performance in the core services we provide to the food and fibre sector.⁷



Prosperity Tōnuitanga

Our food and fibre sector generates a thriving and sustainable economy for all New Zealanders.

We focus our expertise to support innovation and help producers create higher-value goods that are in demand worldwide. Our partnerships recognise the benefit that mātauranga Māori brings to building a more productive and sustainable sector. We work alongside industry and agencies to attract more people into the sector, create more fulfilling career opportunities, and grow our regional communities.



Sustainability Kauneke Tauwhiro

Future generations will benefit from improved environmental performance by New Zealand's food and fibre sector.

We support the food and fibre sector to adopt more sustainable land use practices, enhance biodiversity, restore freshwater environments, lower carbon emissions, and create a healthier marine environment. Through enhanced sustainability, we will improve the resilience of rural communities and the wider sector to potential disruptions and show consumers worldwide the importance we place on the planet's future.



Protection Whakangungu

Consumers know and trust that New Zealand's products are safe, healthy and ethical, and that we protect New Zealand from pests and diseases.

MPI's standards for food safety and animal welfare ensure that New Zealand's food and fibre products are valued by consumers for being safe, healthy, and ethically and sustainably produced. We help to build strong supply chains so New Zealand's communities have reliable sources of quality food. We support industry to increase the transparency of their production systems. Our biosecurity system ensures that the food and fibre sector and the environment are safeguarded from biosecurity risks. Science and knowledge form the basis of our food safety and biosecurity standards and recommendations.



Visible Leadership Ngā Manukura

We work in partnership to enable the food and fibre sector to thrive.

We are focused on developing more meaningful partnerships to accelerate the productivity, sustainability, and inclusiveness of the food and fibre sector. We are open, agile, engaging, and proactive in how we interact with partners and stakeholders.

7. To find out more about our strategy, see our Strategic Intentions 2021–2025: (<https://www.mpi.govt.nz/dmsdocument/48589-Strategic-Intentions-2021-2025>).

Our performance story: Delivering on our key result areas

The following sections report on our progress towards achieving our four strategic outcomes: Prosperity, Sustainability, Protection and Visible Leadership.

Monitoring our progress ensures we are focusing on the right things to achieve a growing and thriving food and fibre sector that benefits all New Zealanders. The table below summarises how we intend to deliver on our strategic intentions.

For the year ended 30 June 2023, we have used the following approach to report on our strategic performance:

- using key indicators to measure our impacts with both quantitative and qualitative information, and

- linking related impact and output measures that help to show the shifts we want to achieve. This demonstrates how delivering both our strategic initiatives and our core services contribute to our strategy: from delivering the work (outputs), to achieving desired changes (impacts) and, realising our strategic objectives (outcomes).

We are using other internal data, such as service performance measures, and external sources like the Environment Aotearoa reports, Stats NZ surveys and achievement stories from the last financial year to show our progress and provide supporting evidence of our performance.

Table: Summary of our strategic intentions 2021 to 2025

Our vision New Zealand will be the world's most sustainable provider of high-value food and primary products.		
Our strategic outcomes	 Prosperity Tōnuitanga	 Sustainability Kauneke Tauwhiro
Our key results areas	<ul style="list-style-type: none"> • Increasing returns for producers through better access to markets • Increasing food and fibre sector innovation • Strengthening food and fibre sector workforce 	<ul style="list-style-type: none"> • Helping meet our climate change targets by reducing the net impacts of the food and fibre sector • Reducing environmental impacts of land and water use • Sustainable management of our marine environment
Our impact indicators	<ul style="list-style-type: none"> • The value of food and fibre exports is increased once free trade agreements are established • Food and fibre sector businesses develop new, higher-value, market-led products and services • A higher proportion of businesses enter new and high value export markets • MPI-supported programmes drive innovation to realise productivity improvements • Marketing campaigns increase the proportion of people considering working in the sector 	<ul style="list-style-type: none"> • On-farm greenhouse gas emissions per unit of production are reduced • Net removals from forestry are on track for its contribution to achieving New Zealand's climate change targets • The number of farm extension groups to monitor and manage the environmental impacts of local catchment ecosystems is increased • MPI's carbon emissions are reduced • Freshwater quality is improved • Farm nutrient loss and leaching per unit of production is reduced • Erosion is reduced • The percentage of scientifically evaluated fish stocks with no sustainability issues increases • High compliance rates with legal requirements in the commercial, recreational, and customary fisheries are reached and maintained

Our vision
New Zealand will be the world's most sustainable provider of high-value food and primary products.

Our strategic outcomes



Our key results areas

- Protecting New Zealand from harmful pests and diseases
- Maintaining and growing New Zealand's reputation as a trusted provider of safe and nutritious food to New Zealand and the world
- Improving animal welfare practice in New Zealand production system

- Strengthening partnerships with industry and across government
- Strengthening relationships with Māori

Our impact indicators

- The impact of harmful pests and diseases in New Zealand is reduced
- Everyone champions biosecurity in New Zealand and owns their responsibilities
- Consumer perception of the quality and premium value of New Zealand food and fibre products is improved
- Levels of compliance with food safety regulation within New Zealand and for food exported out of New Zealand are increased
- Rates of foodborne illness are controlled and reduced
- Compliance with animal welfare standards is increased

- MPI-led initiatives in the sector's Fit for a Better World roadmap are delivered
- Strong industry engagement in MPI-led forums and events
- MPI's publicly released science, data, research and evaluation is valued by industry
- Regional communities, connections and resilience are improved
- Co-designed initiatives between our business units and Māori stakeholders, such as the Māori Sector Leaders' Forum, are increased
- Partnerships with Māori in key industry areas, such as agriculture, horticulture and aquaculture, are increased.
- Māori participation in innovation initiatives, including consideration of mātāuranga Māori solutions to issues facing the food and fibre sector, is increased
- Evidence that Māori perspectives are well considered and embedded into our work across policy, programmes and services is increased
- Our Treaty settlement commitments are delivered



**Prosperity
Tōnuitanga**

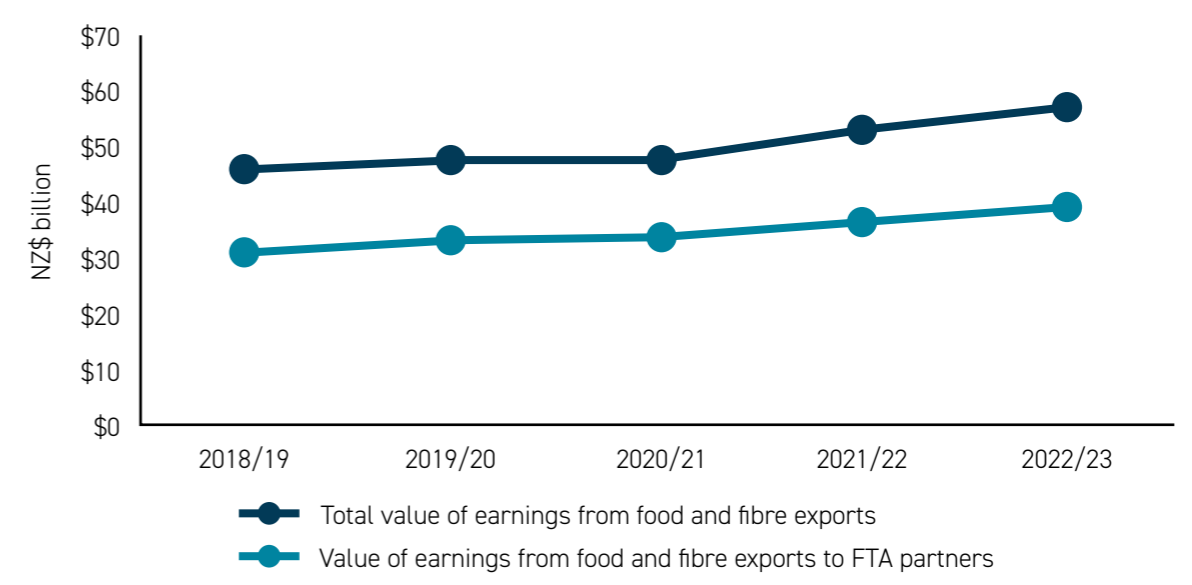
Key result area: Increasing returns for producers through better access to markets

Progress indicator: The value of food and fibre sector exports is increased once free trade agreements (FTAs) are established

New Zealand currently has 14 FTAs in force as well as some yet to be finalised or ratified. FTAs benefit farmers and growers directly by reducing or eliminating tariffs and simplifying the export process.

For the year ending 30 June 2023, total export earnings from New Zealand food and fibre sector exports to FTA partners increased to NZ\$39.5 billion, a 7.1 percent rise when compared with export earnings in 2021/22.⁸

Total value of New Zealand's food and fibre exports vs the value of exports to FTA partners



8. These statistics and the numbers in the graph on this page come from the Stats NZ overseas merchandise trade datasets: (<https://www.stats.govt.nz/large-datasets/csv-files-for-download/overseas-merchandise-trade-datasets>).

Progress indicator: A higher proportion of businesses enter new and high-value export markets

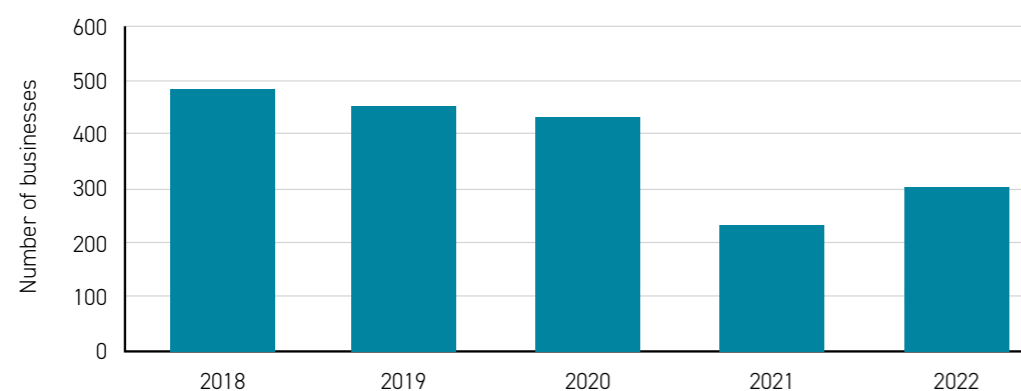
MPI helps producers access new markets. This is one of the factors that enable producers to increase their returns sustainably.

Every year, the Stats NZ Business Operations Survey asks companies about whether they have accessed

new markets, developed new products, and other indicators of the state of business in New Zealand.

In 2022, 300 of the food and fibre businesses surveyed said they had entered new export markets during the previous year, a 28 percent increase from 2021.⁹

Number of food and fibre businesses surveyed that entered export markets



9. This statistic and the numbers in the graph on this page come from the Stats NZ (2023) Business Operations Survey: 2022 (<https://www.stats.govt.nz/information-releases/business-operations-survey-2022>).

Our achievements: Supporting strong trade relations

Navigating New Zealand's trading relationships and maintaining strong market access

To help New Zealand's food and fibre product exporters, MPI works hard to open new market access opportunities, reduce unnecessary costs and maintain access to existing markets. As New Zealand's competent authority, we maintain trusted relationships with regulators in essential markets and play a core role in New Zealand's trade negotiation teams.

Helping New Zealand producers access valuable new markets

In 2022/23, we continued to help expand, improve and maintain New Zealand's relationship with many overseas markets to support and encourage market diversification.

Here are some of the highlights for 2022/23:

- The **New Zealand–United Kingdom Free Trade Agreement** came into force on 31 May 2023. We also secured acknowledgement that New Zealand's phytosanitary control system satisfies the United Kingdom's requirements, which underpins \$905 million of plant products being exported from New Zealand to the United Kingdom.
- In addition, the New Zealand–United Kingdom FTA acknowledges that our Antimicrobial resistance (AMR) strategies and policies are designed to deliver comparable outcomes and that our animal welfare farming practices, while being substantively different, provide comparable outcomes in multiple areas.

- MPI supported the development of the Trade and Sustainable Development chapters of the **New Zealand–European Union FTA** with agreed-on provisions for promoting important trade and sustainable development outcomes. We also secured acknowledgment that our AMR regulatory standards, guidelines and surveillance systems deliver comparable controls and health outcomes and that our animal welfare standards and associated systems provide comparable animal welfare outcomes.
- We participated in the **Indo-Pacific Economic Framework for Prosperity** negotiations and the inclusion of the United Kingdom into the **Comprehensive and Progressive Trans-Pacific Partnership**. The current focus is on addressing non-tariff barriers to trade.
- **Sri Lanka:** We secured agreement to remove various costly testing requirements, facilitating \$254 million in dairy exports.
- **Vietnam:** We secured new market access for New Zealand strawberries and buttercup squash.
- **Philippines:** We secured an amendment to proposed regulations for trans-fatty acid limits for dairy products to continue exports (including butter) to this dairy export market, valued at \$678 million for the year to December 2022.
- **China:** During the year, New Zealand reinforced its economic ties with China and, on 28 November 2022, celebrated 50 years of diplomatic relations. Earlier in 2022, MPI worked with other agencies to finalise the upgrade to the 2008 New Zealand–China FTA. The upgrade includes further market access improvements for forestry, resulting in tariff-free access for 99 percent of New Zealand's \$3.6 billion wood and paper trade to China. It also includes new border clearance measures to facilitate food and fibre sector trade.

Key result area: Increasing food and fibre sector innovation

Progress indicator: MPI-supported programmes drive innovation to realise productivity improvements

Innovation is fundamental to the food and fibre sector's ability to grow the economy and adapt to changes in climate, markets, and consumer preferences. It drives creation of new high-value products and services as well as development of more efficient and sustainable primary production systems.

MPI supports and invests in innovation in a number of ways. The Sustainable Food and Fibre Futures (SFFF) fund co-invests in initiatives that enable food and fibre businesses and communities to develop new products, services, and systems.

Through the Fit for a Better World programme, MPI contributes to a number of projects aimed at enhancing production, yielding sustainable profitability, and enabling businesses to seize new opportunities.¹⁰

As at 30 June 2023, over:
\$566m co-invested in Sustainable Food and Fibre Futures projects alongside industry partners since inception in 2018

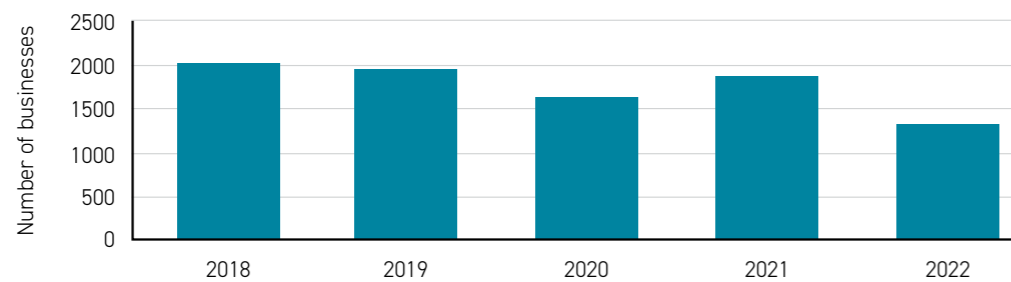
\$38.4m committed to 58 Sustainable Food and Fibre Futures projects in 2022/23¹¹

Progress indicator: Food and fibre sector businesses develop new, higher-value, market-led products and services

Nearly 1,500 food and fibre businesses that took part in the Stats NZ Business Operations Survey said they developed or introduced new or significantly

improved goods or services, operational processes, organisational or managerial processes, or marketing methods in 2022.¹²

Number of food and fibre businesses surveyed that developed or introduced new or improved goods, services, processes or marketing methods



10. To read Fit for a Better World – Accelerating our Economic Potential, visit our website: <https://www.mpi.govt.nz/dmsdocument/41031-Fit-for-a-Better-World-Accelerating-our-economic-potential>.

11. This is MPI internal data.

12. This statistic and the numbers in the graph on this page come from the Stats NZ Business Operations Survey 2022: <https://www.stats.govt.nz/information-releases/business-operations-survey-2022>.

Our achievements: Encouraging long-term sector growth and innovation

Exploring global demand opportunities toward the year 2050

The future of Aotearoa New Zealand's food sector: Exploring global demand opportunities in the year 2050 was published in April 2023.

This long-term insights briefing is a new requirement under the Public Service Act 2020. It is designed to provide information and analysis on medium and long-term trends, risks and opportunities that could affect New Zealand or its society.

MPI found through customer research that demand for New Zealand's current exports will remain strong but to build greater resilience and future value growth, New Zealand needs to adapt continuously to evolving global consumer and market demands. We also suggested ways to expand the country's reputation, diversify its exports and build new markets.



Supporting the food and fibre sector through industry transformation plans (ITP)

ITPs are a mechanism for building a more integrated and shared understanding of how to make the most of New Zealand's food and fibre's strengths, maximise new opportunities and respond to challenges on the horizon.

In 2022/23, we worked with industry advisers, Māori and other stakeholders to progress the development of the following ITPs:

Agritech

The *Growing Innovative Industries in New Zealand: Agritech Industry Transformation Plan* was developed in conjunction with industry and the Ministry of Business, Innovation and Employment (MBIE).¹³ This ITP focuses on strengthening and diversifying New Zealand's export products and industries.

A strong agritech sector is important for the productivity of the food and fibre sector and an important export growth opportunity. The ITP aims to accelerate the growth of the sector to \$8 billion by 2030 through funding investment in targeted initiatives. This will create a smarter innovation ecosystem, increase Māori participation in the agritech sector, encourage long-term investment and foster global connections.

13. To read the Agritech ITP visit the website: <https://www.mbie.govt.nz/assets/growing-innovative-industries-in-new-zealand-agritech-industry-transformation-plan-january-2023.pdf>.

Food and Beverage

The *Food and Beverage Draft ITP* was released in December 2022. The Draft ITP focuses on backing small and medium-sized businesses to innovate, grow and realise global market opportunities. This will be achieved by establishing a specialist navigator service, providing integrated market insights, facilitating a discussion on the role of genetic technologies in the sector, and building the case for scale-up facilities in New Zealand.

Fisheries

The *Mahere Takahuritanga Ahumahi Hao Ika: Fisheries Industry Transformation Plan* was released in August 2023.¹⁴ The ITP was developed in partnership with a leadership group comprising of industry, Māori, environmental, worker and food-innovation perspectives.

The ITP outlines a way forward for the commercial fishing industry and complements the other ITPs being developed.

Forestry and Wood Processing

The *Forestry and Wood Processing ITP* was published in November 2022.¹⁵ The ITP explores the use of New Zealand's forestry resources by processing more wood onshore, producing more high-value wood products and using residues to grow the forest-based bioeconomy.

This will create more high-paid jobs, build resilience in the sector and support the country's climate change goals.

Eleven foundational ITP projects have commenced, representing total funding of \$4.3 million. The majority of these projects are joint sector-government partnership projects for which the sector has co-funded \$1.46 million. We expect the project benefits will be realised over the next three years.

14. To read the Fisheries ITP visit the website: (<https://www.mpi.govt.nz/dmsdocument/58351-Fisheries-Industry-Transformation-Plan>).

15. To read the Forestry and Wood Processing ITP visit the website: (<https://www.mpi.govt.nz/dmsdocument/54472-Te-Ara-Whakahou-Ahumahi-Ngahere-Forestry-and-Wood-Processing-Industry-Transformation-Plan>).

Delivering an Action Plan for Horticulture

In addition to leading the creation of the official ITPs, MPI partnered with the horticulture industry, Māori, other government agencies, and science providers to develop *Growing Together 2035: Aotearoa Horticulture Action Plan – Strategy*.¹⁶ The plan builds on the sector's *Horticulture Post-COVID Recovery Strategy*.¹⁷

The new Action Plan focuses on activities and associated investment for the next decade across five critical outcomes. These are: grow sustainably, optimise value, Māori are strong in horticulture, underpinned by science and knowledge and nurture people.

Making our own innovations: The Future of Certification

New Zealand's certification systems are essential to support New Zealand's food and fibre sector exports. Certification provides official assurances that New Zealand's exports meet other countries' requirements. We build trust with overseas markets by confirming that the country's exports are safe, suitable for their intended use, free from pests, and authentic.

Alongside the sector, MPI is innovating how it delivers its services and is working towards delivering a modern, digital system under the Future of Certification programme.

In 2022/23, we completed the procurement of a technology vendor and the design and planning phases of the programme.

We also advanced, agreed, or implemented the transition to electronic certification with a range of trading partners, including: Chile, China, Colombia, the European Union, Indonesia, Korea, Malaysia, Philippines, Singapore, the United Arab Emirates and the United Kingdom. We will deliver the Future of Certification programme as sequenced releases so we can build the new certification system progressively and transition industry sectors into it fully by 2025.

16. To read the strategy visit the website: (<https://www.mpi.govt.nz/dmsdocument/55309-Growing-together-2035-Aotearoa-Horticulture-Action-Plan-Strategy>).

17. To read the strategy visit the website: (<https://www.hortnz.co.nz/news-events-and-media/media-releases/horticulture-post-covid-recovery-strategy>).

SFF Futures: Supporting sustainable commercial whitebait farming

In 2022/23, one of the projects funded through the SFF Futures fund has successfully shown the feasibility of meeting the domestic demand for whitebait with year-round commercial whitebait production.

With the help of \$988,000 from MPI and support from the Ngāti Tahu – Ngāti Whaoa Runanga Trust, Manāki Premium Marine Technology Limited was able to build a sustainable, land-based pilot whitebait production facility in Bluff.

During the pilot project, researchers tested variables to achieve optimum feed and survival. The pilot plant will be able to produce 500 kilograms of whitebait per week. The company expects to produce 26 tonnes of whitebait in its first year.

The project has changed the perception of commercial whitebait production. It also has the potential to take the pressure off wild fisheries and, therefore, boost wild stocks. In an added benefit, the project is employing 21 full-time staff, with projections of employing 40 staff in the future.

Key result area: Strengthening the food and fibre sector workforce

Progress indicator: Marketing campaigns increase the proportion of people considering working in the sector

To ensure that the sector has access to people with the right skills in the future, it needs to lift the skills of those already in the workforce, attract and retain people, and increase diversity.

MPI helps the sector attract more people through its workforce programme. This includes the Opportunity Grows Here attraction campaign, which we run with support from industry groups.

16,766 total number of people supported to get food and fibre sector jobs through MPI's workforce programme since it started in 2020/21

In 2022/23, **4,022** people were supported to get food and fibre jobs through MPI's workforce programme¹⁸

18. This is MPI internal data.

The survey by The Navigators for MPI in November 2022 showed that:

33% of people not working in the food and fibre sector said the appeal of working in the sector had increased over the past 12 months

79% of people who had seen the Opportunity Grows Here campaign over the past 12 months had thought or done something differently or felt different (about working in the food and fibre sector) as a result

Our achievements: Growing and strengthening the food and fibre sector workforce

Lifting participation through the Primary Sector Workforce Programme

The food and fibre workforce is fundamental to the sector's continued success. In 2020, we established the Primary Sector Workforce Programme with the aim of supporting at least 10,000 New Zealanders into the food and fibre sector over four years.

Based on the collective efforts across government and the sector, we have achieved this goal.

Working with schools and young people

The following are examples of the activities we supported in 2022/23:

- **Secondary School Employer Partnership Programme (SSEP):** SmartNZ and MPI partnered on the SSEP to provide a food and fibre focused programme in Canterbury schools. This programme connects food and fibre businesses with their local schools to support the alignment and delivery of the curriculum through contextualised learning activities relevant to the world of work.
- **Young Enterprise Scheme (YES) programme:**¹⁹ YES's Entrepreneurs in Action event involved 60 YES students participating in two back-to-back business challenges. MPI was a host company this past year and mentored a team of six senior high school students and one student alumnus during the challenges. As part of a sponsorship agreement with YES, in November 2022, MPI also held an innovation challenge. The students were introduced to the local aquaculture sector and innovation technologies being employed by the sector.

- **Inspiring the Future:** This series of events aimed to showcase different food and fibre sector jobs and encourage students to plan their education and career pathways into employment in the sector. MPI teamed up with New Zealand Young Farmers to run multiple events in Christchurch, Wellington and Auckland, with hundreds of students attending. The events connected students with sector role models who spoke about their jobs, what excites and inspires them, and why the food and fibre sector is so vital.

Supporting the sector's workforce goals with data and insights

From 2021 to 2023, MPI collaborated with the New Zealand Institute of Economic Research and a cross-industry and cross-government working group to develop a publicly accessible food and fibre employment dataset.

Our collective goal is to better understand the current workforce, how the labour and skill needs are likely to change, and how to help ensure New Zealand has the workforce needed for the future.

In June 2022, MPI published *The food and fibre workforce: Data on its size and composition*²⁰ and, in January 2023, *Workforce forecasts for 2023: Based on three future scenarios*.²¹

Boosting the Māori agribusiness workforce

Building a skilled and resilient workforce is an important focus of He Ara Mahi Hou: MPI's Māori agribusiness workforce programme.

We are supporting 11 projects through this new programme, with \$2.75 million of funding committed in 2022/23.

MPI is investing over \$300,000 into a one-year project by Ama Training Group Limited. The training provider will develop and deliver a bespoke kaupapa Māori pilot programme to Ngā Mahi Kaha Limited, a Taupō-based environmental contractor and iwi trust. The training will help the trust's staff to upskill and gain qualifications in several food and fibre-related subjects. The group intends to expand the programme to more iwi, hapū, whānau, and Māori-owned entities across New Zealand over time.

SFF Futures: Enabling advisory support for agricultural and horticultural science in schools

More young people considering food and fibre careers is the aim of a SFF Futures fund project that started in August 2022. MPI committed \$1.6 million over five years to develop a nationwide advisory team to provide support to agricultural and horticultural science teachers in secondary schools, create resources, and provide important links to local food and fibre sector partners.

As at 30 June 2023, the co-ordinators have held more than 20 face-to-face meetings in their regions to encourage peer-to-peer collaboration, sharing of expertise and better networking among agricultural and horticultural science teachers.

The advisory team has also provided advice to 38 schools so far and supported 10 teachers to upskill through a digital food and fibre insights course from KPMG New Zealand and the University of Waikato.



19. <https://youngenterprise.org.nz>

20. Read the report here:

<https://www.workforceinsights.govt.nz/assets/Documents-and-reports/NZ-food-fibre-sector-workforce-NZIER-MPI-June-2022.pdf>

21. Read the Workforce forecasts for 2023: Based on three future scenarios:

<https://www.nzier.org.nz/publications/workforce-forecasts-for-2032-based-on-three-future-scenarios>



Sustainability Kauneke Tauwhiro

Key result area: Helping meet our climate change targets by reducing the net impact of the food and fibre sector

Progress indicator: On-farm greenhouse gas emissions per unit of production are reduced

Overall, annual greenhouse gas (GHG) emissions from the agriculture sector have plateaued since 2005. However, a 1.5 percent decrease occurred in emissions between 2020 and 2021.

The agriculture sector has also decreased its emissions intensity. Emissions intensity reflects the amount of GHG emitted per unit of production. This has gradually declined as farming practices and technology have improved.

The decrease in emissions intensity per unit of production between 1990 and 2021 is as follows:

- milk – 31.7 percent
- beef meat – 32.2 percent
- sheep – 33.4 percent

Data Source: MPI internal data.

Progress indicator: Net removals from forestry are on track for its contribution to achieving New Zealand's climate change targets

Based on projections completed in December 2022, New Zealand is on track to meet the targets for GHG removals through land-use change and forestry (LULUCF) for emissions budgets 2 and 3 and is only around 2.3 million tonnes of carbon dioxide short of meeting the emissions budget 1 target.

Progress indicator: MPI's carbon emissions are reduced

MPI is working towards reducing its GHG emissions, in line with the requirements of the Carbon Neutral Government Programme.

Our achievements: Implementing climate mitigation initiatives to future proof the economy

Setting up the Centre for Climate Action on Agricultural Emissions

MPI received funding in 2022/23 over four years for the research and development of new tools and technology to help farmers and growers reduce their on-farm emissions. It included funding for the establishment of a new Centre for Climate Action on Agricultural Emissions (The Centre) in November 2022.

The Centre has two main components: AgriZero^{NZ}, launched in November 2022, and the New Zealand Agricultural Greenhouse Gas Research Centre (NZAGRC), set up in 2009. The Centre has already committed more than \$54 million in investments, alongside industry, since it was launched.

AgriZero^{NZ}

AgriZero^{NZ} is a 50/50 public-private joint venture company with industry partners jointly investing up to \$50 million a year. The partners include: ANZCO Foods, Fonterra, Rabobank, Ravensdown, Silver Fern Farms, and Synlait.

AgriZero^{NZ} has also announced its first investments including further work into a livestock methane vaccine, developing a slow-released methane-inhibiting capsule and investing into a GHG testing facility.

The New Zealand Agricultural Greenhouse Gas Research Centre

NZAGRC is a partnership between leading New Zealand research providers and industry bodies that invests in agricultural greenhouse gas emissions research. This was opened in 2009 and is hosted by AgResearch.

The NZAGRC will continue to lead research in reducing agricultural emissions. MPI is working with the NZAGRC to enhance its governance structure and funding arrangements to allow it to better deliver on research and development to meet emissions targets.

The forestry and wood-processing industry is contributing to a low-emissions bioeconomy

Forests are New Zealand's largest renewable resource and are vital in its move toward a more circular, low emissions economy. The materials, energy, and wood products that the forestry and wood processing sector produces are at the heart of the emerging bioeconomy.

We are working with the sector to unlock the potential of New Zealand's forestry and wood processing sector to grow the economy, build resilience, drive innovation, and respond to climate change.

Some of these initiatives are funded through the Climate Emergency Response Fund (CERF) programmes over multiple years and are designed to address the long-term nature of many of the challenges presented by climate change.

Enabling forestry regulations and legislation

MPI and the Ministry for the Environment (MfE) led consultation on amendments to the National Environmental Standards – Plantation Forestry (NES-PF) at the end of 2022. The consultation sought views on options to include permanent exotic forests in the NES-PF to manage the environmental effects of permanent exotic forests, to allow local councils to control the location of afforestation, and discuss findings from the Year One review.

The Forestry Act 1949 has been amended to ensure that entities providing forestry advice are registered and adhere to a code of ethics to certify transparent and professional advice.

Improving the Emissions Trading Scheme for forestry

The new Climate Change (Forestry) Regulations 2022, which implement changes to the Climate Change Response Act 2002, came into force on 1 January 2023. To give effect to these regulations, MPI has updated the Emissions Trading Scheme operational policies, standards and external guidance, and released Tupu-ake. Tupu-ake is a new technology platform (released in January 2023) that enables faster, more accurate processing of emission returns.

Since launching Tupu-ake, MPI has processed more than 3,000 emissions returns to the value of 11 million New Zealand Units.

Increasing the supply of woody biomass to replace coal and other high emission fuels and materials (Woody Biomass)

The Woody Biomass research plan explores the opportunity for alternative forest management regimes, and the recovery of harvested woody residues, to increase the availability of woody biomass for bioenergy and other uses.

Land acquisition for the joint venture planting of 5,000 hectares of short rotation forests commenced in May 2023, which will enable operational research and field trials to be completed.

Maximising Forest Carbon Programme – increasing natural sequestration to achieve New Zealand's future carbon goals

The research for this programme will develop approaches to improving forest carbon measurement, explore the impacts of forest management practices on carbon sequestration and extend the range of species that have carbon tables.

We have completed inventories of forest site data and forest carbon datasets, and a review of internationally used forest carbon accounting technology. Initial proof of concept research for using remote sensing technology (Lidar) to measure forest carbon is underway.

Establishing native forests at scale to develop long-term carbon sinks and improve biodiversity

The native afforestation research plan covers research into seed sourcing, propagation and establishment aimed to increase the viability and survival of native seedlings.

We have engaged with the sector to identify barriers and constraints affecting the supply and establishment of native trees. A native nursery survey to understand barriers in the sector has been carried out with results released in May 2023, and a literature review of existing nursery guidelines has been completed.

The Wood Processing Growth Fund

The \$57 million Wood Processing Growth Fund was launched in April 2023 to fund programmes that catalyse and accelerate investment in wood processing through the provision of grant and capital co-investment. This fund is anticipated to boost onshore processing capacity for high-value wood products and increase the amount of carbon stored.

Working with sector innovators

We have partnered with other government agencies and private entities to provide investment and technical support for businesses investing in primary and secondary wood processing, bioenergy and bio-products.

In 2022/23, we worked with Oji Fibre Solutions to complete the initial phases of studies on enhancing wood processing and bio-product production at its Kinleith Mill. We also worked with Fonterra and Genesis on the feasibility of producing advanced wood pellets for bioenergy and process heat, and Air New Zealand on the feasibility of sustainable aviation fuel production.

Key result area: Reducing environmental impacts of land and water use

Progress indicator: Fresh water quality is improved

MPI works with MfE to implement the Essential Freshwater programme to safeguard and enhance New Zealand's fresh water.

The programme's objectives are to: stop further degradation, show material improvements within five years and restore waterways to health within a generation.

In 2022/23, MPI developed regulations with MfE that enable the Freshwater Farm Plan (FWFP) system to be implemented across New Zealand.

Through the Integrated Farm Planning programme, MPI is supporting workforce development activities that are contributing to the delivery of FWFPs by growing the number and diversity of primary industry advisers.

Progress indicator: Farm nutrient loss and leaching per unit of production is reduced

MPI's Sustainable Land Management and Climate Change (SLMACC) Freshwater Mitigation programme is supporting field trials of existing farm technologies and practices that protect waterways and wetlands by reducing nutrient run-off and leaching. Between 2020/21 and 2022/23, MPI invested over \$14 million through the SLMACC Freshwater Mitigation programme into 12 research projects investigating freshwater mitigation technologies.

Progress indicator: The number of farm extension groups to monitor and manage the environmental impacts of local catchment ecosystems is increased

The Extension Services programme funds farm-led catchment projects that support sustainable land use and improve economic, environmental and farmer wellbeing outcomes.

A catchment group is a group of people who identify with a geographical area, usually based on a river or lake catchment, working together to take actions towards a common vision.

45 new catchment groups established through funding from our Extension Services programme in 2022/23

125 catchment groups established since the Extension Services programme started in 2020

Progress indicator: Erosion is reduced

MPI partners with councils and landowners to address erosion issues through tree planting, land retirement, reversion to native vegetation and fencing.

In 2022/23:

8,864 ha treated for erosion through the Hill Country Erosion Fund

1,700 ha of erosion-prone land had trees planted through the One Billion Trees programme

We also fund forestry research and innovation projects that contribute to many positive outcomes, including climate change mitigation.

93.8 ha had trees established through the Erosion Control Funding Programme

Our achievements: Supporting landowners

Implementing the integrated farm planning programme

In 2021, the Government committed \$37 million towards integrated farm planning, a voluntary framework that supports farmers and growers with their planning requirements.

Integrated farm planning helps farmers, growers and whenua Māori owners adopt an integrated approach to their farm planning.

In November 2022, we released a set of integrated farm plan templates that cover:

- people management
- biosecurity
- animal welfare
- greenhouse gases, and
- biodiversity.

Careers Pathway Scheme

This new scheme aims to increase the diversity and number of food and fibre sector advisers that have the capability to support integrated farm planning.

The response to the Careers Pathway Scheme has been positive, and significant interest has been shown from potential host organisations. Currently, 15 host organisations and more than 40 advisers are enrolled in the scheme.

Providing integrated support for farmers and growers

On Farm Support

On Farm Support is a regionally based service built to fill an identified gap in MPI and industry's capacity to undertake a national response. The service was built out of learnings from the independent *M. bovis* review (undertaken by Professor Nicola Shadbolt, Tony Cleland, and John Martin) to provide the capacity to deal with biosecurity responses, such as foot and mouth disease and any other significant cattle disease that would require a national response, African Swine Fever or Avian Influenza, should the need arise, and climate-related responses.

The team provides support for farmers and growers to optimise their strategies, help them in developing their farm plans, and in navigating an array of regulatory requirements. On farm support advisers live in their regions and work closely with industry organisations, regional councils, and the national science providers among others to ensure farmers have consistent and evidence-based messaging. This is to help them navigate complex challenges, seize opportunities, and enhance their overall performance.

As at 30 June 2023, On Farm Support had 43 staff across 10 regions, including 10 regional managers, 31 regional advisers and two specialist advisers.



Forestry Advisory Service

MPI's forest service advisers work closely with MPI's On Farm Support and Māori Agribusiness teams to form an integrated advisory service that operates regionally across New Zealand. As at 30 June 2023, the service had 13 staff operating across seven regions, including a national manager and three regional managers.

The service provides forest establishment advice, informs and connects stakeholders with MPI work programmes, projects and teams, and provides guidance on Forestry legislation and regulations.

Freshwater farm planning support

Freshwater farm plans are a module within the integrated farm planning framework and will provide a practical way to identify, manage and reduce the impact of farming on waterways. Setting up a certified freshwater farm plan system is part of the Essential Freshwater programme introduced in 2020.

Over the next year, MPI is committed to working with industry groups to support the roll out of integrated farm planning through their existing farm planning initiatives. The initial focus will be on integrating the freshwater farm planning requirements.

Māori Agribusiness

MPI's Māori Agribusiness teams support Māori landowners and agribusiness to meet their aspirations through their whenua. The teams provide access to funding, expertise, and advice, as well as facilitating connections to other services and support.

More than twenty staff are located across the regions, with more than eighty projects supported in the last year across the four Māori Agribusiness programmes.

Productive and Sustainable Land Use programme: Backing a sustainable vegetable industry

In 2020, MPI committed to investing \$4.7 million in Sustainable Vegetable Systems, an industry-led, collaborative research project that aims to understand the nitrogen flows in vegetable crop systems and find ways to reduce nitrate leaching.

In 2022/23, monitoring continued at nine commercial sites across New Zealand along with trials at Plant and Food Research sites in Canterbury and Hawke's Bay. Crop rotations under evaluation include potatoes, onions, brassicas, butternut squash, carrots and leafy greens.

Now in its third year, the four-year programme has also developed a nitrogen fertiliser decision support tool called N-Sight. The tool incorporates the latest knowledge developed by Plant and Food Research and aims to provide everyday support to help growers improve their nitrogen use efficiency.

Key result area: Sustainable management of our marine environment

Progress indicator: High compliance rates with legal requirements in commercial, recreational and customary fisheries are reached and maintained

151 fish stocks evaluated in 2022/23, representing 65% of the total catch

Progress indicator: The percentage of scientifically evaluated fish stocks with no sustainability issues is increased

86.8% of scientifically evaluated fish stocks showed no sustainability issues

MPI regularly assesses New Zealand's fish stocks to ensure they remain sustainable.²² The most recent data, from December 2022, shows that most fish stocks of known status are in good shape.

85.7% of inspected commercial operators were found to be voluntarily compliant

A high compliance rate indicates a high proportion of stakeholders understand and follow the rules.

94.1% of inspected recreational fishers were found to be voluntarily compliant



²² See our website for more information on fish stocks: (<https://www.mpi.govt.nz/fishing-aquaculture/fisheries-management/fish-stock-status>).

Our achievements: Improving the long-term health and resilience of oceans and fisheries

Implementing the Fisheries Change Programme: Sustainable fisheries for every New Zealander

This year, MPI supported the most significant changes to the Fisheries Act in recent years: the Fisheries Amendment Act 2022, which became law on 1 November 2022.

The changes include:

- clarifying commercial fishing rules that set out which fish must be brought back to port and which can be returned to the sea
- introducing new graduated offences and penalties, including enabling the creation of an infringement regime for less serious offences
- enabling the further use of on-board cameras
- creating a new defence to help save marine mammals and protected sharks and rays, and
- streamlining the adjustment of recreational management controls.

Action towards protecting the Hauraki Gulf

Released in 2021, *Revitalising the Gulf: Government action on the Sea Change Plan* is the Government's strategy in response to the call for action made by the stakeholder-led "Sea Change" process for the Hauraki Gulf Marine Park.

The strategy provides a roadmap for delivering fisheries management and marine conservation actions to address the Gulf's decline in health and mauri.

Fisheries New Zealand has progressed several workstreams under the Revitalising the Gulf programme in 2022/23, including:

- a dedicated Hauraki Gulf fisheries plan (released in August 2023)
- establishing the Hauraki Gulf Fisheries Plan Advisory Group
- working to deliver "trawl corridors" for the Gulf

- supporting development of fisheries indicators and a monitoring framework through the Sustainable Seas National Science Challenge, and
- strengthening opportunities for iwi and community involvement in local area management through Ahu Moana pilot projects.²³

Hector's Dolphin Bycatch Reduction Plan

Hector's dolphins are a national taonga, and we want to make sure they are here for future generations.

Regulations to support the Bycatch Reduction Plan for Hector's dolphins were implemented on 1 December 2022. The plan is intended to leverage new technology to incentivise the fishing industry, with support from the Department of Conservation (DOC), to take responsibility for reducing the number of fishing-related deaths of Hector's dolphins.

Continuing to protect fish stocks

We regularly assess and adjust regulated catch limits, to ensure the sustainability of New Zealand's fisheries. Our work involves making sure we balance economic, social, environmental and cultural outcomes for fisheries.

Another way we make sure fish stocks remain sustainable is by ensuring fishers are aware of the regulations. The table below shows our fisheries compliance activities in 2022/23.

Table: MPI's 2022/23 fisheries compliance activities

Commercial inspections	1,541
Commercial advice	870
Other inspections	24,914
Poaching phone calls	1,030
Infringements	589
Prosecutions	177

SFF Futures: Supporting Mai-Paritu-tae-atu-ki-Turakirae Fisheries Forum

The Mai-Paritu-tae-atu-ki-Turakirae Fisheries Forum was the inaugural winner of the Tangata Tiaki/Kaitiaki category of the 2023 Seafood Sustainability Awards.²⁴

The forum is a voluntary collective of Māori tāngata kaitiaki, mana whenua and mana moana spread along the east coast of the North Island, from Tauranga in the north to Wairarapa in the south.

The award acknowledged the forum's successful Ngā Huruhuru Waitai o Tangaroa project, funded by the SFF Futures fund.

Improving sustainability through a tikanga-based framework resulted in three Marautanga-a-Tangaroa training sessions being delivered across the forum's area in August 2022 for tangata kaitiaki and other whānau, hapū and marae customary food gatherers.

The training focused on fisheries management planning and compliance, environmental monitoring, fisheries research and data governance, sustainability and water safety.



Honorary fisheries officers

24. Read more about the New Zealand Seafood Sustainability awards and the 2023 winners: (<https://www.mpi.govt.nz/about-mpi/our-work/mpi-scholarships-and-awards/new-zealand-seafood-sustainability-awards-2023>).



Protection
Whakangungu

Key result area: Protecting New Zealand from harmful pests and diseases

Progress indicator: The impact of harmful pest and diseases in New Zealand is reduced

Wallaby control²⁵

MPI leads the Tipu Mātoro National Wallaby Eradication Programme, which includes regional councils, iwi, farmers, foresters, the Department of Conservation, Land Information New Zealand, Manaaki Whenua – Landcare Research and Forest and Bird.

Over 450,000 ha
covered through wallaby control
activities in 2022/23

1.2 million hectares covered since the
programme started in 2020



25. <https://www.mpi.govt.nz/biosecurity/exotic-pests-and-diseases-in-new-zealand/long-term-biosecurity-management-programmes/controlling-pest-wallabies-in-nz/>

Wilding conifer control²⁶

The National Wilding Conifer Control Programme was established in 2016. It aims to prevent the spread of these tree pests and to progressively remove them from much of the land already invaded. The programme is a partnership between central and local government agencies, the farming and forestry industries, landowners, and the community sector.

Around 70 percent of the total area of known wilding conifer infestation in New Zealand has now had at least one round of control.

Over 400,000 ha
treated for wilding conifers in
2022/23

2.6 million hectares treated since the
programme started in 2016

26. <https://www.mpi.govt.nz/biosecurity/exotic-pests-and-diseases-in-new-zealand/long-term-biosecurity-management-programmes/wilding-conifers/>

Progress indicator: Everyone champions biosecurity in New Zealand and owns their responsibility

We engage with industry through two agreements:

- The Biosecurity Business Pledge: Developed by businesses, in partnership with Biosecurity New Zealand, the Pledge provides a framework for managing the risk of unwanted pests and diseases (plant or animal) disrupting individual businesses and sectors.
- The Government-Industry Agreement on Biosecurity Readiness and Response (GIA) is a similar agreement that brings together government and primary industry groups, to better manage pests and diseases that could damage New Zealand.²⁷

MPI engages with the public through the following campaigns:

- The campaign to prevent the spread of exotic *Caulerpa* seaweeds
- The Check, Clean, Dry campaign to prevent didymo and other pests
- The Report Wallabies campaign
- The brown marmorated stink bug campaign
- Providing advice to farmers and livestock owners about foot and mouth disease
- The "Declare or dispose" campaign, which is provided in a range of languages

149 new signatories to the Biosecurity Business Pledge

338 business organisations have now joined the pledge since its launch in 2019



The brown marmorated stink bug

Our achievements: Strengthening the biosecurity system

Biosecurity New Zealand's efforts towards a safer and smarter border

MPI's biosecurity system protects the food and fibre sector, which generates around \$57.4 billion in export revenue. This is done by keeping out harmful pests and diseases and managing those that do enter New Zealand. Biosecurity helps us protect New Zealand's native flora and fauna, whenua, freshwater, and marine environments, as well as its culture, livelihoods, and health, while allowing for ongoing growth in trade and tourism that is important for the economy.

The number and complexity of biosecurity risks we face is increasing. To keep pace with these emerging threats, we need to make sure our biosecurity system is resilient and adaptable.

Resourcing for a changing world

Passenger numbers arriving in New Zealand have significantly increased since COVID-19 travel restrictions were lifted. MPI has worked hard, alongside other agencies, building a resilient workforce to meet the increase in international arrivals at airports and ports. Last year, 64 new officers started nationwide, with 46 based in Auckland. So far, 81 new officers have started this year, with 56 based in Auckland. We have another recruitment round planned for November 2023. This is alongside other measures including introducing lanes for low-risk passengers.

Digitising traveller declaration

In 2022/23, MPI worked in partnership with the other New Zealand border agencies to develop the New Zealand Traveller Declaration (NZTD). This provides a digital alternative to the paper arrival card for people entering New Zealand and is an integral part of modernising the New Zealand border experience.²⁸

The NZTD was launched in July 2023.

Keeping up the fight against brown marmorated stink bugs

MPI put in considerable effort over the summer of 2022 to keep New Zealand free of *Halyomorpha halys*, commonly referred to as the brown marmorated stink bug. This bug is an agricultural, horticultural, and social pest. If established in New Zealand it could decimate the fruit and vegetable industries.

The risk is highest for New Zealand during the summer months. This is because brown marmorated stink bugs in the Northern Hemisphere are overwintering (waiting out the winter season). Therefore, they are more likely to be hiding inside cars and machinery that are transported to New Zealand during this time.

The interventions in the biosecurity system include international requirements for treatment of risk goods, border inspections and a domestic surveillance programme. The number of detections this season was less than the previous year, indicating the interventions were successful in reducing the risk of brown marmorated stink bugs arriving or establishing themselves.

New X-ray machines for the Auckland Processing Centre

In 2022/23, as part of our continuous improvement of the border protection system, we successfully acquired high-tech X-ray scanners for the new Auckland Processing Centre.

Of the three new X-ray machines, one produces 3D images and the other two are 2D. We already use X-ray scanners to check mail, but the upgraded technology will allow us to use algorithms (in development) to help detect biosecurity threats. The project team is now creating plans and test scenarios to ensure testing progresses smoothly after installation.

27. Read more about the Government Industry Agreement: Biosecurity on our website: (<https://www.mpi.govt.nz/biosecurity/about-biosecurity-in-new-zealand/government-industry-agreement-biosecurity>).

28. The agencies involved in the development of the NZTD are: Immigration New Zealand, MPI, Maritime New Zealand and New Zealand Customs Service.

Major construction of the new Auckland Processing Centre was completed in 2023, and the new facility, owned by New Zealand Post, is expected to be operating by the end of 2024. Our collaboration will continue in the new centre, where we will be joined by New Zealand Post staff, who will deal with domestic mail.

Foot and mouth disease (FMD) response update

In June 2022, we established the foot and mouth disease (FMD) Task Force following the May 2022 outbreak in Indonesia. The purpose of the FMD Task Force is to accelerate priority projects across MPI, with wider biosecurity stakeholders, with iwi and across the public service to deliver increased FMD readiness and resilience.

Highlights and key deliverables in 2022/23 include:

- a new disease management strategy and four updated operational plans (Destruction, Disposal, Cleaning and Disinfection, and Movement)
- the new Te Mahere Rautaki Tiaki Strategic FMD Playbook, which guides the main actions to be undertaken by key participants in the event of an outbreak
- a new framework for engagement with Māori, to ensure we develop solutions that incorporate Māori perspectives into our FMD work
- an all-of-government FMD communications plan and associated collateral
- over 130 separate FMD engagements across government agencies, Māori, industry, the livestock and financial sectors, the veterinary community, local and regional councils, rural support services and suppliers, and international counterparts, and
- the establishment of a new FMD Pacific biosecurity team, supported by the Ministry of Foreign Affairs and Trade, with eight successful biosecurity engagements with Fiji, Vanuatu and Solomon Islands.

Towards eradicating *Mycoplasma bovis*

MPI is currently five years into a 10-year eradication programme. All evidence indicates we are at the tail end of the delimiting phase – controlling the last known pockets of *M. bovis* infection – and working towards moving into the provisional absence phase.

This background surveillance will continue throughout the life of the 10-year programme so we can provide the evidence that will eventually support New Zealand's statement of absence.

On 1 November 2023, the long-term surveillance phase of the Programme will be contracted to disease management agency OSPRI.

Supporting the transfer of snow leopards from Australia

Wellington Zoo opened its new snow leopard habitat on 12 April 2023. The enclosure houses New Zealand's only snow leopards; two sisters, Asha and Manju.

Verification Services in MPI was involved in bringing snow leopards to New Zealand and had representatives on a cross-government group, which provided advice on the design of the enclosure.

MPI also approved the enclosure under the 'Standard for Zoo Containment Facilities' and will regularly monitor the enclosure to ensure that the requirements of the Biosecurity Act and Hazardous Substances and New Organisms (HSNO) Act are met.



Snow leopard photo courtesy of Wellington Zoo

Key result area: Maintaining and growing New Zealand's reputation as a trusted provider of safe and nutritious food to New Zealand and the world

Progress indicator: Consumer perception of the quality and premium value of New Zealand food and fibre products is improved

New Zealand has succeeded in maintaining its position, in terms of consumer awareness, as a producer of premium food and drink.

This positive consumer perception has been captured in recent surveys commissioned by New Zealand Trade and Enterprise. It measured consumer awareness of New Zealand as "a producer of premium food and beverage products" across five main markets: Australia, China, Japan, the United Kingdom and the United States of America.

Consumers are looking for tasty, safe, nutritious and sustainable products, and New Zealand's food and beverage proposition is in a strong position to capture attention and drive preference.

Progress indicator: Levels of compliance with food safety legislation and regulation within New Zealand and for food exported out of New Zealand are increased

Maintaining the trust of overseas markets in New Zealand's products is crucial for enabling New Zealand's food and beverage businesses to succeed.

To help wine and animal product businesses comply with both domestic and international food safety rules, in 2022/23 MPI delivered the regulatory redesign project. This has made it easier for businesses to understand the requirements and how to comply with them.

Progress indicator: Rates of foodborne illness are controlled and reduced

Campylobacteriosis is the most common foodborne illness in New Zealanders and is strongly linked to the poor preparation and cooking of chicken meat. It causes gastroenteritis and, in some cases, severe longer-term illness, such as Guillain-Barré syndrome.

MPI has been working to reduce the rate of foodborne campylobacteriosis since 1998, and particularly from 2006, when the disease reached an all-time high. Since then, our measures and those of industry have halved the incidence of notified illness.

To support MPI's efforts in 2022, we launched the Chicken Scene Investigators campaign. This is a series of short videos highlighting how people can keep themselves safe over summer when handling chicken meat.



Become a Chicken Scene Investigator today



Our achievements: Ensuring New Zealand food is safe and suitable

Making sure food safety regulations are fit for purpose

In 2022, we completed a five-year programme to simplify and consolidate the regulatory requirements for wine and animal product businesses. This involved regular engagement and collaboration with industry stakeholders to make sure the regulations and associated notices were well structured, accessible, and clearly delivered to support business compliance and the protection of public health.

The new regulations came into effect on 1 July 2022.

MPI received positive feedback from industry stakeholders on the engagement and consultation processes.



The "Use By" and "Best Before" campaign pictures

Protecting consumers through product recalls

In 2022/23, New Zealand Food Safety continued to work successfully with food business to protect consumers from contaminated products. This included two significant recalls:

Frozen berries

Between 28 June 2022 and 3 July 2023, an outbreak occurred of 39 confirmed cases of hepatitis A in New Zealand linked to people eating frozen berries.

We worked with members of the International Food Safety Authorities Network to obtain information about the outbreak and identify where the frozen berries originated. Public information was also issued to educate consumers on the possible risk of hepatitis A and provided advice on how to manage the risk from all frozen berries.

We also supported the affected food business to initiate a consumer-level recall of frozen berries, due to a possible link between the hepatitis A cases and frozen berries from Serbia.

Bacteria in tahini

In February and June 2023, *Salmonella* was detected in products containing tahini imported from Turkey and Jordan. As a result, New Zealand Food Safety supported 13 food businesses to initiate 13 consumer-level recalls. Fifty-four unsafe food products containing the tahini were removed from distribution and consumers' homes.

MPI also notified and shared information with other countries that may have received recalled products. No salmonellosis cases have occurred with a confirmed association with food products containing the imported tahini. We are now looking into strengthening the controls and oversight for companies importing crushed sesame seed-based products.

Improving the management of antimicrobial resistance risks

The World Health Organization rates antimicrobial resistance (AMR) as one of the top 10 global health threats. AMR is mainly caused by overuse or misuse of medicines used to treat infections, and lack of disease prevention controls. AMR is a risk for human, animal and plant health, and the environment and, therefore, for New Zealand's food and fibre sector.

Over the past year, we have established a programme to reduce the risks of AMR in New Zealand. The programme focuses on:

- educating different sectors, including members of the public
- monitoring and surveillance of AMR in animals and plants
- auditing agricultural sectors that use antimicrobials, and
- ensuring antimicrobials used in animals and plants have good controls and regulations to make sure they are used sensibly.

SFF Futures: Helping make apples and pears smart and sustainable

MPI has teamed up with New Zealand Apples and Pears to develop innovative solutions for reducing the use of sprays and agrichemicals in New Zealand's apples and pears industry.

The smart and sustainable programme uses new technology, data and information solutions. With a \$7.4 million boost over seven years from the SFF Futures fund, the programme aims to set the industry on the path to becoming spray free by 2050. This would result in a 35 percent reduction in the industry's GHG emissions.

Phytosanitary (plant health) standards for detectable pests and food safety standards for agrichemical residues are important requirements for New Zealand's export markets, with Europe and Asia setting new targets for the reduction of agrichemicals by 2030.

Export revenue for New Zealand apples and pears is projected to reach \$2 billion by 2030. This programme will protect New Zealand's existing high-value market share and future growth prospects with fruit that is residue-free and sustainable.



Key result area: Improving animal welfare practice in New Zealand production systems

Progress indicator: Compliance with animal welfare standards is increased

In the calendar years 2021 and 2022, between late April and early September, MPI carried out Project Poharu, a series of proactive education and engagements with farmers based in Southland and Otago. The aim was to increase compliance with the Animal Welfare Act 1999 in relation to winter grazing in these regions.

This was done through a combination of pre-winter visits to farms and grazing blocks to discuss what plans were in place and responding to complaints

during the winter seasons. Since this project began, a decrease in mud-related animal welfare cases has been observed.

In 2022/23, Southland and Otago had 22 animal welfare cases relating to mud (winter grazing practices), compared with 39 cases in 2021/22.

There was a 43 percent decrease in public complaints between 2021/22 and 2022/23.

Our achievements: Strengthening New Zealand's animal welfare outcomes

Strengthening the codes of animal welfare

MPI works alongside the National Animal Welfare Advisory Committee in the reviews of these codes, always considering current good practice, scientific knowledge and available technology. The process includes regular engagement with external stakeholders to discuss proposed changes to the codes. The codes currently being reviewed are those for dairy cattle, deer, pigs, beef cattle and sheep, and rodeos.

New Zealand has a reputation for strong animal welfare practices in its production systems and is known as a country that takes animal welfare seriously.

Ensuring compliance with animal welfare best practice

Animal welfare compliance overview

In 2022/23, we issued 584 infringements under the Animal Welfare (Care and Procedures) Regulations 2018, and a total of 33 animal welfare prosecutions were finalised in court.

Persevering to defend animal welfare

In April 2022, MPI received a complaint that horses at a Kaikōura property were being mistreated and were in poor condition with limited food. We led a challenging operation requiring multiple entries to the property under a search warrant to carry out the enforcement order.

Through this process, MPI has developed a new relationship with Harness Racing New Zealand. Because of this relationship, 29 of the 44 horses at the property were able to be rehomed by Harness Racing New Zealand.

Since the order was executed on 26 October 2022, the person in charge of the animals has been banned from breeding horses or being in charge of horses in the future.

SFF Futures: Supporting animal welfare research

A four-year project investigating tail damage in New Zealand cattle is now in its second year. MPI is investing just over \$604,000 into a project with Veterinary Enterprises Group Limited that aims to gauge the prevalence and cause of damaged tails and farmer attitudes towards, and understanding of, tail damage in New Zealand.

The first major part of the study is now complete, with more than 90,000 cows' tails scored (each cow was given a score on the condition of the tail) on both dairy and beef farms.

In the second phase of the project, the researchers have been delivering specific training to farmers on preventing tail damage.





Visible Leadership Ngā Manukura

Key result area: Strengthening partnerships with industry and across government

Progress indicator: MPI-led initiatives in the sector's Fit for a Better World roadmap are delivered

Progress indicator: Strong industry engagement in MPI-led forums and events

Each year, MPI supports various forums for food- and fibre-related industries, such as the Food and Fibre Partnership Group (FFPG) and the Ngā Pouwhiro Taimatua forum, through the Fit for a Better World work programme.

As of July 2023, Fit for a Better World (FFBW) has:

22 programmes
consisting of **42** initiatives
delivering positive outcomes for
the sector

Progress indicator: MPI's publicly released science, data, research and evaluation is valued by industry

Staff in our plant health laboratories identify about 1,000 plant diseases and 6,000 bugs a year. Our Animal Health Laboratory processes about 37,000 diagnostic tests a year.

We enhanced our scientific services in 2022/23 by using high-throughput screening platforms in MPI's Plant Health and Environment Laboratory, to speed up identification of viral sequences in diagnostic samples. We reduced detections from 24 to 72 hours to 1 to 2 hours.

Progress indicator: Regional communities, connections and resilience are improved

Helping rural communities prepare for and recover from adverse events, and strengthening their overall resilience, is an important part of our role. This was highlighted in 2022/23 with Cyclone Gabrielle and other severe weather events that hit rural areas and the food and fibre sector.

Rural community hubs respond to local priorities for building connections and community capabilities. They focus on enhancing community access to government and non-governmental services and supporting and encouraging community prosperity. MPI has provided support and seed funding to help establish hubs throughout New Zealand.

7 new rural community
hubs established

32 rural community hubs in total set up
since December 2019



Robyn Meehan (Director Māori Agribusiness, MPI) with Ratahi Cross (chair of the Ngāi Tukairangi Trust). The Ngāi Tukairangi Trust was one of the three finalists of the 2023 Ahuwhenua Trophy for excellence in Māori horticulture.

Our achievements: Improving the resilience of rural communities

Supporting the development of resilient, thriving and connected rural communities

In 2022/23, MPI worked across government agencies to help make sure people living in rural areas have more reliable and sufficient access to critical services. This included working with MBIE to improve digital connectivity in rural areas.

- **Allocation of the 3.5 GHz spectrum:** Mobile network operators will inject nearly \$72 million into further rural connectivity improvements and speed up the provision of 5G services to around 55 rural and regional centres.
- **Development of the Remote Users Scheme:** A \$15 million fund helping eligible users in remote locations get internet connection, potentially including access to satellite technologies where no other alternatives work.

Joint project with NIWA to develop a new drought-forecasting tool

In 2022/23, MPI provided \$100,000 to NIWA to continue the development of a new drought-forecasting tool. The tool makes use of innovative climate modelling to help farmers and growers prepare for dry conditions. It will provide daily drought forecasts out to 35 days.

State-of-the-art data-driven techniques are being used by NIWA scientists to make these predictions more precise for New Zealand, building on a weather model released in 2020 by the United States of America National Oceanic and Atmospheric Administration. A prototype tool was released in New Zealand in late 2022 for testing over the 2022/23 summer period and will formally go live in late 2023.

Providing mental health and wellness support

In 2022/23, we provided additional funding of \$100,000 to Whānau Āwhina Plunket to extend its volunteer-driven community services to additional rural communities throughout the South Island.

The grant has been used for initiatives such as running playgroups, hosting coffee mornings, running a swim programme for young children, delivering injury prevention training and continuing its "Give People Support" service. This matches families with new-born babies to volunteers who can provide extra support. The regular opportunities for face-to-face contact make a big difference to the health and wellbeing of both parents and their children, and the mix of activities and support available is tailored for each region.

Sector partnerships

Food and Fibre Partnership Group

The Food and Fibre Partnership Group comprises chairs and chief executives from across the sector, Māori, and government who come together in partnership for the benefit of all New Zealanders.

This strategic group focuses on opportunities to increase volume (such as production efficiency and land optimisation) and/or value (such as product attributes, branding and supply chain integration) and champion the continued evolution and transformation of core industries.

The Food and Fibre Partnership Group works alongside the other Fit for a Better World partnership groups, Te Puna Whakaaronui and Ngā Pouwhiro Taimatua, drawing on their insights and analysis to deliver value for food and fibre sector.

Recognising our partners and stakeholders

Support for the FMG Young Farmer of the Year Awards

MPI sponsors and contributes content to the FMG Young Farmer of the Year regional, district and grand final events around New Zealand. As part of the 2022 sponsorship agreement, MPI created and ran modules for both the Practical Day (a module for each age demographic) and Technical Day (human resources module).

These modules tested competitors on topics such as land use capability, staff welfare, calf disbudding (the removal of horns from calves less than six weeks old), wintering a beehive and managing staff during a stressful situation. The modules were well received by all participants, especially the AgriKidsNZ module on wintering a beehive, which was mentioned during the AgriKidsNZ award ceremony as a winner's favourite.

Biosecurity Awards

Each year, alongside sponsors, we organise and promote the New Zealand Biosecurity Awards. This is to recognise and celebrate outstanding contributions to protecting the country from pests and diseases.

WilderLab's new environmental DNA (eDNA) technology won the Mondiale VGL Innovation Award and also took out the Supreme Award. The new method allows scientists to identify what native and pest species are in the environment with just a cup-sized water sample.



New Zealand Biosecurity Awards - Supreme Award Winner Wilderlab NZ Ltd

Key result area: Strengthening relationships with Māori

Progress indicator: Co-designed initiatives between our business units and Māori stakeholders, such as the Māori Primary Sector Leaders' Forum, are increased

Progress indicator: Partnerships with Māori in industry areas, such as agriculture, forestry, horticulture and aquaculture, are increased

One important way we connect with Māori is by working with Ngā Pouwhiro Taimatua – the Māori Primary Sector Forum.

In 2022/23, the result of this collaborative work was the delivery of *Rautaki mo te taurikura – Embracing change for prosperity*.²⁹

The Māori-led innovation and tikanga-based climate change programmes have been designed in partnership with Māori landowners and Māori primary sector experts to respond to climate change and support a transition to a low emissions future for whenua Māori.

In 2022/23, MPI had committed:³⁰

\$2.9m to 14 projects through the new Māori Agribusiness Innovation Fund

\$2.8m to 11 projects through He Ara Mahi Hou – the Māori Agribusiness Workforce programme

Progress indicator: Māori participation in innovation initiatives, including consideration of mātauranga Māori solutions to issues facing the food and fibre sector, is increased

The newly established Māori Agribusiness Innovation Fund supported 14 projects ranging from the development of beef protein bars using non-replacement calves, through to skin care products drawing on rongoā Māori.

Two pilot projects were started under the Māori-designed and led CERF programme to test new low emissions approaches for Māori agribusinesses.

\$3.6m to 22 new Māori Agribusiness Extension (MABx) clusters

\$1.3m to 27 new Māori Agribusiness Pathway to Increased Productivity (MAPIP) projects

Progress indicator: Evidence that Māori perspectives are well considered and embedded in our work across policy, programmes and services is increased

The examples below show our progress towards embedding Māori perspectives across our work in 2022/23:

- establishing Te Tari o Tumuaki Tuarua Māori, to support, monitor and coordinate activities, including building capability, across MPI to ensure Treaty considerations and Māori perspectives inform our work
- publishing our *Biological Emissions Reduction Science and Mātauranga Plan*³¹
- working closely with Te Puni Kōkiri to ensure that the support package for silt and debris removal was accessible and supported owners of whenua Māori in Te Tairāwhiti and Hawke's Bay, and
- supporting Ngā Pou a Tāne (National Māori Forestry Association) to develop a Māori forestry strategy to help empower Māori to be forestry decision makers and support greater Māori participation and representation in the industry.

Progress indicator: Our Treaty settlement commitments are delivered

An important part of MPI's role is ensuring the Crown's Treaty responsibilities are upheld. This includes ensuring our specific responsibilities under Treaty settlement commitments are met as well as honouring the intention of a renewed relationship between iwi and MPI.

At 30 June 2023, MPI had 763 individual Treaty settlement commitments to uphold, with specific responsibilities relating to the fisheries and aquaculture sectors.



Wi Pere Trust, who were named the overall winner of the Ahuwhenua Trophy - Excellence in Māori Horticulture Award 2023, pictured with MPI staff

31. Read the Biological Emissions Reduction Science and Mātauranga Plan: (<https://www.mpi.govt.nz/dmsdocument/56668-Biological-Emissions-Reduction-Science-and-Matauranga-Plan>).

29. Read the Rautaki mo te Taurikura - Embracing change for prosperity: (<https://www.mpi.govt.nz/dmsdocument/54376-MPI-Maori-Strategy-Food-Fibre-report-Rautaki-mo-te-Taurikura-Embracing-change-for-prosperity>).

30. For more information see our website: (<https://www.mpi.govt.nz/funding-rural-support/maori-agribusiness-funding-support/introduction-to-maori-agribusiness>).

Our achievements: Strengthening our partnerships with Māori

Launching *Rautaki mo te taurikura*: The Māori food and fibre sector strategy

MPI launched *Rautaki mo te taurikura – Embracing change for prosperity* at Fielddays in December 2022, with Ngā Pouwhiro Taimatua.

This plan has three areas of focus:

- **Mahi Tahi**, partner to reflect the challenges and opportunities for Māori
- **Pūtea penapena**, invest in the development of emerging and new products that offer unique advantages and opportunities for Māori, and
- **Te Waihanga**, build tailored services to meet the aspirations of Māori, to enable greater choice for the whenua, moana, and resources.

MPI is working towards delivering the actions outlined in the plan, with Ngā Pouwhiro Taimatua providing oversight in addition to strategic advice on emerging issues, such as cyclone response and recovery.

Ngā Pouwhiro Taimatua

Ngā Pouwhiro Taimatua was established to strengthen partnerships between Māori and MPI. Ngā Pouwhiro Taimatua provides strategic advice towards policy solutions and opportunities for how participants in the Māori food and fibre sector can best realise the potential of their whenua, communities and economy.

Te Whenua Hou Te Whenua Whītiora is a partnership with Ngāi Tahu and Ngāi Tūāhuriri

MPI is supporting its efforts to restore and enhance farm soil health by providing \$8 million for a seven-year research programme to viable alternative farming systems. The research seeks to understand which systems enhance soil health, have a lower environmental footprint, reduce water use and promote kaimahi wellbeing while remaining financially profitable.

Establishing Ngā Pou a Tāne and developing a national Māori forestry strategy

In May 2023, Ngā Pou a Tāne hosted a wānanga of over 80 Māori forestry leaders to initiate the development of a Māori forestry strategy. This is a key initiative in Te Ara Whakahou – Ahumahi Ngahere – the *Forestry and Wood Processing ITP*. It is anticipated the strategy will be completed in 2023/24.

A pilot platform for enterprise resource planning management is also being developed, to better enable te ao Māori forestry management. It is being expanded to include the multiple uses for ngahere Māori (Māori forests), whakapapa benefit flows and Māori data sovereignty.

Developing a Māori value chain work programme

MPI is undertaking work to understand how it can better support Māori agribusinesses within the food and fibre sector value chain. The work includes understanding domestic and international value chain research and activity, and the current experiences of Māori agribusinesses at different stages of value chains. This will complement other work under way to support lower carbon emissions in the food and fibre sector. It also includes consideration of a Māori value chain work programme and roadmap for the next five years.

Platinum sponsor of Ahuwhenua Trophy for excellence in Māori farming and horticulture

MPI is a platinum sponsor of the Ahuwhenua Trophy competition, along with Te Puni Kōkiri. This prestigious competition, established in 1933, celebrated its 90th year in 2023. The Ahuwhenua Trophy competition alternates between celebrating Māori excellence in dairying, sheep and beef, and horticulture, and runs in parallel with the Young Māori Farmer of the Year competition.

Wi Pere Trust won the Ahuwhenua Trophy competition in both 2023 for horticulture and 2022 for sheep and beef.

Our achievements: Supporting the country through adverse weather events

In 2022/23, New Zealand experienced significant adverse weather events, including Cyclone Gabrielle. These events caused considerable damage to multiple regions in the North Island, triggering a national state of emergency. Flooding, slips, and silt caused damage and destruction to farms, orchards, vineyards, forests and other primary sector businesses. Unprecedented amounts of rain flooded farmland, damaged infrastructure, and washed away crops. The record rainfall came on top of what had been a challenging and wet season for many in the upper North Island. Additional damage to roading infrastructure left rural communities in Hawke's Bay and Tairāwhiti completely cut off, with no road access.

MPI staff, including our On Farm Support team, were on the ground providing support to the sector and the rural communities. Going forward, On Farm Support will play a critical part in regional recovery efforts.

Funds were made available to help farmers, growers and whenua Māori owners recover from North Island weather events, including Cyclone Gabrielle. MPI was responsible for administering these funds. As at 30 June 2023, 93% of eligible applications (5,616 applications) were assessed and paid. This amounts to a total of just over \$64 million. An additional \$35.4 million was provided to help rural communities recover from North Island weather events. Applications for this fund are currently being processed.

Supporting the Cyclone Gabrielle response and recovery

MPI's response to Cyclone Gabrielle involved over 500 staff across all business units including senior MPI staff on the ground. We were involved in all-of-government strategic crisis management meetings, the National Crisis Management Centre and regional response structures across six regions.

We collaborated across the government, local councils, Civil Defence Emergency Management,

rural advisory groups, Māori communities, including whānau, hapū and iwi, and food and fibre sector leaders, to make sure affected communities and businesses were supported.

Overview of the Cyclone response in Hawke's Bay

MPI established a Hawke's Bay response co-ordination centre within two days of the weather event. At the peak of the response, we had 40 staff deployed in the region. The main areas in which our staff helped were:

- distribution of funding applications to remote and isolated communities
- logistics and welfare workstreams of the Emergency Co-ordination Centre within Civil Defence, where our staff were stationed
- attending community meetings, and
- representing the food and fibre sector at various local government forums.

Operation Muster, Hawke's Bay

MPI co-ordinated the destocking of farms. We worked with Waka Kotahi, meat processors, transport operators, livestock agents and district councils, after the cyclone damaged State Highways 2 and 5 and many district council roads in Hawke's Bay.

An access plan was established so livestock trucks could use certain roads on certain days and times while the roading teams had as much uninterrupted time as possible for repairs. By April 2023, over 45,000 animals were safely transported off damaged farms.

Operation Reach, Hawke's Bay and Tairāwhiti

Operation Reach, co-ordinated by MPI, saw fencing, water reticulation and veterinary supplies flown in and transported by heavy machinery to farmers in isolated rural communities and in need of basic farming supplies and equipment. More than 105 tonnes of critical equipment was transported to farmers before access was largely restored.

Research to understand Cyclone Gabrielle's effect on the marine environment

Following Cyclone Gabrielle, MPI worked with tangata whenua, fishing interests and councils in the Tairāwhiti and Hawke's Bay regions to assess the cyclone's impact on the marine environment.

A significant increase in sediment from rivers and coastal erosion is likely to affect fish species and smother rocky reefs, causing habitat loss and other disruptions to fisheries productivity.

Supported by the North Island Weather Event recovery fund, MPI contracted NIWA to identify the effect on fisheries and the wider marine environment. This research will be used by MPI, in collaboration with Tairāwhiti and Hawke's Bay communities, to support recovery from the cyclone and inform future decision making.

Protecting animal welfare

Ensuring both pets and farm animals are safe and healthy during adverse weather events is one of MPI's concerns. MPI, along with external stakeholders and the National Animal Welfare Emergency Management Group, rescued animals and provided necessary animal welfare care during the significant weather events of early 2023.³²

Maintaining food safety during adverse weather events

MPI worked with emergency management offices, local councils, supermarkets, food rescue organisations, industry and Crown research institutes to mitigate the impacts on food safety in regions affected by adverse weather events. Some of the highlights of our work included:

- engaging with stakeholders to provide guidance and support
- conducting fieldwork and providing specifically developed food safety information to affected regions, and
- facilitating amendments to the Food Act 2014 and Food Regulations 2015, to support the recovery of food businesses affected by the adverse weather events.

We are working across government agencies and the sector to deliver on our outcomes

In this section we discuss some of MPI's key cross-agency government initiatives, which are helping to achieve our strategic outcomes.

Natural Resources Cluster (NRC)

NRC was established in 2022/23 for ongoing collaboration around agreed priorities across the three agencies;

- the Department of Conservation (DOC)
- the Ministry for the Environment (MfE), and
- MPI

The NRC focuses on management of multi-year funding and improved performance reporting. Initiatives funded through the Climate Emergency Response Fund, new initiatives in response to adverse events, and major capital initiatives with associated operating funding are also included in the NRC. This includes the investment made in Budget 2023 for the response and recovery efforts following the North Island weather events.

Climate Emergency Response Fund

Climate Emergency Response Fund programmes are funded over multiple years. They are designed to address the long-term nature of many of the challenges presented by climate change.

North Island Weather Event funding

From late January 2023, severe weather events impacted communities throughout the upper North Island. MPI continues to be a vital part of the recovery efforts and is providing support and expertise to help affected farmers, growers, and whenua Māori owners recover.

National Adaptation Plan

Published in August 2022, the National Adaptation Plan sets out New Zealand's long-term strategy and first national adaptation plan for climate change. Together, the Emissions Reduction Plan and the National Adaptation Plan form New Zealand's first comprehensive climate change mitigation and adaptation response. MPI is one of the government agencies with actions in various chapters of the National Adaptation Plan.



MPI staff supporting the Cyclone Gabrielle response in Hawke's Bay



32. The National Animal Welfare Emergency Management Group comprises: SPCA, Federated Farmers, New Zealand Veterinary Association, HUHA, New Zealand Institute of Animal Management, Manukura, Veterinary Emergency Response Team and Animal Evac New Zealand.



03.

We provide vital, high-quality services to the food and fibre sector, Ministers and the public

E whakarato ana mātou i ngā ratonga waiwai, he teitei te kounga, ki te rāngai kai me te weu, ki ngā Minita me te marea

Statement of service performance

This section of the report includes information on MPI's performance against our performance measure targets as set out in the 2022/23 Main Estimates of Appropriations and Supplementary Estimates of Appropriations across Vote Agriculture, Biosecurity, Fisheries and Food Safety; and Vote Forestry. Full details are available on the Treasury's website.

MPI's performance against the targets in the Estimates documents is published each year in MPI's Annual Report and tabled in Parliament. The year-end performance measure results are subject to audit by Ernst & Young (EY) as part of its annual audit of MPI's end-of-year performance, in accordance with the Public Finance Act 1989, Public Audit Act 2001, and other legislative or administrative requirements and expectations.

Linking appropriations to outcomes

MPI's strategic outcomes framework describes what we are seeking to achieve, how we will achieve it, and how we will track the progress. It outlines our four desired outcomes for New Zealand as set out in MPI's Strategic Intentions 2021-2025. The table below shows the departmental appropriations MPI is responsible for, and how appropriations and outcomes are linked. Each appropriation contributes to one or more of the outcomes.

Our vision		New Zealand will be the world's most sustainable provider of high-value food and primary products	
Our strategic outcomes	 <p>Prosperity Tōnuitanga New Zealand's food and fibre sector generates a thriving and sustainable economy for all New Zealanders.</p>	 <p>Sustainability Kaunake Tauwhiro Future generations will benefit from improved environmental performance by New Zealand's food and fibre sector.</p>	
Appropriations	<ul style="list-style-type: none"> Implementation of COVID-19 Assistance for Primary Industries Agriculture: Programmes Supporting Sustainability Development and Implementation of Primary Industries Policy Advice 	<ul style="list-style-type: none"> Agriculture: Programmes Supporting Sustainability Development and Implementation of Primary Industries Policy Advice Fisheries: Managing the Resource Sustainably Growth and Development of the Forestry Sector 	
Our strategic outcomes	 <p>Protection Whakangungu Consumers know that New Zealand's products are safe, healthy and ethical, and that we protect New Zealand from pests and diseases.</p>	 <p>Visible leadership Ngā Manukura We work in partnership to enable the food and fibre sector to thrive.</p>	
Appropriations	<ul style="list-style-type: none"> Agriculture: Programmes Supporting Sustainability Biosecurity: Border and Domestic Biosecurity Risk Management Development and Implementation of Primary Industries Policy Advice Food Safety: Protecting Consumers 	<ul style="list-style-type: none"> Ministry for Primary Industries – Capital Expenditure PLA Development and Implementation of Primary Industries Policy Advice North Island Weather Events 	

Summary of 2022/23 performance of services funded by Departmental appropriations

In 2022/23, MPI was the administrator for nine appropriations for the services that we provide to the Government and the public. These include two annual appropriations and seven multi-category appropriations (MCAs) in Vote Agriculture, Biosecurity, Fisheries and Food Safety; and Vote Forestry. In this section we report on financial and non-financial performance in these appropriations.

Annual appropriations

1. Implementation of COVID-19 Assistance for Primary Industries – departmental output expense appropriation
2. Ministry for Primary Industries – Capital Expenditure PLA – departmental capital expense appropriation

Multi-category appropriations (MCA) and categories¹

3. Agriculture: Programmes Supporting Sustainability – eight categories
4. Biosecurity: Border and Domestic Biosecurity Risk Management – nine categories
5. Development and Implementation of Primary Industries Policy Advice – seven categories
6. Food Safety: Protecting Consumers – five categories
7. Fisheries: Managing the Resource Sustainably – four categories
8. North Island Weather Events – two categories
9. Growth and Development of the Forestry Sector – nine categories



In 2022/23, MPI met the standards for 97 out of 125 performance measures where results were available² (78 percent) funded under Departmental appropriations in Vote Agriculture, Biosecurity, Fisheries and Food Safety; and Vote Forestry.

We compared our performance information against the performance measures and results for 2021-2022 and 2020-2021. Where appropriate, an explanation is provided for measures with variances of more than 10%.

We review our performance measures and targets each year to ensure that they reflect the range of services we provide and our operating environment, and support the achievement of our outcomes.

Key for our 2022/23 performance measure results



1. The performance measures reported in this section also include those for the non-departmental expense categories within the specific MCA.
2. In total, there were 133 performance measures, out of which 125 measures produced results and 8 were reported as Not Applicable.

Vote Agriculture, Biosecurity, Fisheries and Food Safety

Implementation of COVID-19 Assistance for Primary Industries

Scope of appropriation

This appropriation is limited to the implementation and administration of government interventions to address the impact of COVID-19 for Primary Industries.

This appropriation contributes to the outcome:



What we intended to achieve with the appropriation

This appropriation is intended to achieve more New Zealanders employed in the primary sector workforce and to address longer term workforce issues.

How we performed



Performance measure	2022/23			Variance explanation	2021/22	2020/21
	Target	Actual	Standard met		Actual	Actual
Departmental Output Expenses						
Number of people who have been placed directly into employment in the primary industries through MPI's Primary Sector Workforce programme	3,000	4,022	●	Since the programme started in 2020/21, over 16,000 people have been employed in the sector through the MPI Primary Sector Workforce Programme. For more information, please refer to chapter 2, under Prosperity outcome.	6,190	6,306
Note: Employment data includes full time, part time, fixed term, and casual paid work within the primary industries as a result of one of MPI's Primary Sector Workforce Programme's initiatives.						

Revenue and output expenses				
ACTUAL JUNE 2022		ACTUAL JUNE 2023	MAIN ESTIMATES JUNE 2023	SUPP ESTIMATES JUNE 2023
\$000	Revenue Crown	\$000	\$000	\$000
7,072	Implementation of COVID-19 Assistance for Primary Industries	2,557	2,557	2,557
7,072	Total revenue Crown	2,557	2,557	2,557
	Revenue other			
1	Implementation of COVID-19 Assistance for Primary Industries	76	-	-
1	Total revenue other	76	-	-
7,073	Total revenue	2,633	2,557	2,557
	Expenses			
3,553	Implementation of COVID-19 Assistance for Primary Industries	1,304	2,557	2,557
3,553	Total expenses	1,304	2,557	2,557
	Surplus/[Deficit]			
3,520	Implementation of COVID-19 Assistance for Primary Industries	1,329	-	-
3,520	Total surplus/[deficit]	1,329	-	-

Ministry for Primary Industries – Capital Expenditure PLA

Scope of appropriation

This appropriation is limited to the purchase or development of assets by and for the use of the Ministry for Primary Industries, as authorised by section 24(1) of the Public Finance Act 1989.

What we intended to achieve with the appropriation

This appropriation is intended to achieve investment in the renewal, upgrade, replacement or development of assets in supporting the delivery of the Ministry's core functions and services.



How we performed



Performance measure	2022/23			Variance explanation	2021/22	2020/21
	Target	Actual	Standard met		Actual	Actual
Departmental Capital Expenses						
Capital Expenditure is in accordance with the Ministry's capital plan	Achieved	Achieved	●	\$59.2 million was spent for MPI's capital expenditure plan.	Achieved	Programme Implemented

Departmental Capital Expenditure				
ACTUAL JUNE 2022		ACTUAL JUNE 2023	MAIN ESTIMATES JUNE 2023	SUPP ESTIMATES JUNE 2023
\$000	Capital expenditure PLA	\$000	\$000	\$000
30,666	Capital expenditure PLA	59,234	61,298	70,961

Agriculture: Programmes Supporting Sustainability (Multi-Category Appropriation – MCA)

Overarching purpose of appropriation

The single overarching purpose of this appropriation is to support a sustainable and competitive agricultural sector through implementing and delivering programmes, and undertaking research.

This appropriation contributes to the outcomes:



What we intended to achieve with the appropriation

This appropriation is intended to achieve the development and implementation of policies and programmes that support the agriculture sector in being competitive and sustainable.

How we performed



Performance measure	2022/23			Variance explanation	2021/22	2020/21
	Target	Actual	Standard met		Actual	Actual
Performance of the MCA as a whole						
Percentage of completed research contracts or work programmes that have completed intended deliverables	90%	83.8%	●	The aggregate annual result has been impacted by the result of the following measure: <i>Percentage of applications assessed that were successfully approved for funding in the financial year. (see the next page for the result of this measure)</i> For more information, please refer to the note of this measure.	91.6%	New measure for 2021/22
Note: This will measure climate change research contracted by MPI that has delivered its intended outcomes, and the success of our adverse event work programmes.						
Percentage of cases taken to court that achieve their objective	90–95%	87.5%	●	Although the percentage is relatively high for this measure, 87.5% still fell below the annual standard. There is a degree of unpredictability with prosecution cases, as the length of time from filing charges to the court case taking place can range from 12 to 24 months.	100%	New measure for 2021/22
Note: "Achieving their objective" means a Judge or Jury found at least one charge was proven. A fail is where a Judge or Jury found no charges had been proven.						

Agriculture: Administration of Grants and Programmes

This category is intended to achieve the effective administration of MPI's agricultural grants and programmes activities.

Performance measure	2022/23			Variance explanation	2021/22	2020/21
	Target	Actual	Standard met			
Departmental Output Expenses						
Percentage of funding applications processed in the agreed timeframes	80%	90.7%	●	The annual standard was met, despite some delays faced due to the Cyclone Gabrielle response. Out of the 172 funding applications processed, 156 applications were processed within the agreed timeframe (between six weeks and 35 weeks depending on the fund). Please see MPI's website for further information.	81.3%	88.9%
Note: The application and assessment processes for each fund administered has its own criteria and timeframes. The funds covered are: Sustainable Land Management and Climate Change – Adaption/Extension/Freshwater Mitigation; Voluntary Bonding Scheme for Veterinarians, Greenhouse Gas Inventory Research, Sustainable Food and Fibre Futures and IFP Acceleration.						
Percentage of applications assessed that were successfully approved funding in the financial year	75%	65.5%	●	In 2022/23, the Sustainable Land Management and Climate Change (SLMACC) was significantly over subscribed with 67 applications received. Only seven of these were approved within the available funding against a budget of \$2.86 million.	81%	254*
Note: This measures how many applications were approved against total applications received. It also measures the proportion of all decisions being made and how many applications/applicants are successful. * The 2020/21 Actual was the result for the former measure "Total number of funding applications received for the financial year".						
Number of Māori landowners, Māori businesses, and iwi/hapū entities participating in services provided by Māori Agribusiness (as part of the Integrated Advisory Services) each year	Equal or greater than 20	37	●	There has been an increase in Māori Agribusiness's ability to support Māori entities due to an increase in funding available through the Natural Resources Cluster budget (Budget 2022). For more information, please refer to chapter 2, under Prosperity outcome.	New measure for 2022/23	N/A
Note: This new measure is being introduced to reflect new Budget 2022 policy initiatives.						

Animal Welfare: Education and Enforcement

This category is intended to achieve the effective provision of education and enforcement to improve animal welfare in New Zealand.

Performance measure	2022/23			Variance explanation	2021/22	2020/21
	Target	Actual	Standard met			
Percentage of priority 1 (Grade 1 – significant/acute) complaints are recorded and responded to within 24 hours	95–100%	98.3%	●	A total of 118 priority 1 animal welfare complaints were responded to this year compared to 111 in the previous year. Of these 118 complaints, 116 were responded to within 24 hours which was 98% of all complaints. This shows that inspectors are consistently providing a high level of animal welfare service and are striving to achieve the best results for the animals. For more information, please refer to chapter 2, under Protection outcome.	98.2%	97.8%
Note: For this measure, "Grade 1 complaints" refer to the situation where animals are comatose/recumbent, having broken limb, severely injured, receiving aggravated/severe ill treatment, or dying.						

Performance measure	2022/23			Variance explanation	2021/22	2020/21
	Target	Actual	Standard met			
Percentage of inspections where offences have been detected resulting in an enforcement activity	70–80%	93.3%	●	In 2022/23, there was a total of 1,094 animal welfare cases where an offence was identified. Of these, 1,021 resulted in enforcement activity. For more information, please refer to chapter 2, under Protection outcome.	94.2%	98%
Percentage of investigations resolved within the required timeframes	90–95%	96.8%	●	In 2022/23, there were a total of 2,365 investigations. Of these, 2,290 were resolved within the agreed timeframes.	96.7%	97%
Note: In instances when animal welfare cases do not result in a prosecution (non-complex), the case will be investigated and closed within 6 months.						

Climate Emergency Response Implementation and Administration

This category is intended to achieve effective support to help meet New Zealand domestic and international climate change targets.

Performance measure	2022/23			Variance explanation	2021/22	2020/21
	Target	Actual	Standard met			
Percentage of contracted Climate Emergency Response Fund (CERF) initiatives that have achieved stated milestones	80%	N/A	—	The programme is currently in the development phase, with initiatives starting in quarter 3. This measure has been replaced with a new measure that is fit for purpose for 2023/24.	New measure for 2022/23	N/A
Note: As measured through milestone reporting.						

Agriculture: Climate Emergency Response Fund

This category is intended to achieve effective implementation of programmes to help New Zealand work towards its domestic and international climate change targets.

Performance measure	2022/23			Variance explanation	2021/22	2020/21
	Target	Actual	Standard met			
Non-Departmental Output Expenses						
The percentage of (non-JV) forecast investment dispersed each year according to the Accelerating New Mitigations programme's strategic funding plan	85%	62%	●	One of the main reasons for not achieving the target was due to responding to the North Island Weather Events (cyclones) in January/February 2023. \$9.1 million out of budgeted \$14.8 million has been incurred in 2022/23.	New measure for 2022/23	N/A
Note: Non-JV means this result excludes the Public-Private Joint Venture (JV) on Centre for Climate Action. Performance is measured under the Category Appropriation Agriculture: Climate Emergency Response Fund Joint Venture. The budget standard for the Accelerating Mitigations Programme (ANM) investment dispersal is slightly lower than the JV investment allocation due to the wider types of investments that the ANM Programme (excluding JV) may make, particularly in the first couple of years. Disclosure: This new measure has been introduced to reflect the new Budget 2022 initiative Agriculture Emissions Reduction – Accelerating Development of Greenhouse Gas Mitigations.						

Agriculture: Grants Supporting Sustainability

This category is intended to achieve the effective provision of grants to support the agricultural sector to be competitive and sustainable.

Performance measure	2022/23			Variance explanation	2021/22	2020/21
	Target	Actual	Standard met		Actual	Actual
Percentage of funding applications received from farmers and growers impacted by the cyclone assessed within the agreed timeframes	100%	76.4%*	●	4,631 out of the total 6,062 Cyclone Gabrielle funding applications were processed within the agreed timeframes. As at 30 June 2023, 93% of the eligible applications (5,616) had been assessed and paid. Refer to the next page under Cyclone Gabrielle-Primary Sector Response category for the detailed variance explanation.	New measure for 2022/23	N/A
<p>Note: The application and assessment processes have its own criteria and timeframes.</p> <p>Disclosure: This new measure has been created as a result of the establishment of a new output class category.</p> <p>*As at 30 June 2023, 93% of the eligible applications (5,616) had been assessed and paid.</p>						

Agriculture: Recovery Assistance

This category is intended to achieve support to rural communities, build wellbeing, resilience and significantly deepen MPI's engagement with the primary sector.

Performance measure	2022/23			Variance explanation	2021/22	2020/21
	Target	Actual	Standard met		Actual	Actual
Percentage of eligible farmers affected by adverse events who took up recovery assistance funding	85%	N/A	—	Six (37.5%) out of 16 applications related to the floods in Canterbury were fully or partially paid out of the Canterbury Flood Recovery Fund in the financial year 2022/23. The fund closed on 30 June 2023. The remaining grants, totalling \$0.37 million, were made to eligible Canterbury farmers through the Rural Communities Adverse Events fund. This fund does not cover the funding support for Cyclone Gabrielle Recovery; it covers the Canterbury Flood Recovery Fund.	90%	85.1%

Cyclone Gabrielle – Primary Sector Response

This category is intended to achieve the effective provision of support to farmers and growers in the immediate recovery of Cyclone Gabrielle.

Performance measure	2022/23			Variance explanation	2021/22	2020/21
	Target	Actual	Standard met		Actual	Actual
Non-Departmental Other Expenses						
Percentage of funding applications received from farmers and growers impacted by the cyclone assessed within 30 working days of receipt	100%	76.4%*	●	The Cyclone Gabrielle farmer and grower recovery grant was available for urgent repair work, including fencing, and clearing silt to save trees and vines. The grants opened to applications between 22 February until 20 March 2023, with those in hard-to-reach areas able to apply up until 3 April 2023. 6,598 applications were received, of which 536 applications were duplicates and/or were non-responsive/withdrawn. Demand for support through the farmer and grower recovery grants was much higher than initially anticipated when the Fund was established. The combination of the total volume of applications received and the complexity of some applications impacted on MPI's ability to assess all applications at pace, however: <ul style="list-style-type: none"> As at 31 March 2023 there was an average turnaround time of 5.4 working days between application date and payment date. Of the total 6,062 farmer and grower recovery grant applications, most (76.4%) were assessed (processed and paid if eligible) within 30 working days. In the four and a half months since the Cyclone, MPI granted a collective total of just over \$64 million to support farmers and growers with urgent repair work via these 5,616 applications. As at 30 June 2023, 93% of the eligible applications (5,616) had been assessed and paid. For more information on funding provided to farmers and growers impacted by the cyclone, refer to the Grants section and chapter 2, under Visible Leadership.	New measure for 2022/23	N/A
<p>Note: This new measure has been created as a result of the establishment of a new output class category.</p> <p>*As at 30 June 2023, 93% of the eligible applications (5,616) had been assessed and paid.</p>						

Agriculture: Climate Emergency Response Fund Joint Venture

This category is intended to achieve acceleration of product development and commercialisation of agricultural emission mitigations tools that can be used on-farm to reduce biogenic methane and nitrous oxide emissions.


Performance measure	2022/23			Variance explanation	2021/22	2020/21
	Target	Actual	Standard met		Actual	Actual
Non-Departmental Capital Expenditure						
The percentage of Joint Venture forecast investment (as per the 100 Day Plan) allocated each year	90%	N/A	—	This measure looks at total Joint Venture (JV) committed funds and total expenditure, rather than just the MPI component as a 50% shareholder in the private company. The JV 100 Day Plan did not forecast investment for 2022/23 due to the JV only being established in January 2023. However, JV announced an investment of \$8.3 million in its media release in June 2023: https://www.ccaae.govt.nz/news/environment-investments-support-new-zealands-high-value-exports This measure will be replaced with a new measure that is fit for purpose in 2023/24 through the Estimates review process. Further information is available in chapter 2, under Sustainability outcome.	New measure for 2022/23	N/A
Note: This new measure is for a new output category introduced in 2022/23.						
The Centre for Climate Action Joint Venture Ltd Board adopts the company Strategic Plan (2022)	Achieved	Achieved	●	The Strategic Plan 2022 was adopted by The Centre for Climate Action Joint Venture Ltd Board on 8 February 2023.	New measure for 2022/23	N/A
Note: This new measure/milestone is for a new output category introduced in 2022/23 and only reflects the initial setting up phase of the Joint Venture (JV) on Centre for Climate Action.						
The Centre for Climate Action Joint Venture Ltd Board adopts the 2023/24 Business Plan	Achieved	Achieved	●	The Business Plan 2023/24 was adopted by the Centre for Climate Action Joint Venture Ltd Board at AgriZero ^{NZ} Board Meeting in June 2023.	New measure for 2022/23	N/A
Note: This new measure/milestone is for a new output category introduced in 2022/23 and only reflects the initial setting up phase of the Joint Venture (JV) on Centre for Climate Action.						

Revenue and output expenses				
ACTUAL JUNE 2022		ACTUAL JUNE 2023	MAIN ESTIMATES JUNE 2023	SUPP ESTIMATES JUNE 2023
\$000	Revenue Crown	\$000	\$000	\$000
20,522	Agriculture: Administration of Grants and Programmes	33,487	19,406	33,487
20,701	Animal Welfare: Education and Enforcement	15,618	23,332	15,618
–	Climate Emergency Response Implementation & Administration	14,706	14,706	14,706
41,223	Total Revenue Crown	63,811	57,444	63,811
Revenue other				
36	Agriculture: Administration of Grants and Programmes	33	30	30
75	Animal Welfare: Education and Enforcement	94	6	6
–	Climate Emergency Response Implementation & Administration	11	–	–
111	Total revenue other	138	36	36
41,334	Total revenue	63,949	57,480	63,847
Expenses				
14,627	Agriculture: Administration of Grants and Programmes	18,222	19,436	33,517
18,230	Animal Welfare: Education and Enforcement	14,684	23,338	15,624
–	Climate Emergency Response Implementation & Administration	10,611	14,706	14,706
32,857	Total expenses	43,517	57,480	63,847
Surplus/[Deficit]				
5,931	Agriculture: Administration of Grants and Programmes	15,298	–	–
2,546	Animal Welfare: Education and Enforcement	1,028	–	–
–	Climate Emergency Response Implementation & Administration	4,106	–	–
8,477	Total surplus/[deficit]	20,432	–	–
Non-Departmental appropriations				
\$000	Non-Departmental appropriations	\$000	\$000	\$000
10,980	Agriculture: Climate Change Research	–	15,990	–
–	Agriculture: Climate Emergency Response Fund	9,307	23,045	14,795
–	Agriculture: Grants Supporting Sustainability	17,058	–	18,846
7,172	Agriculture: Recovery Assistance	27,918	3,156	30,156
–	Cyclone Gabrielle - Primary Sector Response	36,223	–	49,000
–	Sub-total Non-Departmental Expenditure	90,506	42,191	112,797
Appropriations for Capital expenditure				
–	Agriculture: Climate Emergency Response Fund Joint Venture	8,250	–	8,250
–	Total MCA Expenditure including Capital Expenditure	142,273	99,671	184,894

Biosecurity: Border and Domestic Biosecurity Risk Management (Multi-Category Appropriation – MCA)

Overarching purpose of appropriation

The single overarching purpose of this appropriation is to improve biosecurity risk management by providing operational support to prevent harmful organisms from crossing the borders and working to reduce the unwanted harm caused by organisms already established in New Zealand.

This appropriation contributes to the outcome:  **Protection Whakangungu**

What we intended to achieve with the appropriation

This appropriation is intended to achieve effective management of biosecurity monitoring and clearance programmes, the development and maintenance of biosecurity risk processes associated with imports and exports and the assessment, containment and possible eradication of suspected organisms. This includes the management of domestic biosecurity surveillance activities.

How we performed



Performance measure	2022/23			Variance explanation	2021/22	2020/21
	Target	Actual	Standard met		Actual	Actual
Performance of the MCA as a whole						
Percentage of requirements for Biosecurity Import Health Standards met when clearing import entries	95%	97.3%	●		97.5%	98.4%
Percentage of high-risk or serious pest or disease notifications that commence investigation within 24 hours	100%	100%	●	In 2022/23, there was a total of 90 high-risk or serious pest or disease notifications. All of these were responded to within 24 hours of MPI receiving notification.	100%	100%
Note: The above two new measures introduced are indicators of overall performance of the work carried out for this MCA, which cover the categories: Border Biosecurity Monitoring and Clearance and Domestic Biosecurity Surveillance.						

Biosecurity Incursion Response and Long-Term Pest Management

This category is intended to achieve effective management of the leadership and co-ordination of all activities relating to all biosecurity and food responses, in order to mitigate the adverse impacts of risk organisms.

Performance measure	2022/23			Variance explanation	2021/22	2020/21
	Target	Actual	Standard met		Actual	Actual
Departmental Output Expenses						
Percentage of Government Industry Agreement (GIA) signatories signed up to an Operational Agreement	80%	80.2%	●	In 2022/23, there were 101 available industry bodies; of these 81 signed Operational Agreements.	80%	80%
Note: GIA operates as a partnership between primary industry and government to manage pests and diseases that could badly damage New Zealand's primary industries, economy, and environment. Under GIA, signatories share the decision-making, responsibilities and costs of preparing for – and responding to – biosecurity incursions. By working in partnership, industry and government can achieve better biosecurity outcomes.						
Number of response exercises held to prepare MPI for the possible incursion of new pests and diseases into New Zealand	4	8	●	We delivered a higher number of response exercises in 2022/23. For more information, refer to chapter 2, under Protection outcome.	8	6
Percentage of service providers who are contracted, or have funding arrangements to manage pests and diseases already established in New Zealand, that met their service level agreements	100%	91%	●	There was a total of 78 contracts, of which six were unable to meet all milestones due to adverse weather conditions (including the North Island extreme weather events) and contractor availability. One contract had supplier staff turnover, resulting in non-delivery.	96.3%	Not achieved

Border Biosecurity Monitoring and Clearance

This category is intended to achieve the effective monitoring and clearance of passengers, vessels, mail and goods arriving in New Zealand to prevent exposure of our community and environment to a range of biosecurity risks.

Performance measure	2022/23			Variance explanation	2021/22	2020/21
	Target	Actual	Standard met		Actual	Actual
Departmental Output Expenses						
Percentage of international air passengers that comply with biosecurity requirements by the time they leave the Biosecurity Control Area at the airport	98.5%	98.8%	●	For more information on the trend of passenger pathway over five years, refer to chapter 2, under Protection outcome.	Not assessed*	Not assessed*

Performance measure	2022/23			Variance explanation	2021/22	2020/21
	Target	Actual	Standard met		Actual	Actual
Percentage of international mail that complies with biosecurity requirements by the time it leaves the International Mail Centre	99%	99.5%	●		99.6%	99.9%
Note: Over an annual 2-3 week period, MPI conducts compliance checks from a sample of 4,000 mail packages (ie, bulk, express, letters etc) crossing the border. Once the surveying period has finished, a compliance rate is calculated. This work is audited yearly by a 3rd party company to ensure consistency and accuracy. * The indicator was not measured due to COVID-19 pandemic and associated border restrictions.						
The average turnaround time for responding to air cargo applications does not exceed 3 hours	Less than or equal to 3 hours	6.29 hours	●	In 2022/23, we came close to meeting the overall target, and in May we met the Operational Performance Target. For more information, refer to chapter 2, under Protection outcome.	Not Achieved	Not Achieved
Note: An existing measure "The average turnaround time for responding to: Air cargo applications do not exceed 3 hours; Sea cargo applications do not exceed 21 hours" has been split into two measures to provide clarity and distinction of accountability.						
The average turnaround time for responding to sea cargo applications does not exceed 21 hours	Less than or equal to 21 hours	24.43 hours	●	In 2022/23, we came close to meeting the overall target, and in May and June we met the Operational Performance Target. For more information, refer to chapter 2, under Protection outcome.	Not Achieved	Not Achieved
Percentage of consignments that were released with risk being mitigated	100%	100%	●		100%	Achieved
Note: "Consignment" refers to goods being moved from one country to another and covered by a single set of documents e.g. airway bill/bill of lading/consignment note/phytosanitary certificate/zoosanitary certificate, manufacturers declaration.						

Border Biosecurity Systems Development and Maintenance

This category is intended to achieve the effective maintenance of New Zealand's biosecurity system that prevents the introduction and establishment of serious notifiable organisms through manageable pathways.

Performance measure	2022/23			Variance explanation	2021/22	2020/21
	Target	Actual	Standard met		Actual	Actual
The number of new import health standards developed and the number of amendments made to existing import health standards	More than 8	33	●	The uplift in numbers is related to the Horticulture Budget Bid of 2020, which triggered a focus on improvements in this space.	34	25
Note: This refers to an increase in the total number of new Import Health Standards and amended Import Health Standards over the previous financial years.						
The percentage of export certificates issued annually which meet biosecurity and phytosanitary technical requirements of overseas competent authorities	99%	99.6%	●		99.8%	99.8%
Note: "Overseas competent authorities" is a World Trade Organisation term that defines a specific group of authorities.						

Performance measure	2022/23			Variance explanation	2021/22	2020/21
	Target	Actual	Standard met		Actual	Actual
Percentage of World Organisation for Animal Health and International Plant Protection Convention standards that are adopted by New Zealand	90%	100%	●	For "Plant", in 2022/23, three new or revised international standards were adopted. For "Animal", in 2022/23, 18 new or revised international standards were adopted. All 21 standards were adopted in order to achieve the effective maintenance of New Zealand's biosecurity system.	100%	97.2%

Domestic Biosecurity Surveillance

This category is intended to achieve effective management of the information received from the public, industry and the scientific community about suspected exotic pests or diseases. It also includes the collection, sampling and testing of organisms suspected of carrying or being infected with a potential biosecurity risk.

Performance measure	2022/23			Variance explanation	2021/22	2020/21
	Target	Actual	Standard met		Actual	Actual
ISO 17025 accreditation maintained for all laboratory processing, testing, and reporting	100%	100%	●		100%	100%
Percentage of incursion investigations closed within 30 days with biological risk managed or no further action warranted	80%	83.8%	●	For more information, refer to chapter 2, under Protection outcome.	80.6%	82.7%
Number of markets that closed due to the standard of MPI's active surveillance programmes	Zero	Zero	●		Zero	Nil*
Undertake targeted surveillance programmes on pest and diseases	Achieved	Achieved	●	For more information, refer to chapter 2, under Protection outcome.	Achieved	Achieved
* In 2020/21, the target was Nil and reported as such. However, in 2021/22 the wording was standardised to a number target.						

Response to *Mycoplasma bovis*

This category is intended to achieve the effective eradication and long-term management of *Mycoplasma bovis*.

Performance measure	2022/23			Variance explanation	2021/22	2020/21
	Target	Actual	Standard met		Actual	Actual
Percentage of farms whose Restricted Place notices are revoked within 140 days of placement	80%	66.7%	●	For 2022/23, four out of six farms had Restricted Place notices for more than 140 days placement. These were either Active Confirmed properties or had a new cluster of infection identified. A "lessons learned" process associated with these have been conducted to identify areas for improvement. These have been reported to the <i>M. bovis</i> governance group and are being incorporated into relevant processes where appropriate.	100%	95.2%

	2022/23				2021/22	2020/21
Performance measure	Target	Actual	Standard met	Variance explanation	Actual	Actual
Percentage of farms whose Section 122 Notice of Direction is revoked within 90 days of placement of the notice	80%	97%	●	163 out of 168 farms were processed within 90 days of placement of the notice in 2022/23. This year saw a continued decrease in the volume of movement restrictions required, improving the programme's ability to process higher risk farms more efficiently.	98%	88.5%
Note: A section 122 Notice of Direction is used to impose movement restrictions on cattle and goods for higher risk farms, while the Programme determines the disease status of that farm.						
Percentage of urgent farms that complete casing in 30 days or less	80%	67%	●	In 2022/23, several unexpected events occurred that necessitated urgent casing on a higher-than-expected number of farms and increased demand. These events included a cluster of confirmed infected properties in the Wakanui area, a new strain identified in a Rakaia dairy farm and the infection of a large dairy enterprise in mid-Canterbury. We expect the delays experienced over the past reporting period to decline in the coming year. For more information on the new strain, please refer to chapter 2, under Protection outcome	74.5%	86.2%
Note: Casing is the process of gathering and confirming information that relates to the business practice and stock numbers, previous involvement with the programme and the details of any risk posed to cattle on farm for farms of interest, so as to accurately determine the appropriate next steps required for disease control purposes.						

Biosecurity: Control of Bovine TB

This category is intended to achieve the effective management of the Crown's contribution to Tb-free's vector control programme.

	2022/23				2021/22	2020/21
Performance measure	Target	Actual	Standard met	Variance explanation	Actual	Actual
Non-Departmental Output Expenses						
Percentage of TB-free quarterly performance reports reviewed and approved	100%	100%	●		New measure for 2022/23	N/A
Note: Please refer to the OSPRI Annual Report for more information on the performance of the TBfree programme: https://www.ospri.co.nz/publications-resources . Disclosure: This measure has been introduced to replace two measures that were removed as MPI monitors this work which is carried out by OSPRI.						

Biosecurity: Grants Supporting Biosecurity Programmes and Initiatives

This category is intended to achieve the effective provision of grants to support organisations to manage biosecurity risk.

	2022/23				2021/22	2020/21
Performance measure	Target	Actual	Standard met	Variance explanation	Actual	Actual
Percentage of grant-funded work programmes delivered this financial year	95%	65%	●	The single-and multiple-year grants that did not complete all or part of their work relate to groups in Te Tai Tokerau (Northland) in areas badly affected by the adverse weather events. 19 grant-funded work programmes were delivered this financial year out of 29 issued.	New measure for 2022/23	N/A
Note: This measure has been created as a result of the establishment of a new output class category.						

Biosecurity: Compensation and ex-gratia payments following a Biosecurity Event

This category is intended to achieve the financing of expenditure incurred by MPI as a result of compensation and ex-gratia payments arising from Biosecurity events.

	2022/23				2021/22	2020/21
Performance measure	Target	Actual	Standard met	Variance explanation	Actual	Actual
Non-Departmental Output Expenses						
Percentage of claims that are acknowledged within 3 working days of receipt	90%	92.3%	●		96.8%	89.7%
Note: This measure is a "placeholder" measure that has been used in the previous years to cover estimated compensation liability resulting from biosecurity response activities due to Biosecurity events during the year.						

Compensation and Ex-Gratia Payments in Response to *Mycoplasma bovis*

This category is intended to achieve compensation and ex-gratia payments relating to actions taken to manage *Mycoplasma bovis* under the Biosecurity Act 1993.

	2022/23				2021/22	2020/21
Performance measure	Target	Actual	Standard met	Variance explanation	Actual	Actual
Non-Departmental Output Expenses						
Percentage of non-complex compensation claims where a payment has been made within 30 working days of receipt of a claim	80%	95.5%	●	In 2022/23, 255 out of 267 claims had payments made within 30 working days of receipt of a claim.	89.6%	93.9%
Note: Non-complex compensation claims include those for stock destruction (surveillance/testing purposes, or depopulation of an infected property) where an exercise of power has directed the destruction of a claimant's cattle.						

Departmental appropriations revenues and output expenses				
ACTUAL JUNE 2022		ACTUAL JUNE 2023	MAIN ESTIMATES JUNE 2023	SUPP ESTIMATES JUNE 2023
\$000	Revenue Crown	\$000	\$000	\$000
15,396	Border Biosecurity Monitoring and Clearance	11,688	16,323	11,688
35,538	Border Biosecurity Systems Development and Maintenance	39,521	29,679	39,521
86,409	Biosecurity Incursion Response and Long Term Pest Management	84,810	82,148	84,810
49,006	Domestic Biosecurity Surveillance	59,599	51,691	59,599
97,841	Response to <i>Mycoplasma bovis</i>	77,298	87,259	77,298
284,190	Total revenue Crown	272,916	267,100	272,916

Departmental appropriations revenues and output expenses				
	Revenue other			
52,234	Border Biosecurity Monitoring and Clearance	125,427	124,036	124,493
6,970	Border Biosecurity Systems Development and Maintenance	7,833	6,361	7,561
586	Biosecurity Incursion Response and Long Term Pest Management	990	775	775
2,621	Domestic Biosecurity Surveillance	3,487	4,272	4,376
56	Response to <i>Mycoplasma bovis</i>	73	-	-
62,467	Total revenue other	137,810	135,444	137,205
346,657	Total revenue	410,726	402,544	410,121
	Expenses			
115,478	Border Biosecurity Monitoring and Clearance	135,935	140,359	136,181
33,926	Border Biosecurity Systems Development and Maintenance	44,422	36,040	47,082
80,693	Biosecurity Incursion Response and Long Term Pest Management	76,944	82,923	85,585
57,448	Domestic Biosecurity Surveillance	67,581	55,963	63,975
53,649	Response to <i>Mycoplasma bovis</i>	49,388	87,259	77,298
341,194	Total expenses	374,270	402,544	410,121
	Surplus/[Deficit]			
(47,848)	Border Biosecurity Monitoring and Clearance	1,180	-	-
8,582	Border Biosecurity Systems Development and Maintenance	2,932	-	-
6,302	Biosecurity Incursion Response and Long-Term Pest Management	8,856	-	-
(5,821)	Domestic Biosecurity Surveillance	(4,495)	-	-
44,248	Response to <i>Mycoplasma bovis</i>	27,983	-	-
5,463	Total surplus/[deficit]	36,456	-	-
Non-Departmental appropriations				
24,000	Biosecurity: Control of Bovine TB	24,000	24,000	24,000
-	Biosecurity: Grants Supporting Biosecurity Programmes and Initiatives	1,687	-	5,770
10,250	Biosecurity: Compensation and Ex-gratia following a Biosecurity Event	6,927	-	5,924
15,297	Compensation and Ex-Gratia Payments in Response to <i>Mycoplasma bovis</i>	44,121	32,000	77,000
-	Sub-total Non-Departmental Expenditure	76,735	56,000	112,694
-	Total MCA Expenditure	451,005	458,544	522,815

Development and Implementation of Primary Industries Policy Advice (Multi-Category Appropriation – MCA)

Overarching purpose of appropriation

The single overarching purpose of this appropriation is to provide both policy and operational advice and support to Ministers in discharging their policy and operational decision-making responsibilities with regards to primary industries.

This appropriation contributes to the outcomes:



What we intended to achieve with the appropriation

This appropriation is intended to achieve the effective development, provision and implementation of policy advice relating to agriculture, animal welfare, biosecurity, fisheries management and food safety.

How we performed



Performance measure	2022/23			Variance explanation	2021/22	2020/21
	Target	Actual	Standard met		Actual	Actual
Performance of the MCA as a whole						
The average satisfaction of the Ministers with MPI policy advice services, on a scale of 1 to 5, will be equal to or greater than	4	4.4	●		4.4	4.4
The technical quality assessment level for MPI policy advice papers, on a scale of 1 to 5, will be equal to or greater than	3.5	3.4	●	This score was an average from an independent review. MPI will implement the recommendations to improve this score in future years.	3.7	New measure for 2021/22
<p>Note: This measure is an indicator of overall performance of policy advice provided for Agriculture, Animal Welfare, Biosecurity, Fisheries and Food Safety portfolios. The result is an average across all portfolios that MPI is responsible for. The assessment is carried out by an external provider and is a standard policy advice quality scale.</p> <p>Disclosure: The ministerial rating of performance of policy advice was provided by the Ministers who were in their role as at 30 June 2023. This score is an average from across the Ministers of/for Agriculture, Animal Welfare, Biosecurity, Fisheries, Food Safety, Forestry and Rural Communities. The score for the satisfaction of the Minister for Rural Communities does not have its own individual performance measure, but contributed a score of 4.52 to this average.</p>						

Agriculture: Policy Advice and Ministerial Servicing

This category is intended to achieve the effective development, provision and implementation of policy advice and efficient ministerial servicing related to agriculture and the promotion of farm productive and sustainable land use practices.

	2022/23				2021/22	2020/21
Performance measure	Target	Actual	Standard met	Variance explanation	Actual	Actual
Departmental Output Expenses						
Percentage of agriculture-related requests completed within either specified or statutory timeframes:				Refer below for individual performance.		
Note: The measure has been amended to provide more clarity by separating out the types of requests. This should allow performance to be more easily understood.						
Disclosure: The amendment was made from the previous year (2021/22) to update the target as per the Estimates of Appropriations 2022/23.						
• Aide Memoires (Timeframes are set on a case-by-case basis)	95-100%	99.6%	●		N/A	N/A
• Briefings (Timeframes are set on a case-by-case basis)	95-100%	99.5%	●		N/A	N/A
• Ministerial Correspondence (Proposed response within a 20-working day timeframe)	95-100%	99.6%	●		N/A	N/A
• Ministerial Official Information Act 1982 requests (Proposed response within a 15-working day timeframe)	95-100%	92%	●	Forty six (46) out of 50 Ministerial Official Information Act 1982 requests were responded to within the 15-working day timeframe. The ability of MPI to meet this target was affected by its resources being deployed to Cyclone Gabrielle response work.	N/A	N/A
Note: The statutory timeframe to respond to an OIA is 'as soon as reasonably practicable' and no later than 20 working days as stated in the Official Information Act 1982. MPI has an agreement with Ministers' offices to provide a proposed response for Ministerial OIAs within 15 working days. Based on this, Ministerial OIAs are measured to a 15-working day timeframe.						
• Written Parliamentary Questions (Proposed response within four working days)	95-100%	71.4%	●	This year, we recorded an overall 23.42% increase in Written Parliamentary Questions compared to last year, and paired with the Cyclone Gabrielle response work, it has affected the ability of MPI to meet this target.	N/A	N/A
Note: The parliamentary timeframe to respond to a Written Parliamentary Questions is six working days. MPI aims to provide the Minister with a proposed response within four working days.						
The number of new Māori focused extension clusters established in the financial year under the Productive and Sustainable Land Use programme	Minimum 6	18	●	An increase in funding from the Integrated Advisory Services budget has allowed the Māori Agribusiness directorate to increase the support for Māori landowners. For more information, please refer to chapter 2, under Visible Leadership outcome.	7	23
The number of farmers involved in extension clusters in the financial year under the Productive and Sustainable Land Use regional extension projects	750-1,000	9,028	●	Numbers of farmers involved have well exceeded the target set because of the efforts made by the Productive and Sustainable Land Use team to promote networking and communication between farming communities involved with Extension Services (ES) projects.	4,219	1,000

	2022/23				2021/22	2020/21
Performance measure	Target	Actual	Standard met	Variance explanation	Actual	Actual
The satisfaction of the Minister of Agriculture with the policy advice service, on a scale of 1 to 5, will be equal to or greater than	4	4	●		4.3	4.6

Animal Welfare: Policy Advice and Ministerial Servicing

This category is intended to achieve the effective development and provision of policy advice and efficient ministerial servicing relating to animal welfare.

	2022/23				2021/22	2020/21
Performance measure	Target	Actual	Standard met	Variance explanation	Actual	Actual
Percentage of animal welfare-related requests completed within either specified or statutory timeframes:				Refer below for individual performance.		
Note: The measure has been amended to provide more clarity by separating out the types of requests. This should allow performance to be more easily understood.						
Disclosure: The amendment was made from the previous year (2021/22) to update the target as per the Estimates of Appropriations 2022/23.						
• Aide Memoires (Timeframes are set on a case-by-case basis)	95-100%	97.8%	●		N/A	N/A
• Briefings (Timeframes are set on a case-by-case basis)	95-100%	100%	●		N/A	N/A
• Ministerial Correspondence (Proposed response within a 20-working day timeframe)	95-100%	100%	●		N/A	N/A
• Ministerial Official Information Act 1982 requests (Proposed response within a 15-working day timeframe)	95-100%	100%	●		N/A	N/A
Note: The statutory timeframe to respond to an OIA is "as soon as reasonably practicable" and no later than 20 working days as stated in the Official Information Act 1982. MPI has an agreement with Ministers' offices to provide a proposed response for Ministerial OIAs within 15 working days. Based on this, Ministerial OIAs are measured to a 15-working day timeframe.						
• Written Parliamentary Questions (Proposed response within four working days)	95-100%	83%	●	This year, we recorded an overall 23.42% increase in Written Parliamentary Questions compared to last year, and paired with the Cyclone Gabrielle response work, it has affected the ability of MPI to meet this target.	N/A	N/A
Note: The parliamentary timeframe to respond to a Written Parliamentary Questions is six working days. MPI aims to provide the Minister with a proposed response within four working days.						
The satisfaction of the Minister of Agriculture with the policy advice service, on a scale of 1 to 5, will be equal to or greater than	4	4.7	●		4.3	4.6

Biosecurity: Policy Advice and Ministerial Servicing

This category is intended to achieve the effective development and provision of policy advice and efficient ministerial servicing relating to biosecurity matters, including contributing to policy advice led by other agencies.

Performance measure	2022/23			Variance explanation	2021/22	2020/21
	Target	Actual	Standard met		Actual	Actual
Percentage of animal welfare-related requests completed within either specified or statutory timeframes:				Refer below for individual performance.		
<p>Note: The measure has been amended to provide more clarity by separating out the types of requests. This should allow performance to be more easily understood.</p> <p>Disclosure: The amendment was made from the previous year (2021/22) to update the target as per the Estimates of Appropriations 2022/23.</p>						
• Aide Memoires (Timeframes are set on a case-by-case basis)	95-100%	100%	●		N/A	N/A
• Briefings (Timeframes are set on a case-by-case basis)	95-100%	100%	●		N/A	N/A
• Ministerial Correspondence (Proposed response within a 20-working day timeframe)	95-100%	94.9%	●		N/A	N/A
• Ministerial Official Information Act 1982 requests (Proposed response within a 15-working day timeframe)	95-100%	94.4%	●	Seventeen (17) out of 18 Ministerial Official Information Act 1982 requests were responded to within the 15-working day timeframe. The ability of MPI to meet this target was affected by its resources being deployed to Cyclone Gabrielle response work.	N/A	N/A
<p>Note: The statutory timeframe to respond to an OIA is "as soon as reasonably practicable" and no later than 20 working days as stated in the Official Information Act 1982. MPI has an agreement with Ministers' offices to provide a proposed response for Ministerial OIAs within 15 working days. Based on this, Ministerial OIAs are measured to a 15-working day timeframe.</p>						
• Written Parliamentary Questions (Proposed response within four working days)	95-100%	55.8%	●	This year, we recorded an overall 23.42% increase in Written Parliamentary Questions compared to last year, and paired with the Cyclone Gabrielle response work, it has affected the ability of MPI to meet this target.	N/A	N/A
<p>Note: The parliamentary timeframe to respond to a Written Parliamentary Questions is six working days. MPI aims to provide the Minister with a proposed response within four working days.</p>						
The satisfaction of the Minister for Biosecurity with the policy advice service, on a scale of 1 to 5, will be equal to or greater than	4	4	●		4.3	4.1

Fisheries Policy Advice

This category is intended to achieve the effective development and provision of policy advice and efficient ministerial servicing relating to fisheries matters, including the development of standards and guidelines for the sustainable management of New Zealand's fisheries, both domestically and internationally.

Performance measure	2022/23			Variance explanation	2021/22	2020/21
	Target	Actual	Standard met		Actual	Actual
The satisfaction of the Minister for Oceans and Fisheries with the policy advice service, on a scale of 1 to 5, will be equal to or greater than	4	4.9	●		Not assessed	Not assessed

Food Safety: Policy Advice and Ministerial Servicing

This category is intended to achieve the effective development and provision of policy advice and efficient ministerial servicing relating to food safety.

Performance measure	2022/23			Variance explanation	2021/22	2020/21
	Target	Actual	Standard met		Actual	Actual
Percentage of food safety-related requests completed within either specified or statutory timeframes:				Refer below for individual performance.		
<p>Note: The measure has been amended to provide more clarity by separating out the types of requests. This should allow performance to be more easily understood.</p>						
• Aide Memoires (Timeframes are set on a case-by-case basis)	95-100%	100%	●		N/A	N/A
• Briefings (Timeframes are set on a case-by-case basis)	95-100%	100%	●		N/A	N/A
• Ministerial Correspondence (Proposed response within a 20-working day timeframe)	95-100%	100%	●		N/A	N/A
• Ministerial Official Information Act 1982 requests (Proposed response within a 15-working day timeframe)	95-100%	87.5%	●	Seven (7) out of 8 Ministerial Official Information Act 1982 requests were responded to within the 15-working day timeframe. The ability of MPI to meet this target was affected by its resources being deployed to Cyclone Gabrielle response work.	N/A	N/A
<p>Note: The statutory timeframe to respond to an OIA is 'as soon as reasonably practicable' and no later than 20 working days as stated in the Official Information Act 1982. MPI has an agreement with Ministers' offices to provide a proposed response for Ministerial OIAs within 15 working days. Based on this, Ministerial OIAs are measured to a 15-working day timeframe.</p>						
• Written Parliamentary Questions (Proposed response within four working days)	95-100%	82.7%	●	This year, we recorded an overall 23.42% increase in Written Parliamentary Questions compared to last year, and paired with the Cyclone Gabrielle response work, it has affected the ability of MPI to meet this target.	N/A	N/A
<p>Note: The parliamentary timeframe to respond to a Written Parliamentary Questions is six working days. MPI aims to provide the Minister with a proposed response within four working days.</p>						

Performance measure	2022/23			Variance explanation	2021/22	2020/21
	Target	Actual	Standard met		Actual	Actual
The satisfaction of the Minister for Food Safety with the policy advice service, on a scale of 1 to 5, will be equal to or greater than	4	4.9	●		4.8	4.5

Operational Advice on Sustainability and Management Controls in Fisheries

This category is intended to achieve the effective development and provisions of operational advice for the sustainable management of New Zealand's fisheries.

Performance measure	2022/23			Variance explanation	2021/22	2020/21
	Target	Actual	Standard met		Actual	Actual
The satisfaction of the Minister for Oceans and Fisheries with MPI operational advice, on a scale of 1 to 5, will be equal to or greater than	4	4	●		Not assessed	Not assessed

Trade and Market Access Primary Industries

This category is intended to achieve the development and implementation of government interventions and arrangements that influence and facilitate trade in primary products.

Performance measure	2022/23			Variance explanation	2021/22	2020/21
	Target	Actual	Standard met		Actual	Actual
Percentage of priority items progressed for the Sanitary and Phytosanitary Standards Market Access Programme, as agreed with key meat, dairy, seafood and horticulture sector stakeholders	75%	92.8%	●	The Market Access work programme covers both Sanitary and Phytosanitary matters. It does not distinguish between those relating to Trade and Primary Industries market access and those related to Food Safety as importing countries standards, so are a blend of both and also address Technical Barriers to Trade issues.	73.1%	70.7%
Note: A work plan is agreed with the Sanitary and Phytosanitary Standards Market Access Programme governance group. At the start of the year, the work topics advanced are assessed and prioritised by MPI in consultation with key sector stakeholders.						
A work programme has been developed and agreed to with consultation between MPI and key primary industry groups	Achieved	Achieved	●	The work programme is agreed with industry groups annually.	Achieved	Achieved
Note: This work programme indicates which primary products will be prioritised for market access negotiations into international markets. Work under this programme includes gaining new access for products, maintaining and improving current access and resolving issues to restore market access for priority goods and markets. Key industry groups are dairy, meat, seafood and horticulture.						
Disclosure: The measure and note have been updated for clarity and context.						

Performance measure	2022/23			Variance explanation	2021/22	2020/21
	Target	Actual	Standard met		Actual	Actual
Conclude bilateral (or regional) arrangements with key trading partners accepting New Zealand primary industry regulatory systems	Minimum 1	2	●	The annual standard for this SPM 'minimum 1' was achieved. The New Zealand, Australia, US and Canada arrangement on the recognition of the equivalence of Foreign Animal Disease control and zoning measures during a Foreign Animal Disease outbreak as it applies to trade was formally extended to include the UK. Also, the entry into force of the NZ-UK Free Trade Agreement, including the Sanitary and Phytosanitary Chapter for which MPI was the lead negotiator, sees cost reductions for current and future primary sector trade.	2	2
Regular (e.g. annual) formal meeting held with key trading partner regulators	Minimum 1	7	●	The annual standard for this SPM 'minimum 1' has been achieved. Further formal in-country meetings have been held with regulators from the Philippines, Singapore, Thailand, Vietnam, China and Taiwan.	5	Achieved
Note: MPI has formal meetings involving senior officials with New Zealand's key trading partners, other major markets with which New Zealand has trade agreements and other strategically important/emerging markets. These markets include China, the USA, Australia, EU, Japan, South Korea, Taiwan, the United Kingdom, Indonesia and Hong Kong.						
Disclosure: The wording of the measure has been updated to ensure it is more easily understood.						

Departmental appropriations revenue and output expenses

ACTUAL JUNE 2022		ACTUAL JUNE 2023	MAIN ESTIMATES JUNE 2023	SUPP ESTIMATES JUNE 2023
\$000	Revenue Crown	\$000	\$000	\$000
7,242	Fisheries Policy Advice	7,792	7,769	7,792
35,565	Operational Advice on Sustainability and Management Controls in Fisheries	35,953	35,415	35,953
16,514	Trade and Market Access Primary Industries	16,130	17,269	16,130
86,616	Agriculture: Policy Advice and Ministerial Servicing	77,019	85,025	77,019
8,309	Animal Welfare: Policy Advice and Ministerial Servicing	8,771	7,632	8,771
16,018	Biosecurity: Policy Advice and Ministerial Servicing	10,959	12,959	10,959
10,028	Food Safety: Policy Advice and Ministerial Servicing	8,697	8,697	8,697
180,292	Total revenue Crown	165,321	174,766	165,321


Departmental appropriations revenue and output expenses				
	Revenue other			
274	Fisheries Policy Advice	621	482	845
87	Operational Advice on Sustainability and Management Controls in Fisheries	321	194	345
711	Trade and Market Access Primary Industries	1,022	-	-
971	Agriculture: Policy Advice and Ministerial Servicing	713	225	225
738	Animal Welfare: Policy Advice and Ministerial Servicing	202	9	9
21	Biosecurity: Policy Advice and Ministerial Servicing	33	14	14
313	Food Safety: Policy Advice and Ministerial Servicing	383	54	54
3,115	Total revenue other	3,295	978	1,492
183,407	Total revenue	168,616	175,744	166,813
\$000	Expenses	\$000	\$000	\$000
7,655	Fisheries Policy Advice	9,864	8,251	8,637
33,986	Operational Advice on Sustainability and Management Controls in Fisheries	35,301	35,609	36,298
14,555	Trade and Market Access Primary Industries	16,828	17,269	16,130
83,993	Agriculture: Policy Advice and Ministerial Servicing	70,301	85,250	77,244
7,905	Animal Welfare: Policy Advice and Ministerial Servicing	8,252	7,641	8,780
8,052	Biosecurity: Policy Advice and Ministerial Servicing	7,627	12,973	10,973
6,806	Food Safety: Policy Advice and Ministerial Servicing	8,468	8,751	8,751
162,952	Total expenses	156,641	175,744	166,813

Departmental appropriations revenue and output expenses				
	Surplus/[Deficit]			
(139)	Fisheries Policy Advice	(1,451)	-	-
1,666	Operational Advice on Sustainability and Management Controls in Fisheries	973	-	-
2,670	Trade and Market Access Primary Industries	324	-	-
3,594	Agriculture: Policy Advice and Ministerial Servicing	7,431	-	-
1,142	Animal Welfare: Policy Advice and Ministerial Servicing	721	-	-
7,987	Biosecurity: Policy Advice and Ministerial Servicing	3,365	-	-
3,535	Food Safety: Policy Advice and Ministerial Servicing	612	-	-
20,455	Total surplus/[deficit]	11,975	-	-
162,952	Total MCA Expenditure	156,641	175,744	166,813

Fisheries: Managing the Resource Sustainably (Multi-Category Appropriation – MCA)

Overarching purpose of appropriation

The single overarching purpose of this appropriation is to manage the sustainable use of fisheries resources and protection of the aquatic environment.

This appropriation contributes to the outcome:  Sustainability Kauneke Tauwhiro

What we intended to achieve with the appropriation

This appropriation is intended to achieve the sustainable use of fisheries resources and protection of the aquatic environment.

How we performed



Performance measure	2022/23			Variance explanation	2021/22	2020/21
	Target	Actual	Standard met		Actual	Actual
Performance of the MCA as a whole						
The percentage of scientifically evaluated fish stocks with no sustainability issues	More than 80%	86.8%	●	For more information refer to chapter 2, under Sustainability outcome.	84.9%	82.4%

Fisheries Enforcement and Monitoring

This category is intended to achieve the adherence to New Zealand fisheries laws.

Departmental Output Expenses						
Percentage of commercial operators inspected are found to be voluntarily compliant	80–90%	85.7%	●		89.8%	87.5%
Note: "Voluntarily compliant" means that routine inspection finds the operators to be compliant by their own volition, without any intervention by Compliance Officers.						
Percentage of recreational fishers inspected are found to be voluntarily compliant	90–95%	94.1%	●		94.3%	94.6%

Performance measure	2022/23			Variance explanation	2021/22	2020/21
	Target	Actual	Standard met		Actual	Actual
Percentage of investigations involving significant offending or multiple offenders reaching a prosecution decision made within the required timeframes	95–100%	99.1%	●		99.6%	Not assessed
Note: "Significant offending" is defined as non-compliance with the Fisheries Act 1996 or other Acts. "Prosecution decision" is defined as any decision made in respect of an investigation into a breach of legislation which identifies an offence may have been committed. "Required timeframe" is defined by the Fisheries Act 1996 as two years from when the offence occurred, when the maximum fine is more than \$10,000.						
Percentage of Planned Days that Fisheries Observers are at sea	90%	74.9%	●	7,514 observers sea days were completed out of 10,027 days planned. Due to the impact of non-compliant watchkeeping practices on vessels operating in the inshore and highly migratory species fisheries, the target was not met. MPI is working closely with Maritime New Zealand and the industry to improve compliance so observers can be placed on vessels.	77.2%	99.6%
Percentage of cases taken to court that achieve their objective	90–95%	95.9%	●		96%	97.6%
Note: Assessed as achieving objective: Offence case files where at least one charge decision of "Convicted" or "Convicted and Discharged" or "Proven (Infringement Offence)" is recorded against at least one defendant in the matter. Assessed as not achieving objective: Offence case files where there are no charge decisions of "Convicted" or "Convicted and Discharged" against any defendant in the matter – and all Court charges for the matter result in Discharged without Conviction, Dismissed, Withdrawn or Acquitted decisions.						

Fisheries Management

This category is intended to achieve the implementation of policy advice relating to fisheries matters and ministerial servicing.

Performance measure	2022/23			Variance explanation	2021/22	2020/21
	Target	Actual	Standard met		Actual	Actual
Percentage of fisheries management-related requests completed within either specified or statutory timeframes:				Refer below for individual performance.		
Note: The measure has been amended to provide more clarity by separating out the types of requests. This should allow performance to be more easily understood. Disclosure: The amendment was made from the previous year (2021/22) to update the target as per the Estimates of Appropriations 2022/23.						
• Aide Memoires (Timeframes are set on a case-by-case basis)	95–100%	100%	●		N/A	N/A
• Briefings (Timeframes are set on a case-by-case basis)	95–100%	100%	●		N/A	N/A
• Ministerial Correspondence (Proposed response within a 20-working day timeframe)	95–100%	100%	●		N/A	N/A

	2022/23			2021/22	2020/21	
Performance measure	Target	Actual	Standard met	Variance explanation	Actual	Actual
• Ministerial Official Information Act 1982 requests (Proposed response within a 15-working day timeframe)	95-100%	100%	●		N/A	N/A
Note: The statutory timeframe to respond to an OIA is 'as soon as reasonably practicable' and no later than 20 working days as stated in the Official Information Act 1982. MPI has an agreement with Ministers' offices to provide a proposed response for Ministerial OIAs within 15 working days. Based on this, Ministerial OIAs are measured to a 15-working day timeframe.						
• Written Parliamentary Questions (Proposed response within four working days)	95-100%	62.7%	●	This year, we recorded an overall 23.42% increase in Written Parliamentary Questions compared to last year, and paired with the Cyclone Gabrielle response work, it has affected the ability of MPI to meet this target.	N/A	N/A
Note: The parliamentary timeframe to respond to a Written Parliamentary Questions is six working days. MPI aims to provide the Minister with a proposed response within four working days.						
Percentage of the Crown's obligations to Māori under the Fisheries Act is delivered	100%	98.1%	●		100%	100%
Note: Refer to section 12 of the Fisheries Act – Consultation, input and participation of Māori.						
Ministerial decisions made on sustainability rounds are implemented within agreed timeframes	Achieved	Achieved	●	In both September 2022 and in March 2023, the Minister for Oceans and Fisheries released decisions on sustainability measures for selected fish stocks. These decisions were implemented to take effect on 1 October 2022 and 1 April 2023, respectively.	Achieved	Achieved

Fisheries: Aquaculture

This category is intended to achieve support for the all-of-government pathway to promote growth in the aquaculture sector.

	2022/23			2021/22	2020/21	
Performance measure	Target	Actual	Standard met	Variance explanation	Actual	Actual
Percentage of agreed annual Aquaculture Strategy Implementation Plan deliverables that are completed	80%	80%	●		80.8%	100%

Fisheries: Grants to Manage Sustainable Use of Fisheries Resources

This category is intended to achieve the effective provision of grants to support the growth and sustainable use of fisheries resources and protection of the aquatic environment.


	2022/23			2021/22	2020/21	
Performance measure	Target	Actual	Standard met	Variance explanation	Actual	Actual
Departmental Output Expenses						
Percentage of funding applications are assessed within agreed timeframes	90-100%	100%	●	More information on the Aquaculture Planning Fund is available on MPI website.	New measure for 2022/23	N/A
Note: The application and assessment processes have their own criteria and timeframes.						
Disclosure: This new measure is for a new output category introduced in 2022/23.						

Departmental appropriations revenue and output expenses				
ACTUAL JUNE 2022		ACTUAL JUNE 2023	MAIN ESTIMATES JUNE 2023	SUPP ESTIMATES JUNE 2023
\$000	Revenue Crown	\$000	\$000	\$000
3,093	Fisheries: Aquaculture	2,224	3,156	2,224
53,513	Fisheries Enforcement and Monitoring	59,956	61,800	59,956
12,669	Fisheries Management	12,081	12,081	12,081
69,275	Total revenue Crown	74,261	77,037	74,261
	Revenue other			
20	Fisheries: Aquaculture	17	16	16
3,476	Fisheries Enforcement and Monitoring	3,365	3,555	3,555
104	Fisheries Management	104	875	875
3,600	Total revenue other	3,486	4,446	4,446
72,875	Total revenue	77,747	81,483	78,707
	Expenses			
4,094	Fisheries: Aquaculture	3,930	3,172	2,240
55,718	Fisheries Enforcement and Monitoring	59,331	65,355	63,511
10,823	Fisheries Management	11,004	12,956	12,956
70,635	Total expenses	74,265	81,483	78,707
	Surplus/[Deficit]			
(981)	Fisheries: Aquaculture	(1,689)	-	-
1,271	Fisheries Enforcement and Monitoring	3,990	-	-
1,950	Fisheries Management	1,181	-	-
2,240	Total surplus/[deficit]	3,482	-	-
Non-Departmental appropriations				
-	Fisheries: Grants to Manage Sustainable use of Fisheries Resources	779	-	932
58	Fisheries Quota Shares and ACE Administration Costs	72	149	149
5	Fisheries: Transition Support	-	-	-
63	Sub-total Non-Departmental Expenditure	851	149	1,081
70,698	Total MCA Expenditure	75,116	81,632	79,788

Food Safety: Protecting Consumers (Multi-Category Appropriation – MCA)

Overarching purpose of appropriation

The single overarching purpose of this appropriation is to protect consumers from food borne disease and maintain and enhance New Zealand’s reputation as a trusted supplier of safe and suitable food.

This appropriation contributes to the outcome:  **Protection Whakangungu**

What we intended to achieve with the appropriation

This appropriation is intended to provide assurances, standards, information and response activities that protect consumers from food borne diseases, as well as maintaining and enhancing New Zealand’s reputation as a trusted supplier of safe and suitable food.

How we performed



Performance measure	2022/23			Variance explanation	2021/22	2020/21
	Target	Actual	Standard met		Actual	Actual
Performance of the MCA as a whole						
The rate of foodborne campylobacteriosis per 100,000 people per annum	20% reduction from 87 to 69 per 100,000 people p.a.	81* cases per 100,000 people p.a.	–	The notification rate reported is for the calendar year 2022* (01 January 2022–31 December 2022) based on the population. This indicates progress towards the five-year target. Future notification rates will provide a more robust indication of progress as social behavior returns to normal after the pandemic. Verified 2023 campylobacter data used in this notification rate (January–June) will be published in the MPI Annual Report concerning Foodborne Diseases in New Zealand 2023. This will be available in 2024. The target is not applicable as it is a five-year target and not an annual target. For more information refer to chapter 2, under Protection outcome.	80 cases per 100,000 people	New measure for 2021/22
<p>Note: The baseline and target figures may be subject to change due to various external factors over the five-year period. A 20% reduction is the target over 5 years, from 1 July 2021 to 30 June 2026.</p> <p>Disclosure: The actual result reported for 2022/23 is for the calendar year 2022, which is based on the verified data available as at 30 June 2023. However, the previous years’ results were reported for the financial year and therefore not comparable with current year result.</p> <p>* https://www.mpi.govt.nz/dmsdocument/58789-Annual-report-concerning-Foodborne-Diseases-in-New-Zealand-2022</p>						

Food Safety: Assurance

This category is intended to achieve effective administration and management of New Zealand’s food assurance systems.

Performance measure	2022/23			Variance explanation	2021/22	2020/21
	Target	Actual	Standard met		Actual	Actual
Departmental Output Expenses						
Percentage of access to overseas markets maintained after overseas audits	100%	100%	●		100%	100%
From a total of approximately 200,000 export certificates issued annually, the number rejected due to verification error	5 or fewer	2	●		1	2
Note: Verification error is an error on the export certificate due to the fault of the MPI verifier.						
Percentage of Verification Services corrective actions that are closed out by the agreed date	85%	90.9%	●		88.3%	84.2%
Note: Corrective Action Requests are identified during verification activities as issued by MPI’s Verification Services to the operator. A date for completion is agreed between the verifier and the operator based on the severity of the Corrective Action Request and the realistic time it is likely to take to rectify.						
Percentage of food businesses registered within 20 working days	85%	99.9%	●	8,848 out of 8,858 businesses registered within 20 working days.	99.9%	99.8%
Note: Twenty working days is the processing time of completed application for registration. This target is internal and not statutory.						

Food Safety: Information

This category is intended to achieve effective provision of information, advice and tools to food and primary product exporters.

Performance measure	2022/23			Variance explanation	2021/22	2020/21
	Target	Actual	Standard met		Actual	Actual
Percentage of exporters rate the overall satisfaction level with Export Regulatory Advice Service as 6 or higher (satisfaction rating–1 being completely dissatisfied to 7 being completely satisfied)	75%	78.3%	●		77.4%	76.3%

Food Safety: Response

This category is intended to achieve the effective administration and management of responses linked to food-related incidents, emergencies, complaints and suspected breaches of food legislation.

	2022/23			2021/22	2020/21	
Performance measure	Target	Actual	Standard met	Variance explanation	Actual	Actual
Percentage of investigations resolved within the required timeframe	90-95%	93.4%	●		93.7%	96.6%
Note: Food Compliance uses two categories of timeframes for investigations: percentage of non-complex investigations completed within 6 months, and percentage of complex investigations completed within legislative requirements (e.g. under the Food Act 2014, the Animal Products Act 1999, the Wine Act 2003 and/or the Criminal Procedure Act 2011).						
Percentage of serious complaints that are recorded and responded to within 24 hours of notification to MPI	95-100%	99%	●	In 2022/23, 101 of 102 serious complaints were recorded and responded to within 24 hours of notification to MPI.	99.4%	100%
Percentage of serious category investigations resulting in an appropriate enforcement intervention	95-100%	99.4%	●	In 2022/23, 179 of 180 serious category investigations resulted in an appropriate enforcement intervention.	100%	99.4%

Food Safety: Standards

This category is intended to achieve the effective administration of food standards, including those related to food production – ensuring standards are in place to manage industry compliance.

	2022/23			2021/22	2020/21	
Performance measure	Target	Actual	Standard met	Variance explanation	Actual	Actual
From a total of approximately 200,000 export certificates issued annually, the percentage of certificates issued which meet the certification requirements of overseas competent authorities	99%	99.9%	●		99.9%	99.9%
Note: "Overseas competent authorities" is a World Trade Organisation term that defines a specific group of authorities. Certificate requirements are the export documentation requirements of importing countries, which vary from country to country.						
The percentage of high priority animal product initiatives for the year progressed, as agreed with key animal product sector stakeholders	80%	100%	●	During this period a major regulatory reform programme has been delivered. Regulatory Redesign, a product of the Food Safety Law Reform Act 2018, led to a major realignment of multiple animal products standards, followed by updates to templates and guidance material. This exceeded the target for the year. For more information on the Regulatory Redesign Programme's progress, please refer to chapter 2, under Protection outcome.	100%	100%
Note: "Progressed" is defined as standards and notices that are reviewed and developed as agreed with industry.						

	2022/23			2021/22	2020/21	
Performance measure	Target	Actual	Standard met	Variance explanation	Actual	Actual
A minimum of four formal stakeholder engagement sessions with major food sectors to help develop technical standards are delivered in each quarter of the financial year	Achieved	Achieved	●		Achieved	Achieved
In 2022/23, there was a total of 54 formal stakeholder engagement sessions with major food sectors.						

Food Safety: Trade and Market Access Food Safety

This category is intended to achieve the development and implementation of activities, frameworks and arrangements that influence and facilitate the food-safety related aspects of trade in primary products.

	2022/23			2021/22	2020/21	
Performance measure	Target	Actual	Standard met	Variance explanation	Actual	Actual
Percentage of priority items progressed for the Sanitary and Phytosanitary Standards Market Access Programme, as agreed with key meat, dairy, seafood and horticulture sector stakeholders	75%	92.8%	●	The Market Access work programme covers both Sanitary and Phytosanitary matters. It does not distinguish between those relating to Trade and Primary Industries market access and those related to Food Safety as importing countries standards so are a blend of both and address Technical Barriers to Trade issues.	73.1%	70.7%
Note: A work plan is agreed with the Sanitary and Phytosanitary Standards Market Access Programme governance group. At the start of the year, the work topics advanced are assessed and prioritised by MPI in consultation with key sector stakeholders.						
A work programme has been developed and agreed to, with consultation between MPI and key primary industry groups	Achieved	Achieved	●		Achieved	Achieved
Note: This work programme indicates which primary products will be prioritised for market access negotiations into international markets. Work under this programme includes gaining new access for products, maintaining and improving current access and resolving issues to restore market access for priority goods and markets. Key industry groups are dairy, meat, seafood and horticulture. The measure and note have been updated for clarity and context.						
Conclude bilateral (or regional) arrangements with key trading partners accepting New Zealand primary industry regulatory systems	Minimum 1	0	●	While MPI has delivered a number of trade facilitating outcomes, including the Sanitary and Phytosanitary Chapter of the NZ-UK Free Trade Agreement and a "Food Safety and Risk Management Cooperation Arrangement" with China's National Centre for Food Safety Risk Assessment, these do not strictly meet the set criteria of recognition of New Zealand's primary industry regulatory systems (Food Safety). There are a number of such arrangements in active development, however progress to completion this financial year has been impaired due to a lack of earlier face to face engagement with counterparts as a result of the previous COVID-19 related travel restrictions.	2	3
Regular (e.g. annual) formal meeting held with key trading partner regulators	Minimum 1	7	●		5	Achieved
Note: MPI has formal meetings involving senior officials with New Zealand's key trading partners, other major markets with which New Zealand has trade agreements and other strategically important/emerging markets. These markets include China, the USA, Australia, EU, Japan, South Korea, Taiwan, the United Kingdom, Indonesia and Hong Kong.						

Departmental appropriations revenue and output expenses				
ACTUAL JUNE 2022		ACTUAL JUNE 2023	MAIN ESTIMATES JUNE 2023	SUPP ESTIMATES JUNE 2023
\$000	Revenue Crown	\$000	\$000	\$000
1,008	Food Safety: Assurance	8,679	7,042	8,679
2,985	Food Safety: Information	4,865	3,067	4,865
8,336	Food Safety: Response	9,309	8,602	9,309
5,258	Food Safety: Standards	5,085	5,043	5,085
5,472	Food Safety: Trade and Market Access Food Safety	5,514	5,514	5,514
23,059	Total revenue Crown	33,452	29,268	33,452
	Revenue other			
57,557	Food Safety: Assurance	61,504	72,330	75,796
443	Food Safety: Information	429	2	2
42	Food Safety: Response	62	360	360
2,560	Food Safety: Standards	6,153	12,369	12,669
1,501	Food Safety: Trade and Market Access Food Safety	1,706	2,066	2,066
62,103	Total revenue other	69,854	87,127	90,893
85,162	Total revenue	103,306	116,395	124,345
	Expenses			
70,890	Food Safety: Assurance	78,451	79,372	84,475
3,881	Food Safety: Information	3,976	3,069	4,867
9,853	Food Safety: Response	10,122	8,962	9,669
16,586	Food Safety: Standards	17,775	17,412	17,754
6,020	Food Safety: Trade and Market Access Food Safety	7,117	7,580	7,580
107,230	Total expenses	117,441	116,395	124,345

Departmental appropriations revenue and output expenses				
\$000	Surplus/[Deficit]	\$000	\$000	\$000
(12,325)	Food Safety: Assurance	(8,268)	-	-
(453)	Food Safety: Information	1,318	-	-
(1,475)	Food Safety: Response	(751)	-	-
(8,768)	Food Safety: Standards	(6,537)	-	-
953	Food Safety: Trade and Market Access Food Safety	103	-	-
(22,068)	Total surplus/[deficit]	(14,135)	-	-
Non-Departmental appropriations				
900	Food Safety Science and Research	1,100	1,800	1,800
1,345	Food Safety: Folic Acid Fortification	-	-	-
2,152	Food Safety: Joint Food Standards Setting Treaty	2,152	2,153	2,153
4,397	Sub-total Non-Departmental Expenditure	3,252	3,953	3,953
111,627	Total MCA Expenditure	120,693	120,348	128,298

North Island Weather Events (Multi-Category Appropriation – MCA)

Overarching purpose of appropriation

The single overarching purpose of this appropriation is to provide assistance to the primary sector as part of addressing the impact of North Island Weather Events.

This appropriation contributes to the outcome:



Visible Leadership
Ngā Manukura

What we intended to achieve with the appropriation

This appropriation is intended to achieve the development and implementation of support assistance for the primary sector to address the impact of North Island Weather Events.

How we performed

NOT
APPLICABLE

Not applicable 3 output performance targets

Spend: \$1.1 million

Performance measure	2022/23			Variance explanation	2021/22	2020/21
	Target	Actual	Standard met		Actual	Actual
Performance of the MCA as a whole						
Percentage of funding allocated to rural businesses and communities impacted by the North Island Weather Events	95%	N/A	–	This measure will be reported on in the next financial year. Expressions of Interest for the North Island Weather Event funding opened on 19 May 2023 and closed on 11 July 2023. For more information, refer to chapter 2 under Visible Leadership outcome and the Grants section.	New measure for 2022/23	N/A
Note: This new measure has been created as a result of the establishment of this new MCA.						

Primary Sector Response and Recovery Administration costs

This category is intended to achieve effective administration of programmes which support the primary sector in response to the North Island Weather Events.

Performance measure	2022/23			Variance explanation	2021/22	2020/21
	Target	Actual	Standard met		Actual	Actual
Departmental Output Expenses						
Percentage of funding agreements to support rural businesses and communities impacted by the North Island Weather Events processed in accordance with MPI procurement policies	95%	N/A	–	This measure will be reported on in the next financial year. For more information, refer to chapter 2, under Visible Leadership outcome and the Grants section.	New measure for 2022/23	N/A
Note: This new measure has been created as a result of the establishment of a new output class category.						

Support for Rural Businesses and Communities

This category is intended to achieve the effective provision of support to rural businesses and communities impacted by the North Island Weather Events.

Performance measure	2022/23			Variance explanation	2021/22	2020/21
	Target	Actual	Standard met		Actual	Actual
Non-Departmental Other Expenses						
Percentage of funding allocated to rural businesses and communities impacted by the North Island Weather Events	95%	N/A	–	No funding has been allocated as at 30 June 2023 as Expressions of Interest closed on 11 July 2023. For more information, refer to chapter 2, under Visible Leadership outcome and the Grants section.	New measure for 2022/23	N/A
Note: This new measure has been created as a result of the establishment of a new output class category.						

Revenue and output expenses				
ACTUAL JUNE 2022		ACTUAL JUNE 2023	MAIN ESTIMATES JUNE 2023	SUPP ESTIMATES JUNE 2023
\$000	Revenue Crown	\$000	\$000	\$000
-	Primary Sector Response and Recovery Administration costs	4,014	-	4,014
-	Total revenue Crown	4,014	-	4,014
Revenue other				
-	Primary Sector Response and Recovery Administration costs	-	-	-
-	Total revenue other	-	-	-
-	Total revenue	4,014	-	4,014
Expenses				
-	Primary Sector Response and Recovery Administration costs	356	-	4,014
-	Total expenses	356	-	4,014
Surplus/[Deficit]				
-	Primary Sector Response and Recovery Administration costs	3,658	-	-
-	Total surplus/[deficit]	3,658	-	-
Non-Departmental appropriations				
-	Support for Rural Businesses and Communities	744	12,789	12,789
-	Sub-total Non-Departmental Expenditure	744	12,789	12,789
-	Total MCA Expenditure	1,100	12,789	16,803

Vote Forestry

Growth and Development of the Forestry Sector (Multi-Category Appropriation – MCA)

Overarching purpose of appropriation

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

This appropriation contributes to the outcome:



Prosperity
Tōnuitanga



Sustainability
Kauneke Tauwhiro



Protection
Whakangungu



Visible Leadership
Ngā Manukura

What we intended to achieve with the appropriation

This appropriation is intended to support the growth and development of the Forestry sector.

How we performed



Performance measure	2022/23			Variance explanation	2021/22	2020/21
	Target	Actual	Standard met		Actual	Actual
Performance of the MCA as a whole						
The core functionality to support the Forestry Planning and Advisory service will be fully stood up by June 2023	Achieved	Achieved	●	For more information refer to chapter 2, under Sustainability outcome.	New measure for 2021/22	N/A
Note: A new measure has been introduced to better reflect the overall effectiveness of the output categories under the MCA. It replaces the current measure "Reporting on an annual basis". The new measure is an indicator of overall performance of the work carried out in the appropriation. This measure relates to supporting the growth and development of the forestry sector by increasing services to better support existing and new participants and develop assurance of compliance through regulation.						

Forestry: Administration of Grants and Programmes

This category is intended to achieve the sustainable growth and development of the Forestry sector.

Performance measure	2022/23			Variance explanation	2021/22	2020/21
	Target	Actual	Standard met		Actual	Actual
Departmental Output Expenses						
The percentage of contracted milestones under the One Billion Trees Fund that were met within two months of their due date	Equal to or greater than 90%	96%	●	In 2022/23, 668 out of 696 milestones were met within two months of their due date. For more information on this fund, refer to the Grants section.	6.8%*	60%**
<p>Note: Milestones are considered to be overdue once the due date is exceeded by two months.</p> <p>Disclosure: The measure and budget standard have been updated.</p> <p>* The 2021/22 Actual was the result for the former standard "Less than or equal to 10%." The measure was previously worded as "Percentage of contractual milestones under the One Billion Tree Fund that are past their due date."</p> <p>** The 2020/21 Actual was the result for the former measure "Percentage of One Billion Trees funding applications processed within timelines."</p>						

Forestry: Climate Emergency Response implementation and administration

This category is intended to achieve the delivery of programmes as part of the Forestry sector contribution to the Climate Emergency Response Fund.

Performance measure	2022/23			Variance explanation	2021/22	2020/21
	Target	Actual	Standard met		Actual	Actual
The percentage of Maximising Forest Carbon key milestones completed by their due date	Equal to or greater than 95%	50%	●	Three of the six milestones were completed by their due date. The remaining three milestones were 90% complete by 30 June 2023 with the remainder of the work planned to be completed in July 2023. For more information refer to chapter 2, under Sustainability outcome.	New measure for 2022/23	N/A
<p>Note: This measures MPI's Budget 2022 new initiative "Maximising Natural Carbon Storage: Increasing Natural Sequestration To Achieve New Zealand's Future Carbon Goals" work programme.</p> <p>Disclosure: This new measure has replaced an existing measure, which reflects the specific new Budget 2022 policy initiative.</p>						

Forestry: Management of the Crown's Forestry Assets

This category is intended to achieve the effective administration and management of the Crown's interest in forests and forestry-related assets.

Performance measure	2022/23			Variance explanation	2021/22	2020/21
	Target	Actual	Standard met		Actual	Actual
The number of hectares of the Crown's Forestry assets divested via a surrender or sale process this year	250ha	442ha	●	442 hectares included the following areas: • Lake Rotoaira Forest (327 ha) • Enclaves Forests (10 ha), and • Puketawa (105 ha). Positive variance was mainly due to the surrender area at Lake Rotoaira Forest (one of the Crown's Māori Lease forests) being greater than anticipated.	302.6ha	1,467ha
<p>Note: The asset area divested annually is calculated by forecasting the programmed surrender or exit under agreed lease or forestry right terms; or as a consequence of an outright sale of the Crown's interest.</p> <p>Disclosure: The measure and note have been updated from the previous year (2021/22) as per the Estimates of Appropriations for clarity.</p>						
Number of hectares contracted under commercial forest leases or forestry joint ventures as part of the One Billion Trees programme	200ha	228ha	●	The 228 hectares contracted in 2022/23 completed the One Billion Trees Join-Venture programme. Total hectares contracted through this programme was approximately 22,600ha. This measure will be removed in 2023/24.	519ha	1,234ha
<p>Note: The budget standard has been amended to reflect the forecast.</p>						

Forestry: Policy Advice and Ministerial Servicing

This category is intended to achieve the effective development, provision and implementation of policy advice and legislation, and efficient ministerial servicing relating to Forestry.

Performance measure	2022/23			Variance explanation	2021/22	2020/21
	Target	Actual	Standard met		Actual	Actual
Percentage of forestry-related requests completed within either specified or statutory timeframes:				Refer below for individual performance.		
<p>Note: The measure has been amended to provide more clarity by separating out the types of requests. This should allow performance to be more easily understood.</p>						
• Aide Memoires (Timeframes are set on a case-by-case basis)	95-100%	100%	●		N/A	N/A
• Briefings (Timeframes are set on a case-by-case basis)	95-100%	100%	●		N/A	N/A
• Ministerial Correspondence (Proposed response within a 20-working day timeframe)	95-100%	100%	●		N/A	N/A

Performance measure	2022/23			Variance explanation	2021/22	2020/21
	Target	Actual	Standard met		Actual	Actual
• Ministerial Official Information Act 1982 requests (Proposed response within a 15-working day timeframe)	95-100%	95.5%	●		N/A	N/A
Note: The statutory timeframe to respond to an OIA is 'as soon as reasonably practicable' and no later than 20 working days as stated in the Official Information Act 1982. MPI has an agreement with Ministers' offices to provide a proposed response for Ministerial OIAs within 15 working days. Based on this, Ministerial OIAs are measured to a 15-working day timeframe.						
• Written Parliamentary Questions (Proposed response within four working days)	95-100%	56.5%	●	This year, we recorded an overall 23.42% increase in Written Parliamentary Questions compared to last year, and paired with the Cyclone Gabrielle response work, it has affected the ability of MPI to meet this target.	N/A	N/A
Note: The parliamentary timeframe to respond to a Written Parliamentary Questions is six working days. MPI aims to provide the Minister with a proposed response within four working days.						
The technical quality assessment level for the Ministry for Primary Industries (MPI) policy advice papers, on a scale of 1 to 5, will be equal to or greater than	3.5	3.4	●	This score is an average from an independent review. We will implement the recommendations to improve this score in future years.	3.7	3.7
Note: This measure is an indicator of overall performance of policy advice provided for Forestry and is a subset of the broader measure covering all MPI portfolios. The assessment is carried out by an external provider and is a standard policy advice quality scale.						
The satisfaction of the Minister of Forestry with the policy advice service, on a scale of 1 to 5, will be equal to or greater than	4.0	4.0	●		4.1	4.4
Percentage of emissions returns with a New Zealand Unit (NZU) entitlement that were processed and sent to the Environmental Protection Authority (EPA) within 20 working days	95%	99.3%	●		99.5%	100%
Note: The target of 95% has been set to allow for the implementation and embedding of a new IT system for processing emissions returns. Disclosure: The measure and standard have been updated to reflect a new legislated requirement.						
Percentage of completed inspections for approved annual logging plans subject to post harvest inspections each financial year	75%	95%	●	This target was exceeded by aligning post-harvest inspections with other compliance activities to enable more site visits. 19 post-harvest inspections were undertaken for the period out of a total of 20 annual logging plans.	83.3%	New measure for 2021/22
Percentage of high priority registered sawmills inspected annually for compliance with the Forests Act 1949 (Part 3A)	90%	90.4%	●		94.5%	89.8%
Note: High priority sawmills are those that: (a) milled over 100m ³ in the financial year, or (b) were not inspected in the previous two financial years, or (c) have previously been prosecuted or sent a warning letter for non-compliance (except for educational letters) under the Forests Act 1949, at any time.						

Forestry: Operational management of the Crown's Forests

This category is intended to achieve the effective purchase of forestry operations, management services, research and related forest asset expenditure including expenditure related to asset divestment.

Performance measure	2022/23			Variance explanation	2021/22	2020/21
	Target	Actual	Standard met		Actual	Actual
Non-Departmental Output Expenses						
Forest management activities comply with all statutory requirements, lease agreements and other contractual arrangements as assessed by annual independent review of a sample forest	Achieved	Achieved	●		100%	100%
Note: The measure and budget standard have been amended to cover a range of statutory requirements and contractual arrangements. The note has been removed as it is no longer relevant. Disclosure: The 2021/22 Actual and the 2020/21 Actual were the results for the previous two years' quantitative measures and as reported in MPI previous years' annual reports.						
Costs and revenues are consistent with industry norms as assessed by annual independent review of a sample of forests	Achieved	Achieved	●		100%	100%
Note: The measure and standard have been amended to better reflect business process. Disclosure: The 2021/22 Actual and the 2020/21 Actual were the results for the previous two years' quantitative measures and as reported in MPI previous years' annual reports.						
Volume of logs (in cubic metres-m ³) harvested and sold, on behalf of the Crown, from the Crown Forestry Estate to within +/- 10%	245,000m ³	286,681m ³	●	The positive variance was due to increased production at Rotoaira Forest following widespread wind damage from Cyclone Gabrielle. To maximise the value, recovery operations have been scaled up.	497,995m ³	900,665m ³
Note: The measure has been amended for clarity and the standard has been updated so it can be measured more accurately.						

Forestry: Grants and partnerships programme

This category is intended to achieve and encourage new planting and reversion of an expected 25,000ha over the life of the One Billion Trees programme.

Performance measure	2022/23			Variance explanation	2021/22	2020/21
	Target	Actual	Standard met		Actual	Actual
Non-Departmental Output Expenses						
The number of hectares established under the One Billion Trees Fund	3,000ha	3,840ha	●	Growth conditions, grantees completing milestones early, and availability of inspection staff meant trees that were expected to reach establishment criteria in future years were able to be verified as established in 2022/23.	3,953ha	New measure for 2021/22
Note: This is measured annually in December of each year. This standard will remain in place until December 2024. The funding has now closed to new applications, however, projects contracted under the fund are managed until its completed date (by 2028).						

Forestry: Hill Country Erosion Fund

This category is intended to achieve effective provision of projects that protect erosion-prone hill country.

Performance measure	2022/23			Variance explanation	2021/22	2020/21
	Target	Actual	Standard met		Actual	Actual
Non-Departmental Output Expenses						
The number of hectares treated through Hill Country Erosion Funding in 2022/23	4,900ha	8,864ha	●	The target has been over-achieved this year, due to strong performance by councils and a higher-than-expected area of erosion-prone land protected through retirement and/or planting.	6,814ha	4,984ha
Note: The wording has been updated to reflect the correct year.						

North Island Weather Event: Cyclone Gabrielle Response and Recovery

This category is intended to achieve funding support for the councils' implementation of activities that will mitigate the impact of woody debris to critical infrastructure in the event of significant weather events.

Performance measure	2022/23			Variance explanation	2021/22	2020/21
	Target	Actual	Standard met		Actual	Actual
Non-Departmental Output Expenses						
Percentage of 2022/23 budgeted funding contracted	>90%	100%	●	\$3.5 million funding was available. All of which was contracted for the fiscal year.	New measure for 2022/23	N/A
Note: This new measure has been created as a result of the establishment of a new output class category.						
Council partners (Gisborne District Council and Hawke's Bay Regional Council) are engaged by Te Uru Rākau–New Zealand Forest Service by 30 June 2023	Achieved	Achieved	●	Phase 1 contracting with both councils was completed with work being commenced to remove woody debris out of priority catchments.	New measure for 2022/23	N/A
Note: Engagement is any focused interactions with Gisborne Regional Council or Hawke's Bay Regional Council for the specific purpose of providing support for woody debris removal through this fund. This new measure has been created as a result of the establishment of a new output class category.						
Disclosure: This new measure has been created as a result of the establishment of a new output class category.						
Number of tonnes of woody debris removed from high priority catchments in Gisborne and Hawke's Bay	70,000 tonnes	N/A	–	This fund was announced on 14 May 2023. TUR-NZFS work in 2022/23 was to set up the systems to contract funding to councils. Work to remove debris is now underway with contracting being finalised in the last week of June 2023. Delivery of this measure will be achieved in 2023/24. For more information, refer to chapter 2, under Visible Leadership.	New measure for 2022/23	N/A
Note: "Highest priority catchments" are identified and defined by Territorial Authorities.						
Disclosure: This new measure has been created as a result of the establishment of a new output class category. The 70,000 tonnes target is a target from the inception of this scheme to 30 June 2024.						

Revenue and output expenses				
ACTUAL JUNE 2022		ACTUAL JUNE 2023	MAIN ESTIMATES JUNE 2023	SUPP ESTIMATES JUNE 2023
\$000	Revenue Crown	\$000	\$000	\$000
4,730	Forestry: Administration of Grants and Programmes	7,237	10,689	7,237
2,491	Forestry: Management of the Crown's Forestry Assets	1,811	2,517	1,811
55,655	Forestry: Policy Advice and Ministerial Servicing	58,980	57,015	58,980
–	Forestry: Climate Emergency Response implementation and administration	5,598	5,811	5,598
62,876	Total revenue Crown	73,626	76,032	73,626
Revenue other				
11	Forestry: Administration of Grants and Programmes	14	15	15
6	Forestry: Management of the Crown's Forestry Assets	3	116	116
1,120	Forestry: Policy Advice and Ministerial Servicing	1,608	37	1,416
–	Forestry: Climate Emergency Response implementation and administration	6	–	–
1,137	Total revenue other	1,631	168	1,547
64,013	Total revenue	75,257	76,200	75,173
Expenses				
6,439	Forestry: Administration of Grants and Programmes	6,444	10,704	7,252
2,014	Forestry: Management of the Crown's Forestry Assets	1,924	2,633	1,927
38,899	Forestry: Policy Advice and Ministerial Servicing	59,280	57,052	60,396
–	Forestry: Climate Emergency Response implementation and administration	4,019	5,811	5,598
47,352	Total expenses	71,667	76,200	75,173

Performance measures for departmental appropriations removed in 2022/23

Revenue and output expenses				
	Surplus/[Deficit]			
(1,698)	Forestry: Administration of Grants and Programmes	807	-	-
483	Forestry: Management of the Crown's Forestry Assets	(110)	-	-
17,876	Forestry: Policy Advice and Ministerial Servicing	1,308	-	-
-	Forestry: Climate Emergency Response implementation and administration	1,585	-	-
16,661	Total surplus/[deficit]	3,590	-	-
Non-Departmental appropriations				
53,600	Forestry: Operational Management of the Crown's Forests	39,218	36,275	46,636
-	Forestry: Climate Emergency Response Fund	2	-	50
34,073	Forestry: Grants and partnerships programme	26,008	42,749	46,249
9,051	Forestry: Hill Country Erosion Fund	9,125	10,000	10,000
64	Afforestation Grant Scheme	-	-	-
-	North Island Weather Event-Cyclone Gabrielle Response and Recovery	3,540	-	3,400
96,788	Sub-total Non-Departmental Expenditure	77,893	89,024	106,335
4,418	Capital Investment in the Crown's Forestry Assets	-	-	-
101,206	Total MCA Expenditure including Capital Expenditure	149,560	165,224	181,508

Appropriation	Performance measure	Disclosure on Supplementary Estimates 2022/23 changes
Agriculture: Programmes Supporting Sustainability Multi-Category Appropriation (MCA) Category: Agriculture: Climate Change Research	Percentage of contracts completed in the financial year that met their contracted deliverables Percentage of Agriculture: Climate Change Research (M2) appropriation contracted for the financial year	These two measures were removed from this MCA category as this category has been merged along with the New Zealand Agricultural Greenhouse Gas Research appropriation to form the new Multi-Year Appropriation: Sustainable Land Management and Climate Change Research.
Agriculture: Programmes Supporting Sustainability MCA Category: Agriculture: Climate Emergency Response Fund	Percentage of agreed climate change education initiatives progressed	This measure was removed as it was no longer fit for purpose nor relevant due to a significant change in funding, operations or activities. New measures were introduced in this category to reflect the new Budget 2022 initiative 'Agriculture Emissions Reduction - Accelerating Development of Greenhouse Gas Mitigations'.
Biosecurity: Border and Domestic Biosecurity Risk Management MCA	Reporting on an annual basis	This MCA overarching measure was removed as it does not reflect the overall effectiveness of the output categories under the MCA. This was replaced by two existing but repurposed measures.
Biosecurity: Border and Domestic Biosecurity Risk Management MCA Category: Biosecurity: Control of Bovine TB	Number of hectares (within +/- 5%) where eradication has been achieved and reclassified as free from vector risk Annual period prevalence of TB infection in deer and cattle herds as a percentage of herds	These measures were removed as MPI monitors this work, which is carried out by OSPRI New Zealand Limited (OSPRI). This has been replaced with another new measure in this category.
Fisheries: Managing the Resource Sustainably MCA Category Fisheries: Aquaculture	Obligations to Māori under the Māori Commercial Aquaculture Settlement Act are delivered by statutory deadline	This measure was no longer required for the MCA category of this appropriation. A new annual non-departmental appropriation titled Fisheries: Aquaculture Settlement has been established where this measure has been reworded and repurposed for the new appropriation.
Food Safety: Protecting Consumers MCA Category: Food Safety: Assurance	Percentage of customers that participate in a satisfaction survey rate overall verification service as 4 or higher	This measure was removed for this MCA category as it does not relate to or support the Category Intention Statement: 'This category is intended to achieve effective administration and management of New Zealand's food assurance system'.
Growth and Development of the Forestry Sector MCA Category: Forestry: Climate Emergency Response implementation and administration	The delivery of programmes agreed as part of the Forestry sector Climate Emergency Response	This measure was removed for this MCA category and was replaced by a new measure to reflect the specific new Budget 2022 policy initiative being funded in the 2022/23 year.



04.

Our financial statements

Ā mātou pūrongo pūtea

Statement of responsibility

Ko te tauākī whai kawenga

I am responsible, as Chief Executive of the Ministry for Primary Industries (MPI), for:

- the preparation of MPI's financial statements, and statements of expenses and capital expenditure, and for the judgements expressed in them;
- having in place a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting;
- ensuring that end-of-year performance information on each appropriation administered by MPI is provided in accordance with sections 19A to 19C of the Public Finance Act 1989, whether or not that information is included in this annual report; and
- the accuracy of any end-of-year performance information prepared by MPI, whether or not that information is included in the annual report.

In my opinion:

- the financial statements fairly reflect the financial position of MPI as at 30 June 2023 and its operations for the year ended on that date; and
- the forecast financial statements fairly reflect the forecast financial position of MPI as at 30 June 2024 and its operations for the year ending on that date.

Signed



Ray Smith

Director-General
29 September 2023

Countersigned



Neil Cherry

Deputy Director-General
Corporate Services
29 September 2023



Independent auditor's report

Ngā pūrongo a te ōtita motuhake

To the Readers of The Ministry for Primary Industries' Annual Report for the year ended 30 June 2023

The Auditor-General is the auditor of the Ministry for Primary Industries (the Ministry). The Auditor-General has appointed me, Stuart Mutch, using the staff and resources of Ernst & Young, to carry out, on his behalf, the audit of:

- the financial statements of the Ministry on pages 130 to 167, that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and contingent assets as at 30 June 2023, the statement of comprehensive revenue and expense, statement of changes in equity, statement of cash flows, and statement of trust monies for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information;
- the performance information for the appropriations administered by the Ministry for the year ended 30 June 2023 on pages 72 to 120;
- the statement of departmental expenses and capital expenditure against appropriations for the year ended 30 June 2023 on pages 138 to 139;
- the schedules of non-departmental activities which are managed by the Ministry on behalf of the Crown on pages 168 to 196 that comprise:
 - the schedules of assets; liabilities; commitments; and contingent liabilities and contingent assets as at 30 June 2023;
 - the schedules of revenue; expenses and capital expenditure for the year ended 30 June 2023;
 - the statement of expenditure and capital expenditure against appropriations for the year ended 30 June 2023;
 - the schedule of trust monies for the year ended 30 June 2023; and
 - the notes to the schedules that include accounting policies and other explanatory information.

Opinion

In our opinion:

- the financial statements of the Ministry:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2023; and
 - its financial performance and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.
- the performance information for the appropriations administered by the Ministry for the year ended 30 June 2023:
 - presents fairly, in all material respects:
 - what has been achieved with the appropriation; and
 - the actual expenses or capital expenditure incurred as compared with the expenses or capital expenditure that were appropriated or forecast to be incurred; and
 - complies with generally accepted accounting practice in New Zealand.
- the statement of expenses and capital expenditure of the Ministry are presented, in all material respects, in accordance with the requirements of section 45A of the Public Finance Act 1989.
- the schedules of non-departmental activities which are managed by the Ministry on behalf of the Crown present fairly, in all material respects, in accordance with the Treasury Instructions:
 - The assets; liabilities; contingent liabilities and contingent assets and commitments as at 30 June 2023;
 - revenue; expenses and capital expenditure for the year ended 30 June 2023;
 - the statement of expenditure and capital expenditure against appropriations for the year ended 30 June 2023; and
 - the schedule of trust monies for the year ended 30 June 2023.

Our audit was completed on 29 September 2023. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Director-General and our responsibilities relating to the information to be audited, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Director-General for the information to be audited

The Director-General is responsible on behalf of the Ministry for preparing:

- financial statements that present fairly the Ministry's financial position, financial performance, and its cash flows, and that comply with generally accepted accounting practice in New Zealand.
- performance information that presents fairly what has been achieved with each appropriation, the expenditure incurred as compared with expenditure expected to be incurred, and that complies with generally accepted accounting practice in New Zealand.
- statement of expenses and capital expenditure and statement of unappropriated expenditure and capital expenditure of the Ministry, that are presented fairly, in accordance with the requirements of the Public Finance Act 1989.
- schedules of non-departmental activities, in accordance with the Treasury Instructions, that present fairly those activities managed by the Ministry on behalf of the Crown.

The Director-General is responsible for such internal control as is determined is necessary to enable the preparation of the information to be audited that is free from material misstatement, whether due to fraud or error.

In preparing the information to be audited, the Director-General is responsible on behalf of the Ministry for assessing the Ministry's ability to continue as a going concern. The Director-General is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Ministry, or there is no realistic alternative but to do so.

The Director-General's responsibilities arise from the Public Finance Act 1989.

Responsibilities of the auditor for the information to be audited

Our objectives are to obtain reasonable assurance about whether the information we audited, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of the information we audited.

For the budget information reported in the information we audited, our procedures were limited to checking that the information agreed in the Ministry's information on strategic intentions.

We did not evaluate the security and controls over the electronic publication of the information we audited.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional

judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the information we audited, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministry's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Director-General.
- We evaluate the appropriateness of the reported performance information for the appropriations administered by the Department.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Director-General and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Ministry's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the information we audited or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Ministry to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the information we audited, including the disclosures, and whether the information we audited represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Director-General regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including

any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Director-General is responsible for the other information. The other information comprises the information included on pages 1 to 71, 121 to 124, 128 to 129 and 197 to 257, but does not include the information we audited, and our auditor's report thereon.

Our opinion on the information we audited does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the information we audited or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Ministry in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, the relationship with the Auditor-General's Audit and Risk Committee of this engagement, we have no relationship with, or interests in, the Ministry.



Stuart Mutch
Ernst & Young
On behalf of the Auditor-General Wellington,
New Zealand

Financial Commentary

This section of the annual report provides a commentary on MPI's 2022/23 financial results and a view of our forecast financial position for 2023/24.

Information is also provided in this section on non-departmental operations, where MPI administers activities on behalf of the Crown.

MPI administers two votes: Vote Agriculture, Biosecurity, Fisheries and Food Safety; and Vote Forestry.

2022/23 Departmental results

In 2022/23, our revenue from the Crown and other sources was \$906 million. The operating expenditure for the year was \$840 million resulting in a net surplus of \$66 million.

Our Revenue sources in 2022/23

The total revenue of \$906 million was \$105 million higher compared to 2021/22.



Crown revenue was \$22 million more than 2021/22, this was partly due to an increase in funding for the Climate Emergency Response Funding for Agriculture Emissions Reduction (\$14.7 million) and Maximising Carbon Storage (\$5.8 million).

In 2022/23, our revenue from other sources was \$83 million more than 2021/22. This was due to increased border clearance levies as passenger numbers return following the opening of the border.

How we spent the funding we received for our departmental appropriations

In 2022/23, we spent **\$840 million** as a department.



The departmental assets we manage to support our operation

In 2022/23, our total departmental assets was **\$557 million**.



MPI manages \$557 million of departmental assets. Software assets and property and equipment represent almost half of our assets. Software assets are the systems used to support the operations of MPI and the services provided.

Our property and equipment are the land, buildings, leasehold improvements, furniture and fittings, vehicles and computer hardware we use in our daily operations. Most of the other assets we control relate to debtors and other receivables due to us.

The non-departmental revenue we received on behalf of the Crown in 2022/23

In 2022/23, our total non-departmental revenue was **\$115 million**.



Non-departmental revenue for 2022/23 was \$30.8 million less than 2021/22 driven mainly by a decrease in sale of forest produce of \$30.6 million due to a planned reduction in harvesting across the Crown forest estate.

The non-departmental expenditure we administer on behalf of the Crown

In 2022/23, our total non-departmental expenditure was **\$407 million**.



MPI administered **\$407 million** of expenses on behalf of the Crown for the year ending 30 June 2023 against a budget of \$338 million;

- an increase in grant expenditure of \$102 million mainly related to Cyclone Gabrielle response and recovery of \$66 million, an increase of \$13 million on the Sustainable Food and Fibres Futures programme and an increase of \$22 million

on sustainable land management and climate response;

- an increase in compensation response payments of \$26 million;
- a decrease in operating costs of \$8 million due to reduced cost for crown forestry; and
- a decrease in valuation of the forest measured at fair value of \$9 million.

Overview of departmental financial results

For the year ended 30 June 2023

Actuals 2022 \$000		Actuals 2023 \$000	Unaudited estimates of appropriations ¹ 2023 \$000
800,622	Revenue – in total	906,364	897,416
667,987	Revenue Crown	689,958	684,204
132,635	Revenue Other	216,406	213,212
766,837	Expenditure – in total	839,817	912,403
403,415	Personnel costs	453,979	420,224
332,082	Other operating expenses	349,669	463,032
18,358	Depreciation and amortisation expense	19,288	18,843
12,442	Capital charge	16,881	10,304
540	Restructuring costs	-	-
33,785	Operating surplus/(deficit)	66,547	(14,987)
82,215	Repayment of surplus to Crown	54,593	-
77,553	Working capital	92,797	63,248
235,055	Non-current assets	274,736	249,730
15,106	Non-current liabilities	16,084	12,000
297,502	Equity	351,449	300,978

For 2023, our total operating expenditure was almost \$840 million. This was nearly \$73 million higher than 2022 but within our approved funding for the year. The increase in expenditure was largely due to an increase in personnel costs driven by an increase in full-time equivalent staff numbers, impact of staff progression and annual salary movements.

Our total revenue for the year was \$906.3 million of which 76% was from the Crown. We also received revenue of \$216.4 million (24%) from third party funded services, statutory fees and levies. Revenue from the Crown has increased by almost \$22 million from 2022 partly due to an increase in funding for the Climate Emergency Response Funding for Agriculture Emissions Reduction (\$14.7 million) and Maximising Carbon Storage (\$5.8 million). Revenue from other

sources has also increased by \$83.7 million from 2022 due to increased border clearance levies as passenger numbers return following the opening of the border.

Significant movements between 2023 actuals and 2022 actuals

Personnel costs

MPI employs 3,756 (2022: 3,539) full-time equivalent (FTE) staff, mainly based in New Zealand but has a small offshore presence. The \$50.6 million increase in personnel costs is largely attributed to an increase in FTE staff numbers (6%), staff progression and the impacts of annual salary movements.

Non-Current Assets

Non-current assets comprising of plant, property and equipment (PPE), as well as intangible assets, increased by \$39.7 million in 2023. This is primarily due to:

- PPE additions of \$24.5 million in 2023; and
- Intangible asset additions of \$35.3 million, including \$26.1 million for the Emission Trading Scheme transformation programme.

These increases were offset by depreciation and amortisation expense for the year of \$19.2 million, and disposal of assets with a carrying amount of \$0.98 million during the year.

Equity

The \$53.9 million net increase in equity is due to \$41.9 million of capital injection from the Crown and a movement of \$11.9 million in memorandum accounts.

Significant variances between 2023 actual results and the Estimates of Appropriations

Personnel costs

Personnel cost is \$33.8 million higher than budget mainly due to the Public Sector Pay Adjustment (PSPA) that was not included in the original budget, adjustments to the cost recovered areas including Forestry (Emission Trading Scheme), Food (Agricultural Compounds and Veterinary Medicines) and Biosecurity (border activities).

Other operating expenses

The actual expenditure for other operating expenses is \$113 million lower than budget. This is due to a planned reduction in the *Mycoplasma bovis* response costs (\$37.8 million) in the year and underspend to the Natural Resources Sector and Climate Emergency Response initiatives.

Non-Current Assets

Non-current assets are \$25 million higher than budget primarily due to the revaluation of land and buildings in June 2022 resulting in a \$34.6 million increase in value. This increase was offset by a decrease in internally generated software additions of \$15 million.

Equity

Equity is \$50.5 million higher than budgeted due to revaluation reserve increases of \$34.6 million from June 2022, an actual net surplus variance of \$81 million offset by a repayment of surplus of \$55 million not budgeted, a surplus change in the memo accounts of \$11.9 million and a decrease in capital injection of \$23.6 million from budget.

¹ The 2023 Estimates of Appropriations figures are for the year ended 30 June 2023 and were published in the 2022 Annual Report. They are consistent with MPI's best estimate financial forecast information submitted to the Treasury for the Budget Economic and Fiscal Update (BEFU) for the year ending 30 June 2023.

Statement of comprehensive revenue and expense

For the year ended 30 June 2023

Actuals 2022 \$000		Note	Actuals 2023 \$000	Unaudited estimates of appropriations 2023 \$000	Unaudited forecast 2024 \$000
Revenue					
667,987	Revenue Crown		689,958	684,204	660,888
132,635	Revenue other	2	216,406	213,212	292,428
800,622	Total revenue		906,364	897,416	953,316
Expenditure					
403,415	Personnel costs	3	453,979	420,224	478,178
18,358	Depreciation and amortisation expense	8,9	19,288	18,843	28,100
12,442	Capital charge	4	16,881	10,304	15,180
540	Restructuring costs		-	-	-
332,082	Other operating expenses	5	349,669	463,032	373,408
766,837	Total expenditure		839,817	912,403	894,866
33,785	Net surplus/ (deficit)		66,547	(14,987)	58,450
Other comprehensive revenue and expense					
34,555	Gain on property revaluations		-	-	-
34,555	Total other comprehensive revenue and expense		-	-	-
68,340	Total comprehensive revenue and expense		66,547	(14,987)	58,450

The accompanying notes form part of these financial statements.

Statement of financial position

As at 30 June 2023

Actuals 2022 \$000		Note	Actuals 2023 \$000	Unaudited estimates of appropriations 2023 \$000	Unaudited forecast 2024 \$000
Assets					
Current assets					
219,810	Cash and cash equivalents		207,237	132,959	251,320
60,004	Debtors and other receivables	6	67,449	61,590	61,590
4,354	Prepayments		3,425	6,000	6,000
4,597	Inventories	7	4,578	5,000	5,000
288,765	Total current assets		282,689	205,549	323,910
Non-current assets					
192,965	Property, plant and equipment	8	204,674	177,429	226,807
42,090	Intangible assets	9	70,062	72,301	93,816
235,055	Total non-current assets		274,736	249,730	320,623
523,820	Total assets		557,425	455,279	644,533
Liabilities					
Current liabilities					
77,657	Creditors and other payables	10	76,780	97,300	90,500
82,215	Repayment of surplus	11	54,593	-	58,450
4,610	Provisions	12	3,550	4,001	6,499
46,730	Employee entitlements	13	54,969	41,000	48,000
211,212	Total current liabilities		189,892	142,301	203,449
Non-current liabilities					
2,933	Creditors and other payables	10	2,523	-	-
3,055	Provisions	12	3,115	-	-
9,118	Employee entitlements	13	10,446	12,000	10,000
15,106	Total non-current liabilities		16,084	12,000	10,000
226,318	Total liabilities		205,976	154,301	213,449
297,502	Net assets		351,449	300,978	431,084
Equity					
295,805	Crown capital and retained earnings	14	337,798	294,915	390,467
(38,921)	Memorandum accounts (net position)	14	(26,967)	-	-
40,618	Property revaluation reserves	14	40,618	6,063	40,617
297,502	Total equity		351,449	300,978	431,084

The accompanying notes form part of these financial statements.

Statement of changes in equity

For the year ended 30 June 2023

Actuals 2022 \$000		Note	Actuals 2023 \$000	Unaudited estimates of appropriations 2023 \$000	Unaudited forecast 2024 \$000
257,933	Balance at 1 July		297,502	250,372	339,490
68,340	Total comprehensive revenue and expense		66,547	(14,987)	58,450
Owner transactions					
52,604	Capital injections	14	41,993	65,593	91,594
840	Retention of prior year surplus	14	-	-	-
(82,215)	Return of operating surplus to the Crown	11	(54,593)	-	(58,450)
297,502	Balance at 30 June		351,449	300,978	431,084

The accompanying notes form part of these financial statements.

Statement of cash flows

For the year ended 30 June 2023

Actuals 2022 \$000		Note	Actuals 2023 \$000	Unaudited estimates of appropriations 2023 \$000	Unaudited forecast 2024 \$000
Cash flows from operating activities					
667,987	Receipts from Crown		689,958	684,204	660,888
131,912	Receipts from revenue other		209,551	213,212	292,428
(400,366)	Payments to employees		(444,412)	(420,374)	(478,328)
(273,411)	Payments to suppliers		(285,943)	(463,607)	(373,982)
(12,442)	Payments for capital charge		(16,881)	(10,304)	(15,180)
(66,002)	Goods and services tax (net)		(65,796)	-	-
47,678	Net cash from operating activities	15	86,477	3,131	85,826
Cash flows from investing activities					
1,161	Receipts from sale of property, plant and equipment		1,046	-	-
(11,043)	Purchase of property, plant and equipment		(24,504)	(25,948)	(27,199)
(19,491)	Purchase of intangible assets		(35,370)	(35,350)	(35,600)
(29,373)	Net cash from investing activities		(58,828)	(61,298)	(62,799)
Cash flows from financing activities					
52,604	Capital injections from the Crown		41,993	65,593	91,594
(115,496)	Repayment of surplus to the Crown		(82,215)	-	(9,457)
(62,892)	Net cash from financing activities		(40,222)	65,593	82,137
(44,587)	Net increase (decrease) in cash		(12,573)	7,426	105,164
264,397	Cash at the beginning of the year		219,810	125,533	146,156
219,810	Cash at the end of the year		207,237	132,959	251,320

The accompanying notes form part of these financial statements.

Statement of commitments

As at 30 June 2023

Capital commitments

Capital commitments are the aggregate amount of capital expenditure contracted for the acquisition of property, plant and equipment and intangible assets that have not been paid for or recognised as a liability at balance date. The most significant commitment is related to the current technology and digital investment/replacement programme.

Non-cancellable operating lease commitments

MPI leases property, plant and equipment in the normal course of its business. The majority of these leases are for premises that have a non-cancellable leasing period ranging from one to eighteen years.

MPI also subleases property, plant and equipment in the normal course of its business. The total minimum future sublease payments expected to be received under non-cancellable subleases at the balance date are \$1.6 million (2022: \$2.8 million).

MPI's non-cancellable operating leases have varying terms, escalation clauses and renewal rights.

Actuals 2022 \$000		Actuals 2023 \$000
	Capital commitments	
8,728	Buildings	1,081
79	Plant & Equipment	433
3,879	Motor vehicles and Vessels	1,957
12,854	Technology and Digital	4,700
25,540	Total capital commitments	8,171
	Non-cancellable operating lease commitments	
	The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:	
18,211	Not later than one year	19,293
62,165	Later than one year and not later than five years	63,609
97,440	Later than five years	94,658
177,816	Total non-cancellable operating lease commitments	177,560
203,356	Total commitments	185,731

Statement of contingent liabilities and contingent assets

As at 30 June 2023

Unquantifiable contingent liabilities – Legal proceedings and disputes

MPI and the PSA (as well as other involved agencies) are now seeking to resolve the claim as efficiently and effectively as possible.

Clerical and Administrative Pay Equity Claim

On 31 October 2019, the Public Service Association Te Pūkenga Here Tikanga Mahi (PSA) raised a pay equity claim for clerical and administrative work. Following the enactment of the Equal Pay Amendment Act 2020, MPI has entered into the required bargaining process agreement and accepted that there may be gender-based undervaluation of work for employees performing predominantly administrative and clerical work.

MPI is unable to quantify the pay equity claim, due to the size and complexity of the claim from the wide range of impacted roles spanning across various public service agencies as it will take time to capture and analyse the information needed to assess the claim.

Quantifiable contingent liabilities – Legal proceedings and disputes

MPI had no quantifiable departmental contingent liabilities in 2023. (2022: \$0).

Contingent assets

MPI has no departmental contingent assets as at 30 June 2023 (2022: \$0).

Statement of departmental expenses and capital expenditure against appropriations

For the year ended 30 June 2023

Expenditure after remeasurements		Expenditure before remeasurements	Remeasurements	Expenditure after remeasurements	Appropriation voted ¹	Forecast ²
2022 \$000	Annual Appropriations	2023 \$000	2023 \$000	2023 \$000	2023 \$000	2024 \$000
Vote Agriculture, Biosecurity, Fisheries and Food Safety						
-	Plant health and environmental capability - MYA	-	-	-	-	4,342
-		-	-	-	-	4,342
Biosecurity: Border and Domestic Biosecurity Risk Management – MCA						
115,478	Border Biosecurity Monitoring and Clearance	136,002	(67)	135,935	136,181	129,275
33,926	Border Biosecurity Systems Development and Maintenance	44,438	(16)	44,422	47,082	31,947
80,693	Biosecurity Incursion Response and Long Term Pest Management	76,960	(16)	76,944	85,585	74,321
57,448	Domestic Biosecurity Surveillance	67,603	(22)	67,581	63,975	69,742
53,649	Response to <i>Mycoplasma bovis</i>	49,402	(14)	49,388	77,298	23,872
341,194		374,405	(135)	374,270	410,121	329,157
Agriculture: Programmes Supporting Sustainability – MCA						
14,627	Agriculture: Administration of Grants and Programmes	18,232	(10)	18,222	33,517	24,584
18,230	Animal Welfare: Education and Enforcement	14,692	(8)	14,684	15,624	22,533
-	Climate Emergency Response implementation and administration	10,613	(2)	10,611	14,706	28,937
32,857		43,537	(20)	43,517	63,847	76,054
Development and Implementation of Primary Industries Policy Advice – MCA						
7,655	Fisheries Policy Advice	9,869	(5)	9,864	8,637	8,593
33,986	Operational Advice on Sustainability and Management Controls in Fisheries	35,309	(8)	35,301	36,298	36,121
14,555	Trade and Market Access Primary Industries	16,837	(9)	16,828	16,130	16,237
83,993	Agriculture: Policy Advice and Ministerial Servicing	70,336	(35)	70,301	77,244	86,937
7,905	Animal Welfare: Policy Advice and Ministerial Servicing	8,257	(5)	8,252	8,780	8,933
8,052	Biosecurity: Policy Advice and Ministerial Servicing	7,632	(5)	7,627	10,973	10,531
6,806	Food Safety: Policy Advice and Ministerial Servicing	8,473	(5)	8,468	8,751	8,868
162,952		156,713	(72)	156,641	166,813	176,220

Expenditure after remeasurements		Expenditure before remeasurements	Remeasurements	Expenditure after remeasurements	Appropriation voted ¹	Forecast ²
2022 \$000	Annual Appropriations	2023 \$000	2023 \$000	2023 \$000	2023 \$000	2024 \$000
Food Safety: Protecting Consumers – MCA						
70,890	Food Safety: Assurance	78,495	(44)	78,451	84,475	83,975
3,881	Food Safety: Information	3,978	(2)	3,976	4,867	4,968
9,853	Food Safety: Response	10,128	(6)	10,122	9,669	9,877
16,586	Food Safety: Standards	17,783	(8)	17,775	17,754	17,782
6,020	Food Safety: Trade and Market Access Food Safety	7,122	(5)	7,117	7,580	7,627
107,230		117,506	(65)	117,441	124,345	124,229
Fisheries: Managing the Resource Sustainably – MCA						
4,094	Fisheries: Aquaculture	3,932	(2)	3,930	2,240	3,240
55,718	Fisheries Enforcement and Monitoring	59,361	(30)	59,331	63,511	69,378
10,823	Fisheries Management	11,008	(4)	11,004	12,956	13,239
70,635		74,301	(36)	74,265	78,707	85,857
3,553	Implementation of COVID-19 Assistance for Primary Industries	1,304	-	1,304	2,557	2,083
3,553		1,304	-	1,304	2,557	2,083
North Island Weather Events MCA						
-	Primary Sector Response and Recovery Administration costs	356	-	356	4,014	3,256
-		356	-	356	4,014	3,256
718,421	Total Multi-Category Expenses	768,122	(328)	767,794	850,404	801,198
30,666	Capital expenditure PLA	59,234	-	59,234	70,961	62,799
749,087	Total Multi-Category Expenses and Capital Expenditure	827,356	(328)	827,028	921,365	863,997

Vote Forestry						
Growth and Development of the Forestry Sector – MCA						
6,439	Forestry: Administration of Grants and Programmes	6,447	(3)	6,444	7,252	5,891
2,014	Forestry: Management of the Crown's Forestry Assets	1,925	(1)	1,924	1,927	1,954
38,899	Forestry: Policy Advice and Ministerial Servicing	59,302	(22)	59,280	60,396	57,159
-	Forestry: Climate Emergency Response implementation and administration	4,021	(2)	4,019	5,598	28,664
47,352	Total Multi-Category Expenses	71,695	(28)	71,667	75,173	93,668

Notes:

- The 2023 Appropriation Voted figures are those submitted to Treasury for the 2023 Budget Economic Fiscal Update.
- Statement of accounting policies provides explanations for these figures, which are not subject to audit. The forecast figures represent the re-stated Budget 2023 estimates for the 2024 financial year.

Statement of trust monies

For the year ended 30 June 2023

Meat Levies Trust Account

The Meat Levies Trust Account holds levies from meat works payable to TBfree, Beef + Lamb New Zealand and the New Zealand Pork Industry Board.

Actuals 2022 \$000		Actuals 2023 \$000
-	Balance at 1 July	96
63,345	Contributions	65,387
(63,250)	Distributions	(65,474)
1	Other	2
96	Balance at 30 June	11

National Animal Identification and Tracing Trust Account

The National Animal Identification and Tracing Trust Account holds levies received under the National Animal Identification and Tracing Act 2012 and related regulations, to distribute to National Animal Tracing organisations.

Actuals 2022 \$000		Actuals 2023 \$000
-	Balance at 1 July	1
1,606	Contributions	4,486
(1,605)	Distributions	(4,487)
1	Balance at 30 June	-

The accompanying notes form part of these financial statements.

Notes to the financial statements

Note 1: Statement of accounting policies for the year ended 30 June 2023

1.1 Reporting entity

The Ministry for Primary Industries (MPI) is a government department as defined by section 2 of the Public Finance Act 1989 and is domiciled and operating in New Zealand. The relevant legislation governing MPI's operations includes the Public Finance Act 1989 (PFA), Public Service Act 2020, and the Public Accountability Act 1998. MPI's ultimate parent is the New Zealand Crown.

In addition, MPI has reported on Crown activities and trust monies that it administers.

The primary objective of MPI is to provide services to the public rather than making a financial return and is a public benefit entity (PBE) for financial reporting purposes.

MPI is the end-to-end agency for New Zealand's primary sector, and it works with a broad range of stakeholders from producers to retailers and consumers.

MPI supports the sustainable growth of the New Zealand economy and the wellbeing of everyone in New Zealand.

MPI's operations and principal activities include:

- providing policy advice and programmes that support the sustainable development of New Zealand's primary industries;
- advising on fisheries and aquaculture management;
- providing services to maintain the effective management of New Zealand's fisheries;
- providing "whole-of-system" leadership of New Zealand's biosecurity system;
- managing forestry assets for the Crown;
- protecting the border;
- protecting animal welfare;
- protecting consumers of New Zealand food, whether here or overseas; and
- providing effective food regulation, including imported and exported products.

MPI has designated itself as a public benefit entity (PBE) for the purposes of complying with generally accepted accounting practice (GAAP).

The financial statements of MPI are for the year ended 30 June 2023. They were authorised for issue by the Director-General of MPI on 29 September 2023.

1.2 Basis of preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

Statement of compliance

The financial statements and service performance information of MPI have been prepared in accordance with the requirements of the Public Finance Act 1989, which include the requirement to comply with New Zealand generally accepted accounting practices (NZ GAAP) and Treasury instructions.

The financial statements and service performance information have been prepared in accordance with and comply with Tier 1 PBE Accounting Standards.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).

New or amended standards adopted

PBE IPSAS 41 Financial Instruments

In March 2019, the External Reporting Board (XRB) issued PBE IPSAS 41 Financial Instruments, which supersedes both PBE IFRS 9 Financial Instruments and PBE IPSAS 29 Financial Instruments: Recognition and Measurement. MPI has adopted PBE IPSAS 41 for the first time this year. There has been little change as a result of adopting the new standard, because the requirements are similar to those contained in PBE IFRS 9.

PBE FRS 48 Service Performance Reporting

This Standard establishes new requirements for the selection and presentation of service performance information. The Ministry has adopted PBE FRS 48.

The main change between PBE FRS 48 and PBE IPSAS 1 Presentation of Financial Statements is that PBE FRS 48 requires additional information to be disclosed on the judgements that have the most significant effect on the selection, measurement, aggregation, and presentation of service performance information. This is disclosed in Chapter three: Statement of Service Performance section in this report.

Standards issued and not yet effective and not early adopted.

There have been no standards and amendments that have been early adopted (ref. note 1.28).

1.3 Changes in accounting policies

There have been no changes in MPI's accounting policies since the date of the last audited financial statements.

1.4 Revenue

Revenue is measured at the fair value of consideration received or receivable.

1.5 Revenue – Non-exchange transactions

Revenue Crown

Revenue from the Crown is measured based on MPI's funding entitlement for the reporting period and is recognised once entitlement is established. The funding entitlement is established by Parliament when it passes the Appropriation Acts for the financial year. The amount of revenue recognised takes into account any amendments to appropriations approved in the Appropriation (Supplementary Estimates) Act for the year and certain other unconditional funding adjustments formally approved prior to balance date.

Revenue Crown has been accounted for based on the funding being non-exchange in nature with no use or return conditions attached. However, MPI can incur expenses only within the scope and limits of its appropriations.

The fair value of revenue Crown has been determined to be equivalent to the funding entitlement.

1.6 Revenue – Exchange transactions

Revenue – Other Third-party funded services

Fees for the supply of services to third parties on a cost recovery basis are recognised as revenue upon

the provision of the services. Revenue received in advance of the provision of services is recognised as unearned revenue to the extent that it relates to future accounting periods.

Statutory levies

Revenue from statutory levies is recognised as revenue when the obligation to pay the levy is incurred. Although there are restrictions on how levy funding may be spent, there are no conditions attached to the levies that could readily give rise to obligations to return levies to levy payers.

Application fees

Revenue from application fees is recognised to the extent that the application has been processed by MPI at balance date.

Rental income

Rental income under an operating sub-lease is recognised as income on a straight-line basis over the lease term.

1.7 Capital charge

The capital charge is recognised as an expense in the period to which the charge relates.

1.8 Leases

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Operating lease payments are recognised as expenses on a straight-line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Finance leases

A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the start of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item and the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no

reasonable certainty as to whether MPI will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

1.9 Foreign currency transactions

Foreign currency transactions (including those for which forward foreign exchange contracts are held) are translated into New Zealand dollars (the functional currency) using the spot exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

MPI is only permitted to expend its cash and cash equivalents within the scope and limits of its appropriations.

1.11 Debtors and other receivables

Trade receivables are recognised initially at fair value and subsequently at amortised cost, less any provision for impairment, measured on an expected credit loss model. Due to their short-term nature, debtors and other receivables are not discounted.

The allowance for credit losses is determined as follows:

- for individual debtors outstanding beyond 30 days and in excess of \$20,000 - there is objective evidence that MPI will not be able to collect all or part of the amount due;
- for all other debtors, including amounts in excess of \$20,000 not included above, 100% of debts that are outstanding over 365 days.

1.12 Inventories

Inventories held for distribution or consumed in the provision of services, that are not supplied on a commercial basis, are measured at cost, adjusted for any loss of service potential. The loss of service potential of inventories held for distribution is determined on the basis of obsolescence. The amount of any write-down for the loss of service potential is recognised in the surplus or deficit in the period of the write-down.

1.13 Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised. Non-current assets held for sale, including those that are part of a disposal group, are not depreciated or amortised while they are classified as held for sale.

1.14 Property, plant and equipment

Property, plant and equipment consists of the following asset classes:

- land;
- non-residential buildings;
- residential buildings;
- leasehold improvements;
- office furniture and equipment;
- artwork;
- motor vehicles; and
- vessels.

Land and artwork are measured at fair value and buildings are measured at fair value less accumulated depreciation and impairment losses. All other asset classes are measured at cost, less accumulated depreciation and impairment losses. All assets with a cost over \$5,000 are capitalised.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to MPI and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Work in progress is recognised at cost, less impairment, and is not depreciated.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported in the surplus or deficit. When revalued assets are sold, the amounts included in revaluation reserves in respect of those assets are transferred to retained earnings.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to MPI and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

Depreciation and useful lives of major classes of assets

Depreciation is provided on a straight-line basis on all property, plant and equipment, other than land and artwork, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

- Buildings (including leasehold improvements) 6 to 49 years (2-16.6%)
- Furniture, office equipment, and artworks 3 to 20 years (5-33%)
- Motor vehicles 5 to 7 years (14-20%)
- Vessels 4 to 20 years (5-25%)

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is the shorter.

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

Revaluation

Land, buildings and artwork are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from their fair value and at least every five years. Fair value is determined from market-based evidence by an independent valuer. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed at each balance date, to ensure that those values are not materially different from fair value. If there is a material difference, then the off-cycle asset classes are revalued. Additions between revaluations are recorded at cost.

Accounting for revaluations

MPI accounts for revaluations of property, plant and equipment on a class of asset basis. The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in the Statement of Comprehensive Revenue and Expense.

Accumulated depreciation at the revaluation date is eliminated against the gross carrying amount so that the carrying amount after revaluation equals the revalued amount.

1.15 Intangible assets

Capitalisation threshold

Individual assets, or groups of assets, are capitalised if their cost is greater than \$50,000.

Software acquisition and development

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use by MPI are recognised as an intangible asset. Direct costs include the costs of materials and services, employee costs and any directly attributable overheads. Expenditure incurred on research of internally generated software is expensed when it is incurred. Guidance on the interpretation on the costs for 'Software as a Service' (SaaS) arrangements agreed to MPI's treatment where costs that give MPI control are recognised as an intangible asset.

Costs of software updates or upgrades are only capitalised when they increase the usefulness or value of the software. Costs associated with maintaining computer software are recognised as an expense when incurred.

Website development costs are only recognised as an intangible asset if they will provide future service potential.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

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

- Acquired computer software 3 to 7 years (14-33%)
- Internally generated software 3 to 15 years (7-33%)

1.16 Impairment of property, plant and equipment and intangible assets

MPI does not hold any cash-generating assets. Assets are considered cash-generating where their primary objective is to generate a commercial return.

Non-cash-generating assets

Property, plant and equipment and intangible assets are reviewed for indicators of impairment at each balance date or whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the service potential of the asset is not primarily dependent on the asset's ability to generate net cash inflows and where MPI would, if deprived of the asset, replace its remaining service potential.

For revalued assets the impairment loss is recognised in other comprehensive revenue and expense to the extent the impairment loss does not exceed the amount in the revaluation reserve in equity for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit. For assets not carried at a revalued amount, the impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit. For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the surplus or deficit.

1.17 Creditors and other payables

Creditors and other payables are generally settled within 30 days so are recorded at their face value or amortised cost.

1.18 Employee entitlements

Short-term employee entitlements

Employee entitlements expected to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that it will be used by staff to cover those future absences.

Long-term employee entitlements

Employee entitlements that are due to be settled beyond 12 months of balance date in which the employee renders the related service, such as long service leave and retiring leave, are calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement;
- the likelihood that staff will reach the point of entitlement and contractual entitlements information; and
- the present value of the estimated future cash flows.

Presentation of employee entitlements

Salaries and wages accrued, sick leave, annual leave, vested long service leave, and non-vested long service leave and retiring leave expected to be settled within 12 months of the balance date, are classified as a current liability. All other employee entitlements are classified as a non-current liability.

1.19 Superannuation schemes

Defined contribution schemes

Obligations for contributions to the State Sector Retirement Savings Scheme, KiwiSaver and the Government Superannuation Fund are accounted for

as defined contribution schemes and are recognised as an expense in the surplus or deficit as incurred.

1.20 Provisions

MPI recognises a provision for future expenditure of uncertain timing or amount. There must be a present obligation, either legal or constructive, as a result of a past event and a probable outflow of future economic benefits. A reliable estimate must also be possible. Provisions are not recognised for net deficits from future operating activities.

Restructuring

A provision for restructuring is recognised when MPI has approved a detailed formal plan for restructuring that has either been announced publicly to those affected or for which implementation has already commenced.

Make-good provision

MPI is required at the expiry of some of its leases to make-good any damage caused and remove any fixture or fittings installed by it. In many cases MPI has the option to renew these leases, which may change the timing of the expected cash outflows to make-good the premises.

1.21 Equity

Equity is the Crown's investment in MPI and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified as Crown capital and retained earnings, memorandum accounts (net position) and property revaluation reserves.

Memorandum accounts

Memorandum accounts reflect the cumulative surplus/(deficit) on those departmental services provided that are intended to be fully cost recovered from third parties through fees, levies or charges. The balance of each memorandum account is expected to trend toward zero over time. Any deficits in the memorandum accounts are recoverable unless it is decided to write-off.

Property revaluation reserves

These reserves relate to the revaluation of land and buildings to fair value.

1.22 Commitments

Commitments are future expenses and liabilities to be incurred on contracts that have been entered into on or before balance date. Information on non-cancellable operating lease commitments and non-cancellable capital commitments are disclosed in the statement of commitments.

Cancellable capital commitments that have penalty or exit costs explicit in the agreement on exercising the option to cancel are reported in the statement of commitments at the lower of the remaining contractual commitment and the value of those penalty or exit costs (that is, the minimum future payments).

1.23 Contingent liabilities and assets

Contingent liabilities and assets are recorded in the statement of contingent liabilities and contingent assets at the point at which the contingency is evident. Contingent liabilities are disclosed if the possibility that they will crystallise is not remote. Contingent assets are disclosed if it is probable that the benefits will be realised.

1.24 Goods and services tax

All items in the financial statements, including appropriation statements, are stated exclusive of goods and services tax (GST), except for trade debtors and creditors, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

1.25 Income tax

Government departments are exempt from income tax as public authorities. Accordingly, no provision has been made for income tax.

1.26 Budget and forecast figures

Basis of the budget and forecast figures

The 2023 Estimates of Appropriations figures are for the year ended 30 June 2023 and were published in the 2022 Annual Report. They are consistent with MPI's best estimate financial forecast information submitted to the Treasury for the Budget Economic and Fiscal Update (BEFU) for the year ending 30 June 2023. The forecasts reflected the Ministry's assumptions at the time of preparation and took into consideration the on-going impact of COVID-19 restrictions.

The 2024 forecast figures are for the year ending 30 June 2024, which are consistent with the best estimate financial forecast information submitted to the Treasury for the BEFU 2023 for the year ending 30 June 2024.

The forecast financial statements have been prepared as required by the Public Finance Act 1989 to communicate forecast financial information for accountability purposes.

The budget and forecast figures are unaudited and have been prepared using the accounting policies adopted in preparing these financial statements.

The 30 June 2024 forecast figures were prepared in accordance with PBE FRS 42 Prospective Financial Statements and comply with PBE FRS 42.

The forecast financial statements were authorised by the Director-General of MPI on 11 April 2023. The Director-General is responsible for the financial statements, including the appropriateness of the assumptions underlying them and all other required disclosures.

While MPI regularly updates its forecasts, updated forecast financial statements for the year ending 30 June 2024 will not be published.

Significant assumptions used in preparing the forecast financials

The forecast figures contained in these financial statements reflect MPI's purpose and activities and are based on a number of assumptions on what may occur during the 2024 financial year. They were compiled on the basis of existing government policies and Ministerial expectations at the time the Main Estimates were finalised.

The main assumptions, which were adopted, are as follows:

- MPI's activities and output expectations will remain substantially the same as the previous year focusing on the Government's priorities;
- personnel and other operating costs were based on historical experience and other factors that are believed to be reasonable in the circumstances and are MPI's best estimate of future costs that will be incurred;
- remuneration rates are based on current wages and salary costs, adjusted for anticipated remuneration changes; and
- estimated year-end information for 2023 was used as the opening position for the 2024 forecasts.

Factors that could lead to material differences between the forecast financial statements and the 2024 actual financial statements include, changes in activities required by the Government, demand for third-party funded activities, year-end revaluations and technical adjustments.

There are no significant accounting adjustments to actual balances as at 30 June 2023 that would have a material impact on the forecast financial statements.

1.27 Statement of cost accounting policies

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

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. Indirect costs are charged to outputs based on cost drivers and related activity and usage information. Depreciation and capital charge are charged on the basis of asset utilisation. Personnel costs are

charged on the basis of actual time incurred. Other indirect costs are assigned to outputs based on assessed usage, staff numbers, direct expenditure and estimated allocation of time.

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

1.28 Standards and interpretations issued but not yet effective

Standards and amendments, issued but not yet effective that have not been early adopted, and which are relevant to MPI are:

2022 Omnibus Amendment to PBE Standards

This Standard has been issued to amend the relevant Tier 1 and Tier 2 PBE Standards as a result of:

- PBE IPSAS 16 Investment Property: The amendments clarify that fair value measurement of self constructed investment property could begin before the construction is completed.
- PBE IPSAS 17 Property, Plant and Equipment: The amendments change the accounting for any net proceeds earned while bringing an asset into use by requiring the proceeds and relevant costs to be recognised in surplus or deficit rather than being deducted from the asset cost recognised.
- PBE IPSAS 30 Financial Instruments: Disclosures: The amendment specifically refers to disclosing the circumstances that result in fair value of financial guarantee contracts not being determinable.
- PBE IPSAS 19 Provisions, Contingent Liabilities and Contingent Assets: The amendments clarify the costs of fulfilling a contract that an entity includes when assessing whether a contract will be loss-making or onerous (and therefore whether a provision needs to be recognised).

The changes are for financial statements covering periods beginning on or after 1 January 2023.

PBE IFRS 17 Insurance Contracts

This new standard sets out accounting requirements for insurers and other entities that issue insurance contracts and applies to financial reports covering periods beginning on or after 1 January 2026.

These amendments and the new standard are not expected to have a significant impact for MPI.

1.29 Critical accounting estimates and assumptions

In preparing these financial statements, MPI has made estimates and assumptions concerning the future.

These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are referred to below.

Fair value of land and buildings

The significant assumptions applied in determining the fair value of land and buildings are disclosed in note 8.

Retirement and long service leave

An analysis of the exposure in relation to estimates and uncertainties surrounding retirement and long service leave liabilities is disclosed in note 13.

Provisions

An analysis of the exposure in relation to estimates and uncertainties surrounding the provisions recognised in accordance with MPI's provision policy is disclosed in note 12.

Holidays Act 2003 pay remediation

MPI reports its liability arising from non-compliance with the Holidays Acts 2003 based on analysis of all employees. Overall, the provision has reduced from \$10 million in 2017 to \$1.2 million in 2023.

This balance is included in the annual leave balance reported in Note 13: Employee entitlements.

Note 2: Revenue other

Actuals 2022 \$000		Actuals 2023 \$000
	Exchange revenue	
40,991	Verification services (food safety)	42,821
28,586	Biosecurity systems entry levy	28,098
41,220	Miscellaneous statutory fees and charges	47,895
11,143	Border clearance levy	83,038
472	Rental income from sub-leased accommodation	591
100	Net gain/(loss) on sale of property, plant and equipment	69
3,051	Goods and services funded by external party	3,899
7,072	Other goods and services	9,995
132,635	Total revenue other	216,406

Note 3: Personnel costs

Actuals 2022 \$000		Actuals 2023 \$000
371,975	Salaries and wages	412,503
11,354	Employer superannuation contributions to defined contribution plans	12,506
3,589	Increase/(decrease) in employee entitlements including Holidays Act 2003 provision	9,567
16,497	Other personnel costs	19,403
403,415	Total personnel costs	453,979

Note 4: Capital charge

MPI pays a capital charge to the Crown on its equity as at 30 June and 31 December each year. The capital charge rate for the year ended 30 June 2023 was 5% (2022: 5%).

Note 5: Other operating expenses

Actuals 2022 \$000		Note	Actuals 2023 \$000
458	Audit of financial statements	5a	483
20,940	Operating lease expenses		21,110
2,447	Advertising and publicity		3,636
21,362	Fisheries and marine-related research contracts		22,283
9,203	Other research contracts		9,392
40,527	Contractors and Consultants	5b	65,250
159,856	Other contracts for services		136,404
4,804	Travel		12,758

Actuals 2022 \$000		Note	Actuals 2023 \$000
8,408	Property costs		5,776
19,152	Information technology		23,321
(68)	Movement in expected credit loss (note 6b)		6
(341)	Property, plant and equipment impairment and written-off	8	(73)
10,600	Consultancy and professional specialist services		11,334
3,289	Response consumables		2,725
2,933	Loss on inventory		-
28,512	Other operating expenses		35,264
332,082	Total other operating expenses		349,669

Note 5a: Audit Fees

EY is our appointed auditor. The fees paid is for the audit of our financial statements and performance information only. No other services were provided by our auditors in 2023 (2022: nil).

Note 5b: Contractors and Consultants

MPI uses contractors and consultants to provide backfill for vacant positions or cover short-term demand, where specialist skills or independent external advice are needed (such as for specific programmes or projects), and in periods of peak demand.

A contractor is a person who is not considered an employee, providing backfill or extra capacity in a role that exists within MPI or acts as an additional resource for a time-limited piece of work. A consultant is a person or firm who is not considered a contractor or employee, engaged to perform a piece of work with a clearly defined scope and provide expertise, in a particular field, not readily available from within MPI.

Actuals 2022 \$000		Actuals 2023 \$000
	Operating Expenses	
21,850	Contractor Employee Backfill	37,544
18,677	Contractors and Consultants	27,706
40,527¹	Total Operating expense-contractor and consultants	65,250

Note 1: The prior year amounts have been restated to align the contractors and consultants disclosure with the definition as prescribed by the Public Service Commission.

Note 6: Debtors and other receivables

Actuals 2022 \$000		Actuals 2023 \$000
	Exchange transactions	
11,885	Debtors	11,891
(185)	Less expected credit loss	(191)
11,700	Net debtors	11,700
3,596	Border clearance levy	8,123
3,105	Biosecurity systems entry levy	3,028
1,604	Accrued revenue	4,598
	Non-exchange transactions	
39,999	Debtor Crown	40,000
60,004	Total debtors and other receivables	67,449

Note 6a: Aging profile of debtors

	2022			2023		
	Gross \$000	Expected credit loss \$000	Net \$000	Gross \$000	Expected credit loss \$000	Net \$000
Current	9,534	-	9,534	9,432	-	9,432
Greater than 30 days	1,589	-	1,589	1,619	-	1,619
Greater than 60 days	502	-	502	257	-	257
Greater than 90 days	260	(185)	75	583	(191)	392
Total	11,885	(185)	11,700	11,891	(191)	11,700

The expected credit loss rates for receivables at 30 June 2022 and 30 June 2023 are based on the payment profile of revenue on credit over the prior two years at the measurement date and the corresponding historical credit losses experienced for that period. The historical loss rates are adjusted for current and forward-looking macroeconomic factors that might affect the recoverability of receivables. Given the short period of credit risk exposure, the effect of macroeconomic factors is not considered significant. There have been no changes during the reporting period in the estimation techniques or significant assumptions used in measuring the loss allowance. The expected credit loss is \$191,000 (2022: \$185,000).

Note 6b: Movement in the expected credit loss

Actuals 2022 \$000		Actuals 2023 \$000
253	Balance at 1 July	185
195	Additional provisions made	176
(204)	Unused amounts reversed during the year	(141)
(59)	Receivables written off during the year	(29)
185	Balance at 30 June	191

Note 7: Inventories

Actuals 2022 \$000		Actuals 2023 \$000
	Held for distribution inventories	
4,880	Opening balance of foot and mouth vaccine	4,560
(1,947)	Sale of existing foot and mouth vaccine	-
(2,933)	Loss on disposal	-
4,560	Purchase of foot and mouth vaccine	-
4,560	Closing balance of foot and mouth vaccine	4,560
37	Other Inventory Held	18
4,597	Total inventories	4,578

No inventories are pledged as security for liabilities (2022: nil).

Foot-and-mouth disease vaccine

As part of its preparedness to respond to an outbreak of the Foot and Mouth Disease (FMD), MPI requires immediate access to FMD vaccine for current circulating FMD strains representing the greatest threat to New Zealand. The antigen is in storage ready for formulation and delivery by the vendor within agreed timeframes for use by the New Zealand Government in the event of an outbreak of FMD. Every five years, the unused stock is sold back by MPI at a discounted value and replaced with similar quantity of the antigens. The last replacement of the stock was completed in February 2022.

Note 8: Property, plant and equipment

	Land \$000	Buildings \$000	Leasehold improvements \$000	Furniture office equipment and artworks \$000	Motor vehicles and vessels \$000	Total \$000
Cost or valuation						
Balance at 1 July 2021	2,123	101,714	54,116	29,795	23,024	210,772
Additions through purchase (at cost)	-	1,800	887	4,444	4,104	11,235
Disposals (at cost)	-	(646)	-	(61)	(3,430)	(4,137)
Revaluation	11,656	15,137	-	-	-	26,793
Reclassification	-	(64)	64	-	-	-
Balance at 30 June 2022	13,779	117,941	55,067	34,178	23,698	244,663
Balance at 1 July 2022	13,779	117,941	55,067	34,178	23,698	244,663
Additions through purchase (at cost)	-	10,094	2,735	4,384	7,290	24,503
Disposals (at cost)	-	-	-	-	(1,407)	(1,407)
Reclassification	-	-	-	-	-	-
Balance at 30 June 2023	13,779	128,035	57,802	38,562	29,581	267,759
Accumulated depreciation and impairment losses						
Balance at 1 July 2021	-	5,121	17,436	19,499	9,094	51,150
Depreciation expense	-	3,351	3,950	2,214	1,920	11,435
Disposals	-	(646)	-	(61)	(2,269)	(2,976)
Impairment losses	-	-	-	-	(149)	(149)
Reversal of depreciation on revaluation	-	(7,762)	-	-	-	(7,762)
Reversal of impairment on revaluation	-	(64)	64	-	-	-
Balance at 30 June 2022	-	-	21,450	21,652	8,596	51,698
Balance at 1 July 2022	-	-	21,450	21,652	8,596	51,698
Depreciation expense	-	3,845	3,892	1,914	2,238	11,889
Disposals	-	-	-	-	(429)	(429)
Impairment losses	-	-	-	-	(73)	(73)
Reclassification	-	-	-	297	(297)	-
Balance at 30 June 2023	-	3,845	25,342	23,863	10,035	63,085
Carrying amounts (net asset value)						
At 1 July 2021	2,123	96,593	36,680	10,296	13,930	159,622
At 30 June and 1 July 2022	13,779	117,941	33,617	12,526	15,102	192,965
At 30 June 2023	13,779	124,190	32,460	14,699	19,546	204,674

Asset Revaluation

The most recent valuation of land and buildings was performed by independently registered valuers; H Merriman, W Nyberg and assistant valuer H Saul of CBRE Ltd. The effective date for all valuations is 30 June 2022.

The valuations include:

- The Wallaceville National Centre for Biosecurity for \$114.9 million, which resulted in a revaluation surplus of \$20.6 million.
- MPI's Chatham Island buildings (Wharf Rd and Waitangi-Tuku Rd) for \$0.530 million which resulted in a revaluation surplus of \$0.3 million.
- MPI's Nelson Office for \$2.3 million, which resulted in a revaluation surplus of \$2 million.
- Land for \$13.8 million, which resulted in a revaluation surplus of \$11.7 million.

Buildings

Specialised buildings, such as biocontainment labs, are valued at fair value using depreciated replacement cost because no reliable market data is available for such buildings. Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions include:

- the replacement asset is based on the replacement with equivalent assets with adjustments where appropriate for optimisation due to over-design or surplus capacity;
- the replacement cost is derived from recent construction contracts of similar assets and Property Institute of New Zealand cost information;

- the estimated remaining useful life; and
- straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

Non-specialised buildings (for example, residential buildings) are valued at fair value using market-based evidence. Market rents and capitalisation rates were applied to reflect market value.

Land

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values. Adjustments have been made to the "unencumbered" land value for land where there is a designation against the land or the use of the land is restricted. Restrictions on MPI's ability to sell land would normally not impair the value of the land because MPI has operational use of the land for the foreseeable future and will substantially receive the full benefits of outright ownership.

Work in progress

Work in progress is included in the above figures at cost, less impairment, and is not depreciated.

Buildings in the course of construction for 2023 total \$14.6 million (2022: \$0.1 million). Leasehold improvements for 2023 total \$1.8 million (2022: \$0.9 million). No other asset classes have assets in the course of construction.

Note 9: Intangible assets

	Acquired software \$000	Internally generated software \$000	Total \$000
Cost			
Balance at 1 July 2021	14,694	79,525	94,219
Additions (at cost)	260	19,231	19,491
Disposals (at cost)	(1,591)	(800)	(2,391)
Balance at 30 June 2022	13,363	97,956	111,319
Balance at 1 July 2022	13,363	97,956	111,319
Additions (at cost)	2,010	33,361	35,371
Balance at 30 June 2023	15,373	131,317	146,690
Accumulated amortisation			
Balance at 1 July 2021	12,476	52,221	64,697
Amortisation expense	914	6,009	6,923
Disposals	(1,591)	(800)	(2,391)
Balance at 30 June 2022	11,799	57,430	69,229
Balance at 1 July 2022	11,799	57,430	69,229
Amortisation expense	1,015	6,384	7,399
Balance at 30 June 2023	12,814	63,814	76,628
Carrying amounts (net asset value)			
At 1 July 2021	2,218	27,304	29,522
At 30 June and 1 July 2022	1,564	40,526	42,090
At 30 June 2023	2,559	67,503	70,062

There are no restrictions over the title of MPI's intangible assets, nor are any intangible assets pledged as security for liabilities.

Work in progress

Work in progress for the year ended 30 June 2023 has been tested for material impairment, and the above figures are at cost and are not amortised. Impairment in work in progress was \$nil (2022: \$nil).

The total amount of intangible assets in the course of development for the year ended 30 June 2023 is \$27.2 million (2022: \$24 million).

Note 10: Creditors and other payables

Actuals 2022 \$000		Actuals 2023 \$000
Current liabilities		
Exchange transactions		
6,106	Creditors	10,540
8,708	Unearned revenue	9,366
1,161	Lease incentive	1,087
587	Auckland kennel lease	504
46,507	Accrued expenses	41,776
Non-exchange transactions		
14,588	Taxes payable to Inland Revenue Department	13,507
77,657	Total current liabilities	76,780
Non-current liabilities		
Exchange transactions		
2,933	Auckland kennel lease	2,523
2,933	Total non-current liabilities	2,523
80,590	Total creditors and other payables	79,303

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of creditors and other payables approximates their fair value.

Note 11: Return of operating surplus

Actuals 2022 \$000		Actuals 2023 \$000
33,785	Net surplus/(deficit)	66,547
48,430	Adjust for (surpluses)/deficits for services subject to memorandum accounts	(11,954)
82,215	Total return of operating surplus	54,593

Memorandum accounts are disclosed separately within equity. These accounts reflect the cumulative (surplus)/deficit on those departmental services provided that are intended to be fully cost recovered from third parties through fees, levies or charges. The repayment of surplus is required by 31 October of each year.

Note 12: Provisions

Actuals 2022 \$000		Actuals 2023 \$000
Current		
1,015	Other provisions	948
664	Restructure Provision	228
2,931	Wallaceville Response Provision	2,374
4,610	Total current provisions	3,550
Non-current		
3,055	Lease make-good	3,115
3,055	Total Non-current provisions	3,115
7,665	Total provisions	6,665

Note 12a: Lease make-good provision

Actuals 2022 \$000		Actuals 2023 \$000
2,893	Opening balance 1 July	3,055
162	Additional provisions made during the year	121
-	Amounts used	(61)
3,055	Closing balance	3,115

MPI has leased premises and a Ministry-owned building on leased land, where it is required to make good the property at the expiry of the lease.

Note 12b: Wallaceville response provision

Actuals 2022 \$000		Actuals 2023 \$000
-	Opening balance 1 July	2,931
2,931	Additional provisions made during the year	-
-	Amounts used	(557)
2,931	Closing balance	2,374

Note 13: Employee entitlements

Actuals 2022 \$000		Actuals 2023 \$000
Current employee entitlements represented by:		
9,059	Salaries and wages	12,915
30,091	Annual leave and Holiday Act compliance liability	33,778
1,224	Sick leave	1,467
2,015	Long service leave	2,193
4,341	Retiring leave	4,616
46,730	Total current employee entitlements	54,969
Non-current employee entitlements represented by:		
3,326	Long service leave	4,035
5,792	Retiring leave	6,411
9,118	Total non-current employee entitlements	10,446
55,848	Total employee entitlements	65,415

Long service leave and retiring leave

The measurement of retirement and long-service leave entitlements is determined on an actuarial basis using a number of factors and assumptions. Two key figures used are the discount rate and the salary inflation factor. Any changes in these assumptions will impact on the carrying amount of the liability.

Expected future payments are discounted using forward discount rates derived from the yield curve of New Zealand Government Bonds. The discount rates used match, as closely as possible, the estimated future cash outflows.

The discount rates used were: 1 year 5.43%; 2 year 4.85%; and 3 year-plus 4.84% (2022: 3.34%, 3.70%, 4.29%). A salary inflation factor of 3.35% (2022: 3.01%) has been used and is based on a 2.05% medium term inflation assumption (2022: 1.91%). The discount

rates and salary inflation factor were provided by the Treasury.

If the discount rates were to differ by 1% higher from that used, with all other factors held constant, the carrying amount of the liability would be an estimated \$604,088 lower. If the discount rates were to differ by 1% lower from that used, with all other factors held constant, the carrying amount of the liability would be an estimated \$668,555 higher.

If the salary inflation factor were to differ by 1% higher from that used, with all other factors held constant, the carrying amount of the liability would be an estimated \$735,427 higher. If the salary inflation factor were to differ by 1% lower from that used, with all other factors held constant, the carrying amount of the liability would be an estimated \$675,227 lower.

Note 14: Equity

Actuals 2022 \$000		Actuals 2023 \$000
Crown capital and retained earnings		
242,361	Balance at 1 July	295,805
27,604	Capital injections from the Crown	41,993
25,000	Capital injection to supplement impact to border levy revenue due to COVID-19	-
-	Write-off irrecoverable memorandum account operating deficits (Note 19a and 19c)	(2,794)
33,785	Net surplus (deficit)	66,547
48,430	Transfer of memorandum accounts net (surplus)/ deficit	(9,160)
840	Retention of prior year surplus	-
(82,215)	Return of operating surplus to the Crown	(54,593)
295,805	Balance at 30 June	337,798
Memorandum accounts (note 19)		
9,509	Balance at 1 July	(38,921)
(48,430)	Net memorandum account surpluses/(deficits)	9,160
-	Write-off irrecoverable operating deficits	2,794
(38,921)	Balance at 30 June	(26,967)
Revaluation reserve – land		
684	Balance at 1 July	12,340
11,656	Revaluation gains	-
12,340	Balance at 30 June	12,340
Revaluation reserve – residential and non-residential buildings		
5,260	Balance at 1 July	28,159
22,899	Revaluation gains	-
28,159	Balance at 30 June	28,159
Revaluation reserve – artworks		
119	Balance at 1 July	119
119	Balance at 30 June	119
40,618	Total revaluation reserve	40,618
297,502	Total equity	351,449

Note 15: Reconciliation of net surplus/(deficit) to net cash flow from operating activities

Actuals 2022 \$000		Note	Actuals 2023 \$000
33,785	Net surplus/(deficit)		66,547
	Add/(less) non-cash items classified as investing or financing activities		
6,923	Amortisation and impairment of intangible assets	9	7,399
11,435	Depreciation and impairment of property, plant and equipment	8	11,816
-	Property revaluation loss		-
18,358	Total non-cash items		19,215
	Add/(less) items classified as investing or financing activities		
-	Net (gain)/loss on sale of property, plant and equipment	2	(69)
-	Adjust for unrealised (gains)/losses on forward foreign exchange contracts recognised in the surplus/(deficit)		-
	Total investing or financing activities		(69)
	Add/(less) movements in assets		
317	(Increase)/decrease in inventories		19
(1,585)	(Increase)/decrease in debtors and other receivables		(7,445)
1,315	(Increase)/decrease in prepayments		930
	Add/(less) movements in liabilities		
(11,695)	Increase/(decrease) in creditors and other payables		(1,287)
3,589	Increase/(decrease) in employee entitlements		9,567
3,594	Increase/(decrease) in provisions		(1,000)
(4,465)	Total net movement in assets and liabilities		784
47,678	Net cash from operating activities		86,477

Note 16: Related parties

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

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect that the Ministry would have adopted in dealing with the party at arm's length in the same circumstances. MPI have an internal process to ensure that any conflict of interest identified are adequately disclosed and managed.

Related party transactions with other government agencies (for example, government departments and Crown entities) are not disclosed because they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

The Treasury has advised that the responsible ministers– Hon Damien O'Connor, Hon Peeni Henare and Hon Rachel Brooking have certified that there have been no related party transactions for the year ended 30 June 2023 (2022: nil).

Key management personnel compensation

Actuals 2022 \$000		Actuals 2023 \$000
3,857	Leadership team, including the Director-General remuneration	4,023
10	Full-time equivalent staff numbers	11

Key management personnel of MPI comprise the Minister of Agriculture, Minister for Biosecurity, Minister of Forestry, Minister for Food Safety, Minister for Oceans and Fisheries, the Director-General and ten Deputy Director-Generals. The figures for 2023 exclude the Deputy Director-General China Relations who is on secondment to the Ministry of Foreign Affairs and Trade.

The above key management personnel compensation disclosure excludes the Minister of Agriculture, Minister for Biosecurity, Minister of Forestry, Minister for Food Safety and Minister for Oceans and Fisheries. The Ministers' remuneration and other benefits are not received only for their role as a

member of key management personnel of MPI. The Ministers' remuneration and other benefits are set by the Remuneration Authority under the Members of Parliament (Remuneration and Services) Act 2013 and are paid under Permanent Legislative Authority, and not paid by MPI.

MPI's key personnel remuneration includes benefits for long service and retiring leave. See note 13 for assumptions.

Note 17: Financial instruments

The carrying amounts of financial assets and financial liabilities in each of the financial instrument categories are as follows.

Actuals 2022 \$000	Financial instrument categories	Actuals 2023 \$000
Financial assets		
219,809	Cash and cash equivalents	207,237
60,004	Financial assets at amortised cost (note 6)	67,449
279,813	Total financial assets	274,686
Financial liabilities		
52,613	Financial liabilities at amortised cost (excluding unearned revenue and leases) (note 10)	52,316
52,613	Total financial liabilities	52,316

Cash and cash equivalents

Cash and cash equivalents include balances denominated in foreign currencies translated to New Zealand dollars at the foreign exchange rate at balance date.

MPI is only permitted to expend its cash and cash equivalents within the scope and limits of its appropriations.

Derivative financial instruments

MPI uses forward foreign exchange contracts to manage exposure to foreign exchange movements. MPI does not hold these contracts for trading purposes. MPI has not adopted hedge accounting.

Forward foreign exchange contracts are initially recognised at fair value on the date a contract is entered into and are subsequently re-measured at their fair value at each balance date. Movements in the fair value are recognised in the statement of comprehensive revenue and expense.

Note 17a: Financial instrument risks

MPI's activities expose it to a variety of financial instrument risks, including currency risk, credit risk and liquidity risk. MPI has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow for any transactions that are speculative in nature to be entered into. Any financial instruments held are carried at approximate fair value.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises from future purchases and recognised liabilities, which are denominated in a foreign currency.

MPI purchases goods and services internationally and is exposed to currency risk arising from various exposures, primarily with respect to the Euro, British Pound, United States and Australian dollars. MPI's Foreign Exchange Management Policy requires MPI to manage currency risk arising from future transactions and recognised liabilities by entering into foreign spot or exchange forward contracts when the total transaction exposure to an individual currency exceeds NZD\$100,000. MPI's policy has been approved by the Treasury and is in accordance with the requirements of the Treasury's Guidelines for the Management of Crown and Departmental Foreign-Exchange Exposure. As at 30 June 2023, MPI's exposure to interest rate risk, and its sensitivity to that risk, is not considered material.

Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate, or the cash flows from a financial instrument will fluctuate, due to changes in market interest rates. MPI has no exposure to interest rate risk because it has no interest-bearing financial instruments.

Credit risk

Credit risk is the risk that a third party will default on its obligation to MPI, causing MPI to incur a loss. In the normal course of its business, credit risk arises from debtors and deposits with banks.

MPI is only permitted to deposit funds with Westpac (Standard and Poor's credit rating of AA-), a registered bank, and enter into foreign exchange forwards with the New Zealand Debt Management Office (Standard and Poor's credit rating of AA+). These entities have high credit ratings. For its other financial instruments, MPI does not have significant concentrations of credit risk.

MPI's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents, net debtors (note 6), and derivative financial instrument assets (note 17). There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired.

Liquidity risk

Liquidity risk is the risk that MPI will encounter difficulty raising liquid funds to meet commitments as they fall due.

In meeting its liquidity requirements, MPI closely monitors its forecast cash requirements with expected cash drawdowns from the New Zealand Debt Management Office. MPI maintains a target level of available cash to meet liquidity requirements.

Note 18: Capital management

MPI's capital is its equity, which comprises Crown capital and retained earnings, memorandum accounts (net position) and property revaluation reserves. Equity is represented by net assets.

MPI manages its revenues, expenses, assets, liabilities and general financial dealings prudently and in a manner that promotes the current and future interests of the New Zealand public. MPI's equity is largely managed as a by-product of managing revenue, expenses, assets, liabilities, and compliance with the Government budget processes and with Treasury instructions, and the Public Finance Act 1989.

The objective of managing MPI's equity is to ensure MPI effectively achieves its goals and objectives for which it has been established, while remaining a going concern.

Note 19: Memorandum accounts

These accounts summarise financial information relating to the accumulated surpluses and deficits incurred in the provision of statutory information and performance of accountability reviews by MPI to third parties on a full cost recovery basis.

The accounts enable MPI to take a long run perspective to fee setting and cost recovery.

These transactions are included as part of MPI's operating income and expenses, however, these transactions are excluded from the calculation of MPI's return of operating surplus (refer note 11). The cumulative balance of the surplus/(deficit) of the memorandum accounts is recognised as a component of equity (refer note 14).

The balance of each memorandum account is expected to trend toward zero over a reasonable period of time, with interim deficits being met either from cash from MPI's statement of financial position or by seeking approval for a capital injection from the Crown.

Actuals 2022 \$000		Actuals 2023 \$000
(2,160)	Border biosecurity clearance fees account	(9,928)
(1,333)	Phytosanitary exports account	(2,762)
(2,991)	Verification of the food regulatory programme account	(999)
1,348	Approvals, accreditations and registrations	(163)
6,536	Standards setting for the food industry account	5,251
1,361	Wine standards management – Wine Act 2003	2,059
(1,036)	Food standards and assurance – Food Act 2014	(1,228)
(40,646)	Border biosecurity traveller clearance levy	(18,882)
-	Forest Market Assurance/ETS	(315)
(38,921)	Total memorandum account balances	(26,967)

Note 19a: Border biosecurity clearance fees account

Actuals 2022 \$000		Actuals 2023 \$000
-	Opening balance 1 July	(2,160)
42,258	Revenue	41,664
(56,234)	Expenses	(63,392)
11,816	Revenue from the crown for low value goods	11,800
-	Write-off accumulated operating deficits ¹	2,160
(2,160)	Closing balance	(9,928)

This account covers:

- levies imposed on all importations of goods for which a document is lodged with the New Zealand Customs Service under regulation 26(2) of the Customs and Excise Regulations 1996; and
- all other fees collected under the Biosecurity (Costs) Regulations 2006 including inspection of risk goods, offshore inspection of ships, and approval and audit of transitional containment facilities and facility operators.

Note 1 – The Biosecurity (System Entry Levy) (BSEL) legislation that was active in 2021/22 only allows for cost recovery to take into account a deficit or surplus for the prior year only. This means that the balance of the memorandum account must track to zero each year. Through the recent 2023 amendment, the legislation now reflects a change from one year to a three year write-off period.

Note 19b: Phytosanitary exports account

Actuals 2022 \$000		Actuals 2023 \$000
(407)	Opening balance 1 July	(1,333)
1,968	Revenue	1,802
(2,894)	Expenses	(3,460)
-	Expenses transferred to the Crown	229
(1,333)	Closing balance	(2,762)

This account covers fees for certification of plant and forestry exports.

Note 19c: Verification of the food regulatory programme account

Actuals 2022 \$000		Actuals 2023 \$000
(4,243)	Opening balance 1 July	(2,991)
40,909	Revenue	42,772
(39,657)	Expenses	(41,414)
-	Write-off accumulated operating deficits ¹	634
(2,991)	Closing balance	(999)

This account covers verification activities undertaken by MPI in accordance with the Animal Products (Fees, Charges and Levies) Regulations 2007.

Note 1 – Section 115(4) of the Animal Products Act 1999 allows for the cost recovery of any shortfall in the preceding four financial years. The write-off of \$634,000 reflects the difference of the deficit of \$916,000 from 2018/19 and the amount of \$282,000 that was able to be recovered.

Note 19d: Approvals, accreditations and registrations

Actuals 2022 \$000		Actuals 2023 \$000
2,572	Opening balance 1 July	1,348
4,394	Revenue	4,672
(5,618)	Expenses	(6,183)
1,348	Closing balance	(163)

This account covers the provision of approval and registration services to regulated parties under the Agricultural Compounds and Veterinary Medicines Act 1997 and the Animal Products Act 1999.

Note 19e: Standards setting for the food industry account

Actuals 2022 \$000		Actuals 2023 \$000
7,826	Opening balance 1 July	6,536
23,714	Revenue	23,493
(22,245)	Expenses	(24,778)
(2,759)	Return of Surplus Balances to Industry	-
6,536	Closing balance	5,251

This account covers MPI's standards setting activities and fees for certification and reconciliation services under the Animal Products (Dairy Industry Fees and Charges) Regulations 2007. This account also covers certification activities undertaken by MPI in accordance with section 7 of the Animal Products (Fees, Charges and Levies) Regulations 2007.

Note 19f: Wine standards management – Wine Act 2003

Actuals 2022 \$000		Actuals 2023 \$000
5,088	Opening balance 1 July	1,361
2,435	Revenue	1,465
(1,594)	Expenses	(1,198)
-	Expenses transferred to the Crown	431
(4,568)	Return of Surplus Balances to Industry	-
1,361	Closing balance	2,059

This account covers certification, assurance, standard setting, market access, systems implementation and monitoring services provided under the Wine Act 2003.

Note 19g: Food standards and assurance – Food Act 2014

Actuals 2022 \$000		Actuals 2023 \$000
(1,327)	Opening balance 1 July	(1,036)
1,302	Revenue	1,339
(1,521)	Expenses	(1,531)
510	Expense reclassification	-
(1,036)	Closing balance	(1,228)

This account covers services provided by MPI under the Food Act 2014.

Note 19h: Border biosecurity traveller clearance levy

Actuals 2022 \$000		Actuals 2023 \$000
-	Opening balance 1 July	(40,646)
11,167	Revenue	83,146
592	Revenue from the Crown for exempt travellers	592
(52,405)	Expenses	(61,974)
(40,646)	Closing balance	(18,882)

This account covers fees and costs associated with the biosecurity clearance costs of travellers coming into New Zealand. This account is expected to return to surplus in 2023/24 based on current forecast.

Note 19i: Forest Market Assurance/ETS

Actuals 2022 \$000		Actuals 2023 \$000
-	Opening balance 1 July	-
-	Revenue	1,140
-	Expenses	(1,455)
-	Closing balance	(315)

Te Uru Rākau has a new Memorandum Account which covers:

- registration services specified in the Forests (Regulation of Log Traders and Forestry Advisers) Amendment Regulations 2023 for log traders and forestry advisors and;
- emissions trading scheme (Tranche 1) services in accordance with the Climate Change (Forestry) Regulations 2022, and the Climate Change (Emissions Rulings: Fees and Charges) Regulations 2010.

Note 20: Events after balance date

MPI has no significant events after balance date.

Non-departmental statements and schedules

For the year ended 30 June 2023

Introduction and overview

The following non-departmental statements and schedules record the revenue, expenses, capital receipts, assets, liabilities, commitments and trust accounts MPI manages on behalf of the Crown.

MPI administered \$406.9 million of expenses on behalf of the Crown for the year ending 30 June 2023 against a budget of \$338.2 million. This was \$112.9 million higher than the 2022 expenditure mainly due to:

- an increase in grant expenditure of \$102 million related to the Cyclone Gabrielle response and recovery of \$66 million, an increase of \$13 million on the Sustainable Food and Fibres Futures programme and an increase of \$21.5 million on the sustainable land management and climate response;
- an increase in compensation response payments of \$25.5 million;
- a decrease in operating cost of \$8.3 million due to reduced cost for crown forestry; and
- a decrease in fair value of forest measured at fair value of \$8.7 million.

Income for the year is \$115 million, a decrease of \$30.8 million from the 2022 year, driven mainly by a decrease in sale of forest produce of \$30.6 million due to a planned reduction in harvesting across the Crown forest estate and an increase in industry contribution of \$6.8 million for *Mycoplasma bovis* compensation. Cost recovered levies from the fishing industry decreased by \$3.8 million.

Non-departmental assets are \$801.2 million, an increase of \$235.4 million from the 2022 year. The value of Crown forests decreased by \$7.6 million, debtors and other receivables decreased by \$19.3 million, and cash and cash equivalents increased by \$249 million, net investment in the newly created Centre for Climate Action Joint Venture Ltd increased by \$7.3 million and prepayments increased by \$2.7 million.

Non-departmental liabilities are \$101.3 million, an increase of \$38.8 million from the 2022 year. This is mainly due to an increase in creditors and other payables of \$28.4 million due to increased grants payable and provisions of \$9.8 million due to increase in biosecurity incursions.

The \$10.9 million capital expenditure was higher by \$5.6 million compared to the 2022 year, due to lower spend of \$2.6 million on the purchase and development of Crown Forestry assets offset by an increase in the equity contribution for the Centre for Climate Action Joint Venture Ltd of \$8.2 million.

Further details of MPI's management of these Crown assets and liabilities are provided in the Output Performance sections of this report.

Impact of North Island Weather Events

Cyclone Gabrielle struck parts of New Zealand in February 2023 and caused widespread damage across the North Island. Damage to Crown Forestry was significant. The impact of this damage has been included in the valuation of the Crown Forestry assets. Please refer to note 6a for more detail disclosure.

The financial information reported in these statements and schedules is consolidated into the Crown financial statements, and therefore readers of these statements and schedules should also refer to the Crown financial statements for the year ended 30 June 2023.

Statement of non-departmental expenditure and capital expenditure against appropriations

For the year ended 30 June 2023

Actual		Expenditure before remeasurements	Expenditure after remeasurements	Appropriation voted	Unaudited forecast
2022 \$000	Annual appropriations	2023 \$000	2023 \$000	2023 \$000	2024 \$000
	Vote Forestry				
	APPROPRIATIONS FOR OUTPUT EXPENSES				
	Growth and Development of the Forestry Sector MCA				
53,600	Forestry: Operational Management of the Crown's Forests	39,218	39,218	46,636	32,171
-	Forestry: Climate Emergency Response Fund	2	2	50	4,578
	Vote Agriculture, Biosecurity, Fisheries and Food Safety				
3,596	Support for Walking Access	3,595	3,595	3,595	3,595
	Agriculture: Programmes Supporting Sustainability MCA				
10,980	Agriculture: Climate Change Research	-	-	-	-
-	Agriculture: Climate Emergency Response Fund	9,307	9,307	14,795	39,185
-	Agriculture: Grants Supporting Sustainability	17,058	17,058	18,846	2,304
7,172	Agriculture: Recovery Assistance ¹	27,918	27,918	30,156	526
	Biosecurity: Border and Domestic Biosecurity Risk Management MCA				
24,000	Biosecurity: Control of Bovine TB	24,000	24,000	24,000	24,000
-	Biosecurity: Grants Supporting Biosecurity Programmes and Initiatives	1,687	1,687	5,770	6,990
	Fisheries: Managing the Resource Sustainably MCA				
-	Fisheries: Grants to Manage Sustainable use of Fisheries Resources	779	779	932	1,200
	Food Safety: Protecting Consumers MCA				
900	Food Safety Science and Research	1,100	1,100	1,800	1,700
100,248	Total output expenses	124,664	124,664	146,580	116,249
	APPROPRIATIONS FOR BENEFITS OR RELATED EXPENSES				
1,489	Agriculture: Rural Veterinarians Bonding Scheme	849	849	1,650	1,650
1,489	Total benefits or related expenses	849	849	1,650	1,650
	APPROPRIATIONS FOR OTHER EXPENSES				
	Vote Forestry				
	Growth and Development of the Forestry Sector MCA				
64	Afforestation Grant Scheme	-	-	-	-
34,073	Forestry: Grants and Partnership Programmes	26,008	26,008	46,249	24,320
9,051	Forestry: Hill Country Erosion Fund	9,125	9,125	10,000	6,300

Actual 2022 \$000	Annual appropriations	Expenditure before remeasurements 2023 \$000	Expenditure after remeasurements 2023 \$000	Appropriation voted 2023 \$000	Unaudited forecast 2024 \$000
-	North Island Weather Event-Cyclone Gabrielle Response and Recovery	3,540	3,540	3,400	6,600
Vote Agriculture, Biosecurity, Fisheries and Food Safety					
626	COVID-19 Assistance for Primary Industries	1,213	1,213	1,289	400
-	Fisheries: Aquaculture Settlements	4,585	4,585	94,174	-
619	Fisheries: Provision for Fisheries Debt Write Downs	139	139	1,000	1,000
3,287	Subscriptions to International Organisations	3,300	3,300	3,538	3,538
Agriculture: Programmes Supporting Sustainability MCA					
-	Cyclone Gabrielle - Primary Sector Response ¹	36,223	36,223	49,000	-
Biosecurity: Border and Domestic Biosecurity Risk Management MCA					
10,250	Biosecurity: Compensation and Ex-gratia following a Biosecurity Event	6,927	6,927	5,924	-
15,297	Compensation and Ex-Gratia Payments in Response to <i>Mycoplasma bovis</i>	44,121	44,121	77,000	5,100
Fisheries: Managing the Resource Sustainably MCA					
58	Fisheries Quota Shares and ACE Administration Costs	72	72	149	149
5	Fisheries: Transition Support	-	-	-	-
Food Safety: Protecting Consumers MCA					
1,345	Food Safety: Folic Acid Fortification	-	-	-	-
2,152	Food Safety: Joint Food Standards Setting Treaty	2,152	2,152	2,153	2,153
North Island Weather Events MCA					
-	Support for Rural Businesses and Communities	744	744	12,789	15,341
76,827	Total other expenses	138,149	138,149	306,665	64,901
APPROPRIATIONS FOR CAPITAL EXPENDITURE					
Growth and Development of the Forestry Sector MCA					
4,418	Capital Investment in the Crown's Forestry Assets	-	-	-	-
-	Forestry: Capital Climate Response Investments	-	-	-	5,078
-	Agriculture: Climate Emergency Response Fund Joint Venture	8,250	8,250	8,250	19,250
4,418	Total capital expenses	8,250	8,250	8,250	24,328
182,982	Total Annual Appropriation Expenditure	271,912	271,912	463,145	207,128

Note 1 – For 2022/23 MPI received funding of \$74 million for Cyclone Gabrielle Response and Recovery. This funding was split across two appropriations: Cyclone Gabrielle - Primary Sector Response (\$49 million) and Agriculture: Recovery Assistance (\$25 million).

Statement of non-departmental expenditure and capital expenditure against appropriations continued

For the year ended 30 June 2023

Actuals 2022 \$000	Multi-year appropriations	Actuals 2023 \$000
Vote Forestry		
APPROPRIATIONS FOR OUTPUT EXPENSES		
Forestry and Other Economic Development and Erosion Control		
2,000	Original appropriation – over five years from 1 July 2021 to 30 June 2026	2,000
14,250	Adjustments for 2022	14,250
-	Adjustments for 2023	-
16,250	Adjusted Appropriation	16,250
1,026	Actual expenses for 2022	1,026
-	Actual expenses for 2023	663
15,224	Appropriation remaining	14,561
\$000	Multi-year appropriations	\$000
Forestry: Capital Investment in the Crown's Forestry Assets		
-	Original appropriation - over five years from 1 July 2022 to 30 June 2027	55,600
-	Adjustments to 2022	-
-	Adjustments for 2023 ²	21,082
-	Adjusted Appropriation	76,682
-	Actual expenses to 2022	-
-	Actual expenses for 2023	2,817
-	Appropriation remaining	73,865
\$000	Multi-year appropriations	\$000
Vote Agriculture, Biosecurity, Fisheries and Food Safety		
APPROPRIATIONS FOR OUTPUT EXPENSES		
New Zealand Agricultural Greenhouse Gas Research³		
23,050	Original Appropriation - over four years from 1 October 2019 to 30 June 2024	23,050
10,000	Adjustments to 2022	10,000
-	Adjustments for 2023	(18,712)
33,050	Adjusted Appropriation	14,338
14,338	Actual expenses to 2022	14,338
-	Actual expenses for 2023	-
18,712	Appropriation remaining	-
Sustainable Land Management and Climate Change Research³		
-	Original Appropriation - over five years from 1 July 2022 to 30 June 2027	109,311
-	Adjustments to 2022	-
-	Adjustments for 2023	-
-	Adjusted Appropriation	109,311
-	Actual expenses to 2022	-
-	Actual expenses for 2023	21,593
-	Appropriation remaining	87,718

Actuals 2022 \$000	Multi-year appropriations	Actuals 2023 \$000
	Farm Advisor Scheme	
5,679	Original Appropriation - over five years from 1 July 2021 to 30 June 2026	5,679
-	- Adjustments to 2022	-
-	- Adjustments for 2023	-
5,679	Adjusted Appropriation	5,679
-	- Actual expenses to 2022	-
-	- Actual expenses for 2023	531
5,679	Appropriation remaining	5,148
	Integrated Farm Plan Accelerator Fund	
14,441	Original appropriation - over five years from 1 July 2021 to 30 June 2026	14,441
-	- Adjustments to 2022	-
-	- Adjustments for 2023	-
14,441	Adjusted Appropriation	14,441
-	- Actual expenses to 2022	-
-	- Actual expenses for 2023	1,652
14,441	Appropriation remaining	12,789
	Global Research Alliance on Agricultural Greenhouse Gas Research	
34,000	Original Appropriation - over four years from 1 July 2020 to 30 June 2024	34,000
5,686	Adjustments to 2022	5,686
-	- Adjustments for 2023	-
39,686	Adjusted Appropriation	39,686
12,948	Actual expenses to 2022	12,948
-	- Actual expenses for 2023	8,658
26,738	Appropriation remaining	18,080
	Sustainable Food and Fibre Futures	
255,491	Original appropriation - over five years from 1 October 2019 to 30 June 2024	255,491
(6,166)	Adjustments to 2022	(6,166)
-	- Adjustments for 2023	-
249,325	Adjusted Appropriation	249,325
109,827	Actual expenses to 2022	109,827
-	- Actual expenses for 2023	59,995
139,498	Appropriation remaining	79,503
	APPROPRIATIONS FOR CAPITAL EXPENDITURE	
59,395	Total Multi-Year Appropriation Expenditure	93,092
58,369	Total Vote Agriculture, Biosecurity, Fisheries and Food Safety 2023	92,429
1,026	Total Vote Forestry 2023	663
178,564	Total Annual Expenditure for 2023	263,662
81,776	Total Vote Agriculture, Biosecurity, Fisheries and Food Safety 2023	189,309

Actuals 2022 \$000	Multi-year appropriations	Actuals 2023 \$000
96,788	Total Forestry 2023	74,353
4,418	Total Capital Expenditure for 2023	11,067
-	Total Vote Agriculture, Biosecurity, Fisheries and Food Safety 2023	8,250
4,418	Total Forestry 2023	2,817
237,959	Total Expenditure for 2023 (Excluding Capital Expenditure)	356,754
140,145	Total Vote Agriculture, Biosecurity, Fisheries and Food Safety 2023	281,738
97,814	Total Forestry 2023	75,016

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2023.

Note 2 – The adjustment is due to \$17 million from out-year 2026/27 now included in the forecast period and an expense transfer of \$4.082 million to fund capital investments in Crown Forestry Assets.

Note 3 – Sustainable Land Management and Climate Change Research is a new multi-year appropriation (MYA) commencing on 1 July 2022. This is a combination of three appropriations being Agriculture: Climate Change Research, Agriculture: New Zealand Agriculture Greenhouse Gas Research and New Zealand Greenhouse Gas Research MYA.

Schedule of non-departmental revenue

For the year ended 30 June 2023

Actual 2022 \$000		Note	Actual 2023 \$000	Unaudited estimates of appropriations 2023 \$000	Unaudited forecast 2024 \$000
66,519	Sale of forest produce		35,958	33,664	25,382
42,089	Fines, penalties and levies	2	39,963	40,913	40,913
3,814	Sale of Crown quota and annual catch entitlement (ACE)		4,623	225	225
2,803	Deemed value for over-fishing		2,625	5,000	5,000
-	Emissions Trading Scheme fees		-	150	-
41	Forestry land rental		56	19	-
9,028	Miscellaneous revenue	3	3,469	50	50
21,543	Industry contribution for compensation and response costs - <i>Mycoplasma bovis</i>	4	28,347	48,640	7,581
145,837	Total non-departmental revenue		115,041	128,661	79,151

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2023.

Schedule of non-departmental expenses

For the year ended 30 June 2023

Actual 2022 \$000		Note	Actual 2023 \$000	Unaudited estimates of appropriations 2023 \$000	Unaudited forecast 2024 \$000
106,327	Grants		208,254	169,818	187,133
83,844	Operating		75,522	60,232	78,255
25,547	Compensation for biosecurity incursions	15	51,048	32,000	-
1,489	Benefits		849	1,650	1,650
16,467	Research and development		17,280	30,601	32,965
3,596	New Zealand Walking Access Commission funding	9	3,595	3,595	3,595
70	Depreciation and impairment of property, plant and equipment	8	68	135	70
619	Impairment of receivables	7	139	1,000	-
18,765	Loss on revaluation of forests measured at fair value	6a	10,050	-	-
6,968	Impairment/(reversal of impairment) of the Crown's equity investment in Crown Irrigation Investments Limited	10	(3,116)	-	-
-	Net deficit from joint venture	11	935	-	-
30,363	GST input expenses		42,237	39,256	42,261
294,055	Total non-departmental expenses		406,861	338,287	345,929

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2023.

Schedule of non-departmental capital expenditure

As at 30 June 2023

Actual 2022 \$000		Note	Actual 2023 \$000	Unaudited estimates of appropriations 2023 \$000	Unaudited forecast 2024 \$000
5,310	Purchase and development of Crown Forestry assets valued	6	2,708	12,600	18,000
-	Climate Emergency Response Fund Joint Venture ¹		8,250	-	19,250
5,310	Total non-departmental expenses		10,958	12,600	37,250

Note 1 – This capital expenditure is for the 50% equity investment in the Climate Emergency Response Joint Venture Ltd. Refer to note 11 for more details.

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2023.

Schedule of non-departmental assets

As at 30 June 2023

Actual 2022 \$000		Note	Actual 2023 \$000	Unaudited estimates of appropriations 2023 \$000	Unaudited forecast 2024 \$000
	Current assets				
289,418	Cash and cash equivalents		538,603	231,740	278,489
9,160	Forests - for harvest in 12 months	6	8,553	22,000	22,000
53,518	Debtors and other receivables	7	39,219	86,000	61,000
5,943	Prepayments		8,651	6,000	6,000
550	Non-current assets held for sale	5	550	550	550
358,589	Total current assets		595,576	346,290	368,039
	Non-current assets				
12,030	Debtors and other receivables	7	7,017	18,000	18,000
104,920	Forests	6	97,969	127,527	126,762
21,968	Property, plant and equipment	8	21,900	18,543	21,828
	Crown equity investment in Crown entities				
1,150	- New Zealand Walking Access Commission		1,150	1,150	1,150
67,148	- Crown Irrigation Investments Limited	10	70,264	146,100	146,100
-	- Investment in Joint Venture	11	7,315	-	-
207,216	Total non-current assets		205,615	311,320	313,840
565,805	Total non-departmental assets		801,191	657,610	681,879

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2023.

Schedule of non-departmental liabilities

As at 30 June 2023

Actual 2022 \$000		Note	Actual 2023 \$000	Unaudited estimates of appropriations	
				2023 \$000	Unaudited forecast 2024 \$000
	Current liabilities				
33,870	Creditors and other payables	12	62,322	41,000	38,000
756	Over and under recovered costs from fishing industry	13	1,320	4,000	4,000
26,782	Provisions	14	34,162	3,000	3,000
61,408	Total current liabilities		97,804	48,000	45,000
	Non-current liabilities				
1,112	Provisions	14	3,553	11,000	14,000
1,112	Total non-current liabilities		3,553	11,000	14,000
62,520	Total non-departmental liabilities		101,357	59,000	59,000

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2023.

Schedule of non-departmental contingent liabilities and contingent assets

As at 30 June 2023

Contingent liabilities

Unquantified

Aquaculture settlements

MPI administers the Crown's obligations for delivering aquaculture settlements with Māori. Regional aquaculture settlement agreements are negotiated with iwi under the Māori Commercial Aquaculture Claims Settlement Act 2004.

This settlement process is ongoing and includes prospective settlement. As aquaculture in New Zealand grows, settlement obligations arise. Iwi may choose to accept settlement as either cash or marine rights, or a combination following the negotiation process. The amount and timing of settlements are therefore uncertain, as they are dependent on sector growth, as well as the preferred nature of settlement.

To facilitate in the delivery of settlements, MPI forecasts aquaculture growth and works with Māori before growth occurs. This provides iwi with the opportunity to establish their own role in the aquaculture sector with the benefit of negotiated settlement provisions. Due to challenges in reliably estimating the Crown's potential obligations, driven by uncertainties in sector growth, the nature, amount and timing of settlement. The contingency is therefore unquantified.

Quantified

Import Health Standard Dispute

Over the course of 2020 and 2021, a Plaintiff has disputed MPI's decisions at the border requiring treatment for six shipments of stockfeed containing contaminants like soyabean and maize.

At the time the Plaintiff implied they were considering taking court proceedings; however, the standard has since been amended. The result of those amendments meant that treatment for those contaminants was no longer required. The Plaintiff now seeks compensation totalling \$1.451 million for the losses incurred during that period.

The Plaintiff's position was that those actions were not commensurate with the biosecurity risk posed by the contamination and MPI did not properly exercise their discretion to deal with that contamination. MPI maintained that the actions were lawful based on the relevant import health standard at the time.

Quantified and Unquantified

Biosecurity compensation

Under section 162A of the Biosecurity Act 1993 compensation may be payable as a result of the exercise of powers to manage or eradicate organisms. Compensation is payable where there are verifiable losses as a result of the damage or destruction of a person's property or restrictions on the movement of a person's goods.

MPI has been notified that compensation will be sought following biosecurity response incursions including *Bonamia ostraea* and *Mycoplasma bovis*.

Due to the complexity and uncertainty of the amount of these claims, the liability for *Bonamia ostraea*, as a result of MPI's response to the incursion, has been recognised at the claimant value or the amount under review, which may be overstated until the claim is fully assessed. While these claims can be quantified, they do not meet the tests for recognising a provision.

The Crown has declined \$71.090 million (2022: \$98.105 million) in claims lodged for *Bonamia ostraea*. These decisions are subject to arbitration, so MPI continues to reflect these claims at 30 June 2023. Note that additional claimants may submit claims and this has not been reflected in the total.

The contingent liability resulting from the *Mycoplasma bovis* outbreak remains unquantified. This is due to MPI being unable to reliably estimate the period of time losses will be incurred as a result of its actions under the Biosecurity Act 1993.

The above contingent liabilities have not been recognised in the financial statements. Refer to note 14a for the provisions raised for claims being assessed.

Contingent assets

MPI on behalf of the Crown, has no non-departmental contingent assets as at 30 June 2023 (2022: nil).

Schedule of non-departmental commitments

As at 30 June 2023

MPI, on behalf of the Crown, has entered into non-cancellable land leases for forestry and forestry partnership commitments. The lease agreements commit the Crown to expenditure over the remaining term of the leases and have expiry dates ranging from 2023 to 2080. The commitments shown are MPI's best estimate of the minimum expenditure over the remaining term of the leases.

Actuals 2022 \$000		Actuals 2023 \$000
	Non-cancellable operating lease commitments	
27,676	Not later than one year	29,136
109,070	Later than one year and not later than five years	110,219
1,344,622	Later than five years	1,774,680
1,481,368	Total non-departmental operating lease commitments	1,914,035

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2023.

Schedule of trust monies

For the year ended 30 June 2023

Declared overfishing trust account

Funds held in relation to the deemed value of fish taken in excess of quota under the quota management system.

Actuals 2022 \$000		Actuals 2023 \$000
13,658	Balance at 1 July	1,150
1,855	Contributions	3,440
(14,490)	Distributions	(3,087)
127	Revenue	85
1,150	Balance at 30 June	1,588

Forfeit property trust account

Proceeds received from the sale of seized forfeited property that is disposed of in accordance with Ministerial or Court direction.

Actuals 2022 \$000		Actuals 2023 \$000
1,252	Balance at 1 July	1,749
611	Contributions	331
(127)	Distributions	(2)
13	Revenue	80
1,749	Balance at 30 June	2,158

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2023.

Notes to the non-departmental statements and schedules

For the year ended 30 June 2023

Note 1: Statement of accounting policies

1.1 Reporting entity

These non-departmental schedules and statements present financial information on public funds managed by MPI on behalf of the Crown.

These non-departmental balances are consolidated into the Financial Statements of the Government, for the year ended 30 June 2023. For a full understanding of the Crown's financial position, results of operations and cash flows for the year, reference should also be made to the Financial Statements of the Government.

1.2 Basis of preparation

The non-departmental schedules and statements have been prepared in accordance with the accounting policies of the Financial Statements of the Government, and in accordance with relevant Treasury Instructions and Treasury Circulars.

Measurement and recognition rules applied in the preparation of these non-departmental schedules and statements are consistent with New Zealand generally accepted accounting practice as appropriate for public benefit entities.

1.3 Functional and presentation currency

The non-departmental statements and schedules are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of MPI is New Zealand dollars.

1.4 New or amended standards adopted

PBE IPSAS 41 Financial Instruments

In March 2019, the External Reporting Board (XRB) issued PBE IPSAS 41 Financial Instruments, which

supersedes both PBE IFRS 9 Financial Instruments and PBE IPSAS 29 Financial Instruments: Recognition and Measurement. MPI has adopted PBE IPSAS 41 for the first time this year. There has been little change as a result of adopting the new standard as the requirements are similar to those contained in PBE IFRS 9.

Standard issued and not yet effective and not early adopted

Standards and amendments that have been issued but are not yet effective and have not been early adopted which are relevant to MPI are:

2022 Omnibus Amendment to PBE Standards

This Standard has been issued to amend the relevant Tier 1 and Tier 2 PBE Standards as a result of:

- PBE IPSAS 16 Investment Property: The amendments clarify that fair value measurement of self constructed investment property could commence before construction is complete.
- PBE IPSAS 17 Property, Plant and Equipment: The amendments change the accounting for any net proceeds earned while bringing an asset into use by requiring the proceeds and relevant costs to be recognised in surplus or deficit rather than being deducted from the asset cost recognised.
- PBE IPSAS 30 Financial Instruments: Disclosures: The amendment specifically refers to disclosing the circumstances that result in fair value of financial guarantee contracts not being determinable.
- PBE IPSAS 19 Provisions, Contingent Liabilities and Contingent Assets: The amendments clarify the costs of fulfilling a contract that an entity includes when assessing whether a contract will be loss-making or onerous (therefore, whether a provision needs to be recognised).

Changes for financial statements covering periods beginning on or after 1 January 2023 include:

PBE IFRS 17 Insurance Contracts

This new standard sets out accounting requirements for insurers and other entities that issue insurance contracts and applies to financial reports covering periods beginning on or after 1 January 2026. MPI has not yet assessed in detail the impact of these amendments and the new standard. These amendments and the new standard are not expected to have a significant impact.

1.5 Significant accounting policies

1.5.1 Budget figures

The budget figures are those included in the Estimates of Appropriations for the Government of New Zealand for the year ending 30 June 2023. They are consistent with the financial information in the Main Estimates.

1.5.2 Forecast figures

The 2024 forecast figures for the year ended 30 June 2024 are those submitted to the Treasury for purposes of consolidation into the 2023 Budget Economic and Fiscal Update (2023 BEFU out-year 1 figures).

The forecast financial statements and schedules have been prepared as required by the Public Finance Act 1989 to communicate forecast information for accountability purposes. Transparency is improved by providing further context of this year's results by providing next year's forecast for comparison.

The forecast figures are unaudited and have been prepared using the accounting policies adopted in preparing these financial statements and schedules. They comply with the recognition and measurement requirements of public benefit entity accounting standards.

The forecast financial statements and schedules were authorised for issue by the Director-General of MPI on 11 April 2023. The Director-General is responsible for the financial statements, including the appropriateness of the assumptions underlying them and all other required disclosures.

While MPI regularly updates its forecasts, updated forecast financial statements and schedules for the year ending 30 June 2024 (2024 financial year) will not be published.

The forecast has been compiled on the basis of existing government policies and Ministerial expectations.

The main assumptions are as follows:

- MPI's non-departmental activities conducted on behalf of the Crown will remain substantially the same as the previous year; and
- estimated year-end information for 2023 is used as the opening position for the 2024 forecasts.

Factors that could lead to material differences between the forecast information presented and the 2023 actual financial results include changes in activities required by the Government, year-end revaluations, and technical adjustments.

1.6 Revenue

1.6.1 Revenue - Exchange transactions

Sales of forest produce

Revenue from the sale of forest produce is recognised at the point of sale, for example, delivered to mill or port, on truck or on skid (heavy vehicle used in logging operations for pulling trees out of the forest).

1.6.2 Revenue - Non-exchange transactions

Fines and penalties

Revenue from fines and penalties is recognised when the infringement notice is issued.

Cost recovery levies

Cost recovery levies recover the costs of fisheries-related conservation services and fisheries services:

- provided to manage the harvesting or farming of fisheries resources; or
- provided to avoid, remedy or mitigate a risk to, or an adverse effect on, the aquatic environment or the biological diversity of the aquatic environment.

The cost of fisheries services provided by MPI during the period 1 July 2022 to 30 June 2023 is primarily recovered from the commercial fishing sector over the period 1 October 2022 to 30 September 2023 (the fishing year). Such revenue is reported in the financial period to which the revenue relates.

Deemed value charges

Revenue from deemed value charges is recognised three months after the end of the fishing year on completion of MPI's review processes.

Mycoplasma bovis: Industry revenue contribution
MPI accrues for revenue it becomes entitled to under the signed Operational Agreement (the Agreement) with industry bodies. Accruals are recognised in line with the agreed percentages documented in the agreement, which are 32% of eligible costs.

Industry bodies will fund the cost of meeting their obligations under the agreement through a levy order. Industry bodies must make payment as proceeds of levy orders are collected.

1.6.3 Revenue – Dividends

Dividend revenue is recognised when the dividend is declared.

1.7 Grant and partnership expenditure

Where grant expenditure is discretionary until payment, the expense is recognised when payment is made. Otherwise the expense is recognised when specified criteria have been fulfilled.

1.8 Goods and services tax

All items in the financial statements, including appropriation statements, are stated exclusive of GST, except for debtors and creditors, which are inclusive of GST. In accordance with Treasury instructions, GST is returned on revenue received on behalf of the Crown, where applicable. However, an input tax deduction is not claimed on non-departmental expenditure. Instead, the amount of GST applicable to non-departmental expenditure is recognised as a separate expense and eliminated against GST revenue on consolidation of the Government financial statements.

1.9 Cash and cash equivalents

Cash includes cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

1.10 Changes in accounting policies

There have been no changes in MPI's accounting policies since the date of the last audited financial statements.

1.11 Debtors and other receivables

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate, less any impairment provision for expected credit loss.

Expected credit loss is established when there is objective evidence that MPI will not be able to collect amounts due according to the original terms of the receivable. Indicators that the debtor is impaired include significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments.

The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the schedule of non-departmental expenses. When a debtor is uncollectible, it is written off against the allowance account for debtors. Overdue receivables that are renegotiated are reclassified as current (that is, not past due).

Debtors and other receivables are classified as either exchange or non-exchange transactions in the notes to the schedule of non-departmental assets.

1.12 Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the schedule of non-departmental expenses.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised. Non-current assets held for sale (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

1.13 Property, plant and equipment

Property, plant and equipment consists of land, buildings, roads, bridges, fencing, motor vehicles, plant and equipment. Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

Individual assets, or group of assets, are capitalised if their cost is greater than \$5,000. The value of an individual asset that is less than \$5,000 and is part of a group of similar assets is capitalised.

1.13.1 Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Crown and the cost of the item can be measured reliably. In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

1.13.2 Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are recognised in the schedule of non-departmental income or expenses.

When revalued assets are sold, the amounts included in the property, plant and equipment revaluation reserves in respect of those assets are transferred to general funds.

1.13.3 Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Crown and the cost of the item can be measured reliably.

1.13.4 Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment, other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values 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%)
- Roads, Fencing and Equipment – 10 to 20 years (5 – 10%)
- Motor Vehicles – 11 years (9%)

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

1.13.5 Revaluation

Land and buildings are revalued with sufficient regularity to ensure that the carrying amount does not differ materially from fair value and at least every five years. Fair value is determined from market-based evidence by an independent valuer. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different from fair value. Additions between revaluations are recorded at cost.

1.13.6 Accounting for revaluations

The Crown accounts for revaluations of property, plant and equipment on a class of asset basis. The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is expensed. Any subsequent increase on revaluation that off-sets a previous decrease in value expensed will be recognised first as income up to the amount previously expensed, and then credited to the asset revaluation reserve for that class of asset.

1.14 Forests

Forests are independently revalued annually at their fair value less estimated costs to sell for one growth cycle. Fair value is determined based on the present value of future cash flows discounted at a current market-determined rate. For valuation purposes, MPI's cash flows are discounted using a mid-point discount to reflect the average log sale date. Where market-determined prices or values are not available, forestry assets are measured at cost less any accumulated depreciation and impairment losses.

Gains or losses arising on initial recognition of forests valued at fair value less estimated point of sale costs and from a change to fair value less estimated point of sale costs are recognised in the schedule of non-departmental income or expenses.

The costs to maintain the forests are included in the schedule of non-departmental expenses.

1.14.1 Additions

Forestry asset additions are initially measured at cost where it is probable that future economic benefits or service potential will flow to the Crown and the cost can be measured reliably.

1.14.2 Forestry lease costs

Forestry lease costs are paid upfront by up to 8 years. The lease costs are amortised on an annual basis and is determined by the final area planted.

1.15 Creditors and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method. Creditors and other payables are classified as either exchange or non-exchange transactions in the notes to the schedule of non-departmental liabilities.

1.16 Onerous contracts

Where the benefits to be derived from a contract are lower than the unavoidable costs of meeting the obligation under the contract, a provision is recognised. The provision is stated at the present value of the future net cash outflows expected to be incurred in respect of the contract.

1.17 Provisions

Provisions are recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

1.17.1 Provision for biosecurity incursion events

This provision for compensation payable under section 162A of the Biosecurity Act 1993 is as a result of the exercise of powers to manage or eradicate organisms. Compensation is payable where there are verifiable losses as a result of the damage or destruction of a person's property or restrictions on the movement of a person's goods. The provision represents

MPI's best estimate of the cost of settling current compensation claims.

1.18 Contingent liabilities and assets

Contingent liabilities and assets are recorded in the statement of contingent liabilities and contingent assets at the point at which the contingency is evident. Contingent liabilities are disclosed if the possibility that they will crystallise is not remote. Contingent assets are disclosed if it is probable that the benefits will be realised.

1.19 Non-cancellable operating lease commitments

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

1.20 Investment in Joint Venture

Investments in joint ventures are accounted for using the equity model, represented by the increase or decrease in post-acquisition net assets.

1.21 Critical accounting estimates and assumptions

In preparing these financial statements, MPI on behalf of the Crown, has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- recoverability of cost recovery levies and *Mycoplasma bovis* industry revenue contribution (see note 4);
- forest valuations (see note 6);
- non-cancellable operating lease commitments (see statement of commitments);

- provision for biosecurity incursions (see note 14a);
- equity accounting for the Joint Venture (see note 11); and
- impairment of the Crown's equity investment in Crown Irrigation Investments Limited (see note 10).

Note 2: Fines, penalties and levies

Actuals 2022 \$000		Actuals 2023 \$000
	Cost recovery levies from fishing industry:	
36,911	- Fisheries services	32,280
3,289	- Conservation services	4,114
227	Biosecurity Act 1993 fines	1,828
689	Dairy industry levy	871
119	Fisheries Act 1996 infringement notices	114
854	Animal welfare infringement	756
42,089	Total fines, penalties and levies income	39,963

Note 3: Miscellaneous revenue

Actuals 2022 \$000		Actuals 2023 \$000
Miscellaneous revenue		
8,964	Recovery of funds for termination of funding agreement	2,889
-	Potato Spindle Tuber Viroid response industry contributions	500
64	Interest Income	80
9,028	Total Miscellaneous revenue	3,469

Note 4: Industry contribution for compensation and response costs – *Mycoplasma bovis*

In June 2019, MPI and industry finalised an agreement for the funding of costs relating to the *Mycoplasma bovis* response. Under this agreement, MPI recovers 32% of response and compensation costs through industry partners on behalf of the Crown. The amount covers response costs incurred in 2022/23 amounting to \$15.1 million for response (2022: \$16.6 million), and \$14.1 million for compensation (2022: \$4.9 million). It is assumed that the full amount recoverable will be collected through a levy. To date, MPI has incurred recoverable costs totalling \$223.4 million (2022: \$194.2 million), and of this has collected a total of \$195.7 million (2022: \$147.4 million) through levies.

Note 5: Non-current forestry assets held for sale

Non-current assets held for sale \$550,000 (2022: \$550,000) consist of the Crown's interest in forests and associated property, plant and equipment that are subject to Treaty of Waitangi settlements or other Treaty of Waitangi obligations.

The accumulated property revaluation reserve recognised in equity for these assets at 30 June 2023 is \$225,000 (2022: \$225,000).

Note 6: Forests

Actuals 2022 \$000		Actuals 2023 \$000
	Forests measured at fair value	
126,685	Opening balance 1 July	113,230
5,310	Forestry additions valued	2,708
2,846	Changes in fair value	(918)
(21,611)	Decrease due to harvesting	(9,132)
113,230	Total forestry assets measured at fair value	105,888
172	Forestry assets acquired but not planted	64
678	Forestry assets planted but not valued	570
114,080	Closing balance of forestry assets	106,522
9,160	Current portion of forests for harvest in 12 months	8,553
104,920	Non current portion of forestry assets	97,969
114,080	Closing balance of forestry assets	106,522

Note 6a: Gain/(loss) on forest revaluation

Actuals 2022 \$000		Actuals 2023 \$000
126,685	Opening balance of forestry assets	113,230
5,988	Forestry additions	3,334
(678)	Forestry assets planted but not valued	(626)
131,995	Forestry assets before valuation	115,938
113,230	Closing balance of forestry assets after valuation	105,888
(18,765)	Gain/(loss) on forest revaluation net of harvesting	(10,050)

MPI manages the Crown's interest in forests established on Crown owned land, leased Māori land and freehold land (under forestry rights). At 30 June 2023, the net stocked area of trees was 27,047 hectares (2022: 26,575 hectares).

During the year ending 30 June 2023:

- 286,681 cubic metres of logs (2022: 497,995 cubic metres) were produced and sold from harvesting operations;
- under the One Billion Trees Programme, additional joint forestry agreements and rights were signed totalling 228 (2022: 519) hectares. Total area contracted under new joint forestry agreements and rights is now 22,594 (2022: 22,368) hectares; and
- 442 (2022: 303) hectares of Crown Forestry managed estate were surrendered or sold.

832 (2022: 2,315) hectares of new joint forestry agreements and rights were also planted during the 2022 planting season.

Due to Cyclone Gabrielle, a number of sections of forests, including immature forests have been damaged, with tree's being uprooted. However as this is currently being harvested, uprooted and fallen trees are able to be salvaged to diminish losses.

Forests measured at fair value:

The valuations at 30 June 2023 were carried out by Alan Bell and Associates, registered forestry consultants specialising in forest valuation. The following valuation assumptions have been adopted in determining the fair value of forestry assets:

- a discount rate of 7% (2022:7%) has been used for forests greater than 1,000 hectares and 8% (2022: 8%) for forests less than 1,000 hectares in discounting the present value of expected post-tax cash flows. Application of a discount rate to cashflows that excluded taxation and other finance costs aligns to forest valuers preferred industry approach;

- in the 2023 year, MPI's cash flows were discounted using a mid-point discount. This is in recognition that cash received is spread throughout the year;
- notional land rental costs have been included for freehold land and actual rents for leased land and forestry rights;
- the forest has been valued on a going concern basis and only includes the value of the existing crop on a single rotation basis;
- no allowance for inflation has been provided except in calculating the cost-of-bush taxation effect;
- the Crown Forestry valuations do not take account of any potential value or liability from carbon. Crown Forestry (representing the Minister of Forestry) is unable to register any of the forests into the NZ Emissions Trading Scheme for sequestration of carbon credits;
- costs are current average costs; and
- log prices are based on a start point of current prices (adjusted March quarter 2023) then moving on a straight line basis to trend prices (12 quarter unadjusted average prices) after five years and then remaining constant at trend prices.

Forestry assets acquired but not planted and forestry assets planted but not valued were not included in the valuation as these assets include seedlings not yet planted at the time of valuation before balance date.

Effect of Cyclone Gabrielle

Cyclone Gabrielle struck parts of New Zealand in February 2023 and caused widespread damage across the North Island. Damage to Crown Forestry forests was significant around Turangi where high winds caused extensive windthrow damage and stem breakage in the Lake Rotoaira Lease Forest and the former Lake Taupo enclave blocks. Salvage operations are underway in both the Lake Rotoaira lease and in the Lake Taupo Forest.

Elsewhere damage was mainly confined to several Northland joint venture forests including Ngati Hine and Herekore Forests where parts of the tree crop were affected by wind, and infrastructure was damaged from the heavy rain that also occurred.

On the East Coast, damage to Crown Forest assets was mostly confined to infrastructure rather than to the tree crop itself.

Within Lake Rotoaira Forest several hundred hectares of forest have been damaged by wind and the 2023 valuation assumes that all of the affected area has been harvested or salvaged effective 30 June 2023. With damage being so widespread and salvage underway it will be some time before the full effect of the loss will be accounted for. In the meantime, assuming all of the damaged areas have been harvested as at 30 June 2023 is the most accurate and practical approach in terms of providing an accurate valuation for the year end.

In Northland the relevant forest managers have assessed damage caused to the mostly younger plantings. Most of the damage involved toppling of 1-2-year-old trees within Waireia, Waitotira, Ngai Hine, Pouto Te Uri o Hau (TUOH), Motatau, Morris, Kawiti, Tukuru, Tapuwae and Kingz Forests. After a toppling event the trees will often stand up again by themselves, given time. It is too early to assume any permanent damage has occurred in these forests.

At Herekore, Haumanga, Panguru, Ngai Hine and Pouto 2F Forests there has been windthrow damage in older stands, however the full extent of damage is still being assessed. It is likely that mapping of any permanent damage will not be ready until after 30 June 2023.

Forest managers' reports have been reviewed and an allowance for wind damage has been applied at Ngai Hine, Herekore and Waitotira forests in the 30 June 2023 valuation.

The most significant effect of Cyclone Gabrielle with respect to the Crown Forestry estate is the large area of damage within Lake Rotoaira lease forest. There will be a disruption to the previously planned harvest schedule as well as a reduction in recovered volume and revenue due to breakage and eventually decay plus higher costs of harvesting that is normal during salvage operations.

Forestry valuation sensitivity analysis

Export (at wharf gate) log prices over the past year eventually increased through to March 2023 but then fell away in May 2023 and have only recently started to increase in August 2023. The major factors underlying the changes in price have been lack of demand from China and the ongoing inability of the NZ forest industry to regulate supply.

New forests, five years and younger, are valued on a cost plus basis, which is considered to be a close approximation to the fair value of the new forests.

A 10% increase or decrease to log prices changes the long term forestry valuation by approximately 17%. The valuation of younger forests is not sensitive to a change in price compared to older forests closer to maturity, and mature forests tend to have a larger impact. The One Billion Trees joint forestry agreements and rights contain few stands of older age classes (>five years or older) and as the valuation methodology for young stands (less than five years) is predominantly cost-based, they are largely unaffected by changes to log prices. The two forest valuations most sensitive to a change in log prices are Lake Taupo Crown and Rotoaira Lease.

Lake Taupo Crown and Rotoaira Lease represent 23% of the total forest value as at 30 June 2023 (2022: 28%). An increase to log prices by 10% for these forests would increase their fair value by \$6.6 million (2022: 10% increase result in a \$7 million increase). A decrease to log prices by 10% would decrease their fair value by \$6.6 million (2022: 10% decrease results in a \$7 million decrease).

Forests measured at cost less impairment

On 1 January 2009, MPI purchased 5,300 hectares of special purpose species forest from Timberlands West Coast Limited. The special purpose species forest consists of a forestry right on Ngai Tahu land and was planted between 1993 and 2007 under an agreement between Timberlands West Coast Limited and the Crown.

For the valuation year ending June 2016, Crown

Forestry undertook a fair value estimate of the crop value based on a silvicultural inventory completed during the year. With 10 years remaining on the initial lease term, this type of valuation is appropriate and reasonable. The resultant value, as a result of the poor form and considerably slower growth of the trees, was nil under the majority of the scenarios run. The forest was subsequently valued at nil, and a provision recognised to cover rates, rent and overheads until the end of the term of the forest right. Nothing has changed in the past 7 years to alter this decision.

Financial risk management strategies

The Crown is exposed to financial risks arising from changes to log prices, freight rates and currency fluctuations. Export log prices were particularly volatile during the year with increasing levels of supply competition and softening demand in China. In China confidence is low and the pace of recovery in the China economy over 2023 is going to be slower than expected. The Producer Price Index (PPI) and import/export volumes are both trending negative. China log import demand has failed to rebound post COVID-19 lockdowns and the Lunar New Year holiday. Total China 2022 log imports were down almost 20 million m3 (31%) on 2021.

China continues to be the dominant market for New Zealand's log exports and remains the benchmark for other log export markets as well as our domestic market. MPI manages this risk through a harvesting and marketing strategy which spreads our export risk, minimises our direct exposure to China and maintains long-term relationships with domestic customers.

Note 7: Debtors and other receivables

The carrying value of debtors and receivables approximates their fair value.

Actuals 2022 \$000		Actuals 2023 \$000
	Current assets	
	Non-exchange transactions	
52,749	Debtors and other receivables – fine, penalties and levies	37,607
(1,289)	Less expected credit loss	(1,428)
	Exchange transactions	
2,058	Debtors and other receivables – Crown Forestry operations and miscellaneous revenues	3,040
53,518	Total current	39,219
	Non-current assets	
	Non-exchange transactions	
12,030	Debtors and other receivables – fine, penalties and levies	7,017
12,030	Total non-current	7,017
65,548	Total debtors and other receivables	46,236

The ageing profile of debtors and other receivables at year end is detailed below.

	2022			2023		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
Not past due	33,813	-	33,813	26,084	-	26,084
Greater than 30 days	5,155	-	5,155	-	-	-
Greater than 60 days	3	-	3	-	-	-
Greater than 90 days	27,867	(1,289)	26,578	21,581	(1,428)	20,152
Total	66,838	(1,289)	65,549	47,665	(1,428)	46,236

The expected credit loss has been calculated based on expected credit loss for the Crown's pool of debtors. Expected losses have been determined based on a review of individual debtors.

Movement in the provision for impairment of receivables is as follows.

Actuals 2022 \$000		Actuals 2023 \$000
670	Balance at 1 July	1,289
619	Additional provisions made	139
1,289	Balance at 30 June	1,428

Note 8: Property, plant and equipment

	Land \$000	Buildings \$000	Roads, fences and equipment \$000	Motor vehicles \$000	Total \$000
Cost or valuation					
Balance 1 July 2021	18,379	225	5,898	402	24,904
Revaluations	2,760	70	(89)	-	2,741
Balance 30 June 2022	21,139	295	5,809	402	27,645
Balance 1 July 2022	21,139	295	5,809	402	27,645
Balance 30 June 2023	21,139	295	5,809	402	27,645
Accumulated depreciation and impairment losses					
Balance at 1 July 2021	-	20	5,668	402	6,090
Depreciation expense	-	5	65	-	70
Reversal of accumulated depreciation on revaluation	-	(25)	(458)	-	(483)
Balance 30 June 2022	-	-	5,275	402	5,677
Balance at 1 July 2022	-	-	5,275	402	5,677
Depreciation expense	-	6	62	-	68
Balance 30 June 2023	-	6	5,337	402	5,745
Carrying amounts (net asset value)					
At 1 July 2021	18,379	205	230	-	18,814
At 30 June and 1 July 2022	21,139	295	534	-	21,968
At 30 June 2023	21,139	289	472	-	21,900

Land price revaluation

Land and assets owned by the Crown were last revalued in June 2022 – a process repeated every five years. Valuers were selected from a tender process with valuations completed by Morice Ltd, Veitch Morison Valuers and Colliers International. Valuers were instructed to provide a report detailing the fair value at 30 June 2022 in compliance with PBE IPSAS 17 Property, Plant and Equipment. The comparable sales approach was adopted as the primary valuation method, considering the location and attributes of the subject properties in relation to comparable property sales evidence.

Note 9: New Zealand Walking Access Commission (Herenga ā Nuku Aotearoa, the Outdoor Access Commission)

The New Zealand Walking Access Commission is a Crown entity established under the Walking Access Act 2008 to provide leadership and coordination of walking access, the negotiation and funding of new access over private land and the creation of a code of responsible conduct in respect of walking access. Expenditure in 2023 was \$3.6m (2022: \$3.6m).

Note 10: Crown Irrigation Investments Limited

The Crown Irrigation Investments Limited (CIIL) is a Crown-owned company incorporated under the Companies Act 1993 on 1 July 2013 to facilitate the Crown's investments in regional water storage and off-farm irrigation infrastructure schemes. The company is also listed in Schedule 2 of the Crown Entities Act 2004.

In 2023, MPI assessed its investment in CIIL for indicators of impairment. The most appropriate information available to estimate the value of the Crown's investment in CIIL is the net asset position of CIIL. At 30 June 2023 there is a reversal of impairment to reflect the CIIL net asset position. Movements in the Crown's investment are shown in the table below.

Actuals 2022 \$000		Actuals 2023 \$000
74,116	Opening balance	67,148
-	Investment in CIIL	-
(6,968)	(Impairment)/Recovery of impairment in Crown equity investment in CIIL	3,116
67,148	Closing balance (total investment)	70,264

Note 11: Investment in Centre for Climate Action Joint Venture Ltd

Actuals 2022 \$000		Actuals 2023 \$000
	Centre for Climate Action Joint Venture Ltd	
-	Equity investment during the year	8,250
-	Share of net asset increase/(decrease) in joint venture	(935)
-	Investment in Centre for Climate Action Joint Venture Ltd	7,315

The Crown, through MPI, has a 50% interest in the Centre for Climate Action Joint Venture (AgriZero^{NZ}) with the other 50% held by ANZCO Foods Ltd, Fonterra Co-operative Group Ltd, Rabobank New Zealand Ltd, Ravensdown Ltd, Silver Fern Farms Ltd and Synlait Milk Ltd.

Judgement is required in assessing the type of joint arrangement in which the Crown has an interest. It was determined the arrangement is a Joint Venture as:

- The Crown jointly controls the entity. Joint control has been established in the basis that both the Crown and other joint venture parties are each able to appoint the same number of directors, with decisions made by the directors requiring a majority vote;

- The Crown is entitled to its proportional share of the net assets of the entity; and
- The Crown's interest is established through a separate legal entity creating legal separation between the Joint Venture and the assets/liabilities it holds.

Investments in joint ventures are accounted for using the equity method, representing the increase or decrease in net assets in post-acquisition net assets.

The Crown has a commitment to 50% of operating losses. The value of the investment is based on the draft unaudited financial statements of the company for the year ended 30 June 2023. AgriZero^{NZ} was incorporated on 17 January 2023 and the loss for the year was due to establishment costs with limited revenue generation.

The funding agreement conditionally commits the Crown to fund 50% of additional equity investment, once the other joint venture partners pay their portion of the funding. The Crown contribution is limited up to \$19.3 million in 2023/24, \$24 million in 2024/25, \$31 million in 2025/26 and up to \$31 million in 2026/27.

The Centre for Climate Action Joint Venture is one of two key components of the new Centre for Climate Action on Agricultural Emissions. It will drive a targeted research and development programme, support the pathway and uptake of new tools and technologies, and develop partnerships and raise funds to finance the development of potential solutions to reduce agricultural emissions.

Note 12: Creditors and other payables

Actuals 2022 \$000		Actuals 2023 \$000
Non-exchange transactions		
2,504	GST payable	1,587
13,590	Grants payable	33,387
1,513	Compensation payable for biosecurity incursions	11,557
2,116	Other accrued expenses	35
5,362	Third Party Accruals	11,411
Exchange Transactions		
8,785	Crown Forestry accrued expenses	4,345
33,870	Total creditors and other payables	62,322

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of creditors and other payables approximates their fair value.

Note 13: Over-and-under recovered costs from fishing industry

Section 265 of the Fisheries Act 1996 creates a mandatory obligation on the Minister of Oceans and Fisheries to have regard to under and over-recovery of costs of any conservation service or fisheries service in a previous financial year when recommending a cost recovery levy order for a current or future year. In 2023

MPI has provided for \$1.3 million (2022: \$0.8 million) in recovery costs.

This liability reflects the balance of the net over and under-recovery of cost recovery levies for the period 1 October 1995 to 30 June 2023 to be applied against future cost recovery levy orders.

Note 14: Provisions

Actuals 2022 \$000		Actuals 2023 \$000
Current		
1,749	Rural veterinarians bonding scheme	1,776
120	Commercial aquaculture claims settlement	4,705
24,913	Compensation for biosecurity incursions	27,681
26,782	Total current provisions	34,162

Actuals 2022 \$000		Actuals 2023 \$000
Non-current provisions		
665	Rural veterinarians bonding scheme	91
447	Onerous contracts	3,462
1,112	Total non-current provisions	3,553
27,894	Total provisions	37,715

Note 14a: Provision for compensation for biosecurity incursions

Actuals 2022 \$000		Actuals 2023 \$000
12,857	Opening balance	24,913
23,990	Additional provisions made	23,039
(11,934)	Amounts used	(20,271)
24,913	Closing balance	27,681

MPI's recognition of a provision for biosecurity events is completed in accordance with its accounting policy for provisions. Provisions for compensation payable under section 162A of the Biosecurity Act 1993 is as a result of the exercise of powers to manage or eradicate organisms. Compensation is payable where there are verifiable losses caused by the damage or destruction of a person's property or restrictions on the movement of a person's goods. The provision represents MPI's best estimate of the cost of settling compensation claims where MPI has exercised its powers to manage or eradicate organisms.

As at 30 June 2023, MPI's provision is mostly related to the incursion of *Mycoplasma bovis*. MPI recognises a provision on the issue of a "Notice of Infection" or "Notice of Direction" to an affected property. The provision accounts for several elements associated with claims for *Mycoplasma bovis* as a result of the "Notice of Infection" or "Notice of Direction".

The primary elements that influence the provision are amounts incurred from:

- Destruction of stock comprises \$14.8 million (2022: \$0.8 million) of the compensation for biosecurity incursions provision. Claims amounts for the destruction of stock take account of the value of animals less the meat value received. To estimate stock values, and the expected return from the sale of meat, MPI has applied averages based on

information collated from stock valuations and payments from meat processing plants.

- Loss of milk production comprises \$6.05 million (2022: \$5.7 million) of the compensation for biosecurity incursions provision. Claims for milk production losses take account of the quantity of milk, sales price per kilogram of milk solids, production costs per kilogram of milk solids and the number of months of lost production included at balance date.
- To estimate milk production losses assumptions have to be made on each element including how long the farm will take to get back into production. This can vary farm by farm, and complete information is not available, consequently, MPI has had to estimate the period for which milk production losses will be incurred. Key assumptions included in MPI's estimate include the date when a farm will repopulate and the level of production that will be achieved compared with production achieved prior to the destruction of the farm's stock.
- Impact of movement controls which accounts for \$0.6 million (2022: \$1.8 million) of the compensation for biosecurity incursions provision. The calculation of this component of the provision is based on historical average cost per claim for similar properties, and an estimate of the number of properties expected to claim based on the number of notices issued.

- Working capital interest, professional fees and advisory fees which accounts for \$nil (2022: \$5 million) of the compensation for biosecurity incursions provision.
- Provision for the Post-Entry Quarantine incursion response is \$1.1 million (2022: \$11.7 million), which relates to the destruction of fruit trees.
- Provision for PTSVd and Black grass response is \$5.08 million (2022: \$nil).
- Provision for various other minor biosecurity incursions being managed is \$nil (2022: \$nil).

Note 15: Expenditure on compensation for biosecurity events

Actuals 2022 \$'000		Actuals 2023 \$'000
15,297	<i>Mycoplasma bovis</i>	44,121
10,250	Other incursions	6,927
25,547	Total expenditure for biosecurity incursions	51,048

Compensation expenditure due to verifiable losses that have occurred as a result of response activities undertaken by MPI under the Biosecurity Act 1993.

Note 16: Explanations of major variances

Explanations for major variances from MPI's non-departmental estimated figures in the Main Estimates are as follows.

Non-departmental revenue

Non-departmental revenue was \$13.6 million lower than budgeted. This is mainly due to a decrease of \$20.3 million in industry contribution for compensation and response cost for *Mycoplasma bovis*. This decrease was offset by an increase in forest produce sales of \$2.3 million and \$2.9 million for the return of the One Billion Trees and Afforestation Grant Scheme funding for recipients who have decided to register for the Emissions Trading Scheme (ETS).

Non-departmental expenses

Expenditure for grants and partnerships programmes was \$38.4 million higher than budget. This was mainly driven by additional funding received as part of the Cyclone Gabrielle primary sector response.

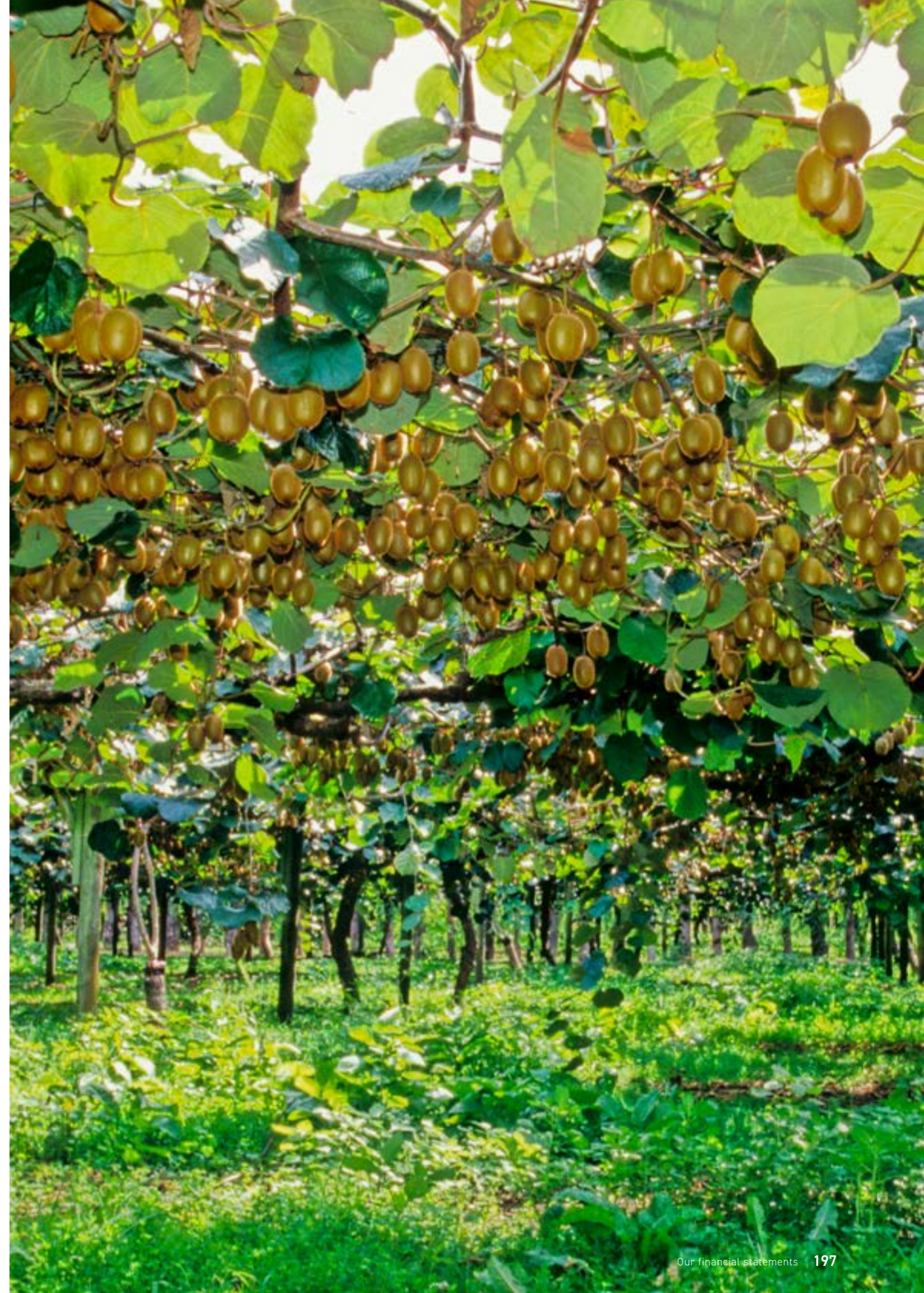
Operating expenses were \$15.2 million lower than budget mainly due to the timing of aquaculture settlements. The Crown's ability to meet these and remaining obligations is dependent on negotiations with iwi.

Compensation for biosecurity incursions was \$19 million higher than budget due to increase in compensation payments for *Mycoplasma bovis*.

Research and development cost was \$13.3 million lower than budget due to an underspend on the global research alliance on agriculture greenhouse gases.

Non-departmental capital expenditure

Capital expenditure decreased by \$1.7 million compared to budget. This is mainly due to the purchase and development of Crown Forestry assets.





05.

We are continuing on our emission reduction journey

E whāia tonu ana tō mātou huarahi whakaiti
tukuwaro

Achieving the public sector's carbon neutral goals: Our progress in 2022/23

The Carbon Neutral Government Programme (CNGP) was launched in 2020 to accelerate the reduction of public sector emissions. MPI's carbon reduction efforts are in support of the food and fibre businesses already leading the way to reduce their emissions as we transition to a low-emissions economy.

As a CNGP participant, MPI is expected to:

- measure, verify and report emissions annually
- set gross emission reduction targets and longer-term reduction plans
- introduce a plan to reduce the organisation's emissions, and
- offset remaining gross emissions from 2025 to achieve carbon neutrality.

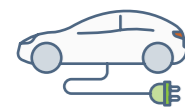
Reducing emissions from our largest sources

We are measuring our operational carbon emissions across all areas of the business. Our main emission sources are domestic and international air travel, fuel for our vehicle and vessel fleet, and energy use at our sites.

In 2022/23, our total emissions were **7,469 tCO₂-e**. This is under our 2025 target and a **33 percent** reduction compared with our 2018/19 base year.

Pandemic-related travel restrictions were lifted for New Zealanders in March 2022. However, our emissions from international air travel taken in 2022/23 were still only 38 percent of our 2018/19 emissions for international air travel performance.

Some highlights include:



We replaced **52** of our vehicles with new, low-emission battery electric vehicles. These are being used across five regions in New Zealand and will save about 90 tCO₂-e per year.



Our Auckland MPI Centre joined our largest Christchurch office and Wellington head office by gaining a NABERSNZ 4-Star rating, recognising its excellent building energy performance.¹



We achieved our target of at least a **30% reduction** in international air travel in 2022/23, compared with 2018/19 levels. Our emissions were 1,702 tCO₂-e, which is under our 30 percent target of 3,114 tCO₂-e.



We achieved our target of at least a **30% reduction** in domestic air travel in 2022/23, compared with 2018/19 levels. Our emissions were 2,128 tCO₂-e, which is under our 30 percent target of 2,333 tCO₂-e.

How we are tracking against our emission reduction plan and targets

MPI's targets for 2025 and 2030 remain in place

The targets for reducing our gross emissions that we set in 2021/22 remain in place. Our targets meet or exceed the requirements of the Carbon Neutral Government Programme for 2025 and 2030.

2025 target²

Gross emissions to be no more than

8,382 tCO₂-e

or a

25% reduction

in gross emissions compared to base year 2018/19

2030 target³

Gross emissions to be no more than

6,485 tCO₂-e

or a

42% reduction

in gross emissions compared to base year 2018/19

We are implementing our plan to achieve these targets

MPI's emissions are generated through the work we do to grow New Zealand's economy, improve the environment, and protect the food and fibre sector.

MPI's total emissions in the 2018/19 base year were 11,181 metric tonnes of carbon dioxide equivalent emissions (tCO₂-e).⁴ We chose to measure our carbon emissions against 2018/19 levels because this represents a typical year before the COVID-19 pandemic disrupted our business operations.

International and domestic travel, fuel and energy use continue to be the largest contributors to MPI's carbon footprint. As can be seen in Figure 1, the COVID-19 pandemic led to a noticeable reduction in our travel and fuel emissions from 2019/20 to 2021/22. However, as anticipated, 2022/23 brought an increase in emissions as we continue to provide services to support New Zealand's food and fibre sector, here and abroad.

Our priority actions



Continuing to reduce air travel emissions

We will monitor and manage our domestic and international air travel activities to ensure these emissions remain at least 30 percent below 2018/19 base year levels.



Decarbonising our fleet

We are continuing to transition MPI's passenger fleet to electric or hybrid vehicles, wherever possible.



As the technology evolves, we will look to transition our commercial fleet to lower-emission alternatives to replace diesel utility vehicles.



Accounting for carbon within our key planning functions

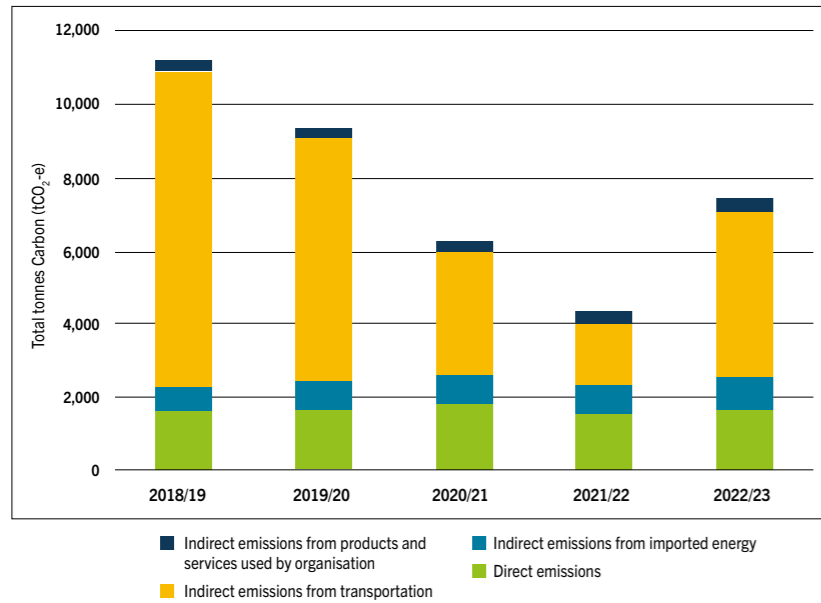
To meet the dual challenges of delivering our services while reducing overall carbon emissions, we will continue to help the organisation to forecast and consider carbon emissions within key planning functions.

1. The National Australian Building Energy Rating Scheme – New Zealand (NABERSNZ) has been adjusted for use in New Zealand.

2. The figure we reported in our 2021/22 annual report (8,372 tCO₂-e) was adjusted and verified using an improved electricity emission factor.
 3. The figure we reported in our 2021/22 annual report (6,474 tCO₂-e) was adjusted and verified using an improved electricity emission factor.
 4. The figure we reported in our 2021/22 annual report (11,162 tCO₂-e) was adjusted and verified using an improved electricity emission factor.

Demonstrating MPI's progress through reporting on our emissions

Figure 1: MPI's reported emissions by category for 2018/19 to 2022/23



Our emissions have been audited and verified⁵

MPI's emissions data has been independently audited and verified. Independent audit and verification provide assurance of the integrity of MPI's work to measure, manage, and reduce our organisational emissions in line with ISO 14064-1:2018.

We will continue to seek opportunities to improve our emissions data. We will also pursue opportunities to measure and reduce emissions when MPI is purchasing products and services beyond those we currently measure and report.

Table: MPI's reported emission sources by category

Category	Emission source
1 Direct emissions	Petrol, diesel, stationary gas, natural gas and refrigerants ¹
2 Indirect emissions from imported energy	Electricity
3 Indirect emissions from transportation	International and domestic air travel, freight, accommodation, taxis, mileage reimbursements and car rentals; and electricity, waste and water associated with staff working from home
4 Indirect emissions from products and services used by the organisation	Paper use, landfill waste, compost waste, water, wastewater, and electricity and gas transmission and distribution losses ²

Notes:

- 1 Refrigerant emissions are derived from the chemical fluids and gases used in MPI's laboratory fridges, freezers and chillers, and heating, ventilation and air conditioning systems.
- 2 Transmission and distribution losses represent the energy lost when the electricity or natural gas is transported from the point of generation to the buildings and facilities where it is used.

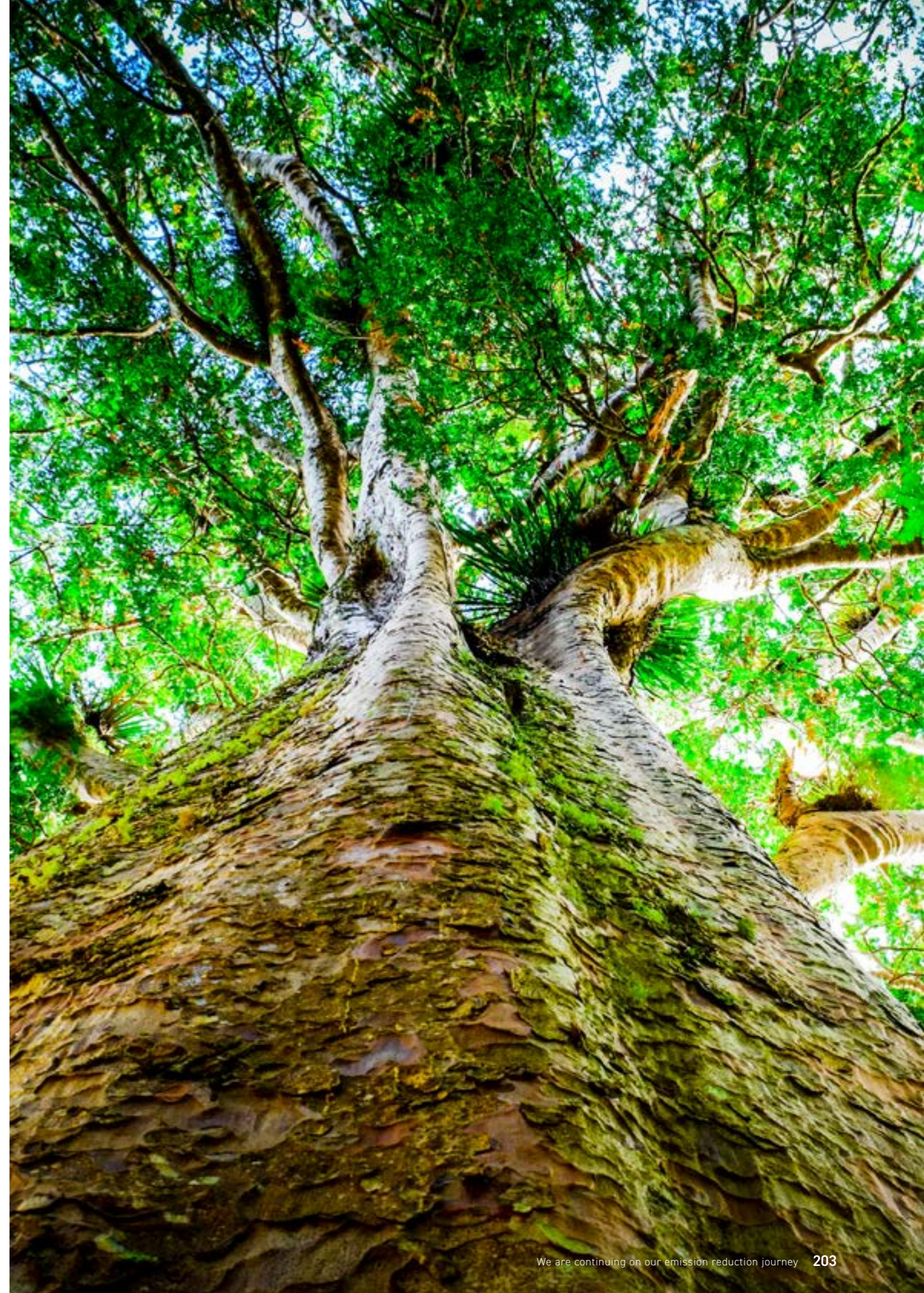
Table: MPI's emission intensity by full time equivalent (FTE) staff by financial year

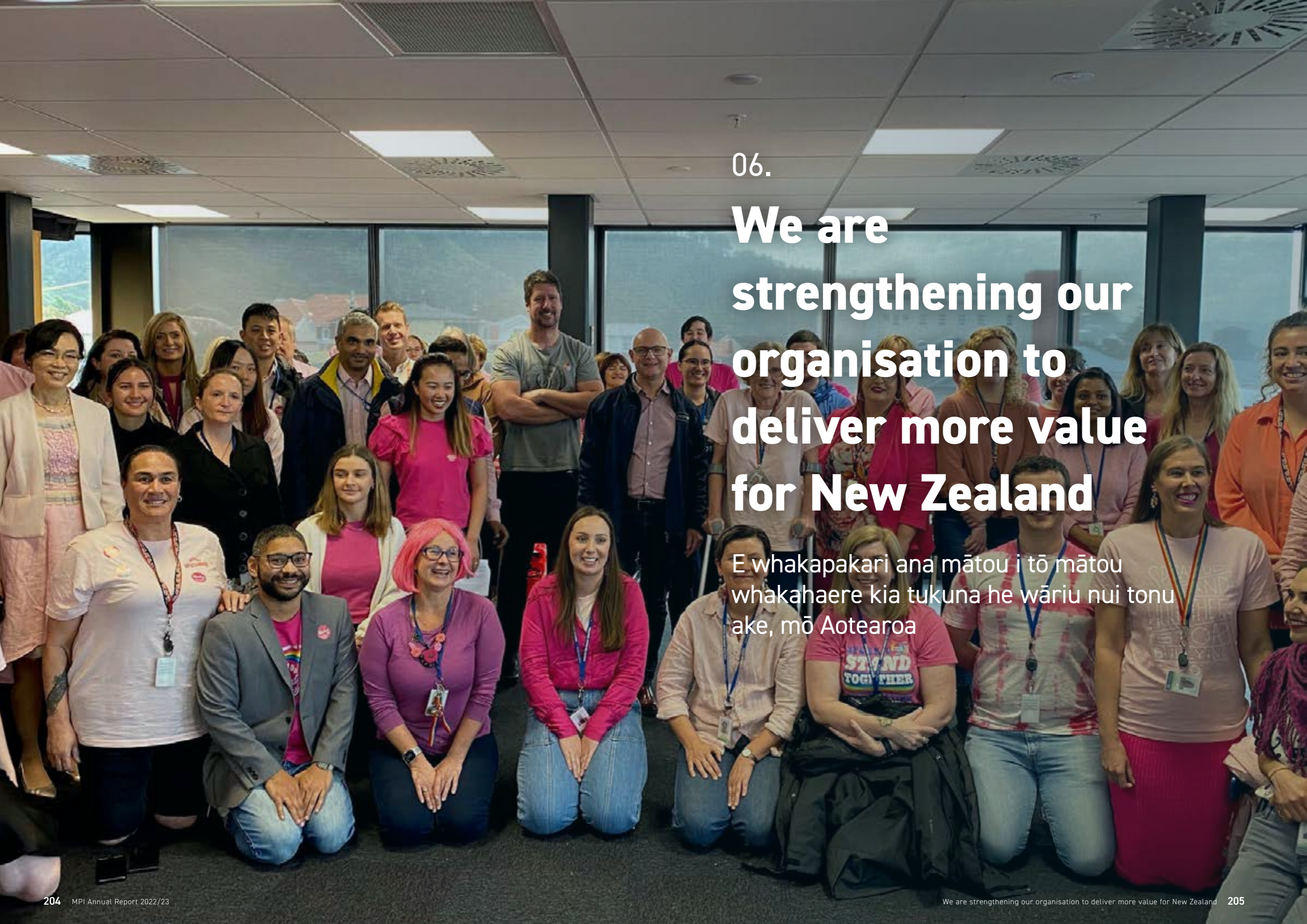
Key performance indicator	2018/2019	2019/2020	2020/2021	2021/2022	2022/23
FTE staff ¹	3,030	3,358	3,450	3,539	3,756
Total gross emissions per FTE (tCO ₂ -e)	3.68	2.76	1.79	1.20	1.99

Note:

- 1 FTE staff excludes staff on leave without pay, contractors and casual employees.

5. Audited by Toitū Envirocare.





06.

We are strengthening our organisation to deliver more value for New Zealand

E whakapakari ana mātou i tō mātou whakahaere kia tukuna he wāriu nui tonu ake, mō Aotearoa

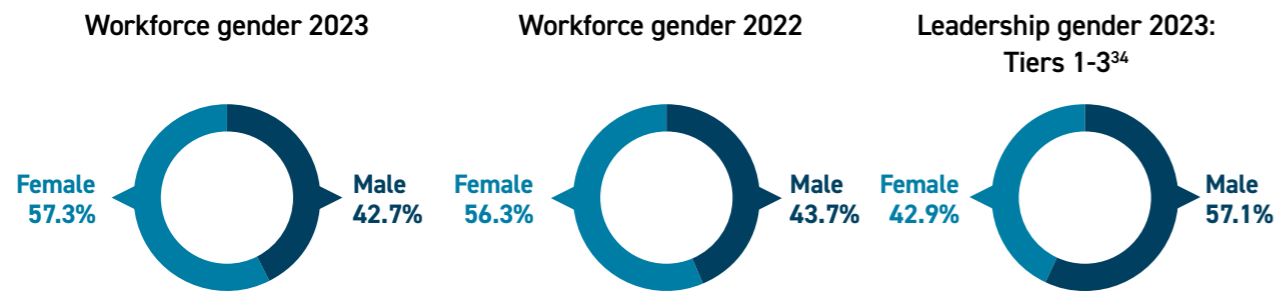
We are building our organisational capability and development

E whakapakari ana mātou i te āheinga me te whanaketanga o tō mātou rōpū whakahaere

Our demographic profile

In 2022/23, MPI had 3,852 people, which equates to 3,755.7 full-time-equivalent staff made up of:

- 3,558 permanent staff, and
- 294 fixed-term staff.³³



Ethnicity	MPI workforce 2023	MPI workforce 2022	Leadership (Tiers 1-3) 2023	Leadership (Tiers 1-3) 2022
European	64.0%	66.8%	66.7%	71.0%
Other ethnicity (including New Zealanders)	29.7%	24.0%	40.5%	22.0%
Asian	13.9%	12.4%	1.2%	1.0%
Māori	6.0%	6.7%	9.5%	4.0%
Middle Eastern/Latin American/African	2.6%	3.6%	1.2%	3.0%
Pacific peoples	3.5%	3.4%	0%	0%



33. In 2021/22, we had 3,668 people, which equated to 3,539.4 full-time-equivalent staff and consisted of 3,285 permanent and 383 fixed-term staff. Numbers exclude staff on leave without pay, contractors and casual employees.
34. Tiers 1-3 include directors and above.

Diversity, equity and inclusion

Kanorautanga, mana ōrite me te kauawhitanga

Making progress in the five Papa Pounamu focus areas

To develop a diverse and inclusive public service workforce, and to support public service chief executives to meet their diversity and inclusion obligations and goals, Papa Pounamu was established in 2017.³⁵

Impact

MPI is currently refreshing its diversity, equity and inclusion (DE&I) strategy and work programme to ensure the initiatives are meeting MPI's diversity and inclusion aspirations, goals and obligations. The review aligns to the five priority focus areas set by Papa Pounamu and seeks to embed improvements across elements relating to the employee experience.

In 2023, we ran focus group sessions (six sessions, with 50 participants) with representatives from our employee-led networks, MPI's graduate programme, early in career Te Mokoroa members and our DE&I committee, to gain perspectives from diverse communities. We have reflected the voice of our diverse communities throughout our DE&I strategy.

Addressing bias in the workplace

As part of developing our refreshed DE&I strategy and workplan, we are reviewing current resources (including bias and inclusion tools). These refreshed resources will be available later in 2023.

Currently, all hiring managers are provided with resources and guides to reduce bias during the recruitment process, as part of our embedded recruitment practice. We have also piloted a new approach to interviews that is more culturally inclusive, including te reo Māori.

Building cultural competency

MPI builds wider cultural competence by continuing to offer the "Mana Āki: Working Effectively Across Diverse Cultures" module. This explores what it means to act in a way that enhances the mana of people from all cultures. You can read more about our efforts to build cultural competency under "We are strengthening our Māori-Crown relations capability".

Inclusive leadership

Inclusive leadership has been the cornerstone of both our approach to development and the content of our senior emerging leaders programme.

This programme has included workshops on what inclusive leadership looks like and how it can be embedded into leadership practice.

Building relationships

We built relationships in the past year through the development, testing and implementation of a variety of people practices. This has included the review of flexible working policy and guidance, gender and ethnic pay gap action plan, emerging leaders programme design and drafting of a reasonable accommodation policy. This was done in engagement with our people through various focus groups.

Feedback from employees who participated in these focus groups has led to meaningful changes in how we engage, include and acknowledge our diverse voices.

Supporting employee-led networks

MPI currently has seven employee networks representing over 1,100 of people across MPI (refer to MPI's 2021/22 Annual Report for more information on employee-led networks). Our networks are employee-led with support, development and budget provided internally.

35. Read more about Papa Pounamu on the Te Kawa Mataaho – Public Service Commission website: (<https://www.publicservice.govt.nz/guidance/papa-pounamu>).

Over the past six months, MPI's employee network groups have contributed towards our:

- Gender and Ethnic Pay Gap Action Plan 2022–24
- flexible working policy review
- draft reasonable accommodation policy
- emerging leaders programme review
- DE&I strategy review
- code of conduct refresh, and
- review of recruitment (conducted externally).

Kia Toipoto: public service pay gaps action

MPI's first gender pay action plan was developed in 2018. Last year, MPI published its latest plan. This sets out progress made to date and the next steps in our journey aligned with Kia Toipoto (Public Service Pay Gaps Action Plan).

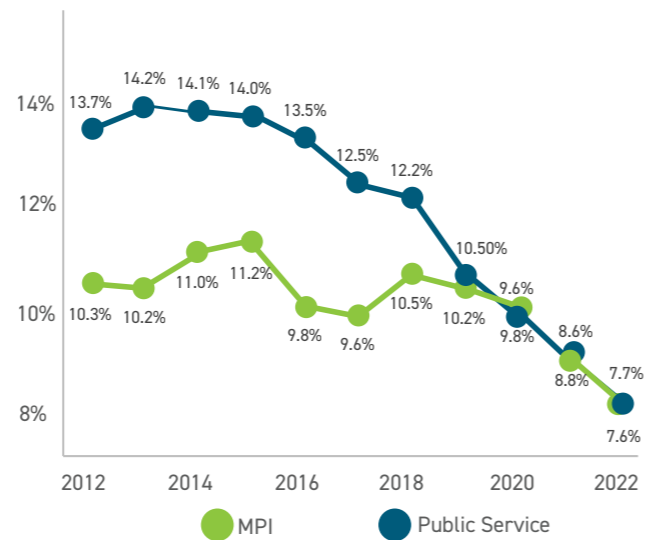
Our priorities from this plan include no bias or discrimination, equitable pay outcomes, flexible working, gender and ethnicity-balanced leadership and career and professional development.

We have made progress in reducing our gender pay gap, from 8.8 percent in 2021 to 7.6 percent in 2022. We expect this gap to decline further, following the application of the Public Service Pay Adjustment.³⁶

The overall gender pay gap in the public service has also continued to decrease. As at 30 June 2022, the reported gender pay gap decreased by 0.9 percentage points to 7.7 percent. The steady, continued decrease in MPI's gender pay gap aligns with this wider public service decrease.

We recently created the role of "Māori recruitment and workforce diversity", as part of the implementation of the recruitment review. The purpose of the role is to champion this work, grow the number of Māori in MPI, and make sure inclusive recruitment practices are embedded.

The gender pay gap is shrinking



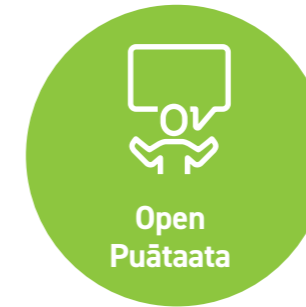
36. This was reported as 8.7 percent in the 2021/22 annual report due to the data collection timing.

Our working environment

Our working styles – **open, agile, engaging and proactive** – enable us to build the trust, confidence and respect of our Ministers, stakeholders and te Tiriti partners as well as the public. This is critical to our success.

Adopting these styles in everything we do means we are working in the best way possible to achieve our strategic outcomes.

Open/Puātaata: We are receptive to the ideas of others, we know that there is more than one way to get things done, and we work in this way even when we are under pressure.



Agile/Koi: We are prepared to change tack and remain flexible in everything we do.

Engaging/Tuītuituia: Building and maintaining trust in MPI starts with engaging with our colleagues, stakeholders, partners and customers. To be engaging means being warm and empathetic, taking off the expert mantle and genuinely listening to understand the situation of others.



Proactive/Tiro whakamua: We look ahead to anticipate challenges and opportunities and move towards them, engage with them, manage them effectively and make the most of them.

We provide equal employment opportunities

E whakarato ana mātou i ngā āheinga mahi mana ōrite

MPI's policies and procedures are designed to make sure we have a positive workplace culture where everyone receives fair and equitable treatment.

We regularly review our policies and people practices related to career progression, breaks and leave guidance, to ensure no bias or discrimination exist regarding gender, ethnicity and disability.

MPI has several programmes that aim to identify and eliminate inequality, as outlined below.

Commitment to the Accessibility Charter

MPI is a signatory to the Accessibility Charter, a programme of work to ensure the public sector is accessible for everyone and inclusive of people with disabilities. A member of our senior leadership team continues to sponsor and champion this work.

Recent work includes:

- drafting and consulting on the new reasonable accommodation policy (to support the recruitment and retention of people with disabilities) to be implemented later in 2023, and
- implementing changes because of the recent Plain English Act 2022 – ensuring our external website and reference material are accessible for the public as well as improving the readability of our intranet and internal documents.

As an organisation, we are following the Ministry of Social Development's toolkit for employing people with disabilities with the aim of making MPI a workplace with fewer barriers to employees who are disabled.

Building a positive and safe workplace

Our "Positive and Safe Workplaces" programme focuses on the culture we are creating, our behaviour in the workplace, and the wellbeing of our employees. The programme continues to prioritise diversity, equity and inclusion, and the Gender and Ethnic Pay Gap Action Plan.

Focus areas of the programme include:

- improving employee wellness and wellbeing
- improving engagement with our people and unions
- supporting staff to work in a hybrid environment, and
- setting expectations of appropriate behaviour.

Helping our people speak up

MPI has a "Speak Up" process so staff can confidentially raise any concerns about potential wrongdoing at MPI. Speak Up is introduced to all new staff in our Waharoa (induction), and training and resources are available.

MPI's graduate programme

MPI's graduate programme started in 2014, and we are now recruiting for our ninth intake, which is due to start in 2024. Our programme is 18 months long, and open to graduates from a variety of disciplines. We provide full-time permanent salaried positions where graduates learn on the job, across many areas of MPI. To date, the programme has helped more than 115 graduates launch their career within MPI.

Tupu Toa intern programme

MPI has a well-established partnership with Tupu Toa. This lets us place around six Māori and Pasifika interns into MPI each year during the summer break. Tupu Toa supports us to match students and interns into placements aligned to their course of study and particular areas of interest within the primary industries.

Developing our leaders

MPI continues to focus on developing its leaders at their transition points, using the Leadership Development Centre's programmes. In the past year, our people leaders have participated in the following programmes: New People Leader (49 leaders completed the course), New Leader of Leaders (seven completed the course) and New Senior System Leader (five completed the course).

We are also developing three new offerings to support people leaders: People Leader induction, Leader Wānanga (learning) series, and the Emerging Leader programme. All three focus on building diverse and inclusive leadership at MPI and will be delivered later in 2023.



MPI Graduates visit the National Biocontainment Laboratory

We are strengthening our Māori-Crown relations capability

E whakapakari ana mātou i tō mātou āheinga mo te hononga i waenga i ngāi Māori me te Karauna

Appointment of Te Tari o te Tumuaki Tuarua Māori

In 2023, MPI appointed te Tumuaki Tuarua Māori – Deputy Director-General Māori.

Te Tumuaki Tuarua Māori oversees and guides MPI's relationship with Māori primary sector partners and provides assurance that MPI is well positioned to support the Māori-Crown relationship as an organisation.

Te Tumuaki Tuarua Māori also champions the desire to accelerate the food and fibre sector's economic outcomes for Māori.

Whāinga Amorangi for lifting capability to support Māori-Crown relations at MPI

Phase one of MPI's roadmap to lift the capability focuses on empowering our people to develop the six core competencies in the Whāinga Amorangi. Specific initiatives undertaken this year to grow our internal capability include the following:

Te reo Māori

MPI's Te Reo Māori Language Plan: Mairangatia Te Reo Māori is a component of Te Ara Ahurea Mātau and supports a significant culture change to elevate the use and understanding of te reo Māori.

You can read more about this under our te reo Māori language plan on the page opposite.

New Zealand history and te Tiriti o Waitangi

MPI introduces this topic to all new staff in Waharoa, the induction programme. In addition, we provided the following training:

- newly developed New Zealand Colonial History and Treaty of Waitangi e-learning modules, with 59 staff completing the learning
- Te Hikoi Maumahara – The Wall Walk Workshop, with 325 staff completing the programme, and
- four workshops delivered face to face, internally to business units, with 60 participants.

Engaging with iwi Māori

MPI wants to create a thriving, sustainable, future-focused economy and environment. This means being committed to improving results for Māori and meeting our te Tiriti o Waitangi obligations.

To enable this, we offered the following training in 2022/23:

- engaging with Māori e-learning modules, with 44 staff completing the programme
- introduction to Engaging with Māori through Te Arawhiti (54 attendees)
- Māori-Crown Relations Workshop, delivered to the Senior Emerging Leaders Programme (24 participants), and as part of the regular content of New People Leaders programme.

Tikanga/kawa and te ao Māori, and institutional racism and equity

MPI has developed and rolled out a refreshed Māori cultural capability pathway portal this year. The portal houses accessible resources available to all staff, including tools and learning videos (both tailored to MPI and external links) introducing and raising awareness of these important areas.

To support phase one of the five-part roadmap, Empowering People, MPI invested in additional expertise to drive this kaupapa forward. This has resulted in improved and tailored internal training resources and modules and access to externally delivered initiatives.

Te reo Māori language plan

MPI has focused on ensuring te reo Māori training, and support is available to all staff.

In 2022/23, we delivered the following learnings:

- Partnering with Education Perfect to deliver Te Ao Māori for Professionals. A total of 240 MPI staff have commenced this course since February 2023.
- Te reo Māori beginner's courses were delivered to 50 staff.
- Designed and rolled out new e-learning modules to all staff, including a Te Reo Māori module, with 61 staff completing this. This new module emphasises that language revitalisation for Māori to uphold the mana of te reo Māori, as taonga, is important.
- Continuing to promote and support our updated Māori cultural awareness app, Te Kākano Puāwai, with 1,149 active users.



Te Kākano Puāwai app home page

We are increasing our understanding and management of critical health and safety risks

Kei te whakapiki mātou i te māramatanga me te whakahaeretanga o ngā tūraru hauora me te haumarū waiwai

MPI staff's health, safety and wellbeing are important priorities

At MPI, we want to have a healthy and safe workplace, where people work together to continually improve, protect and promote health, safety and wellbeing. This includes:

- making sure our managers understand the critical risks associated with the work their teams and areas do, and the critical controls required to manage those risks
- regularly checking to ensure health and safety critical controls are in place and effective in managing critical risks, and
- making informed health and safety decisions, considering the dynamic nature of MPI's mahi.

We recognise our mahi can be challenging and involves working in diverse and dynamic environments with inherent risks to the health, safety and wellbeing of our people. We work with other government agencies, regional councils, industry and volunteers, sometimes in very challenging situations.

Our Health, Safety and Wellbeing Governance Committee, chaired by our Director-General, leads our goals for health, safety and wellbeing. The committee ensures senior leaders are equipped to make decisions about the direction and resourcing of health, safety and wellbeing at MPI.

In 2022/23, we set up a worker participation agreement. Approved by our unions, this agreement strengthens our processes for engaging our people in how we manage risks to their health and safety.

As at July 2023, MPI has 211 trained health and safety representatives.

Critical risk management

MPI monitors and reports on 13 priority critical risks that could cause serious injury, illness or notifiable events, and that could have the widest impact on our activities. In 2022/23, we have:

- launched an MPI-wide risk and incident management system. This helps us see the breadth of risks to health and safety in the work we do, and how the controls are working to manage those risks
- completed three of the major projects improving our relationships with other parties we share management of critical risks with (overlapping duties), and
- launched new training for MPI staff working with or exposed to hazardous substances.

MPI's Cyclone Gabrielle response process included consideration of how to manage critical risks such as contaminated silt and how to work around floodwaters for our staff and contracted partners. We supported the response process to ensure that management of risks to health and safety were factored into our operational model.

Working with others (overlapping duties)

An overlapping duty in health and safety is where two or more organisations have shared duties to manage health and safety risks or responsibilities, and need to consult, co-operate and co-ordinate on how they do

this. Some duties are part of contracts. Overlapping duties also include when MPI people are working on sites owned by other organisations or are carrying out MPI regulatory functions.

MPI identified 11 health and safety Overlapping Duty Priority Areas of Work extending across its activities. The Overlapping Duty Priority Areas are intended to help MPI use its influence and ability to bring industry stakeholders together, and to improve health and safety outcomes in New Zealand's food and fibre sector.³⁸

Three of these major pieces of work have been completed in the 2022/23 year:

- embedding better management of risks of helicopter use by MPI staff
- improving management of risks of contracted work that has low financial value but high risks to health and safety, and
- improving management of risks to health and safety in our compliance work across sectors.

We also launched internal training to identify and manage risks to health and safety that are part of contracted work for people who manage contracts within MPI.



38. Read about the overlapping health and safety duties: (<https://www.healthandsafety.govt.nz/assets/Documents/Building-MPIs-Overlapping-Duties-Framework.pdf>).



Appendices

Ngā Āpiti hanga

Appendix 1

Crown entity monitoring

Te aroturuki i ngā hinonga karauna

MPI is the monitoring agency for Herenga ā Nuku Aotearoa, the Outdoor Access Commission (also known as the New Zealand Walking Access Commission, Ara Hiko Aotearoa).

This Crown entity provides leadership on outdoor access issues and administers a national strategy on outdoor access. The Commission works to build a legacy of public access for everyone in New Zealand, from walkers to mountain bikers, anglers to horse riders, landholders to trail runners, and beyond. The Commission negotiates and maps outdoor access, provides information to the public, provides grants, oversees a code of responsible conduct, and helps to resolve disputes to create new outdoor access for the public.

MPI helps the Minister responsible for the Commission with appointing and maintaining an effective commission board, setting direction and performance expectations, and monitoring the Commission's performance.

In 2022/23, MPI supported the Minister with advice for effective governance, set expectations for the next financial year, and monitored the Commission's performance through regular reporting. MPI also supported the Commission through the Budget 2023 process.

Appendix 2

Grant programmes

Ngā hōtaka karāti

1 July 2022 to 30 June 2023

MPI administers several grants and funds to help manage New Zealand's natural resources in a sustainable manner. A grant or fund is financial assistance paid to eligible applicants to support activities, projects, or to help develop the applicants' capacity. These grants and funds contribute to our four strategic outcomes.



Prosperity
Tōnuitanga



Sustainability
Kaunake Tauwhiro



Protection
Whakangungu



Visible Leadership
Ngā Manukura

The main themes of our grants and funds include, but are not limited to:

- sector productivity
- forestry and erosion control
- adverse events and support
- greenhouse gas reduction and climate change research, and
- aquaculture and marine.

Sector Productivity

Sustainable Food and Fibre Futures (SFF Futures) Fund

This fund supports problem solving and innovation in New Zealand's food and fibre sector by co-investing in initiatives that make a positive and lasting difference. Support ranges from small grants to large-scale, multi-year partnerships.

The fund supports projects that contribute to:

- improved environmental performance for the benefit of current and future generations
- economically prosperous food and fibre industries
- thriving and sustainable rural communities and whānau and hapori, and
- New Zealand's innovative, world-leading and future-ready food and fibre sector.

Since the start of the SFF Futures fund in June 2018, MPI and industry have co-invested over \$566 million.³⁹

Māori Agribusiness Innovation Fund

This fund has been created to support Māori to realise opportunities within the Māori food and fibre sector economy.

Applications can cover the entire primary sector value chain, from production to processing and export. The fund will consider initiatives involving horticulture, aquaculture, agriculture and forestry.

The maximum amount of funding a project can receive is \$250,000. The fund is open year-round, subject to availability.

Funding can be used to:

- investigate or demonstrate a concept
- access expert advice to explore an innovation project, and
- develop and evaluate an innovative idea or practice.

Thirteen innovation projects were approved in 2022/23.

³⁹. Read about the SFF Future fund on our website: (<https://www.mpi.govt.nz/funding-rural-support/sustainable-food-fibre-futures>).



Voluntary Bonding Scheme for Veterinarians

The Voluntary Bonding Scheme started in 2009, to address a shortage of veterinarians working with production animals and/or working dogs in rural areas. The aim is to encourage veterinarians to take up roles in rural communities. The scheme provides veterinarians working in eligible roles and practices with a taxable payment of \$11,000 per year over the five-year bonded period.

Sixty-seven grantees received payments in 2022/23 and there are 121 active grantees.

Integrated Farm Planning Accelerator Fund

This fund invests in initiatives that help farmers, growers and whenua Māori owners adopt an integrated approach to their farm planning.

Thirty-six projects were approved in 2022/23. MPI has committed over \$14.2 million since the fund began in April 2022.

Careers Pathway Scheme

This scheme aims to increase the number and diversity of advisers in the independent farm advisory sector.

The scheme helps fund salary and training costs for new and early career advisers to increase the skills and knowledge needed to support integrated farm planning. It will deliver targeted training, networking opportunities, and a mentoring scheme.

Funding is available for independent advisory businesses and whenua Māori entities who employ:

- new and early career advisers with less than three years' advisory experience: up to \$22,500 per year (for up to three years) to help cover salary and training costs, and
- experienced advisers with more than three years' advisory experience: one-off contributions towards integrated farm planning-related training costs.

Applications opened in April 2022 and will remain open until 2025.

Forty-two farm advisers participated in MPI's Careers Pathway Scheme in 2022/23.

Forestry and erosion control

Hill Country Erosion Fund

This fund is a partnership between MPI, regional councils (including unitary authorities), and landowners to protect vulnerable hill country. It enables councils and landowners to plan for and treat erosion-prone land, ensuring it is managed sustainably.

The fund delivers a range of outcomes: conservation of productive soils, carbon sequestration, improved water quality, protection of downstream infrastructure, and ensuring landowners are more resilient to climate change.

8,864 hectares were protected through the Hill Country Erosion Fund in 2022/23.⁴⁰

Erosion Control Funding Programme

This programme provided funding to landowners and community groups in the Gisborne district to address erosion through the treatment of highly erosion-prone land and other supporting activities.

The final application round for land treatments was held in 2018. Since then, no further funding for land treatment has been provided to new applications under this programme. In 2022/23, 93.8 hectares were established under the Erosion Control Funding Programme. Most milestones under the fund are due to be delivered by the end of 2030.

Funding for community-based projects is still available and can be accessed through the MPI website.

One Billion Trees Fund

This fund was set up to support individuals and partnership groups across New Zealand to plant trees with the goal of doubling the current planting rate to reach one billion additional trees by 2028.

The fund was established in 2018 with two streams of funding:

- Direct landowner grants provide incentives to reduce barriers to planting. The grants contribute to the cost of planting and establishing trees as well as fostering indigenous regeneration.
- Partnership funding provides support to organisations and groups for activities that will enable increased tree planting.

The number of hectares established under the One Billion Trees Fund was 3,840 hectares in 2022/23.

The One Billion Trees Fund closed for new applications after 30 June 2021, but MPI will continue to administer contracts until all projects are completed by 2028.

Adverse events and support

Cyclone Gabrielle Mobilisation Fund

The Government provided \$4 million to help rural communities with immediate recovery needs after Cyclone Gabrielle. This was targeted funding to help with urgent primary sector needs not being met by other organisations.

Forty-three applications to the fund were received.

This fund is now closed and has been fully committed to 26 projects covering aerial surveys, mental wellbeing, recovery advice, logistics and transport, and reimbursement of costs of urgent response activity.

Cyclone Gabrielle Farmer and Grower Recovery Grants

The Government made \$74 million available to help farmers, growers and whenua Māori owners recover from Cyclone Gabrielle.

The farmer and grower recovery grants were available for urgent repair work, including fencing and clearing silt to save trees and vines. Recovery grants included:

- up to \$10,000 for pastoral and arable farmers to help with initial recovery, such as repairs to water infrastructure for livestock and fencing, and
- up to \$2,000 per hectare (up to a maximum of \$40,000) to remove silt from trees and vines, support clean-up and minimise future losses.

In the four and a half months after the cyclone, MPI processed a collective total of just over \$64 million to support farmers and growers with urgent repair work through 5,616 applications.

North Island Weather Event Primary Sector Funding

The Government is providing \$35.4 million to support the recovery of rural communities affected by North Island weather events, including Cyclone Gabrielle. The funding is available to all parts of the food and fibre sector, including horticulture, agriculture, fisheries and forestry.

The funding is split into two parts:

- Isolated Rural Communities Recovery Fund: \$5.4 million to support the wellbeing of rural communities isolated by recent North Island weather events, including Cyclone Gabrielle.
- Time-Critical Primary Industries Recovery Fund: \$30 million to support the recovery of primary sector businesses and rural communities to boost health and safety and protect animal welfare following Cyclone Gabrielle.

MPI is distributing the funding to industry partners, community groups, Māori entities and other providers.

40. Read about the projects funded through the Hill Country Erosion Fund on our website: (<http://www.mpi.govt.nz/forestry/funding-tree-planting-research/hill-country-erosion-programme>).

Greenhouse gas reduction and climate change research

New Zealand Greenhouse Gas Inventory Research (GHGIR) Fund

The GHGIR fund supports research to maintain and improve the Agricultural Inventory, which is the official estimate of greenhouse gas emissions from agriculture in New Zealand. Continuous improvement of the inventory is needed, due to constant changes in the Intergovernmental Panel on Climate Change guidelines. The Agriculture Inventory informs policy and reports into New Zealand's national greenhouse gas inventory, which in turn reports to the United Nations under the Paris Agreement.

The GHGIR fund also supports the development of land-use projections, including afforestation and deforestation. These projections show how climate change policies lead to changes in land use and emissions.

The GHGIR fund has annual funding of around \$1.9 million and received additional funding through Budget 2022. Seven projects were completed in 2022/23 and 22 multi-year projects are in progress, including 16 approved in the 2022/23 GHGIR funding round.

Sustainable Land Management and Climate Change research (SLMACC) Programme

The SLMACC research programme funds climate change adaptation projects and ensures that the findings are communicated widely. This helps farmers and growers to use their land more sustainably, meet environmental targets and remain prosperous.

Five projects were completed in 2022/23 across the SLMACC programme. Overall, SLMACC has committed \$83 million across 193 projects since 2007, with 143 projects completed since the fund started. Twenty-six projects are ongoing.

Highlights among the projects completed over 2022/23 include:

- a study on the economic and carbon impacts of transitioning clear-fell planted forests to permanent cover forests on severely erosion prone steep land

- an exploratory study on the Agile and Adaptive Water Allocation Policy in Canterbury's Selwyn-Waihora catchment, and
- development of a model for estimating the socio-economic and environmental impacts of wildfires.

Global Research Alliance on Agricultural Greenhouse Gases (GRA)

The GRA funds internationally collaborative greenhouse gas mitigation research on priorities and technologies of relevance to New Zealand. The GRA supports science and policy capability development in developing countries on agricultural greenhouse gas measurement, management, monitoring, reporting and verification. This strengthens the GRA as a lead platform for international agricultural emissions action.

Twenty-five projects were completed in 2022/23.

New Zealand Agricultural Greenhouse Gas Research Centre (NZAGRC)

The NZAGRC is a core component of the Government's approach to understanding, managing and reducing greenhouse gases in agriculture. It was established in 2009 as a partnership between the leading New Zealand research providers and the Pastoral Greenhouse Gas Research Consortium. Since its inception in 2009, the NZAGRC has funded and co-ordinated research under five major themes: methane, nitrous oxide, soil carbon, integrated solutions, and Māori-focused research.

The NZAGRC's strategic goal is to discover, develop, and make available to New Zealand farmers and growers products, tools, and knowledge that enable the practical and cost-effective reduction of agricultural greenhouse gas emissions.

The Government is investing nearly \$90 million between 2020 and 2030 in science and related activities led or co-ordinated by the NZAGRC. This funding is provided by MPI and MBIE under a memorandum of understanding, with MPI acting as the Contractor of the NZAGRC. MBIE's investment in the NZAGRC is provided through the Strategic Science Investment Fund (programmes).

Aquaculture and marine

Customary Fisheries Research Fund

This fund provides financial assistance for fisheries research to help tangata whenua manage their customary fisheries. It also helps tangata whenua who are working towards gazettal, or are currently gazetted, under the Fisheries (Kaimoana Customary Fishing) Regulations 1998 or the Fisheries (South Island Customary Fishing) Regulations 1999.

The strategic objectives are to:

- collate information on fishing practices of Māori that may need to be considered when making fisheries management decisions
- help Māori to manage and measure the outcome of customary practice within their rohe moana (coastal area) that adds to their traditional and customary wellbeing

- determine past levels of Māori customary and traditional harvest levels and help clarify the relationship between customary and traditional rights and current harvest levels, and
- provide customary fisheries information to enhance and add value to sustainable fisheries management processes.

Fisheries New Zealand has 11 active customary projects across the country.⁴¹



41. For additional information on the Customary Fisheries Research Fund, visit our website: (<https://www.mpi.govt.nz/fishing-aquaculture/maori-customary-fishing/customary-fisheries-research-fund/>).

Appendix 3

Legislation we administer

Ngā ture e whakahaeretia nei e mātou

The text below lists the Acts MPI is responsible for, broken down by Ministerial portfolio.

Agriculture

Minister:	Minister of Agriculture
Associate Minister:	Associate Minister of Agriculture (Animal Welfare)

Responsibilities include protecting and promoting the productivity, sustainability and export performance of New Zealand's agricultural sector.

Legislation

- Agricultural and Pastoral Societies Act 1908
- Animal Welfare Act 1999
- Apple Transitional Export Quota Act 2022
- Commodity Levies Act 1990
- Dairy Industry Restructuring Act 2001
- Farm Debt Mediation Act 2019
- Irrigation Schemes Act 1990
- Kiwifruit Industry Restructuring Act 1999
- Meat Board Act 2004
- Ministry of Agriculture and Fisheries (Restructuring) Act 1995
- Ministries of Agriculture and Forestry (Restructuring) Act 1997
- Ministry of Agriculture and Forestry (Restructuring) Act 1998
- National Animal Identification and Tracing Act 2012⁴²
- New Zealand Horticulture Export Authority Act 1987
- Organic Products and Production Act 2023
- Plants Act 1970
- Pork Industry Board Act 1997
- Primary Products Marketing Act 1953
- Public Works Act 1981 (Part 19 only)
- Taratahi Agricultural Training Centre (Wairarapa) Act 1969

- Telford Farm Training Institute Act 1963 (by Prime-Ministerial warrant)
- Veterinarians Act 2005
- Walking Access Act 2008
- Wool Industry Restructuring Act 2003

Biosecurity

Minister:	Minister for Biosecurity
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Responsibilities include the management of New Zealand's biosecurity system, border risk management, and domestic pest and pathway management.

Legislation

- Airport (Cost Recovery for Processing of International Travellers) Act 2014
- Animal Control Products Limited Act 1991
- Biosecurity Act 1993
- National Animal Identification and Tracing Act 2012

Food Safety

Minister:	Minister for Food Safety
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Responsibilities include making regulations to provide safe and suitable food in New Zealand and for export, and working with Australia on joint standards for food labelling and composition.

Legislation

- Agricultural Compounds and Veterinary Medicines Act 1997
- Animal Products Act 1999
- Animal Products (Ancillary and Transitional Provisions) Act 1999
- Food Act 2014
- Wine Act 2003

Forestry

Minister:	Minister of Forestry
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Responsibilities include promoting the sustainable stewardship of the land in relation to forestry and developing the role of forestry in the economy and culture of New Zealand.

Legislation

- Forestry Encouragement Act 1962
- Forestry Rights Registration Act 1983
- Forests Act 1949
- Forests Amendment Act 2004 (contains powers not incorporated into the principal Act)
- Forests (West Coast Accord) Act 2000
- Forests (Regulation of Log Traders and Forestry Advisers) Amendment Act 2020

Oceans and Fisheries

Minister:	Minister for Oceans and Fisheries
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Responsibilities include the management of New Zealand's fisheries (including aquaculture), providing for use while ensuring sustainability of those resources for the benefit of New Zealand as a whole, and responsibility for oceans policy.

Legislation

- Aquaculture Reform (Repeals and Transitional Provisions) Act 2004
- Driftnet Prohibition Act 1991
- Fisheries Act 1996
- Kaikōura (Te Tai o Marokura) Marine Management Act 2014 (joint administration with the Department of Conservation)
- Māori Commercial Aquaculture Claims Settlement Act 2004
- Māori Fisheries Act 2004
- Treaty of Waitangi (Fisheries Claims) Settlement Act 1992

Rural communities

Minister:	Minister for Rural Communities
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Responsibilities include ensuring that rural communities can thrive in the face of emerging challenges, providing a rural perspective in government decisions, and strengthening the resilience of rural communities through adverse events recovery work and support for rural mental health and wellness.

Legislation not allocated to a portfolio

- Hop Industry Restructuring Act 2003

42. The National Animal Identification and Tracing Act 2012 is the responsibility of both the agriculture portfolio and biosecurity portfolio, so we have listed it under both portfolios.

Appendix 4

Government Health and Safety Lead

Te kaihautū nā te Kāwanatanga mō te Hauora me te Haumarū

Government Health & Safety Lead

The Government Health and Safety Lead (GHSL) was established in 2017, as an initiative within the public sector's commitment to becoming a role model for improving health and safety (H&S) throughout New Zealand. The GHSL vision is to enhance health, safety and wellbeing capabilities by collaborating with 38 core public sector organisations. GHSL works to identify and prioritise health and safety areas for improvement within organisations, open discussions on risks and issues, professional development tools and sharing of good practices.

We work on areas of specific need

Worker engagement, participation, and representation focus

The GHSL collaborated with the sector to develop the H&S Rep Role Clarity guidance, endorsed by WorkSafe New Zealand and the Public Service Association. This guidance offers support and enhances understanding of the significance of the H&S representative role for both agencies and individuals.

We also actively supported WorkSafe's Worker Engagement, Participation, and Representation project, by collaborating with the sector to contribute to its development from a sector perspective.

Sector capability and capacity focus

- We successfully conducted the award-winning H&S Summer Internship programme. Twelve interns were hosted by public sector agencies,

of which nine secured ongoing roles within the sector.

- We have continued to advance the Early in Careers programme, tailored for H&S representatives and newly appointed H&S coordinators and advisers. We are actively working towards having the programme assessed by the New Zealand Qualifications Authority so participants can receive a unit standard.
- We have continued to promote the Officers Development Programme. Between July 2022 and June 2023, 122 senior leaders completed the programme.

Targeted sector programmes of work

We have initiated the Mentally Healthy Work by Design pilot, funded by WorkSafe New Zealand and supported by the Department of Corrections. This programme involves three levels of development, which are run alongside each other to help foster and promote agencies to take a deeper look at where they could improve their management of psychosocial risks within their workplaces.

The sessions have included:

- four workshops for chief executives and senior leaders to share, collaborate and learn
- six workshops with heads of health and safety and of human resources, and
- 12 modules delivered by Massey University for health and safety and human resources practitioners.

The Positive Workplace Cultures programme is entering its second phase. It focuses on enhancing workplace behaviour and relationships and promoting a healthy and supportive work environment.

H&S systems and governance

The GHSL remains committed to supporting the sector in critical risk areas, as well as working towards better information sharing, data, assurance and insights. The GHSL continues to provide a chance for the sector view to be included in work occurring across the wider New Zealand H&S ecosystem.

This includes:

- engaging with Waka Kotahi NZ Transport Agency on a nationwide work-related road safety programme
- engaging with the General Manager Safety Forum, a voluntary network for people in tier two executive level roles who have responsibility for safety and wellbeing, which has work under way on improving governance of H&S across New Zealand businesses, and
- participating in a review of the skill standards that make up the H&S qualifications.

We work to share and promote good practice

This year's annual GHSL Health and Safety Representative Conference and Awards had over 400 attendees representing more than 40 public sector agencies. The GHSL secured sponsorship from MPI, WorkSafe New Zealand, and IMPAC.

The conference focused on how the role of H&S representatives can contribute to fostering positive mental health in the workplace. The conference equipped those H&S representatives who attended with knowledge on this topic, enabling them to become key influencers for change within their organisations. We also celebrated the work of H&S representatives within our sector organisations through the nomination and presentation of awards to six sector H&S representatives.

The GHSL shared significant pieces of guidance and practice developed from within the sector including:

- the Haumarū Tāngata Framework, a Māori health and safety framework developed by Te Rōpū Marutau o Aotearoa, the Māori Health and Safety Association, to health and safety leaders

- Kāinga Ora Due Diligence Handbook for Officers
- Te Puni Kōkiri Health and Safety Kaupapa
- Waka Kotahi Severe Weather Event Emergency Response, following the Auckland flooding in January 2023
- Te Kawa Mataaho Working with Survivors Model Standards, in response to Cyclone Gabrielle in February 2023, and
- MPI contractor management guide, following Cyclone Gabrielle.

We enable valuable lessons to be shared

Throughout 2022/23, the GHSL team has actively engaged with chief executives, health and safety leaders, and practitioners through multiple formats including forums and distribution of targeted newsletters and updates.

Recognising the importance of mental health in the workplace, the GHSL team developed a regular monthly community of practice practitioner forum for practitioners to share knowledge, experiences and strategies to promote mentally healthy work environments.

The GHSL team has connected agencies together, fostering collaboration, and addressing common challenges within the sector.

External review and outlook

In February 2023, the GHSL commissioned Deloitte to conduct an external review to evaluate the continued relevance and effectiveness of the GHSL beyond November 2023. Based on the feedback received from the sector, the GHSL was deemed a valuable resource and support system, leading to the recommendation by Deloitte that its operations should continue. The Deloitte report specifically highlighted the GHSL's value in providing ad hoc advice, facilitating connections between organisations facing similar challenges and thereby enabling fruitful collaboration between agencies.

Appendix 5

How we are delivering on the Budget significant initiatives since 2020/21

Kei te pēhea tā mātou whakarato i ngā kaupapa matua o te Tahua mai i te 2020/21

The table below indicates:

- how our significant Natural Resources Cluster (NRC) initiatives align with the cluster priorities and our strategic outcomes
- how we are delivering on the NRC initiatives, and
- how we have been delivering on significant Budget initiatives since 2020/21.

NRC priority	Name of initiative	Budget year (type of funding / Funding stream and Initiative type)	Location of performance information	
			Narrative	Non-financial performance measure/s under relevant appropriation
Enabling climate resilience <i>by investing in climate adaptation and mitigation initiatives through both the cluster and the Climate Emergency Response Fund</i>	Accelerating development of greenhouse gas mitigations	Budget 2022 (CERF)	In this report, refer to the following sections: Chapter 2, under Sustainability outcome: Key result area: Helping meet our climate change targets by reducing the net impact of the food and fibre sector Achievement theme: Implementing climate mitigation initiatives to future proof the economy The Grants section: Greenhouse gas reduction and climate change research	Agriculture: Programmes Supporting Sustainability <ul style="list-style-type: none"> • The percentage of (non-Joint Venture) forecast investment dispersed each year according to the Accelerating New Mitigations programme's strategic funding plan • The percentage of Joint Venture forecast investment (as per the 100 Day Plan) allocated each year • The Centre for Climate Action Joint Venture Ltd Board adopts the company Strategic Plan (2022) • The Centre for Climate Action Joint Venture Ltd Board adopts the 2023/24 Business Plan
	Developing agricultural emissions pricing: Developing He Waka Eke Noa pricing system (phase one)	Agriculture emissions reduction	Refer to MPI 2021/22 Annual Report: ⁴³ Chapter 2, under Sustainability outcome: Achievement theme: We helped New Zealand plan for reducing its greenhouse gas emissions (page 42)	N/A
			Refer to MPI 2020/21 Annual Report: ⁴⁴ Achievement theme: Addressing greenhouse gas emissions and building resilience against climate change (page 37)	

43. <https://www.mpi.govt.nz/dmsdocument/53833-202122-Annual-report>

44. <https://www.mpi.govt.nz/dmsdocument/48238-202021-Annual-Report-and-a-correction-for-Biosecurity-budget-estimates>

NRC priority	Name of initiative	Budget year (type of funding / Funding stream and Initiative type)	Location of performance information	
			Narrative	Non-financial performance measure/s under relevant appropriation
	Supporting producers and Māori entities to transition to a low emissions future (also referred to as extension)		In this report, refer to the following sections: Chapter 2, under Sustainability outcome: Key result area: Reducing environmental impacts of land and water use Chapter 2, under Visible Leadership outcome: Key result area: Strengthening relationships with Māori Achievement theme: Strengthening our partnerships with Māori	Agriculture: Programmes Supporting Sustainability <ul style="list-style-type: none"> • Percentage of funding applications processed in the agreed timeframes
	Accelerating Agricultural Climate Change Research and On-Farm Emissions Mitigation	Budget 2021 Agriculture climate change research	In this report, refer to the following sections: Chapter 2, under Sustainability outcome: Key result area: Helping meet our climate change targets by reducing the net impact of the food and fibre sector The Grants section: Greenhouse gas reduction and climate change research Refer to MPI 2021/22 Annual Report: Key result area: Reducing environmental impacts of land and water use (page 44) The Grants section: Greenhouse gas reduction and climate change Research (page 211)	Agriculture: Programmes Supporting Sustainability <ul style="list-style-type: none"> • Percentage of completed research contracts or work programmes that have completed intended deliverables Refer to MPI 2021/22 Annual Report: Agriculture: Programmes Supporting Sustainability <ul style="list-style-type: none"> • Percentage of contracts completed in the financial year that met their contracted deliverables • Percentage of Agriculture Climate Change Research (M2) appropriation contracted for the financial year
	Establishing native forests at scale to develop long-term carbon sinks and improve biodiversity	Budget 2022 (CERF)	In this report, refer to the following section: Chapter 2, under Sustainability outcome: Achievement theme: Implementing climate mitigation initiatives to future proof the economy	New measure for 2023/24 and will be reported in MPI's 2023/24 Annual report: Forestry: Growth and Development of the Forestry Sector <ul style="list-style-type: none"> • Number of hectares contracted under forestry joint ventures as part of the Woody Biomass Supply initiative in the financial year
	Increasing woody biomass supply to replace coal and other carbon intensive fuels and materials	<i>The forestry and wood-processing industry is contributing to a low-emissions bioeconomy</i>		
	Maximising natural carbon storage: Increasing natural sequestration to achieve New Zealand's future carbon goals	Budget 2022 (CERF) (Shared outcomes between DOC and MPI)		Forestry: Growth and Development of the Forestry Sector <ul style="list-style-type: none"> • The percentage of Maximising Forest Carbon key milestones completed by their due date

NRC priority	Name of initiative	Budget year (type of funding / Funding stream and Initiative type)	Location of performance information	
			Narrative	Non-financial performance measure/s under relevant appropriation
Building a more inclusive and sustainable economy <i>by accelerating the natural resources sector's economic potential, including by responding to structural challenges highlighted by COVID-19</i>	Delivering industry transformation plans (ITPs) in partnership with primary sectors: • Agritech ITP • Forestry and wood processing ITP • Fisheries ITP, and • Food and Beverage ITP	Budget 2022 (NRC)	In this report, refer to the following sections: Chapter 2, under Prosperity outcome: Key result area: Increasing food and fibre sector innovation Achievement theme: Encouraging long-term sector growth and innovation	New measure for 2023/24 and will be reported in MPI's 2023/24 Annual report: Forestry: Growth and Development of the Forestry Sector • The percentage of completed implementation partnership agreement milestones under the Forestry and Wood Processing Industry Transformation Plan that are met by their due date
	Forestry advisory services Māori Agribusiness, as part of integrated advisory services On Farm Support (OFS) services	Budget 2022 (NRC) Integrated advisory services to support more sustainable and productive land use practices	In this report, refer to the following sections: Chapter 2, under Sustainability outcome: Key result area: Helping meet our climate change targets by reducing the net impact of the food and fibre sector Achievement theme: Supporting landowners Chapter 2, under Visible Leadership outcome: Key result area: Strengthening relationships with Māori Achievement theme: Strengthening our partnerships with Māori The Grants section: Sector productivity	Forestry: Growth and Development of the Forestry Sector • The core functionality to support the Forestry Planning and Advisory service will be fully stood up by June 2023 Agriculture: Programmes Supporting Sustainability • Number of Māori landowners, Māori businesses, and iwi/hapū entities participating in services provided by Māori Agribusiness (as part of the Integrated Advisory Services) each year Development and Implementation of Primary Industries Policy Advice • The number of new Māori focused extension clusters established in the financial year under the Productive and Sustainable Land Use programme
	Future of certification	<i>Budget 2022 (NRC) Rural and fisher support</i>	In this report, refer to the following section: Chapter 2, under Prosperity outcome: Achievement theme: Encouraging long-term sector growth and innovation	N/A
	Integrated farm planning	Budget 2021 <i>Integrated advisory services to support more sustainable and productive land use practices</i>	In this report, refer to the following sections: Chapter 2, under Sustainability outcome: Key result area: Reducing environmental impacts of land and water use Achievement theme: Supporting landowners The Grants section: Sector productivity	Agriculture: Integrated Farm Plan Accelerator Fund • Number of significant projects in partnership with Industry Assurance Programmes that support farm businesses to improve existing farm plans or adopt Integrated Farm Plan (IFP) • Number of Māori farm businesses supported to adopt IFP through clusters or collectives

NRC priority	Name of initiative	Budget year (type of funding / Funding stream and Initiative type)	Location of performance information	
			Narrative	Non-financial performance measure/s under relevant appropriation
			Refer to MPI 2021/22 Annual Report: Chapter 2, under Sustainability outcome: Achievement theme: Supporting landowners	
	Addressing primary sector workforce shortfall with job transition support and improved public data	Budget 2020 <i>Transforming Primary sector workforce</i>	In this report, refer to the following sections: Chapter 2, under Prosperity outcome: Key result area: Strengthening the food and fibre sector workforce Achievement theme: Growing and strengthening the food and fibre sector workforce	Implementation of COVID-19 Assistance for Primary Industries • Number of people who have been placed directly into employment in the primary industries through MPI's Primary Sector Workforce programme
	Productive horticulture: Import Health Standards	Budget 2020 <i>Boosting Economic Activity and Future Growth Across the Horticulture Sector</i>	Refer to MPI 2020/21 Annual Report: ⁴⁵ Achievement theme: Supporting the food and fibre sector to innovate and grow sustainably (page 28)	N/A
	Providing recovery support for primary industries, and rural communities; removing woody debris	Budget 2022 and extended into Budget 2023 <i>North Island Weather Events (NIWE)</i>	In this report, refer to the following section: Chapter 2, under Sustainability outcome: Achievement theme: Implementing climate mitigation initiatives to future proof the economy Chapter 2, under Visible Leadership outcome: Achievement theme: Supporting the country through adverse weather events	North Island Weather Events • Percentage of funding allocated to rural businesses and communities impacted by the North Island Weather Events • Percentage of funding agreements to support rural businesses and communities impacted by the North Island Weather Events processed in accordance with MPI procurement policies • Percentage of funding allocated to rural businesses and communities impacted by the North Island Weather Events Growth and Development of the Forestry Sector • Percentage of 2022/23 budgeted funding contracted
				• Council partners (Gisborne District Council and Hawkes Bay Regional Council) are engaged by Te Uru Rākau – New Zealand Forest Service by 30 June 2023 • Number of tonnes of woody debris removed from high priority catchments in Gisborne and Hawkes Bay

45. <https://www.mpi.govt.nz/dmsdocument/48238-202021-Annual-Report-and-a-correction-for-Biosecurity-budget-estimates>

NRC priority	Name of initiative	Budget year (type of funding / Funding stream and Initiative type)	Location of performance information	
			Narrative	Non-financial performance measure/s under relevant appropriation
Improving biodiversity and biosecurity <i>by protecting indigenous biodiversity and addressing gaps in domestic biosecurity</i>	National Marine Biosecurity Programme to prevent the spread of invasive marine species through movement of vessels and associated gear and equipment	Budget 2022 (NRC) <i>National Pathway Management Plan for Clean Hulls</i>	This is a new initiative for 2022/23 and any related performance information will be made available in MPI's 2023/24 annual report	
	Eradicating <i>Mycoplasma bovis</i> from New Zealand	Budgets 2020 <i>Biosecurity incursion control</i>	In this report, refer to the following sections: Chapter 2, under Protection outcome: Achievement theme: Strengthening the biosecurity system Refer to MPI 2021/22 Annual Report: Chapter 2, under Protection outcome: Achievement theme: We continued working to eradicate <i>Mycoplasma bovis</i> (page 52) The Grants section: <i>Mycoplasma bovis</i> Recovery Advice Service (page 210) MPI 2020/21 Annual Report Refer: Chapter 2, under Protection outcome: Achievement theme: Responding to biosecurity issues that threaten the sector and our environment (page 45) The Grants section: <i>Mycoplasma bovis</i> Recovery Advice Service (page 174)	Biosecurity: Border and Domestic Biosecurity Risk Management <ul style="list-style-type: none"> Percentage of farms whose Restricted Place notices are revoked within 140 days of placement Percentage of farms whose Section 122 Notice of Direction is revoked within 90 days of placement of the notice Percentage of urgent farms that complete casing in 30 days or less Percentage of non-complex compensation claims where a payment has been made within 30 working days of receipt of a claim
	Kauri dieback Protecting and preserving kauri, New Zealand's iconic Taonga	Budget 2021	More information on this can be found on the MPI website. https://www.mpi.govt.nz/biosecurity/exotic-pests-and-diseases-in-new-zealand/long-term-biosecurity-management-programmes/protecting-kauri-from-disease/	N/A
National Wilding Conifer Control Programme to boost regional economies and employment	Budget 2020 <i>Jobs for Nature</i>	In this report, refer to the following section: Refer to Chapter 2, under Protection outcome: Key result area: Protecting New Zealand from harmful pests and diseases	N/A	

NRC priority	Name of initiative	Budget year (type of funding / Funding stream and Initiative type)	Location of performance information	
			Narrative	Non-financial performance measure/s under relevant appropriation
Stewardship responsibilities <i>to ensure agencies can maintain and strengthen their critical stewardship and regulatory roles</i>	Containing Wallabies to protect agriculture, forestry and native plants, and boost regional economies	Budget 2022 (NRC) <i>Antimicrobial resistance</i>	Refer to MPI 2021/22 Annual Report: Chapter 2, under Protection outcome: Achievement theme: We battled long-term pests and diseases (page 52) Refer to MPI 2020/21 Annual Report: Chapter 2, under Prosperity outcome: Achievement theme: Creating jobs and combating pests (page 33)	
			In this report, refer to the following section: Chapter 2, under Protection outcome: Key result area: Protecting New Zealand from harmful pests and diseases Refer to MPI 2021/22 Annual Report: Chapter 2, under Protection outcome: Achievement theme: We battled long-term pests and diseases (page 52) Refer to MPI 2020/21 Annual Report: Chapter 2, under Prosperity outcome: Achievement theme: Creating jobs and combating pests (page 33)	N/A
Improving marine system resilience <i>by ensuring the long-term health and resilience of ocean and coastal ecosystems</i>	Mitigating the impact of economic and social disruption on rural and fishing communities	Budget 2020 <i>Rural and fisher support</i>	In this report, refer to the following section: Chapter 2, under Sustainability outcome: Achievement theme: Improving the long-term health and resilience of oceans and fisheries	Fisheries: Managing the Resource Sustainably <ul style="list-style-type: none"> The percentage of scientifically evaluated fish stocks with no sustainability issues
Stewardship responsibilities <i>to ensure agencies can maintain and strengthen their critical stewardship and regulatory roles</i>	Addressing future antimicrobial resistance risks in New Zealand	Budget 2022 (NRC) <i>Antimicrobial resistance</i>	In this report, refer to the following section: Chapter 2, under Protection outcome: Achievement theme: Ensuring New Zealand food is safe and suitable	Food Safety: Protecting Consumers <ul style="list-style-type: none"> The rate of foodborne campylobacteriosis per 100,000 people per annum

Abbreviations

Ngā whakapotonga

AMR	Antimicrobial resistance
CERF	Climate Emergency Response Fund
DE&I	Diversity, equity and inclusion
DOC	Department of Conservation
eDNA	Environmental DNA
FMD	Foot and mouth disease
FTAs	Free trade agreements
FWFP	Freshwater farm plan
GHG	Greenhouse gas
GHGIR	Greenhouse Gas Inventory Research
GHSL	Government Health and Safety Lead
GIA	Government-Industry Agreement on Biosecurity Readiness and Response
GRA	Global Research Alliance on Greenhouse Gases
H&S	Health and safety
ITP	Industry transformation plan
LULUCF	Land use, land-use change and forestry
MABx	Māori Agribusiness Extension
MAPIP	Māori Agribusiness Pathway to Increased Productivity
MBIE	Ministry of Business, Innovation and Employment
MFAT	Ministry of Foreign Affairs and Trade
MfE	Ministry for the Environment
MPI	Ministry for Primary Industries
NIWA	National Institute of Water and Atmospheric Research
NIWE	North Island Weather Events
NRC	Natural Resources Cluster
NZAGRC	New Zealand Agricultural Greenhouse Gas Research Centre
NZTD	New Zealand Traveller Declaration
NZTE	New Zealand Trade and Enterprise
PSU	Professional Standards Unit
SFF	Sustainable Food and Fibre
SLMACC	Sustainable Land Management and Climate Change
SSEP	Secondary School Employer Partnership Programme
TUR-NZFS	Te Uru Rākau – New Zealand Forest Service
YES	Young Enterprise Scheme

Ministers' reports on non-departmental appropriations

Ngā pūrongo a te Minita mō ngā
Pūtea, ehara nā te Tari

Purpose

The Ministry for Primary Industries (MPI) receives money from the Government and distributes it on behalf of the Crown to other organisations that provide services to the food and fibre sector. These funds are called non-departmental appropriations. Under section 19B of the Public Finance Act 1989, annual reports on these non-departmental appropriations are provided by the responsible ministers.

The Minister of Agriculture and Minister for Biosecurity, the Minister of Forestry, the Minister for Rural Communities, the Minister for Food Safety and Minister for Oceans and Fisheries, and the Associate Minister of Agriculture (Animal Welfare) are required under section 19B of the Public Finance Act 1989 to report against non-departmental appropriations in

Votes Agriculture, Biosecurity, Fisheries and Food Safety; and Vote Forestry. This report has been appended in MPI's Annual Report for the purposes of presentation to Parliament and publication and is not subject to audit.

A non-departmental appropriation authorises a minister to use providers or suppliers that are not a government department to provide a service or produce outputs. Most service providers under non-departmental appropriations include, but are not limited to, Crown entities, local council and authorities, research institutions, and non-governmental organisations.

Summary of 2022/23 performance of services funded by non-departmental appropriations

In 2022/23, MPI funded eight non-departmental appropriations that provided services to the food and fibre sector across Vote Agriculture, Biosecurity, Fisheries and Food Safety; and Vote Forestry. In this section we report information on financial and non-financial performance of these non-departmental appropriations to provide information on the extent of these activities.

Vote Agriculture, Biosecurity, Fisheries and Food Safety

Annual Non-Departmental Other Expenses appropriation

- Fisheries: Aquaculture Settlements

Multi-year Non-Departmental Output Expenses appropriation

- Sustainable Land Management and Climate Change Research

Multi-year Non-Departmental Other Expenses appropriations

- Agriculture: Farm Advisor Scheme
- Agriculture: Integrated Farm Plan Accelerator Fund
- Global Research Alliance on Agricultural Greenhouse Gases
- Sustainable Food and Fibre Futures

Vote Forestry

Annual Non-Departmental Capital Expenditure appropriation

- Capital Investment in the Crown's Forestry Assets

Multi-year Non-Departmental Output Expenses appropriation

- Forestry and other Economic Development, and Erosion Control



In 2022/23, MPI met the standards for 10 out of 12 performance measures (83.3 percent) funded under annual non-departmental and multi-year appropriations (MYA) appropriations in Vote Agriculture, Biosecurity, Fisheries and Food Safety; and Vote Forestry.

In this report, we compared current performance information against the performance measures and results for 2021/22 and 2020/21. Where appropriate, an explanation is provided for measures with variances of more than 10%.

We review our performance measures and targets each year to ensure that they reflect the range of services our service providers deliver under non-departmental appropriations, our operating environment, and support the achievement of our outcomes.

Fisheries: Aquaculture Settlements

Introduction

This report covers Vote Agriculture, Biosecurity, Fisheries, and Food Safety Non-Departmental Other Expense annual appropriation: Fisheries: Aquaculture Settlements.

The Māori Commercial Aquaculture Claims Settlement Act 2004 (Settlement Act) provides for the full and final settlement of Māori commercial aquaculture claims since 21 September 1992. The Settlement Act requires the Crown to provide settlement assets representative of 20 percent of aquaculture space to Te Ohu Kaimoana Trustee Limited (the Trustee) for distribution to Iwi Aquaculture Organisations. The purpose of this appropriation is to ensure the Crown fulfils its legislated settlement obligations.

Statement of service performance

Scope of Appropriation

This appropriation is limited to the recognition of settlements negotiated under the Māori Aquaculture Commercial Claims Settlement Act 2004.

Intention of Appropriation

This appropriation is intended to achieve the provision of activities related to the Crown's settlement of aquaculture obligations under the Māori Aquaculture Commercial Claims Settlement Act 2004.

Highlights of activities

Three active negotiations for Regional Agreements (Waikato-West, Bay of Plenty, and Otago) are underway. Deadlines for these negotiations have not passed.

No statutory deadlines for any other regional agreement arose in 2022/23.

Assessment of service performance

Performance measure	2022/23				2021/22	2020/21
	Target	Actual	Standard met	Variance explanation	Actual	Actual
Regional Agreements required under the Māori Commercial Aquaculture Settlement Act are negotiated and agreed by statutory deadlines	Achieved	Achieved	●		New measure for 2022/23	New measure for 2022/23

Note: MPI maintains a register of Regional Agreements and their statutory deadlines for completion.

Disclosure: This new measure has been introduced to reflect performance for this new annual appropriation.

ACTUAL JUNE 2022 \$000		ACTUAL JUNE 2023 \$000	MAIN ESTIMATES JUNE 2023 \$000	SUPP ESTIMATES JUNE 2023 \$000
-	Fisheries: Aquaculture Settlements	4,585	-	94,174

Disclosure: For 2023/24, this annual non-departmental appropriation has become a multi-year appropriation.

For more information on Fisheries: Aquaculture Settlements, please refer to the MPI website: <https://www.mpi.govt.nz/fishing-aquaculture/fishing-aquaculture-funding-support/maori-commercial-aquaculture-claims-settlement>

Sustainable Land Management and Climate Change Research

Introduction

This report covers Vote Agriculture, Biosecurity, Fisheries, and Food Safety Non-Departmental Other Expense Multi Year Appropriation (MYA) for Sustainable Land Management and Climate Change Research.

An existing category (Agriculture: Climate Change Research) and an existing appropriation (New Zealand Agricultural Greenhouse Gas Research) have been merged to form this MYA. Some of the programmes this appropriation contains include:

- New Zealand Agricultural Greenhouse Gas Research Centre
- Climate Change Research
- Māori Agribusiness Climate and Water Programme, and
- Sustainable Land Use Catchment Extension Service.

The Sustainable Land Management and Climate Change Research (SLMACC) programme creates knowledge about sustainable land management practices and climate change adaptation options for the public good. It also enables the use of that knowledge in the form of improved or new sustainable land management and climate change adaptation practices. SLMACC supports the needs of policymakers and 'on-the-ground' end-users, as well as supporting the implementation of research. The programme is just one part of New Zealand's work towards climate change adaptation. It fills an important gap in New Zealand's sustainable land management and climate change landscape.

The New Zealand Agricultural Greenhouse Gas Research (NZAGRC) is also a core component of the Government's approach to understanding, managing, and reducing greenhouse gases in agriculture. It was established in 2009 as a partnership between the leading New Zealand research providers and the Pastoral Greenhouse Gas Research Consortium. Since its inception in 2009 the NZAGRC has funded

and coordinated research under five major themes: methane, nitrous oxide, soil carbon, future farm systems, and Māori-focused research.

Statement of service performance

Scope of Appropriation

This appropriation is limited to obtaining science, technology, capacity and capability in sustainable land management and climate change-related research relevant to the primary land-based sectors.

Intention of Appropriation

This appropriation is intended to achieve the provision of support for greenhouse gas research and increase knowledge of agricultural and forestry emissions, mitigation practices, technologies, and business opportunities relevant to the primary land-based sectors.

Highlights of activities

Five projects were completed in 2022/23 across the SLMACC programme. Overall, SLMACC has committed \$83 million across 193 projects since 2007, with 143 projects completed since the fund started. There are 26 projects currently ongoing.

Highlights among the projects completed over 2022/23 include:

- A study on the economics and carbon impacts of transitioning clearfell planted forests to permanent cover forests on severely erosion prone steep lands
- An exploratory study on Agile and Adaptive Water Allocation Policy in the Canterbury's Selwyn-Waihora catchment, and
- The development of a model for estimating the socio-economic and environmental impacts of wildfires.

The NZAGRC completed its Māori Research Strategy 2022-2025. This will guide the allocation of over \$2 million per annum to NZAGRC's Māori research programme. A new fund 'Pūtea Rangahau - Tuku Haurehu a Ahuwhenua' opened in November 2022, to support Māori innovation on agricultural greenhouse gas emissions.

The NZAGRC has a soil carbon research strategy and research and development plan underway. These two strategic documents complement the Biological Emissions Reduction Science and Mātauranga Plan, which focuses on methane and nitrous oxide reduction options.

The NZAGRC held the New Zealand Climate Change Conference between 28 February and 1 March 2023 at Te Papa in Wellington and was attended by over 300 people. The Centre is also conducting an international review of its research portfolio and programmes in July 2023.

The NZAGRC forms a key pillar of the Centre for Climate Action on Agricultural Emissions established through Budget 2022. In addition to baseline funding, MPI has made investments including more than \$9 million in PhD and post-doctoral scholarships to meet increased demand for researchers, and over \$6 million for greenhouse gas measurement equipment and infrastructure.

Assessment of service performance

Performance measure	2022/23				2021/22	2020/21
	Target	Actual	Standard met	Variance explanation	Actual	Actual
Percentage of contracts completed in the financial year that met their contracted deliverables	90-100%	100%	●	A Sustainable Land Management and Climate Change/Climate Change project has been completed and it has met its contracted deliverables.	New measure for 2022/23	New measure for 2022/23

Note: This new measure has been introduced to reflect this MYA. An existing category (Agriculture: Climate Change Research) and existing appropriation (New Zealand Agricultural Greenhouse Gas Research) have been merged to form this MYA.

2021/22 \$000	Appropriation, adjustment and use	2022/23 \$000
-	Original appropriation - over five years from 1 July 2022 to 30 June 2027	109,311
-	Adjustments to 2021/22	-
-	Adjustments for 2022/2023	-
-	Adjusted Appropriation	109,311
-	Actual expenses to 2021/2022	-
-	Actual expenses for 2022/2023	21,593
-	Appropriation remaining	87,718

Agriculture: Farm Advisor Scheme

Introduction

This report covers Vote Agriculture, Biosecurity, Fisheries, and Food Safety Non-Departmental Other Expense Multi-Year Appropriation (MYA) for Agriculture: Farm Advisor Scheme.

The Farm Advisor Scheme, now known as the Careers Pathway Scheme (CPS), is a grant scheme that aims to grow the diversity and number of advisers working for private-sector food and fibre industry advisory businesses and whenua Māori entities capable of supporting integrated farm planning. The CPS provides grant funding towards salary and training costs of new/early career advisers, and one-off grants towards integrated farm planning-related training for more experienced advisers.

The CPS, funded through the Farm Advisor Scheme appropriation, focuses on establishing:

- broad competencies that farm advisers require to support a whole of system approach to farm planning
- fit-for-purpose professional development options to enable advisers to meet required competencies
- an adviser support package to reduce the financial barriers for host organisations to take on more diverse and new advisers, and
- a series of national and regional events and activities for advisers to facilitate their professional development and build networks across the advisory, research, and broader food and fibre sector.

Statement of service performance

Scope of Appropriation

This appropriation is limited to the making of contributions to farm consultancies capable of delivering integrated farm plans as required by the Minister of Agriculture and in accordance with government approved criteria and guidelines.

Intention of Appropriation

This appropriation is intended to achieve a rapid increase in the number of skilled farm advisers that can support farmers in developing integrated farm plans.

Highlights of activities

The scheme has received high levels of interest from farm consultancies, which is reflected in the number of applications received.

Participation in the scheme spans multiple years depending on the advisory experience of individual advisers. As funding is provided on a quarterly basis, the actual spend is well below the total contracted spend of \$2.6 million.

With further targeted engagement, we anticipate the numbers participating in the scheme will continue to grow over the next two years. The scheme continues to receive interest and applications are open until mid-2024.

Other aspects of the programme to support adviser development will be underway at the end of the year. These are a series of adviser networking hui, mentoring, training opportunities.

In MPI's Careers Pathway Scheme, there are 17 host organisations receiving funding. These host organisations are supporting the development of 46 primary industry advisers.

Assessment of service performance

Performance measure	2022/23				2021/22	2020/21
	Target	Actual	Standard met	Variance explanation	Actual	Actual
Number of farm advisors participating in MPI's Careers Pathway Scheme per annum.	20 - 30	42	●	MPI's Careers Pathway Scheme has received high levels of interest from farm consultancies, which is reflected in the number of applications received. Participation in the scheme spans multiple years depending on the advisory experience of individual advisers.	0*	New measure for 2021/22

* In 2021/22, the target was not achieved because the launch of the scheme was delayed until April 2022. However, advisers were contracted into the Careers Pathway Scheme over the course of 2022/23.

2021/22 \$000	Appropriation, adjustment and use	2022/23 \$000
5,679	Original appropriation – over five years from 1 July 2021 to 30 June 2026	5,679
-	Adjustments to 2022	-
-	Adjustments for 2023	-
5,679	Adjusted Appropriation	5,679
-	Actual expenses to 2022	-
-	Actual expenses to 2023	531
5,679	Appropriation remaining	5,148

For more information on Careers Pathway Scheme, please refer to the MPI website: <https://www.mpi.govt.nz/funding-rural-support/farming-funds-and-programmes/integrated-farm-planning-work-programme/primary-industry-careers-pathway-scheme>

Agriculture: Integrated Farm Plan Accelerator Fund

Introduction

This report covers Vote Agriculture, Biosecurity, Fisheries, and Food Safety Non-Departmental Other Expense Multi-Year Appropriation (MYA) for Agriculture: Integrated Farm Plan Accelerator Fund.

The Integrated Farm Planning Accelerator Fund invests in initiatives that help farmers, growers, and whenua Māori owners adopt an integrated approach to their farm planning.

Integrated farm planning is an approach that brings all farm planning requirements into one place. It involves different aspects of existing farm management, planning, and reporting responsibilities.

The Integrated Farm Planning Accelerator Fund aims to:

- help farmers and growers to integrate existing plans and make the most efficient use of their data
- support farmers and growers to respond to future changes, such as new regulations, evolving market requirements and adverse events
- reduce variability in farm planning between sectors and across New Zealand, and
- promote collective or catchment-level action and regional information sharing.

Statement of service performance

Scope of Appropriation

This appropriation is limited to expenses incurred in conjunction with co-funding from industry, community and catchment groups, and regional councils, that significantly accelerate or reduce barriers to the implementation of integrated farm plans.

Intention of Appropriation

This appropriation is intended to achieve significant acceleration and broadening of the uptake of integrated farm plans.

Highlights of activities

Thirty-six projects were approved in 2022/23 with 32 currently in progress. The remaining four projects are in the contracting process, following significant delays caused by Cyclone Gabrielle. MPI has committed approximately \$14 million since the inception of the fund. There are three significant projects in partnership with Industry Assurance Programmes that support farm businesses to improve existing farm plans or adopt integrated Farm Plans.

Assessment of service performance

Performance measure	2022/23				2021/22	2020/21
	Target	Actual	Standard met	Variance explanation	Actual	Actual
Number of significant projects in partnership with Industry Assurance Programmes that support farm businesses to improve existing farm plans or adopt Integrated Farm Plan (IFP)	3	3	●		0*	New measure for 2021/22
Number of Māori farm businesses supported to adopt IFP through clusters or collectives	25	79	●	A total of 32 projects have been contracted for the full year and seven of these are for projects working alongside Māori business and landowners. These projects will each reach between 57-82 Māori businesses. In addition, five Māori entity-led projects (e.g., whenua trusts) have been contracted and will each reach between 22-78 Māori businesses. Based on the above, the annual standard has been met with minimum reach of 79 Māori clusters and collectives.	0**	New measure for 2021/22

* In 2021/22, the target was not achieved because the launch was delayed to enable additional work on the setting up of the fund.

** During 2021/22, a change was made in the fund design to allow more time for applications that needed more non-financial support.

2021/22 \$000	Appropriation, adjustment and use	2022/23 \$000
14,441	Original appropriation – over five years from 1 July 2021 to 30 June 2026	14,441
-	Adjustments to 2022	-
-	Adjustments for 2023	-
14,441	Adjusted Appropriation	14,441
-	Actual expenses to 2022	-
-	Actual expenses to 2023	1,652
14,441	Appropriation remaining	12,789

For more information on Integrated Farm Planning Accelerator Fund, please refer to the MPI website: <https://www.mpi.govt.nz/funding-rural-support/farming-funds-and-programmes/integrated-farm-planning-work-programme/integrated-farm-planning-accelerator-fund>

Global Research Alliance on Agricultural Greenhouse Gases

Introduction

This report covers Vote Agriculture, Biosecurity, Fisheries, and Food Safety Non-Departmental Other Expense Multi-Year Appropriation (MYA) for Global Research Alliance on Agricultural Greenhouse Gases.

The Global Research Alliance on Agricultural Greenhouse Gases (GRA) was established in 2009. It brings together interested countries and organisations to drive the research, development and extension of technologies and practices that will help deliver ways to grow more food (and more climate resilient food systems) without increasing greenhouse gas emissions.

The GRA's research is focused on four key areas: livestock, croplands, rice paddies, and interdisciplinary topics. Two major features of the GRA appropriation include:

- the inventory development programme, which utilises New Zealand expertise to support developing countries to build a robust greenhouse gas inventory, and
- the research programme, which connects New Zealand scientists into the international research community to collaborate on New Zealand relevant mitigation options.

The GRA's primary objective is to find new and more efficient ways of coordinating and increasing international investment and research into reducing agricultural greenhouse gas emissions and support food security. The GRA aims to:

- deepen and broaden existing networks of agriculture mitigation research and build new ones
- enhance science capacities
- increase international investment
- improve understanding and measurement of agricultural emissions
- improve access to, and the application of, mitigation technologies and best practices, and
- increase international capability building including sponsorship, fellowships and training awards.

Statement of service performance

Scope of Appropriation

This appropriation is limited to the Global Research Alliance on Agricultural Greenhouse Gases.

Intention of Appropriation

This appropriation is intended to achieve the effective management of funds and activities relating to the Global Research Alliance on Agricultural Greenhouse Gases.

Highlights of activities

A new Special Representative for the GRA has been appointed by the GRA Council. The New Zealand nomination was unanimously accepted by the Council, reflecting the level of impact New Zealand has demonstrated.

The first meeting of the Indigenous Research Network was held in May 2023. More than 30 countries have expressed an interest in joining and a number of research proposals are in development based on the connections made through this event.

The scholarship programmes continue to receive strong engagement and quality applications. The second round of the NZ-GRADS scholarship received over 300 applications for the four positions. After a pause due to COVID-19, round five of the GRA's CLIFF-GRADS programme awarded 48 scholarships. Round six of CLIFF-GRADS is currently open for applications. A further round of the Regional Universities Forum for Capacity Building in Agriculture (RUFORUM) Grants has also been run with applications under assessment.

New Zealand is collaborating with other funders to pull international consortia together leveraging global expertise, equipment and investment, accelerating the development of solutions for farmers. Topics of this research include improving greenhouse

gas inventories, breeding low emissions animals, developing new methane inhibitors, understanding soil carbon sequestration, inhibiting nitrous oxide, and developing new technologies for accurately measuring and reporting agricultural emissions.

Assessment of service performance

Performance measure	2022/23				2021/22	2020/21
	Target	Actual	Standard met	Variance explanation	Actual	Actual
Percentage of Global Research Alliance (GRA) projects funded by New Zealand are completed to contracted quality standards	95%	92%	●	Contractually the performance measure result was not achieved. However, functionally all outcomes were achieved. No significant issues with contracting occurred. Two contracts ended early; one was due to the outcome being delivered through another channel and the other was re-contracted to improve the contract terms.	93.1%	100%
Number of people completing New Zealand supported GRA activities to build scientific and policy capability in developing countries	100	103	●	Comprehensive work programmes were conducted targeting early career scientists, indigenous people and policy makers from developing countries in Africa, Asia and Latin/Central America regions to improve their knowledge on agricultural Greenhouse Gas emissions.	243	New measure for 2021/22
Increased engagement and investment from GRA members and partners to future activities of the GRA	Achieved	Achieved	●	GRA members and partners remain committed to increasingly supporting GRA activities. This included increased participation of developing country scientists in GRA projects, growing country and partner membership of the GRA, new commitments by other countries in support of the GRA, and increased bilateral engagement on collaboration with New Zealand in the GRA. USA has recently committed \$20 billion USD to conservation programmes aimed at helping farmers combat climate change, which will support GRA objectives.	Achieved	Achieved

2021/22 \$000	Appropriation, adjustment and use	2022/23 \$000
34,000	Original appropriation – over four years from 1 July 2020 to 30 June 2024	34,000
5,686	Adjustments to 2022	5,686
-	Adjustments for 2023	-
39,686	Adjusted Appropriation	39,686
12,948	Actual expenses to 2022	12,948
-	Actual expenses to 2023	8,658
26,738	Appropriation remaining	18,080

For more information on Global Research Alliance on Agricultural Greenhouse Gases, please refer to the MPI website:

<https://www.mpi.govt.nz/funding-rural-support/environment-and-natural-resources/international-response-to-climate-change/global-research-alliance-gra>

Sustainable Food and Fibre Futures

Introduction

This report covers Vote Agriculture, Biosecurity, Fisheries, and Food Safety Non-Departmental Other Expense Multi-Year Appropriation (MYA) Sustainable Food and Fibre Futures.

The Sustainable Food and Fibre Futures (SFF Futures) fund supports problem solving and innovation in New Zealand's food and fibre sector by co-investing in initiatives that make a positive and lasting difference. These range from small grants to largescale, multi-year partnerships.

The SFF Futures fund supports projects that contribute to:

- improved environmental performance for the benefit of current and future generations
- economically prosperous food and fibre industries
- thriving and sustainable rural communities and whānau/hapori, and
- New Zealand's innovative, world-leading, and future-ready food and fibre sector.

Assessment of service performance

Performance measure	2022/23				2021/22	2020/21
	Target	Actual	Standard met	Variance explanation	Actual	Actual
Percentage of contracts completed in the financial year that met all their contracted deliverables	90 – 100%	98.6%	●	A total of 70 projects delivered their contracted deliverables within the desired timeframe.	100%	100%

Note: Information on completed and current projects co-funded through SFF Futures can be found at: <https://www.mpi.govt.nz/funding-rural-support/sustainable-food-fibre-futures/completed-sff-futures-projects>

Disclosure: A note has been added for clarity.

Total value of contracts under active management in the Sustainable Food and Fibre Futures portfolio	\$200 million	\$340,566,400	●	As of 30 June 2023, 210 live projects (contracts) continue to be actively managed.	\$294,570,003	New measure for 2021/22
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Note: Minimum \$200 million is an aggregated total of MPI funding of all live contracts. Active management means in-progress projects that have been contracted and being individually managed.

Statement of service performance

Scope of Appropriation

This appropriation is limited to expenses incurred in conjunction with co-funding from community and industry groups on supporting the sustainable development of New Zealand's primary industries.

Intention of Appropriation

This appropriation is intended to achieve the provision of support for the sustainable development of New Zealand's primary industries.

Highlights of activities

A total of 70 projects were completed in 2022/23. MPI has committed up to \$261 million since the inception of the SFF Futures fund in 2018. The total MPI and industry co-investment in SFF Futures programmes at 30 June 2023 was approximately \$566 million.

2021/22 \$000	Appropriation, adjustment and use	2022/23 \$000
255,491	Original appropriation – over five years from 1 October 2019 to 30 June 2024	255,491
(6,166)	Adjustments to 2022	(6,166)
-	Adjustments for 2023	-
249,325	Adjusted Appropriation	249,325
109,827	Actual expenses to 2022	109,827
-	Actual expenses to 2023	59,995
139,498	Appropriation remaining	79,503

For more information on Sustainable Food and Fibre Futures, please refer to the MPI website: <https://www.mpi.govt.nz/funding-rural-support/sustainable-food-fibre-futures>

Non-departmental appropriations exempt from end-of-year reporting

The following non-departmental appropriations in Vote Agriculture, Biosecurity, Fisheries and Food Safety are exempt from end-of-year reporting:

Food Safety: Protecting Consumers - Food Safety Science and Research category

A non-department output expenses appropriation is exempt from end-of-year reporting under section 15D(2)(b) (ii) of the Public Finance Act 1989 as this annual appropriation category for a non-departmental output expense is less than \$5 million.

Fisheries: Provision for Fisheries Debt Write Downs

A non-department other expenses appropriation is exempt from end-of-year reporting under section 15D(2)(b) (ii) of the Public Finance Act 1989 as this information is unlikely to be informative because this appropriation is solely for payments made in accordance with statutory requirements.

Subscriptions to International Organisations

A non-departmental other expenses appropriation is exempt from end-of-year reporting under section 15D(2)(b) (ii) of the Public Finance Act 1989 as the amount of this annual appropriation is less than \$5 million.

Fisheries: Managing the Resource Sustainably - Fisheries Quota Shares & ACE Administration Costs category

A non-departmental other expenses appropriation is exempt from end-of-year reporting under section 15D(2)(b) (ii) of the Public Finance Act 1989 as this annual appropriation category for a non-departmental other expense is less than \$5 million.

Agriculture: Rural Veterinarians Bonding Scheme

A non-departmental benefits or related expenses appropriation is exempt from end-of-year reporting under section 15D(2)(b)(ii) of the Public Finance Act 1989 as this appropriation is solely for payments under the Rural Veterinarians Bonding Scheme.

Performance measure for a non-departmental appropriation removed in 2022/23

Appropriation	Performance measure	Disclosure on Supplementary Estimates 2022/23 changes
New Zealand Agricultural Greenhouse Gas Research Multi-Year Appropriation (MYA)	Number of quarterly research output reports accepted by MPI	This measure was removed as this appropriation has been merged along with Agriculture: Climate Change Research to form the new MYA: Sustainable Land Management and Climate Change Research.

Capital investment in the Crown's Forestry Assets

Introduction

This report covers Vote Forestry Non-Departmental Other Expense appropriation: Capital investment in the Crown's Forestry Assets.

In December 2017, Cabinet agreed to Crown Forestry entering into commercial forestry joint ventures, to achieve the following objectives:

- building the forestry sector's capacity, particularly forestry contractors and nurseries
- providing an initial boost for the One Billion Trees programme, and
- contributing to the Government's objectives for Māori development, regional economic growth, and the environment.

Crown Forestry was tasked with planting up to four million trees in 2018 and up to 20 million trees in 2019 through joint ventures. The combined funding for the 24 million trees reflects the whole-of-life programme costs of planting, tending and maintenance until the time of harvest. The joint ventures are expected to provide an average annualised six percent return to the Crown.

This appropriation aims to achieve the effective establishment and tending of the Crown's joint venture forest assets. In practice the capital funding is used to fund pre-plant, establishment, and tending operations including seedlings, site preparation, planting, release spraying, pruning and thinning.

Statement of service performance

Scope of Appropriation

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

Intention of Appropriation

This appropriation is intended to achieve the effective establishment and tending of the Crown's joint venture forest assets.

Highlights of activities

The joint venture programme has resulted in the development of a significant forest estate comprising 42 forests totalling 20,800 stocked hectares (as at February 2023). Planting operations have largely been completed. Management regimes are now being determined in preparation for scheduling tending operations. The current book value of these forests is \$52.04 million. Promotion of the programme and negotiation of new joint venture contracts finished in 2022/23.

Assessment of service performance

Performance measure	2022/23				2021/22	2020/21
	Target	Actual	Standard met	Variance explanation	Actual	Actual
Hectares of joint venture forest assets contracted for planting over the 2023 planting season	300ha	342ha	●	Positive variance of 42 hectares was due to additional area from third party forestry rights being released for establishment earlier than anticipated.	1,006ha	2,280ha

Note: This measure relates to the area contracted for planting for a given planting season (June 2022 to August 2023). The wording has been updated to reflect the correct year. This is a new multi-year appropriation established in 2022/23. In previous years, this measure was reported in the non departmental capital expenditure category of the multi-category appropriation.

Disclosure: The measure and note have been updated for clarity and context. The budget standard has been adjusted to reflect the reviewed forecast for 2023 and 2024.

2021/22 \$000	Appropriation, adjustment and use	2022/23 \$000
-	Original appropriation - over five years from 1 October 2019 to 30 June 2024	55,600
-	Adjustments to 2022	-
-	Adjustments for 2023	21,082
-	Adjusted Appropriation	76,682
-	Actual expenses to 2022	-
-	Actual expenses to 2023	2,817
-	Appropriation remaining	73,865

For more information on Crown Forestry joint venture projects, please refer to the MPI website: <https://www.mpi.govt.nz/forestry/funding-tree-planting-research/one-billion-trees-programme/progress-towards-planting-one-billion-trees/crown-forestry-joint-venture-projects>

Forestry and Other Economic Development, and Erosion Control

Introduction

This report covers Vote Forestry Non-Departmental Other Expense appropriation: Forestry and Other Economic Development, and Erosion Control.

The Erosion Control Funding Programme (ECFP) was established in 1992 with the aim to control erosion on significantly eroded or erosion-prone land in the Gisborne Tairāwhiti district. This region is prone to erosion with 26 percent of the region recognised as vulnerable to severe erosion compared with 8 percent for the rest of New Zealand. The area also experiences high-intensity rainfall events, which influence the rate of erosion processes.

Grants were initially provided to fund land treatment only. From 2017, the fund was expanded to support innovative community projects led by local groups, iwi, organisations and businesses.

The purpose of these grants was to plant enough trees to prevent further erosion or to encourage natural reversion to indigenous forests.

The ECFP land treatment grants offered funding for three main methods of erosion control:

- forestry planting – planting for commercial forestry
- indigenous reversion – encouraging native trees to grow back naturally, and
- space planting – non-commercial planting, typically of willow or poplar poles.

The ECFP land treatment grants have been discontinued, with the last funding round held in 2018/19.

There are currently 166 active ECFP grants with payments being made as grantees achieve contracted milestones. All grants are scheduled to be completed by 2030.

Statement of service performance

Scope of Appropriation

This appropriation is limited to forestry and other economic development and erosion control in the Tairāwhiti region.

Intention of Appropriation

This appropriation is intended to achieve effective support and manage Forestry and other economic development and erosion control in the Tairāwhiti region via the Forestry and Other Economic Development, and Erosion Control scheme.

Highlights of activities

By the end of 2022/23, 93.8ha of the target 100ha was assessed as "established" under the ECFP. This means the planted trees have been assessed as surviving.

Assessment of service performance

Performance measure	2022/23				2021/22	2020/21
	Target	Actual	Standard met	Variance explanation	Actual	Actual
Number of hectares established under the Erosion Control Funding Programme per annum	100ha	93.8ha	●	The target was not met due to seedling unavailability, severe weather events hitting the Gisborne Tairāwhiti region, and resources within TUR-NZFS and councils for grant-related work being re-allocated to cyclone related work.	144ha	1,187ha

Note: "Hectares established" translates to tress planted that are surviving.

2021/22 \$000	Appropriation, adjustment and use	2022/23 \$000
2,000	Original appropriation – over five years from 1 July 2021 to 30 June 2026	2,000
14,250	Adjustments to 2022	14,250
-	Adjustments for 2023	-
16,250	Adjusted Appropriation	16,250
1,026	Actual expenses to 2022	1,026
-	Actual expenses to 2023	663
15,224	Appropriation remaining	14,561

For more information on Forestry and Other Economic Development, and Erosion Control, please refer to the MPI website:

<https://www.mpi.govt.nz/forestry/funding-tree-planting-research/closed-funding-programmes/erosion-control-funding-programme-ecfp>



