



MINISTRY FOR PRIMARY INDUSTRIES  
ANNUAL REPORT  
PŪRONGO-Ā-TAU  
2023/24





# Our vision

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

# Our purpose

The Ministry for Primary Industries (MPI) is the lead agency for the food and fibre sector.

Our services traverse the whole chain of production to help grow New Zealand's economy through trade, support the food and fibre sector to reduce greenhouse gas emissions, 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 works to protect and support the sector.



MPI people at our site at Fielddays.



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# Contents

Director-General's foreword	2
Highlights of 2023/24	3
<b>1. Who we are and what we do</b>	<b>5</b>
We create value for New Zealanders through our six core services	6
Our Ministers	7
Our business units and structure	8
Governance, assurance and risk management	12
Our people and locations	14
<b>2 Progress towards our strategic intentions</b>	<b>17</b>
Our strategy	18
Prosperity	19
Sustainability	28
Protection	35
Visible Leadership	48
<b>3 We provide vital, high-quality services to the food and fibre sector, Ministers and the public</b>	<b>57</b>
<b>4. Strengthening our organisation for New Zealand</b>	<b>111</b>
<b>Our people</b>	112
Diversity, equity and inclusion	113
Equal employment opportunities	115
Māori-Crown relations capability	116
Health, safety and wellbeing	118
<b>Making sure MPI operates effectively and efficiently</b>	121
Regulatory stewardship	121
Managing and reducing emissions	122
Asset performance	125
<b>5. Our financial statements</b>	<b>131</b>
Statement of responsibility	132
Independent auditor's report	133
Financial commentary	137
Financial statements	141
<b>Appendices</b>	<b>207</b>
Appendix 1 Legislation we administer	208
Appendix 2 Tracking significant Budget initiatives	210
Appendix 3 Crown entity monitoring	212
Appendix 4 Government Health and Safety Lead	213
Abbreviations	214
References	215
<b>Ministers' reports on non-departmental appropriations</b>	<b>217</b>

# Director-General's foreword

I am pleased to present the 2023/24 Annual Report for New Zealand's Ministry for Primary Industries (MPI).

As our country's main export earner, the primary industries are key to the Government's goal of doubling export value within the next 10 years. Our sector's annual export revenue was its second highest on record, with \$53.3 billion for the year to 30 June 2024.

MPI is committed to increasing international market access for New Zealand's primary sector products and supporting farmers and growers to build international demand. The New Zealand-European Union Free Trade Agreement came into force on 1 May 2024, and we ratified an updated cooperation arrangement with Indonesia in July, laying the foundations for future export growth.

We're putting more resource and capability into supporting export growth by building relationships with our existing and potential trading partners.

Domestically, our work to drive research, development and innovation across New Zealand's primary industries has gathered pace. The public-private partnership behind the Centre for Climate Action on Agricultural Emissions is accelerating the research, development and commercialisation of tools and technology to reduce on-farm emissions.

Projects include the development of a vaccine that reduces methane emissions from ruminant livestock at the New Zealand Agricultural Greenhouse Gas Research Centre (NZAGRC) and a joint investment with AgriZero<sup>NZ</sup> in Ruminant BioTech to develop a rumen bolus (slow-release device) to inhibit methane production in farmed animals.

Our On Farm Support service is on-the-ground helping farmers and growers, with staff in 10 regions providing advice. In June, for the first time, On Farm Support partnered with science funders and research institutions to develop the Science for Farmers site at National Fieldays, promoting innovations, investment



and research available to help farmers adapt to climate change, reduce on-farm greenhouse gas emissions, and protect the environment.

Our biosecurity system is vital in protecting New Zealand and our economy from pests and diseases. Our biosecurity team has worked closely with government, sector and community partners planning and preparing for future biosecurity threats including foot and mouth disease and high pathogenicity avian influenza, or bird flu.

This year we also consulted on a change process – Improving our Efficiency – that was completed in May 2024 with no reductions to frontline services or statutory roles including veterinarians, animal welfare, fishery and food compliance officers, and our biosecurity teams at the border.

We are incredibly proud to be part of a sector that helps drive New Zealand's economy and prosperity. We remain committed to playing our part to drive further success and value growth.

I invite you to read more about our work for 2023/24.

A handwritten signature in black ink, appearing to read 'Ray Smith'. The signature is fluid and cursive, with a prominent loop at the end.

Ray Smith  
Director-General



# Highlights of 2023/24

In 2023/24, we continued to increase the value of our services, helping boost the economic and environmental performance of New Zealand's food and fibre sector.

**\$53.3** billion

in total sector export revenue, accounting for 81.1% of New Zealand's export earnings

**\$38.1** billion

in export earnings from food and fibre sector exports to free trade agreement partners

**\$664** million

co-invested into Sustainable Food and Fibre Futures projects by MPI and industry since the fund started in 2018

**8,178** hectares

of erosion-prone land confirmed as treated through the One Billion Trees Fund, Hill Country Erosion Fund and Erosion Control Funding programme

**\$191** million

committed to AgriZero<sup>NZ</sup> by industry and government over its first four years to help farmers lower emissions while maintaining profitability

**87.5%**

of scientifically evaluated fish stocks were above stock biomass limits

**195** food recalls

for food products sold in New Zealand, of which, 70% were consumer-level recalls in the 2023 calendar year

**96%** of animals

were registered with the National Animal Identification and Tracing Programme before being moved, up from 64% in 2018/19

**6.22** million

air passengers screened for biosecurity threats at the border

Over

**90%** compliance

of cruise vessels with New Zealand's biofouling rules in the 2023/24 summer season, up from 74.4% in 2022/23

Approximately

**\$35** million

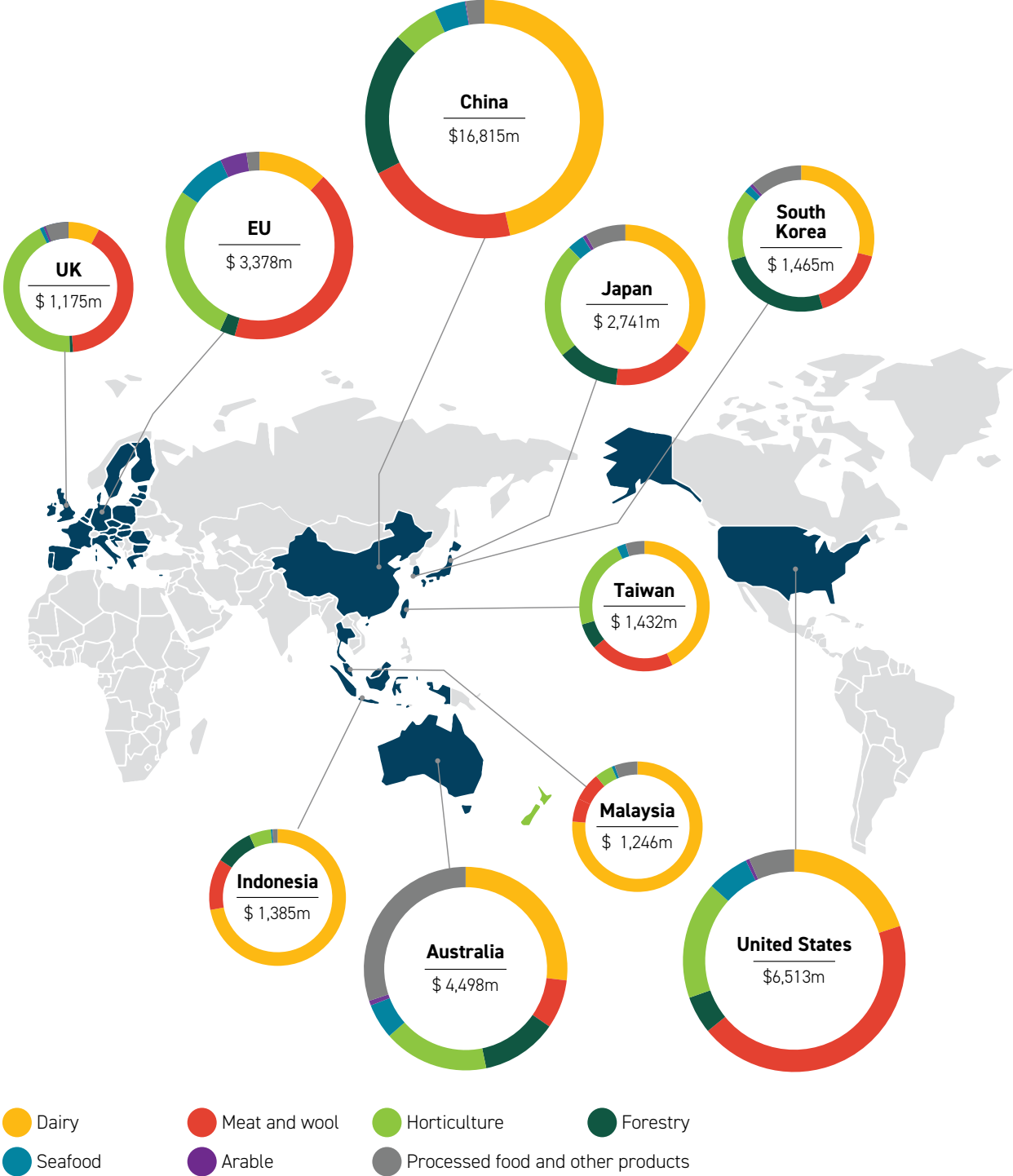
of further funding provided to rural communities to help their recovery from North Island weather events

Over

**128,000** tonnes

of woody debris removed in Tairāwhiti and Hawke's Bay with councils

**The value of New Zealand's food and fibre sector:  
New Zealand's top 10 export destinations in 2023/24, NZ\$ million**



Totals may not add up due to rounding.  
Source: Stats NZ (2024).



01.

# Who we are and what we do

Ko wai mātou, ā, he aha ā matou mahi





# We create value for New Zealanders through our six core services

MPI delivers services that support its Ministerial portfolios: agriculture (including animal welfare), forestry, oceans and fisheries, biosecurity, food safety, and rural communities.

Delivering our services as one agency enables us to support the export of New Zealand food and fibre products, provide our Ministers with comprehensive policy advice, identify and address complex challenges across regulatory systems, and maintain a strong international reputation for the food and fibre sector.

## We create value for New Zealanders through our six core services

### 1. Ensuring producers can export to overseas markets

MPI oversees government-to-government relationships to maximise export opportunities. New Zealand's food and fibre sector relies on exporting its products to the world. Using our extensive networks and international market presence, MPI maintains and improves market access for New Zealand's food and fibre products to help enable the doubling in value of the nation's exports by 2034.

### 2. Protecting and enhancing New Zealand's reputation

MPI stewards the regulatory systems that allow the food and fibre sector to operate, grow safely and export with confidence.

We play an important role in ensuring food and fibre sector regulations are fit for purpose, complied with and enforced when necessary. MPI does this to ensure New Zealand is protected from harmful pests and diseases, our fisheries are managed sustainably, animals are well looked after, and our food is safe.

Our compliance team includes more than 300 fishery officers, food compliance officers, animal welfare inspectors, investigators and National Animal Identification and Tracing (NAIT) staff. MPI helps to safeguard New Zealand's international reputation as a trusted producer.

### 3. Advising the Government on primary sector policy

MPI is responsible for administering more than 45 Acts of Parliament that cover a wide range of matters including agriculture, forestry, biosecurity, fisheries, food, and aquaculture. MPI supports our Ministers and provides the Government with policy advice on issues affecting the food and fibre sector and rural communities. MPI works alongside stakeholders to understand the constantly changing economic and natural environments in which they operate.

### 4. Responding to adverse events and helping rural communities build resilience

MPI responds to adverse events affecting the sector. This includes helping farmers, growers, and communities recover from the effects of droughts, floods and other adverse weather events. We prepare for and prevent biosecurity incursions and build resilience against pests and diseases which helps to protect the economy. MPI also helps rural communities by funding networks that help people to upskill and build connections.

### 5. Providing the food and fibre sector with support and advice

MPI supports the food and fibre sector to adapt to change and connect to the right information and services. The advice and support we provide helps to inform decisions on issues such as climate challenges and making the most of market opportunities.



## 6. Investing and partnering with the sector in research, innovation and development

MPI funds research and innovation projects that position the food and fibre sector for future growth through the Sustainable Food and Fibre Futures fund (SFF Futures).

We also work with Māori landowners, groups and communities to develop, diversify and accelerate Māori food and fibre sector opportunities and increase primary production.

# Our Ministers



**Hon Todd McClay**  
Minister of Agriculture  
Minister of Forestry



**Hon Shane Jones**  
Minister for Oceans and Fisheries



**Hon Nicola Grigg**  
Associate Minister of Agriculture



**Hon Andrew Hoggard**  
Minister for Biosecurity  
Minister for Food Safety  
Associate Minister of Agriculture



**Hon Mark Patterson**  
Minister for Rural Communities  
Associate Minister of Agriculture



**Jenny Marcroft**  
Parliamentary Under-Secretary to  
the Minister for Oceans and Fisheries

# Our business units and structure

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

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

While each business unit focuses on important opportunities and challenges within specific areas of the food and fibre sector, MPI's structure is designed

to be collaborative. We cover all aspects of the sector which means 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 compliance functions are crucial to maintaining the trust of consumers in New Zealand's food and fibre products here and around the world.

In addition, our Director-General is the Government Health and Safety Lead. This functional leadership role focuses on strengthening the public sector's health and safety capability.

Director-General  
Ray Smith

## Our supporting business units

Corporate Services  
Neil Cherry

Public Affairs  
Gillon Carruthers

Policy and Trade  
Julie Collins

## Our professional leads

Chief Departmental Science Adviser  
John Roche

Deputy Director-General China Relations  
Charlotte Austin

Inspector General Regulatory Systems  
Debby Butler

## Our customer-facing business units

Agriculture & Investment Services  
Karen Adair

Biosecurity New Zealand  
Stuart Anderson

Fisheries New Zealand  
Dan Bolger

New Zealand Food Safety  
Vincent Arbuckle

Māori Partnerships & Investment  
Glenn Webber

Te Uru Rākau - New Zealand Forest Service  
Sam Keenan

## Agriculture & Investment Services

Tapuwae Ahuwhenua

## Biosecurity New Zealand

Tiakitanga Pūtaiao Aotearoa



## Fisheries New Zealand

Tini a Tangaroa

## New Zealand Food Safety

Haumarū Kai Aotearoa

## He Taurikura Māori

Māori Partnerships & Investment





## Our customer-facing business units

### Agriculture & Investment Services

Tapuwae Ahuwhenua

Agriculture and Investment Services works to create a thriving future for farmers, growers, the wider food and fibre sector and rural communities. It co-invests in food and fibre sector innovation and helps farmers and rural communities to plan for the future and recover from significant adverse events. This business unit also helps to protect New Zealand's reputation as an internationally trusted provider of food and fibre products through its work to ensure compliance with the animal welfare and NAIT acts and regulations.

Its regionally based On Farm Support team offers practical, on-the-ground help for farmers and growers, supporting food and fibre producers to access information and advice, and investigate and connect to opportunities that add value to their business.

### Biosecurity New Zealand

Tiakitanga Pūtaiao Aotearoa

Biosecurity New Zealand is charged with the overall leadership of New Zealand's biosecurity system. It has substantial regulatory and operational delivery roles that support trade, food and fibre sector production, and biodiversity.

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 works to ensure fisheries resources are managed to provide the greatest overall economic, social, and cultural benefit to New Zealanders, including recreational, customary, and commercial fishers.

It operates the fisheries management system, providing advice on catch limits and measures to manage the effects of fishing on the aquatic environment and on the fishing rights and interests of Māori.

It helps to maintain New Zealand's international reputation as a trusted producer of seafood products to high value markets by monitoring and verifying fishing activity and encouraging and enforcing compliance with fisheries law.

Fisheries New Zealand also works to accelerate the sustainable growth of the aquaculture industry to support employment and regional growth.

### 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.

New Zealand Food Safety maintains the integrity of the food safety system by ensuring industry compliance, leading responses to foodborne illnesses when they arise, and helping the food and fibre sector respond to emerging threats and trends.

It makes sure the right requirements are in place to support businesses to make safe and suitable food for New Zealand and its export markets, and it provides export assurances on behalf of the New Zealand Government to overseas governments. This work helps to maintain the trust in New Zealand-produced food products sold domestically and exported around the world.

## He Taurikura Māori

### Māori Partnerships & Investment

Māori economic success contributes to New Zealand's economic success. He Taurikura Māori, the Māori Partnerships and Investment business unit, was established in October 2023 and takes the lead in enabling the growth of the Māori food and fibre sector to deliver high value products responsive to domestic and international consumer demands.

Facilitating the collective growth of the Māori food and fibre sector requires a network of trusted relationships and the capability to work with Māori as Treaty partners and as food and fibre sector participants. He Taurikura Māori has regional Māori Agribusiness advisers who work alongside MPI's customary fisheries officers, biosecurity staff, farm and forestry advisers, and colleagues from organisations such as Te Puni Kōkiri and Te Tumu Paeroa – Office of the Māori Trustee, to provide a range of programmes tailored to accelerate the Māori food and fibre sector, boost the value of Māori food and fibre exports, and improve environmental performance. The business unit also provides strategic advice and support to MPI on Treaty of Waitangi settlements and relationships with Treaty partners.



Te Uru Rākau – New Zealand Forest Service supports the sustainable growth and development of the forestry and wood processing sectors' economic value, contributes to decarbonising the economy and meeting climate change targets, and supports the sector to increase their resilience, ability to adapt to climate change, and by providing information to inform sustainable land use.

Te Uru Rākau – New Zealand Forest Service is charged with enforcing forestry laws and regulations, managing the Crown's commercial forest assets portfolio, administering the forestry component of the Emissions Trading Scheme and the Government's forestry grants and incentives. It also provides advice to inform localised land-use decisions and provide sector insights to stakeholders.

## Our supporting business units

### Corporate Services

Corporate Services supports MPI's business units to deliver their operations, services and outputs effectively and efficiently. Its support activities and functions consist of 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 sector-level insights and advice and analysis on the policy and regulatory settings for the food safety, agriculture, forestry, fisheries, biosecurity and animal welfare systems. It works with other government agencies, Treaty partners, food and fibre sector organisations and businesses on economic, environmental and natural resource matters.

The business unit's Trade and International Relations function leads MPI's involvement in New Zealand's trade system, ensuring primary sector exporter access to markets is maintained, enhanced and operating within the international rules-based trading environment.

### 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 marketing and engagement functions, 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.

## Professional leads

### 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. This ensures MPI is well integrated into the national and international science community.

### 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.

### Inspector General Regulatory Systems

The Inspector General Regulatory Systems reports to the Director-General and is independent of the senior

leadership team and MPI's business units to preserve impartiality.

The Office of the Inspector General Regulatory Systems reviews MPI's regulatory systems and provides 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 role was established in 2017 to serve as the cross-government health and safety lead. MPI's Director-General, Ray Smith, serves as the Government Health and Safety Lead for government departments as well as some of the large Crown entities.

The purpose of this role is to build public sector health and safety capability, performance and maturity, with a focus on harm reduction. The Government Health and Safety Lead is supported by a team hosted at MPI.

## Our senior leadership team



**Our senior leadership team:** (standing from left) Neil Cherry, John Roche, Sam Keenan, Gillon Carruthers, Glenn Webber, Stuart Anderson, (seated from left) Dan Bolger, Julie Collins, Ray Smith, Karen Adair, and Vincent Arbuckle.



# Governance, assurance and risk management

## Our governance system

MPI's governance system ensures that 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:

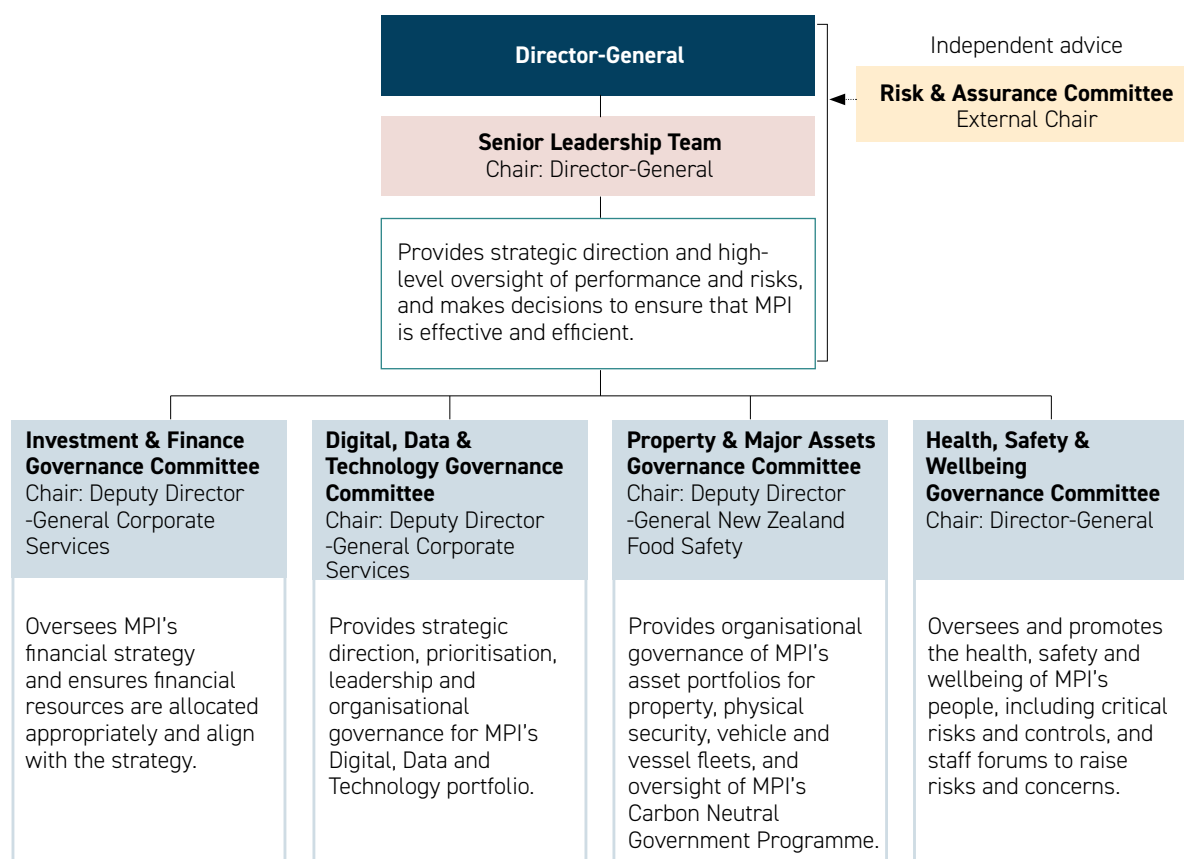
- set our strategic direction and priorities;
- ensure there is transparency in and accountability for our decisions; and
- shape our organisational culture by driving positive change through visible leadership.

MPI's executive governing body is its senior leadership team. The team ensures MPI carries out its legislative duties and functions, provides advice to Ministers, and is run effectively and efficiently.

The senior leadership team has established a set of governance committees to support effective decision making. These committees consist of senior leadership team members as well as staff and external experts with relevant skills and responsibilities.

## MPI's governance structure

The senior leadership team acts as the governing body for MPI and has established a set of governance committees to ensure effective decision making and deliver on our strategy.



## Advisory boards and committees outside of the governance system

To ensure effectiveness and efficiency in functioning and decision-making, MPI administers several other advisory groups, committees and statutory boards.

One example of this is the New Zealand Food Safety Advisory Board. This board, which meets 10 times a year, consists of external experts who provide advice to the Deputy Director-General New Zealand Food Safety and assurance to MPI's Director-General.

Its members have expertise in:

- regulatory system design and operation;
- food safety science;
- public health;
- the food industry; and
- te ao Māori and Māori-Crown partnerships.

## Risk management

### The Risk and Assurance Committee

The Risk and Assurance Committee also sits outside of MPI's system of governance committees and provides impartial advice to ensure MPI is managing its key risks and operating effectively. The committee consists of three independent external members with skills in assurance, financial management, risk management and organisational change.

The committee meets four times a year to consider MPI's significant risks and issues.

### How we manage risk

MPI's Risk Management Framework and Policy outlines the organisation's risk-related principles and accountabilities as well as the requirements for staff in terms of managing and reporting on risks.

Its aim is to deepen MPI's understanding, management and reporting of major strategic and operational business risks as a key component of strengthening organisational resilience.

Actions MPI took in 2023/24 included:

- ensuring the Risk Management team has the right skills and experience;
- continuing to develop risk management training resources, including online risk management courses, and specific training focused on monitoring and testing of major controls;
- developing and facilitating dedicated, tailored risk management workshops for the organisation;
- introducing improved monitoring and oversight of risks and the effectiveness of associated controls across all MPI business units; and
- facilitating an MPI risk management community of practice.

## Integrity at MPI

### Internal audit

The Internal Audit team provides the senior leadership team with assurance and advice on the effectiveness of MPI's internal control framework. Based on the approved annual internal 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 every quarter. Audit findings are followed up regularly to make sure issues are addressed.

### Professional Standards Unit

The Professional Standards Unit (PSU) leads on raising awareness of integrity across MPI so that the organisation's use of funds and other resources is consistent with its values, purpose and duties. One way the PSU does this is by managing and monitoring MPI's Speak Up system, through which staff can report integrity concerns.

In 2023/24, the PSU presented to MPI staff on integrity, conflicts of interest and fraud awareness, and delivered several workshops aimed at reducing behavioural harm in the workplace. In addition, the PSU led the refresh of MPI's code of conduct as part of broader work on "Positive and Safe Workplaces".

# Our people and locations



MPI's operating expenditure was \$829 million for the year, of which \$262 million was cost recovered through biosecurity clearance of cargo and travellers, and food safety and assurance services.

MPI operates across the whole chain of primary production, from the paddock, orchard, forest and ocean, through the processing, packaging and transportation system, all the way to market and the consumer. With staff situated 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, foresters, technology experts and advisers.





## Our global locations



London, Brussels, Beijing, Jakarta, Hanoi, Washington DC,  
Geneva, Dubai, Tokyo, Rome, New Delhi

We are based at over 50 sites across New Zealand and at 11 sites overseas, supporting all aspects of New Zealand's 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.









02.

# Progress towards our strategic intentions

Te kauneke ki ō mātou takune rautaki





# Our strategy

## Our vision

At the heart of MPI's strategy is its vision: **New Zealand will be the world's most trusted provider of high-value food and fibre products.** This is an essential part of the integrity of New Zealand's brand and crucial to its competitive advantage. To deliver on our vision, we are focusing on four outcomes: Prosperity, Sustainability, Protection, and Visible Leadership.

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.

This year, we will publish our Strategic Intentions 2024–2028, which will be the basis of our future annual reporting on MPI's strategic outcomes.



### Prosperity Tōnuitanga

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

We focus our expertise to support innovation in the food and fibre sector and help New Zealand producers create higher-value goods that are trusted and in demand worldwide.

We continue to maintain and enhance export market access opportunities for the food and fibre sector. Our partnerships recognise the benefit that research, science and innovation bring to building a more productive sector. We work alongside industry and agencies to position the food and fibre sector for future growth.



### Sustainability Kauneke Tauwhiro

Future generations will continue to benefit from the environmental performance of New Zealand's food and fibre sector.

We support the food and fibre sector in its role as stewards of the environment to adapt to climate change, enhance biodiversity, lower agricultural greenhouse gas emissions, and ensure a healthier marine environment.

We support innovative and integrative approaches to reduce agricultural greenhouse gas emissions, improve water quality and better control erosion to improve the resilience of rural communities and the wider sector.



### Protection Whakangungu

Consumers know and trust that New Zealand's products are safe, nutritious 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 their safety, nutrition, and ethical production. 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 forms 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 maintaining and developing meaningful partnerships that support the resilience of rural communities and accelerate productivity and grow export revenue from the food and fibre sector. We lead on areas of responsibility and then partner, facilitate, link and develop relationships that are critical to the success of the sector.

We are open, agile, engaging, and proactive in how we interact with our partners and stakeholders to develop inclusive relationships that are critical to the success of the sector.



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

## Our 2023/24 achievements

### The New Zealand – European Union Free Trade Agreement

MPI continues to maintain and enhance market access opportunities for the food and fibre sector. One highlight is the New Zealand – European Union Free Trade Agreement (NZ–EU FTA), which came into force on 1 May 2024.

The European Union (EU) is New Zealand's fourth-largest trading partner, with close to 450 million consumers. Under the NZ–EU FTA, tariffs worth \$100 million per annum have been waived on New Zealand's goods trade and will reach \$110 million per year after seven years. New Zealand food and fibre sector exports to the EU totalled \$3.4 billion in the year to 30 June 2024. MPI contributed significantly to the NZ–EU FTA outcome, including leading negotiations of certain free trade agreement chapters and sectoral annexes.

### Key benefits for food and fibre sector exporters

The NZ–EU FTA includes tariff and non-tariff related provisions providing greater certainty and reducing costs in several areas of interest to the food and fibre sector. Highlights include:

#### Market access for New Zealand goods

- **Immediate tariff eliminations:** This includes tariff eliminations for kiwifruit, apples and onions, increasing competitiveness for New Zealand exporters.
- **Sheep meat:** An additional duty-free quota, growing to 38,000 tonnes after seven years, bringing New Zealand's total duty-free access to 163,769 tonnes.

- **Beef:** An eight-fold increase for New Zealand quota access, with improved access conditions.
- **Butter and cheese:** Increased access and improved conditions, creating new opportunities for exporters.

#### Non-tariff measures

- A **Wine and Spirits annex** that reduces the regulatory burden and costs for these sectors in areas such as wine labelling, wine-making practices and certification and specific labelling provisions for spirits.
- A **Sanitary and Phytosanitary Measures chapter** that preserves New Zealand's long-standing Sanitary Agreement with the EU and focuses on plants and plant products, providing a process that enables New Zealand to request that its measures be considered equivalent to those in the EU.
- An **Animal Welfare chapter** that recognises that, despite differences in farming practices, New Zealand's and the EU's laws and regulations provide comparable animal welfare outcomes. The chapter provides the framework to build on New Zealand's existing co-operation with the EU on animal welfare and establishes a technical working group on animal welfare to take forward work in this area.
- A first-of-its-kind **Sustainable Food Systems chapter** that creates a platform for co-operation with the EU on mutually agreed topics spanning the food system.

The NZ–EU FTA includes a dedicated chapter on Māori trade and economic co-operation. This chapter identifies areas that will enhance the ability for Māori to access the benefits of the NZ–EU FTA, develop business links with EU enterprises, and strengthen science, research and innovation connections. MPI



continues to work closely with other agencies on the implementation of the NZ-EU FTA.

## **Navigating regulations to maintain market access**

### **China meat listings, including chilled meat**

In 2022, China implemented new requirements for the registration of all overseas food manufacturers. Working co-operatively with its counterparts, MPI was able to register new manufacturer premises for export to China. This included gaining approval for tripe and chilled meat as new product types for meat manufacturer premises already registered for China.

In 2022, China implemented new requirements for the registration of all overseas food manufacturers. As a result, around 660 New Zealand manufacturers needed to apply for a renewal of registration and to submit separate applications to update their registration information. Through livestream and in-country audits, MPI supported operators to meet these requirements and ensure applications were submitted ahead of the deadlines.

All renewal applications were approved by September 2023, and over 98 percent of modification applications were approved by the end of 2023/24. This was possible due to MPI's positive bilateral relationship with its Chinese counterparts, which was underpinned by regular visits, technical and regulatory policy exchanges and co-operation between the Chinese and New Zealand food and fibre sectors.

### **Restoring kiwiberry access to China**

MPI has also been working with the kiwiberry sector since 2016 to reinstate access to China. This included reviewing the sector's process and systems and strengthening these where necessary to enable them to meet the requirements of an Export Plan for China.

Following a series of technical discussions and a Chinese phytosanitary review of New Zealand's kiwiberry production, MPI was able to agree with its Chinese counterparts to the Export Plan Concerning Phytosanitary Requirements for the Export of Fresh Kiwiberry from New Zealand to China between the

General Administration of Customs of the People's Republic of China and MPI.

The plan was signed in June 2024 by MPI Director-General Ray Smith and Ambassador Wang Xiaolong, the Chinese Ambassador to New Zealand. The signing was witnessed by Prime Minister Christopher Luxon and China's Premier Li Qiang.

### **Infant formula access to China**

Following the expiration of a signed co-operation agreement on 31 December 2023 between MPI and China's State Administration of Market Regulation (SAMR), MPI worked with SAMR to develop a new arrangement on infant formula co-operation. This was signed during Premier Li's visit to New Zealand in June 2024. The new co-operation arrangement will enable infant formula experts in both countries to undertake an active exchange programme to share expertise and strengthen trade ties. It will also enable MPI to assist Chinese authorities with audits of New Zealand infant formula manufacturers.

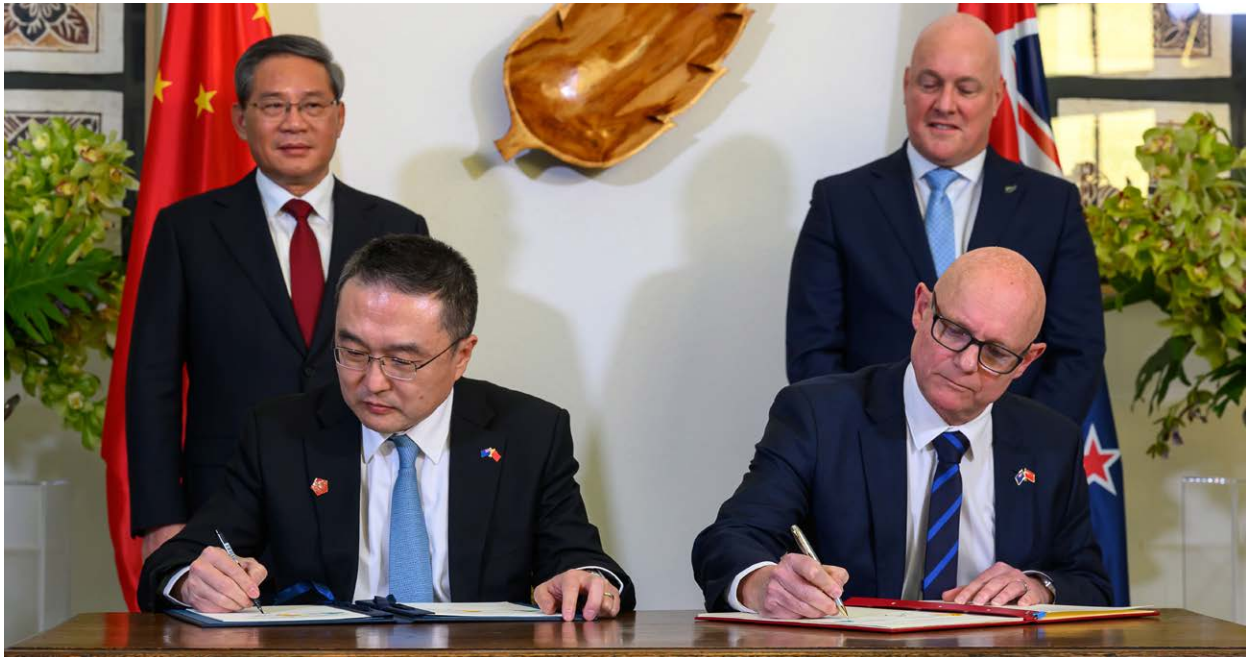
Infant formula exports to China continue to be a significant part of New Zealand's export profile, with over \$1 billion of product exported in 2023.

## **Collaborating with industry to facilitate exports**

MPI amended the New Zealand Horticulture Export Authority (Fees and Levies) Regulations 2017 in September 2023 to improve the efficacy of the Horticulture Export Authority (HEA). The changes will reduce compliance costs for participating industries. They will also provide more discretion to the HEA Board to make fee adjustments so the charges are better aligned to the cost of services provided by the HEA.

## **The Future of Certification programme**

The Future of Certification programme is a multi-year information technology programme to replace several ageing certification systems with a modern system that will assist two-way trade of food and fibre products with overseas markets. This trade includes \$33 billion of exports annually. Engaging with



Witnessed by China's Premier Li Qiang (standing left) and New Zealand Prime Minister Christopher Luxon, Ambassador Wang Xiaolong (seated left) and MPI Director-General Ray Smith sign agreements to enable the export of New Zealand kiwiberries and infant formula to China.

industry throughout the course of this work, MPI will complete the Future of Certification programme in six major tranches over two years. In February 2024, the programme successfully launched Tranche 1, which delivered core foundations of the new system. MPI staff are now using MPI Trade Certification to process and issue Free Sale Certificates, Free Sale Statements, organic certificates and certificates for live horses to Australia.

In July 2024, Tranche 2 of the programme went live, allowing electronic import certificates to be received from overseas markets both through the International Plant Protections Convention ePhyto solution and direct with Overseas Competent Authorities. This is a key development toward being able to move to paperless certification for imports and exports. The programme is due to go live with Tranche 3 in late 2024. This will be the first opportunity for users outside of MPI to use the system to request certificates. This tranche is focused on functionality to support wine industry exports and to realise benefits from the recent NZ-EU FTA. It will also allow industry users to request certificates for organic products exported to Great Britain, and free sale certificates.

## Progress indicators

### The value of food and fibre exports is increased once free trade agreements are established

For the year that ended 30 June 2024, earnings from New Zealand's food and fibre sector exports to free trade agreement (FTA) partners totalled \$38 billion.

### A higher proportion of businesses enter new and high-value export markets

Every year, the Stats NZ Business Operations Survey asks companies whether they have accessed new markets, developed new products, and other indicators of the state of business in New Zealand. Over the past five years (2018 to 2022), an annual average of around 380 businesses in the sector have entered new export markets. Of the 9,783 food and fibre businesses that took part in the 2023 Stats NZ Business Operations Survey, 204 said they had entered new export markets during the previous year (Stats NZ, 2024b). Due to the changed methodology to the Business Operations Survey questionnaire in 2023, the 2023 data is not directly comparable to previous years.

# Prosperity spotlight: Our Exporter Regulatory Advice Service

The food and fibre sector accounted for over 80 percent of New Zealand's merchandise exports in the year to 31 March 2024. One of New Zealand's key selling points to overseas markets is our robust and reliable food safety system. Exporters understanding and following MPI's exporting rules protects New Zealand's reputation and maintains access to international markets.

MPI's Exporter Regulatory Advice Service (ERAS) helps New Zealand food and fibre exporters navigate and meet overseas market access requirements so their products can get to international consumers. The team has a range of skills, from expertise in translating complex technical requirements into easy-to-understand advice for exporters, to being design and content specialists who develop user-friendly resources.

## Functions of ERAS

Much of the export journey depends on what is being produced, and which country it is going to. Sometimes the rules can be complex. The support that the ERAS

team provides helps exporters to understand the rules so they can export with confidence.

The team helps exporters at all stages of their journey, from those just thinking about exporting, to experienced exporters needing clarification on requirements.

MPI's ERAS team delivers tailored advice to businesses, develops educational resources such as guides and webinars, and works proactively and collaboratively within MPI to share insights and minimise exporter challenges.

## An example of the ERAS team's work

An aspiring exporter contacted MPI to learn about exporting honey. The ERAS team helped them by providing an overview of exporting, several resources to build their knowledge and clarification on labelling rules. The team also supported the producer's understanding of the process to apply for an export certificate. Recently, this producer was issued its first export certificate for a consignment of honey to India.



Our ERAS team



# Key result area: Increasing food and fibre sector innovation

## Our 2023/24 achievements

### Sustainable Food and Fibre Futures fund

Through SFF Futures, MPI co-invests with industry in research and innovation projects that position the food and fibre sector for future growth of exports and environmental sustainability. Our investment ranges from small grants to large-scale, multi-year partnerships.

Since the start of SFF Futures in June 2018, MPI and industry have co-invested \$664 million, with 320 projects contracted.

Projects we funded in 2023/24 include:

### Eliminating facial eczema as a livestock disease in New Zealand

A \$20.8 million partnership jointly funded by Beef + Lamb NZ, the Government, and additional primary sector partners aims to eliminate the impact of facial eczema on the health and wellbeing of livestock.

As there is no cure for facial eczema, prevention solutions such as early detection, mitigation and management options are key to the seven-year programme. This programme will save farmers an estimated \$332 million per year.

### Māori Kiwifruit Exporting Programme

SFF Futures is committing up to \$975,000 over three years to the \$1.96 million Māori Kiwifruit Exporting Programme with Māori Kiwifruit Growers Incorporated (MKGI).

The project aims to establish MKGI as a Māori exporter of kiwifruit to Hawaii and other international markets. This will be through a collaborative marketing campaign with Zespri and will allow MKGI to test its indigenous co-marketing export opportunity for its viability and continuity.

### Enabling New Zealand's first open-ocean salmon farm

The growth of the aquaculture industry will contribute to the Government's goal of doubling export value. MPI supports open-ocean salmon farming through regulatory advice and contributing towards decision-making processes for farm applications.

Blue Endeavour is New Zealand's first open-ocean salmon farm and will be located seven kilometres off Cape Lambert in Marlborough. When fully operational, the New Zealand King Salmon Company expects Blue Endeavour to have the capacity to produce 10,000 metric tonnes of salmon and generate \$300 million in revenue each year.

MPI participated in expert working groups to confirm that Blue Endeavour's consent conditions were aligned with the MPI-produced open-ocean aquaculture guidelines. MPI also supported the development of the applicant's Biosecurity Management Plan. In 2023/24, MPI participated in a mediation process that resulted in updated consent conditions agreed to by all parties.

MPI has also supported industry research and development priorities, including funding in 2024 through SFF Futures for a salmon hatchery optimisation project.

### Investing in growing the forestry and wood-processing industry

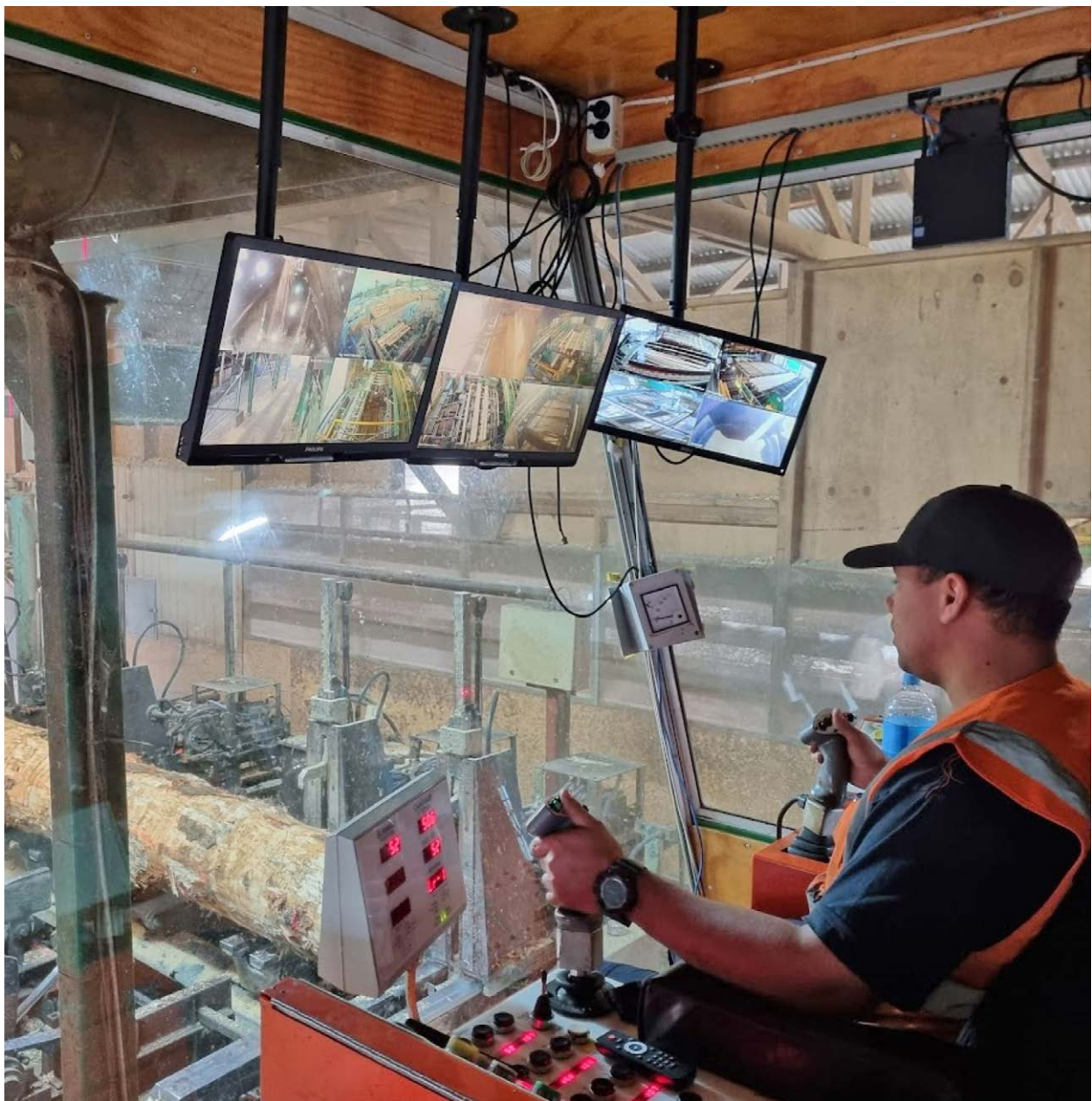
The Wood Processing Growth Fund (WPGF) is designed to support the sector to increase the processing of logs into timber and other value-added, long-lasting wood products. This will create jobs, move New Zealand up the value chain, and promote sustainability through increased carbon storage and reduced reliance on high-emission fuels and materials.

In 2023/24 the WPGF received 138 enquiries, which included proposals for greenfield and brownfield

developments, product commercialisation, market expansion, and innovation for products and machinery.

Seven projects were contracted under the WPGF in 2023/24, receiving investment of \$3.17 million administered by MPI and a further \$3.17 million from industry. Current investment could increase log processing by 5 percent compared to 2022 volumes, leading to an additional 690,000 cubic metres annually and creating 235 full-time jobs nationwide.

With growing domestic and international confidence, the fund is expected to continue enhancing New Zealand's wood-processing capabilities. MPI works closely with agencies like New Zealand Trade and Enterprise, Kānoa – Regional Development & Investment Unit, Callaghan Innovation, Scion, and the Energy Efficiency and Conservation Authority to ensure a joined up cross-government approach to sector investment and innovation.



Wood processing in action.

## Progress indicators

### MPI-supported programmes drive innovation and realise productivity improvements

MPI supports and invests in innovation in a number of ways. Innovation drives creation of new high-value products and services as well as development of more efficient and sustainable food and fibre production systems.

**\$60.9 million co-invested by MPI in 53 SFF Futures projects in 2023/24**

**\$664 million co-invested in 320 SFF Futures projects alongside industry since 2018**

**\$3.17 million committed to Wood Processing Growth Fund projects by MPI since the fund started**

### Food and fibre sector businesses develop new, and higher-value, market-led products and services

Of the businesses that took part in the 2023 Stats NZ Business Operations Survey, 1,089 said they developed or introduced new or significantly improved goods or services, operational processes, organisational or managerial processes or marketing methods during the previous year (Stats NZ, 2024b).

From 2018 to 2022, an average of over 1,800 food and fibre businesses have ventured in the development of new goods, services, processes or methods annually. Due to the changed methodology of the Business Operations Survey questionnaire in 2023, the 2023 data is not directly comparable to previous years.



The launch of MPI's Situation and Outlook for Primary Industries report at Fielddays, June 2024. Pictured (left to right): Ray Smith, Director-General MPI, Hon Mark Patterson, Minister for Rural Communities, Hon Todd McClay, Minister of Agriculture and Minister of Forestry, and Hon Andrew Hoggard, Minister for Biosecurity and Minister for Food Safety.



# Key result area: Strengthening the food and fibre sector workforce

## Our 2023/24 achievements

### Boosting the Māori agribusiness workforce

#### Māori Agribusiness Workforce Development Programme

MPI's Māori Agribusiness Workforce Development Programme, He Ara Mahi Hou, co-invested in 12 projects in 2023/24.

Funding support through this programme enabled the Kimiora Trust based in Whanganui to develop and deliver learning modules for its Native Nursery Training School. The training modules focus on organic horticulture, nursery production and riparian planting. Riparian planting is a growth industry, with more saplings and a trained workforce needed to meet demand.

Once qualified, the students will work within the nursery to supply native saplings for riparian planting by Horizons Regional Council, Ngā Tāngata Tiaki o Whanganui and the Department of Conservation.

MPI's support of this work creates sustainable employment and skill development, protects the local environment and mātauranga (traditional knowledge) and assists the Kimiora Trust in its wider health work.

#### Governance and capability training course

MPI, and organisations such as Te Puni Kōkiri and Te Tumu Paeroa – Office of the Māori Trustee, have regularly identified governance and leadership capability as a critical need in developing Māori agribusinesses. Māori land and agribusinesses often have hundreds or thousands of owners, with

responsibility for decision-making sitting with boards or executive leadership teams. Continuing to build the governance capability of Māori agribusiness leaders is key to ensuring these entities operate effectively.

To help build this capability, MPI worked with the Institute of Directors to offer one-day Governance Essentials training to board members, trustees and managers of Māori primary sector entities. The course covered topics such as:

- What is governance and why is it important?
- How does Māori governance differ?
- Legal and regulatory framework essentials.
- Succession planning.

Six courses have been held so far in Hamilton, Kaitia, Hāwera, Rotorua, Christchurch and Gisborne. Feedback has been overwhelmingly positive, and further courses are now being planned.

### Supporting the Primary Industry Good Employer Awards

The food and fibre sector is a major employer in New Zealand, employing an estimated 12.8 percent of the total workforce ([www.workforceinsights.govt.nz](http://www.workforceinsights.govt.nz), 2024). Each year, MPI supports the Primary Industries Good Employer Awards to recognise excellent employers who put their people first at the heart of their businesses.

The 2024 finalists set the benchmark for providing productive, safe, supportive, and healthy work environments.

New Plymouth business Tree Machine Services Ltd received the overall Supreme Award for their focus on young people and helping them reach their potential.



Recognising and celebrating exceptional food and fibre sector employers at the Primary Industries Good Employers Awards in August 2023. Supreme Award winner, Tree Machine Services Limited from New Plymouth.

## Progress indicator

### Marketing campaigns increase the proportion of people considering working in the sector

The Primary Sector Workforce Programme was established in 2020/21 with the aim of supporting at least 10,000 New Zealanders into the food and fibre sector over four years. The programme exceeded its target in 2022/23. In its final year the programme focused on initiatives that looked at longer-term workforce issues to ensure that the sector has access to people with the right skills in the future, attracts and retains people, and increases diversity.

The following are examples of activities we supported in 2023/24:

- Secondary School Employer Partnership Programme – 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 working world.
- New Zealand Young Farmers Young Farmer of the Year competition – this event, which includes seven regional finals and one grand final, aims to connect communities and grow future leaders in the food and fibre sector. The events involve hundreds of young people competing across the country.



## Sustainability Kauneke Tauwhiro

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

## Our 2023/24 achievements

### Supporting progress at the Centre for Climate Action on Agricultural Emissions

MPI helped to set up the Centre for Climate Action on Agricultural Emissions in 2022/23 to accelerate the research, development and commercialisation of tools and technology to reduce emissions. The Centre is comprised of AgriZero<sup>NZ</sup> and the NZAGRC, with both making good progress in 2023/24.

### Contributing to the successes at AgriZero<sup>NZ</sup>

AgriZero<sup>NZ</sup> is a public-private joint venture focused on helping farmers cut emissions while maintaining their competitive edge. The Government is a 50 percent shareholder through MPI.

The Australia and New Zealand Banking Group Limited, the Auckland Savings Bank, the Bank of New Zealand and The a2 Milk Company joined as shareholders in 2023/24. A total of \$191 million has been committed to AgriZero<sup>NZ</sup> by industry and government over its first four years.

The projects AgriZero<sup>NZ</sup> invested into in 2023/24 included:

- **BioLumic:** AgriZero<sup>NZ</sup> is investing up to \$5 million in BioLumic, an agriculture biotech company founded in New Zealand utilising ultraviolet light to develop low-emissions farm pasture with increased productivity gains. The funding will enable BioLumic to apply its technology to ryegrass, the most common pasture on

New Zealand farms, with a goal to increase fat content and subsequently reduce methane emissions from animals that consume it.

- **ArkeaBio:** AgriZero<sup>NZ</sup> is investing \$9.9 million in US ag-biotech startup ArkeaBio, to develop a methane vaccine for ruminant animals, with an initial focus on cattle.

### Scaling up our investment in the New Zealand Agricultural Greenhouse Gas Research Centre

The NZAGRC was established in 2010 and is hosted by AgResearch, a Crown research institute. In 2023/24, MPI provided the NZAGRC with an additional \$50.5 million in funding, taking the total government investment over this period to \$149.6 million to be used over five years.

The scaled-up investment will help to:

- accelerate progress in breeding low-emissions cattle;
- develop faster and cheaper ways of identifying low-emissions animals;
- accelerate work on methane and nitrous oxide inhibitors;
- scale up research and collaboration with AgriZero<sup>NZ</sup> into a methane vaccine; and
- strengthen research to support Māori agribusinesses to lower emissions.



## **Developing a farm-level methodology for estimating agricultural greenhouse gas emissions**

MPI is leading a transition to standardised emissions calculations, starting with the development of a new farm-level emissions estimation approach. MPI made progress on this in 2023/24, working with sector groups and a technical advisory group. The initial approach has been tested and will be released in late 2024.

## **Improving the forestry Emissions Trading Scheme's contribution to carbon sequestration**

Forestry contributes to reducing New Zealand's net emissions. Foresters involved in the Emissions Trading Scheme (ETS) can earn credits for new forests sequestering carbon, which is determined through an emissions return process. This creates an incentive for new forest establishment through rewarding carbon sequestration and discourages deforestation emissions which is key to tackling climate change and meeting New Zealand's international obligations as well as domestic emissions-reduction targets.

From 1 January 2024 to 30 June 2024, MPI processed 1,478 voluntarily-submitted emissions returns. This resulted in a net allocation equivalent to 5.6 million tonnes of carbon dioxide equivalent greenhouse gas (Mt CO<sub>2</sub>-e) for the 2023 calendar year. This allocation is about 2.4 million petrol-powered passenger vehicles driven for one year. MPI also processed a significant volume of applications to register new areas of forest in the ETS.

Additionally, in January 2023 we released the forestry ETS system, Tupu-ake. This has automated emissions return calculations and greatly reduced processing times. As at 30 May 2024, compared to 2018, processing times for returns had decreased by about 80 percent, and processing times for applications to register land had decreased by approximately 22 percent.

## **The Maximising Forest Carbon programme: Increasing natural sequestration to achieve New Zealand's carbon goals**

MPI's Maximising Forest Carbon programme is a four-year initiative beginning in July 2022 to improve how carbon storage in forests is measured and rewarded in the ETS, and examine the linkage between forest management and carbon storage.

As at 30 June 2024, the programme is finalising research to support public consultation on updates to default ETS carbon yield tables. Alongside this research, the programme completed initial trials testing lidar's ability to measure forest carbon remotely. The insights from these trials have informed further investigation into the use of remote sensing tools for the ETS. Work to develop our conclusions continues in 2024/25.

## **Increasing the supply of woody biomass so New Zealand can replace coal and other high emission fuels**

MPI's Woody Biomass initiative is exploring opportunities to increase the availability of woody biomass for bioenergy and other uses. This will be achieved through planting 5,000 hectares of biomass-specific forest, researching alternative forest management regimes, and investigating improved recovery methods for woody residues at the time of harvest.

Initial research into management regimes, transport and markets for woody biomass was completed in 2023/24. Negotiations for 5,000 hectares of land for the planting programme commenced and is expected to be finalised in the second quarter of 2024/25. This is expected to include 1,500 hectares of recently established trees which will provide a kick-start to the programme.

## Progress indicators

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

Forestry is the only form of carbon removal currently recognised as contributing to New Zealand's domestic and international climate change targets, and MPI is actively working to support tree planting and the growth of the forestry and wood-processing industry.

We continuously monitor progress. Our 2023/24 research showed that New Zealand is on track to meet its targets for removing greenhouse gases from the atmosphere through forestry:

- Our 2023 Afforestation and Deforestation Intentions Survey found that about 68,500 hectares of exotic afforestation took place in 2023 (MPI, 2024a).

- Based on MPI calculations completed in June 2024, land use, land-use change and forestry are projected to remove between 54.3 and 63.0 Mt CO<sub>2</sub>-e from the atmosphere over the period 2026 to 2030 (Ministry for the Environment, 2024).<sup>1</sup>

### On-farm greenhouse gas emissions per unit of production are reduced

Emissions intensity reflects the amount of greenhouse gases emitted per unit of production. MPI has been gathering data on the agriculture sector's emissions since 1990 and, over this time, the sector has decreased its emissions intensity significantly by improving its farming practices and technology.

The reductions in emissions intensity over the period 1990 to 2022 are as follows (from MPI internal data):

- Milk – 28.2 percent decrease;
- Beef meat – 33.6 percent decrease;
- Sheep – 34.6 percent decrease.



MPI's Rotorua office, a new building opened on 7 June 2024 and co-tenanted with the Department of Conservation, showcases wood construction and wool carpet tiles.

<sup>1</sup> These projections were completed in June 2024. Updated forestry projections for Emissions Budget 2 (2026–2030) will be included in New Zealand's second Emissions Reduction Plan. This cross-agency document is to be published by the Ministry for the Environment in late 2024.

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

## Our 2023/24 achievements

### Providing integrated advisory services for better environmental outcomes

MPI provides advice and support to farmers, growers and the public across all of the regulatory systems we manage. Within this, our Integrated Advisory Services is comprised of regionally based On Farm Support, Māori Agribusiness, and Forestry Support staff who work together to identify and explore opportunities with farmers and growers to develop and diversify their food and fibre sector assets. Our Integrated Advisory Services provide free and impartial advice, supporting landowners to make informed land use decisions that balance economic needs and environmental impacts.

### Collaborating to help farmers reduce their impacts on land and water

As part of this series of workshops, in early 2024 Forestry Support partnered with Beef + Lamb New Zealand to provide 32 farm workshops across New Zealand highlighting the benefits of trees for mitigating erosion, improving water quality and supporting farm productivity (through ETS credits).

Over 900 people attended with 72 percent of attendees confirming they were likely or very likely to incorporate trees into their farm system.

Following this, 208 farmers requested an on-farm visit to gain further tree planting and land-use support from our regional forest advisers. By 30 June 2024, the Forestry Support team had completed 95 percent of these visits.



MPI's regionally based Forestry Support team provides field operational support for Te Uru Rākau – New Zealand Forest Service, working with landowners and participants across the forestry system.



## Progress indicators

### Fresh water quality is improved and farm nutrient loss and leaching is reduced

MPI's Sustainable Land Management and Climate Change Freshwater Mitigation programme supports field trials of ways to improve existing farm technologies and practices to protect waterways and wetlands by reducing nutrient run-off and leaching. In 2023/24, nine of the research projects funded by MPI were completed.

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

Our Extension Services fund catchment group projects that improve economic, environmental and farmer wellbeing outcomes. These are community groups centred around a distinct geographical area, usually a river or lake catchment.

The environmental activities or benefits of the projects include freshwater quality improvement, water quality monitoring, biodiversity enhancement, climate adaptation and mitigation, nutrient management, pest management, land use diversification, scientific trials and integrated catchment planning.

In 2023/24:

**28** new catchment group projects contracted at a value of **\$15.4 million**

**\$60 million** has been invested by MPI since the programme started in 2020

This supports 50 farmer-led entities, representing 290 groups with over 9,000 farmer participants, and covering nearly 12 million hectares.

## Erosion is reduced

MPI has funded landowners to protect some of New Zealand's most erosion-prone hill country through various approaches, including by retiring it to native vegetation.

In 2023/24:

**7,204** hectares were confirmed as treated through the Hill Country Erosion Fund

The Hill Country Erosion Programme worked with councils in 14 regions to deliver more than 200 erosion control plans for individual farms and three new regional erosion control strategies.

**277** hectares were confirmed as treated through the Erosion Control Funding Programme

In Gisborne, our Erosion Control Funding Programme continued its long-running work to revegetate some of the district's most at-risk soils.

**697** hectares were confirmed as treated through the One Billion Trees Fund

# Key result area: Sustainable management of our marine environment

## Our 2023/24 achievements

### On-board cameras

MPI has been installing cameras on commercial fishing vessels since 1 August 2023. Using these cameras, MPI can independently verify the information provided by fishers on their catch and interactions with protected species. As a result, more flexible and confident fisheries decisions can be made, leading to better management of fish stocks and improved environmental outcomes.

New technology has been incorporated, including the use of the 4G mobile network to transfer footage, cloud-based storage, activity recognition algorithms to better identify when fishing is occurring, and automatic matching of footage to fisher data to simplify the verification of the fisher reported data.

On-board cameras are operating on 155 commercial fishing vessels, including vessels that pose the greatest risk to protected species, such as Hector's and Māui dolphins, hoiho penguin, and the Antipodean albatross.

The vessels operating cameras include:

- inshore trawl and coastal set net vessels fishing off the West Coast of the North Island or the North, East or South Coasts of the South Island;
- bottom longline vessels fishing in northern waters; and
- surface longline vessels fishing nationwide.

As at 30 June 2024, camera footage had been collected from more than 6,000 fishing events.

Comparison of data provided by fishers indicate very high rates of compliance with the overall reporting obligations. In addition, 98 percent of protected species capture events detected during footage review were reported by the fishers.

### Progress indicators

**The percentage of scientifically evaluated fish stocks with no sustainability issues is increased**

**152** fish stocks scientifically evaluated in 2023/24, representing **75%** of the total catch by weight

**87.5%** of scientifically evaluated fish stocks showed no sustainability issues

**High compliance rates with legal requirements in the commercial, recreational and customary fisheries are reached and maintained**

**94.4%** of inspected recreational fishers were found to be voluntarily compliant

**89.1%** of inspected commercial operators were found to be voluntarily compliant

# Sustainability spotlight: 25 years of hosting iwi fisheries forums

## Māori–Crown collaboration to protect seafood stocks and the marine ecosystem

One of our highlights for 2024 was marking 25 years of Regional Fisheries Forums. Co-created by MPI and iwi/hapū, the forums provide a platform for Māori to participate in fisheries management decisions.

The forums provide input to help guide twice-yearly sustainability reviews and overall management of the marine environment. In turn, the fisheries management plans developed by the forums support the aspirations of iwi and hapū for the sustainable management of their customary and commercial fisheries interests.

The first of these groups to be established, in 1999, was Ngā Hapū o Te Uru o Tainui Fisheries Forum, which represents coastal Tainui hapū.

Ngā Hapū o Te Uru's membership, consisting of both customary kaitiaki and local Māori fishers, has put the forum in a strong position to provide unified input into fisheries management. The forum's co-chairs have been in their roles since the group started.

Over the years, the forum has provided thoughtful and effective input into many major fisheries management initiatives, such as the Māui Dolphin Threat Management Plan and on-board cameras.

At the celebration of 25 years of iwi fisheries forums, Poikāhena Marae, Raglan. Pictured (from left) Angeline Greensill, Co-Chair of Ngā Hapū o Te Uru forum, Barney Anderson, Special Adviser Kaumatua, MPI, and Parliamentary Under-Secretary for Oceans and Fisheries, Jenny Marcroft.

## Celebrating our joint achievements so far

On 6 April 2024, members of the forum gathered at Poikāhena Marae to celebrate the anniversary with MPI staff as well as the Parliamentary Under-Secretary for Oceans and Fisheries, Jenny Marcroft.

## Looking to the future

The joint effort to set up Ngā Hapū o Te Uru has paved the way for nine other active iwi fisheries forums around New Zealand.

MPI continues to work with forums around the country and support the establishment of new forums. One of our immediate goals is to support the forums to update all current iwi fisheries plans.







## Protection Whakangungu

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

## Our 2023/24 achievements

### Strengthening our biosecurity system

The food and fibre sector is a major contributor to New Zealand's economy – in 2023/24 total food and fibre exports generated \$53.3 billion. Unwanted pests and organisms becoming established could severely affect New Zealand's food and fibre production, harm animals, reduce fish stocks, clog waterways or cause land erosion, and limit access to export markets.

MPI is focused on stopping pests and diseases from arriving and entering New Zealand and eliminating or managing those that do enter.

Here, we give an overview of some of our biosecurity achievements in 2023/24.

### Eliminating the Potato Spindle Tuber Viroid

The Potato Spindle Tuber Viroid (PSTVd) is a highly contagious disease that can reduce crop yields in potatoes and other commercial produce such as tomatoes, eggplants and capsicums. In 2022/23, New Zealand's potato industry alone was valued at \$931.3 million in export and domestic revenue. PSTVd can also infect some ornamental plants including dahlias, chrysanthemums and petunias.

It has been found three times in New Zealand and it has been eliminated each time. The most recent

case was detected at commercial greenhouses in Tasman in 2022. Extensive testing undertaken across New Zealand for PSTVd returned negative results, suggesting the viroid was contained to the one property.

Testing at the property following disposal and disinfection returned negative results. The response was closed in February 2024 and the grower has resumed normal activities.

### Bringing *Mycoplasma bovis* cases back to zero

*Mycoplasma bovis* Free New Zealand, a business unit of Operational Solutions for Primary Industries (OSPRI), took over the day-to-day running of the surveillance phase of the *M. bovis* Eradication Programme in November 2023. This includes testing, managing any active or newly detected cases, depopulation and site cleaning, and farmer support.

MPI, with DairyNZ and Beef + Lamb NZ, remain accountable for the overall management and success of the programme and MPI retains some aspects of the programme, including compensation and compliance.

The programme continues to make progress towards eradicating *M. bovis* in New Zealand. As at 30 June there are currently no properties with confirmed *M. bovis* infections, with the last depopulation occurring in January 2024.

## Stopping the brown marmorated stink bug since 1999

Stopping the brown marmorated stink bug (BMSB) from establishing in New Zealand remains a high priority for MPI and our industry partners under the Government Industry Agreement for Biosecurity Readiness and Response (GIA).

The annual BMSB surveillance programme covers 80 high risk sites with 160 traps deployed from November to April across New Zealand at ports of entry and transitional facilities with past histories of BMSB interceptions. The programme operates each year with a high degree of confidence – more than 1,000 samples were taken during the 2023/24 season, a 40 percent increase from last year, with no BMSB detected.

At the border, MPI intercepted 111 live BMSB during the 2023/24 season, demonstrating New Zealand's biosecurity system in action. Measures taken, including offshore treatment requirements and the vehicle auditing system in Japan with the work of biosecurity officers at the border, have been very effective. There continues to be no evidence of any established BMSB population in New Zealand.

BMSB surveillance continues to evolve, incorporating international research innovations. One such innovation trialled recently was the use of aerodynamic windvane traps in the 2023/24 season. This trial, co-funded under the GIA, saw a 25 percent increase in trap sample collections.

## Improving compliance with biofouling rules

MPI has worked closely with cruise companies to help them understand and comply with New Zealand's biofouling rules, which aim to reduce the spread of invasive marine species and are among the strongest in the world. Biofouling evidence is required for all cruise vessels prior to arrival in New Zealand Territorial Waters.

There was high compliance over the 2023/24 summer season. Of the 54 cruise vessels that visited New Zealand, 49 were compliant (90.7 percent).

This was a notable improvement on the 2022/23 summer season, when, of the 43 vessels that visited New Zealand, 32 were compliant (74.4 percent).

## Stopping the spread of invasive freshwater clams

The invasive freshwater clam, *Corbicula fluminea*, is small but reproduces rapidly, forming large populations that can clog water infrastructure and out-compete native species, permanently altering ecosystems. It was first found in May 2023 at Bob's Landing, along the Waikato River. Since then, the invasive freshwater clams have been found in the Waikato River from Lake Maraetai Landing to Tuakau Bridge.

MPI has worked in partnership with iwi, councils, and other key agencies to prevent the spread of this pest, including extensive surveillance of rivers and lakes in the Waikato and the Bay of Plenty, with wider national surveillance underway.

The invasive freshwater clams have been given the legal status of an Unwanted Organism under the Biosecurity Act. This means people cannot knowingly move the invasive clams or water that may contain them.

Controlled area notices along the river are in place and water users are required to follow Check, Clean, Dry procedures:

- **Check** – remove any visible matter, including any clams, plant material or mud and drain all river or lake water.
- **Clean** – remove any invisible matter by using tap water to wash down any gear, vehicles, watercraft, and trailers that have come into contact with river or lake water onto the grass, beside the waterway or at home, making sure it does not drain into the stormwater drain system.
- **Dry** – leave gear to fully dry for at least 48 hours before using again.

These steps, supported by installed wash stations, help to stop the further spread of the invasive freshwater clams. Some other North Island regions are also requiring water users to follow the Check Clean Dry procedures.

# THE WATER WE LOVE

The Invasive Freshwater Clam can harm our rivers and lakes, and everything we love about the water.

[biosecurity.govt.nz/freshwaterclams](https://biosecurity.govt.nz/freshwaterclams)

## CHECK

### for what's visible.

Remove anything visible like mud, weed or clams from watercraft and gear. Drain all river or lake water.



**Biosecurity New Zealand**  
Ministry for Primary Industries  
Manatū Ahu Matua

## CLEAN

### for what's not visible.

Washdown your watercraft and gear with tapwater and not into a stormwater system.

Use a cleaning treatment for absorbent materials such as life jackets:

- soak in hot tapwater (55C) for at least 5 minutes, OR
- soak in 10% diluted bleach for an hour, OR
- freeze till solid (overnight).

Also, treat any on-board ballast tanks.

## DRY

### to be sure.

Dry any areas where water has pooled. Then dry watercraft and gear to touch, inside and out, and leave dry for 2 days.

Refer to manufacturer's information if needed. If you only use this location, there is no legal requirement to Check Clean Dry between visits.

An example of our public information campaign to prevent the spread of invasive freshwater clam.



# Protection spotlight: Responding to the threat from exotic caulerpa seaweeds

## Exotic caulerpa seaweeds are a serious threat to our marine environment

Since July 2021, MPI has been responding to infestations of two species of exotic caulerpa seaweeds (*Caulerpa brachypus* and *Caulerpa parvifolia*) in Northland, the Hauraki Gulf and, most recently, the Coromandel Peninsula. It is a serious marine invader, with the ability to rapidly take over marine environments by forming underwater meadows that compete with other species for space.

Based on modelling by our geospatial team in June 2024, we estimate that exotic caulerpa covers more than 1,500 hectares of seafloor. This suggests it has been in New Zealand for several years before it was first found at Aotea Great Barrier Island. It can be easily spread by small pieces caught up on vessel anchors and fishing gear and being moved to new locations.

## What we are doing about the problem

Investment has been focused on using science to understand exotic caulerpa, surveillance to find it, treatment trials to remove it, and communications and legal controls to prevent its spread.

More than \$20 million has been allocated to help manage the response since exotic caulerpa was first found. In the first half of this calendar year alone

(February to June 2024) an extra \$5 million of funding was provided to support work undertaken by MPI, iwi, communities and local authorities to rapidly develop technology to contain this pest seaweed and eliminate it from areas where possible.

A second \$10 million funding injection in August 2024 will build on what was learned from the first phase of work through projects such as:

- A \$3.3 million large-scale mechanical suction dredging project in Omakiwi Cove in Northland that has made some significant advances with further research and development needed.
- A project focusing on new surveillance and removal technologies, saw the successful development of cameras mounted on towed and remote-operated vehicles. These were able to find exotic caulerpa and identify it in real-time using artificial intelligence.

Other promising technology developments initiated by iwi, communities, scientists and others are underway.

Eradication of exotic caulerpa at the scale at which it is present in New Zealand has not been achieved before anywhere in the world. MPI's efforts remain focused on suppression, thinning (density reduction), removal and minimising the risk of further spread as much as possible. However, there will be some locations found early or where the seaweed isn't thriving where it may be possible to remove it entirely.



An example of MPI's *See Weed? Bag It. Bin It* public information campaign in Auckland Region, encourages water users to take steps to prevent the spread of exotic caulerpa.



Diver surveying a bed of exotic caulerpa. Photo supplied by the National Institute of Water and Atmospheric Research (NIWA).



MPI is working with iwi, communities and local authorities to remove exotic caulerpa. At Te Rawhiti Inlet, Bay of Islands, bags of exotic caulerpa lined up along the pier ready for destruction.



## Preparing for and protecting New Zealand against future threats

### Foot and mouth disease

Foot and mouth disease (FMD) is caused by a virus that only infects cloven-hooved animals such as pigs, deer, goats, alpaca, llama and sheep. It does not affect other animals such as rodents, cats, dogs, birds or horses. FMD spreads quickly and before infected animals show symptoms.

New Zealand has never had a case of FMD but a case here would have serious impacts on our farmers, rural communities, primary industries, and the economy because:

- it reduces agricultural productivity;
- it can be very painful for infected animals;
- all trade in animal products would be stopped and rural businesses would be affected;
- it would severely impact exports of dairy, red meat and pork products for months or years after an outbreak.

MPI's FMD preparedness programme ensures there is a high level of readiness across government and the food and fibre sector.

In 2023/24:

- Cabinet agreed to the strategic response of stamping out an outbreak of FMD;
- four key operational plans were finalised covering cleaning and disinfection, destruction, disposal, and movement control;
- VetNet-Biosecurity was established enabling the nationwide deployment of vets in an animal disease biosecurity response; and
- a review of the Biosecurity (Meat and Food Waste for Pigs) Regulations 2005 was completed to reduce the risk to the domestic pork industry.

### High pathogenicity avian influenza

MPI is planning for a possible incursion into New Zealand of high pathogenicity avian influenza (HPAI), or bird flu as it is commonly referred to. Our approach to readiness and response planning aims to:

- reduce the impact on native species and biodiversity;
- reduce the impact on the poultry sector;
- maintain the supply of poultry meat and eggs to

the domestic market;

- maintain access to overseas markets where possible; and
- protect human health.

In 2023/24 we:

- helped to establish a co-ordinated approach between MPI, the Department of Conservation and the Ministry of Health;
- monitored and learnt about the spread of the disease internationally;
- worked closely with industry partners to support their preparedness; and
- supported the Department of Conservation to trial a vaccine for five native bird species.

## Improving our technology and facilities

### Developing airport biosecurity express lanes

A new clearance process was introduced to speed up biosecurity checks at Auckland International Airport. It involves screening low risk passengers prior to baggage collection, allowing eligible low-risk passengers to be fast-tracked to the express exit lane where detector dogs are used to screen the lane for biosecurity threats.

It has been well received by passengers, the airport and airlines with improved passenger flows that are allowing biosecurity officers to focus on higher-risk travellers.

### Upgrading our border IT system

A multi-year upgrade to our biosecurity clearance system is under way to ensure our systems and tools are resilient and fit for purpose.

The work will ensure our systems are integrated and support effective delivery of border clearance processes.

### Tech vs trees: Improving wilding conifer management

The National Wilding Conifer Control Programme aims to remove wilding conifer tree pests and prevent further spread.



Improving control methods has been a key focus. There have been trials of spot spraying of wildings using herbicide-dosing drones. This could help eradicate wildings that are widely scattered and are in inaccessible places where other control methods could put the surrounding environment, contractors or equipment at risk.

### **A new post-entry quarantine facility for high-value plant nursery stock**

In February 2024, MPI completed the construction of a new Level 3B post-entry quarantine facility at the Mount Albert Research Centre campus to address the increased need from the horticulture industry. Level 3B is the highest level of containment for imported plant germplasm in New Zealand, and the new facility doubles the country's capacity for processing imported plant material at this biosecurity level.

A new Plant Health and Environment Laboratory (PHEL) is also being built at the Mount Albert Research Centre campus to replace the existing PHEL at Tāmaki. Construction is due to be completed by 2028. For more information, refer to the Asset Performance section.

## **Progress indicators**

### **Everyone champions biosecurity in New Zealand and owns their responsibilities**

MPI encourages the championing of biosecurity in New Zealand through a variety of ways.

We engage with industry to support New Zealand's biosecurity system through:

- The GIA, which is a partnership between industry and government to manage pests and diseases that could badly damage New Zealand's primary industries, economy, and environment. Under the GIA, signatories share the decision-making, responsibilities and costs of preparing for and responding to biosecurity incursions.
- The Biosecurity Business Pledge which was developed by businesses, in partnership with MPI's Biosecurity New Zealand. With over 150 member organisations, the Pledge equips businesses with the knowledge and tools needed for effective biosecurity risk management and

enhances the two-way flow of information between the business community and Government to strengthen New Zealand's biosecurity system.

We support multi-stakeholder regional biosecurity collaborations, such as the Tauranga Moana Biosecurity Capital, where mana whenua, local industry and business, science institutions, educators, community, central and local government come together to build awareness, connect and prepare to better respond to biosecurity threats. This enables increased regional environmental and economic resilience. A new regional biosecurity collaboration, Biosecurity Taranaki, was launched in March 2024.

MPI engages with the public through campaigns that educate and encourage behaviours that protect our biosecurity, including:

- **See Weed? Bag It. Bin It.** – a campaign to prevent the spread of exotic caulerpa seaweed;
- **Check, Clean, Dry** – a campaign to prevent the spread of invasive freshwater diseases, weeds, and pests, such as didymo and exotic freshwater clams;
- **Give Kauri Space to Grow** – a campaign to increase public and industry engagement in protecting kauri;
- **Report Wallabies** – a campaign to raise awareness of the impact of this pest and encourage public reporting;
- **Protect Our Paradise** – a new marine biosecurity campaign to recreational boaties to stop the spread of invasive marine pests through the right behaviours;
- **See It: Snap it: Report It** – a campaign to raise awareness and report sightings of the brown marmorated stink bug; and
- **Declare or Dispose** – a campaign designed in a range of languages and targeting passengers at our airports to prevent harmful pests and diseases from entering the country by way of food, camping equipment, and animal, plant and wood products.

We are also working alongside industry to provide advice to farmers, livestock owners, relevant stakeholders and the general public about both foot and mouth disease and high pathogenicity avian influenza.

The impact of harmful pests and diseases in New Zealand is reduced

Over **286,000** hectares treated for wilding conifers in 2023/24

**3.2** million hectares treated for wilding conifers since the programme started in 2016

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

**490,000** hectares, approximately, covered by wallaby control programme in 2023/24

**1.8** million hectares covered by wallaby control activities since the programme started in 2020 (noting that the same area of land can be treated multiple times)



MPI's quarantine officers and target evaluators lead New Zealand's biosecurity system at the front line in airports, mail centres and cargo facilities. Our May 2024 cohort at their graduation in Auckland.

# 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

## Our 2023/24 achievements

### Strengthening our food safety system

#### A new *Salmonella* management framework

MPI successfully implemented a framework for managing *Salmonella* Enteritidis risks in the poultry meat supply chain.

Following the detection of *S. Enteritidis* at a large poultry-meat processor and poultry hatcheries in early 2021, MPI worked with industry to introduce in 2023/24 new regulatory control measures and new Risk Management Programme templates with the key objective of eliminating *S. Enteritidis* from commercial chicken flocks.

#### New import rules for frozen berries

Following a hepatitis A outbreak in prior years linked to contaminated imported frozen berries, in 2023/24 MPI issued new import rules for frozen berries to better ensure food safety. These rules introduce the use of credible third-party certificates as a form of assurance to satisfy imported food clearance requirements and offer a practical way to gain assurance for food imports.

The new import rules came into effect on 1 August 2024, and importers have until 31 January 2026 to comply.

### Addressing food safety threats

#### Protecting shellfish gatherers from consuming toxic shellfish

Marine biotoxins are naturally occurring toxins produced by certain species of marine phytoplankton

(microscopic algae). These toxins can accumulate to high levels in filter-feeding shellfish, making them unsafe or even fatal to eat. MPI monitors phytoplankton and toxin levels weekly in seawater and shellfish from popular shellfish-gathering areas around New Zealand. If the levels of toxins in shellfish become unsafe, we issue public health warnings.

MPI issued a particularly significant shellfish toxin warning from November 2023 until June 2024. At its peak, the public health warning extended over 500 kilometres of coastline from Cape Runaway (Bay of Plenty) to southern Hawke's Bay. During this event, levels of paralytic shellfish toxins in mussels tested from one bay reached 11 times the safe limit.

There were no reported cases of people becoming sick.

#### Protecting consumers against contamination

MPI ensures that food that is grown, produced, shared and consumed in New Zealand is safe and suitable for everyone. While most food produced and sold in New Zealand meets this standard, from time to time a failure may occur in the food chain. If it is not detected immediately, recalling the affected food from retailers and consumers is the most effective way to protect people.

A recall that involves removing affected product from the supply chain and communicating to consumers is called a "consumer-level recall". MPI supports food businesses to manage the removal of unsafe food from sale by co-ordinating all food recalls for food products sold in New Zealand, working with businesses to ensure the recall is effectively carried out and working with overseas agencies to manage any imported or exported products being recalled.



As of 2023/24, we now also produce annual reports on recalls for each calendar year. As reported in our most recent report (MPI 2024b), in the 2023 calendar year:

- there were 70 consumer-level recalls;
- allergens in food were the leading cause of recalls with milk being the allergen that caused the most recalls;
- 23 recalls were due to microbial contamination;
- 14 were due to physical contamination; and
- 48 recalls were associated with domestically produced food, while 22 recalls were from imported food.

Of the recalls due to physical contamination, the number of recalls, by object type, were as follows:

- 5 recalls – plastic;
- 4 recalls – metal;
- 3 recalls – glass; and
- 2 recalls were due to other types of physical contamination.



## Prosecution of food importers

In September 2023, two food importers were successfully prosecuted under the Food Act 2014. They failed to correctly translate food allergen declarations into English, posing a risk to consumers and resulting in three consumer-level recalls in 2021.

The recurrence of issues with imported food prompted MPI to strengthen the requirements for all food importers by clarifying their roles and responsibilities in the updated legislation – *Food Notice: Requirements for Registered Food Importers and Imported Food for Sale*.

## Raising consumer awareness through public information and new guidance

### Informing consumers about food safety

Consumer campaigns in the past year included the return of the Chicken Scene Investigators. The campaign focused on positive food safety behaviours, while also explaining the risks of foodborne illness and the reasoning for precautions. It ran over the summer months, which is when we have the highest incidence of campylobacteriosis and reached 1.3 million people.

The Chicken Scene Investigators campaign is part of a larger programme, our *Campylobacter* Action Plan (refer to “Progress in some of our major ongoing programmes” for more information).

Other consumer-focused campaigns included:

- advice for avoiding listeria during pregnancy and for people over 65;
- the differences between use-by and best-before dates;
- working with supermarkets to promote school lunch safety; and
- tips for food safety at home.

### Consumer Food Safety Insights Survey

MPI conducted a Consumer Food Safety Insights Survey in November 2023 to help us understand consumer attitudes, knowledge and behaviours around food safety and suitability. This research will help inform work programmes and priorities, consumer messaging and food safety campaigns.

More than 1,600 consumers (including over 400 Māori and 400 Pasifika respondents) were surveyed to provide a representative view of New Zealanders aged 15 years and over.

Positively, the results showed that most New Zealand consumers:

- are confident that food in New Zealand is safe to eat;
- have reasonably good food safety knowledge;
- say they undertake safe food safety practices;
- have access to healthy food options; and
- use information on food labels to help make food choices.

### **Pregnancy guide updated**

In 2023, we worked with the Ministry of Health to publish an updated *Safe and Healthy Eating in Pregnancy* guide online and in print.

### **Mandatory addition of the B vitamin folic acid to non-organic wheat flour for breadmaking**

MPI worked with the New Zealand Flour Millers Association, the New Zealand Bakers Association, and the wider food industry to successfully implement the addition of B vitamin folic acid to non-organic wheat flour for breadmaking. This mandatory fortification came into effect on 14 August 2023, under the Australia New Zealand Food Standards Code. It will help protect New Zealand's babies from death or lifelong disability from neural tube defects caused by folic acid deficiency. Support included working with industry to develop guidance and staff training for critical steps in the fortification process.

### **Progress in some of our major ongoing programmes**

#### **Addressing antimicrobial resistance**

Antibiotics are essential for the treatment of bacterial infections in humans, animals, and plants. However, they need to be used responsibly to prevent antimicrobial resistance (AMR). AMR occurs when germs develop the ability to resist the medicines designed to kill them. This is accelerated by the misuse or overuse of antimicrobial medicines.

The World Health Organization has identified AMR as one of the top 10 global health threats facing humanity.

Addressing this falls partly under MPI's mantle because of the use of antimicrobials in the food and fibre sector. MPI and the Ministry of Health work together to jointly govern the New Zealand Antimicrobial Resistance Action Plan, with MPI undertaking work with industry to progress priority actions under the plan. The goals of the action plan are to ensure that antimicrobials remain available and effective through prudent and responsible use, and to mitigate antimicrobial resistance through improved knowledge of how it occurs.

Highlights of the past year include:

- Publishing an animal and plant sector AMR implementation plan that contributes to the wider, national AMR action plan.
- Implementing long-term antibiotic resistance testing in food-production animals.
- Conducting AMR-focused audits across the veterinary and horticulture sectors.
- Strengthening the AMR knowledge and evidence base by collecting surveillance data and reporting this to veterinarians.
- Raising awareness of AMR through publications, lectures and web resources for veterinarians, school teachers and the general public.
- Continued reassessment of antibiotics registered under the Agricultural Compounds and Veterinary Medicines Act 1997 for animal and plant use to ensure that product claims, use patterns, dosages and conditions of registration are in accordance with best practice.

As a result of efforts from veterinarians, industry and MPI to ensure these important medicines are used appropriately in plants and animals, trends in antibiotic use are headed in the right direction. MPI's 2023 report into sales of antibiotics for agricultural use showed a continued decline in the amount sold over the previous six years, with a 45 percent drop in sales since a 2017 peak. In addition, antibiotics critical for human health being sold for use in animals almost halved in 2023.

## Progress indicators

### Consumer perception of the quality and premium value of New Zealand food and fibre products is improved

Consumer perception of the quality and premium value of New Zealand food and fibre products remains positive.

This finding is supported by the latest survey for New Zealand Trade and Enterprise's Made with Care campaign, conducted in March/April 2024 (Kantar, 2024). The six-wave study, spanning April 2022 to April 2024, assessed consumer attitudes in New Zealand's key markets: Australia, China, Japan, the United Kingdom, and the United States.

### Levels of compliance with food safety legislation and regulation within New Zealand and for exported food are increased

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

Monitoring food safety compliance trends is a way for MPI to be able to provide this assurance. The outcome of verification audits carried out under the Food Act 2014 are reported nationally and we analyse the dataset to identify compliance trends. Over the past year, monitoring has been established which helps us to identify food businesses who continue to seriously

fail their verification audits and refer them to the relevant enforcement agency. We also have worked with verification agencies and industry associations to improve the completeness of this verification record dataset.

### Rates of foodborne illness are controlled and reduced

Through the *Campylobacter* Action Plan, we are collaborating with industry to reduce the rate of domestically acquired foodborne campylobacteriosis by 20 percent from 88 to 70 cases per 100,000 by the end of the 2024 calendar year.

As part of this plan, MPI carried out research including:

- a retail microbiological survey of *Campylobacter* on chicken products and the outside surface of packaging material;
- trialling a modified method for enumerating *Campylobacter* on fresh chicken at lower levels,
- evaluating international models for foodborne campylobacteriosis; and
- collaborating with Consumer NZ to look at the exposure to *Campylobacter* from consumption of potentially undercooked frozen coated or crumbed chicken products.

By 31 December 2023, we had achieved a reduction of 12.5 percent compared with the baseline, or 77 cases per 100,000 people. This measure for the calendar year as the result is collected against the population data (MPI, 2024b).



# Key Result Area: Improving animal welfare practice in New Zealand production systems

Animals play an important role in many New Zealanders' lives and New Zealanders have high expectations that animals under human care are well looked after. New Zealand's reputation for high levels of animal welfare also helps secure access to international markets.

MPI leads and facilitates the management of animal welfare policy and enforcement in New Zealand. We undertake proactive animal health and welfare inspections and respond to animal welfare complaints from the public. We also look to prevent issues by educating owners or those who work with animals. When issues are detected, we ensure the law is upheld to protect the animals, the food and fibre sector's social licence and New Zealand's ability to export to overseas markets.

## Our 2023/24 achievements: Strengthening the codes of welfare for animals

Animal welfare codes are issued under the Animal Welfare Act 1999 and help those who care and work with animals to meet their care and conduct obligations under the Act. Strengthening the welfare codes boosts our international reputation as a producer of safe, healthy, and ethically produced products.

This programme of work aims to refresh priority codes of welfare in line with community expectations, good practice, scientific knowledge and technical advances. MPI supports the National Animal Welfare Advisory Committee with this work through regular engagement with stakeholders to discuss current practice and proposed changes to the codes.

As at 30 June 2024, the code of welfare for pigs and dairy cattle were entering the final phase of review.

The codes of welfare for deer, rodeo, and sheep and beef cattle are being prioritised before initiating any further reviews.

## Continuous improvement in National Animal Identification and Tracing compliance

The NAIT programme, run by OSPRI, helps MPI to respond quickly in case of a serious biosecurity outbreak or natural disaster. Traceability is also important for food safety and quality assurance programmes.

In 2023/24, the percentage of animals registered with NAIT before they were first moved has increased to 96 percent. This is up from 64 percent in 2018/19 when MPI assumed responsibility for enforcing compliance with the NAIT Act. This indicates that compliance with the scheme is increasing.

## Progress indicator

**Compliance with animal welfare standards is increased**

**336 targeted proactive inspections were undertaken in 2023/24.**

**This is an increase of 68% compared to 2022/23.**

Over the past year, the focus on proactive inspections continued to ensure that New Zealand's animal welfare standards are being met. Proactive inspections include, but are not limited to, inspections of saleyards, bobby calf facilities and farms using intensive winter grazing as well as monitoring of compliance at rodeos.



## Visible Leadership Ngā Manukura

# Key result area: Strengthening partnerships with industry and across government

## Our 2023/24 achievements

### On Farm Support – helping farmers and growers continue to be successful in a changing world

MPI's On Farm Support is focused on supporting farmers and growers to take an integrated approach to farm planning, tackling environmental challenges, adapting to change, and connecting farmers and growers to existing services.

The service with 57 regionally based staff across 10 regions helps farmers and growers access the support, information, and advice they need to be successful in a world with rapidly changing consumer and regulatory requirements.

On Farm Support identifies what assistance is needed, particularly around the complexities associated with improving profitability and efficiency, while helping farmers and growers to understand environmental regulations and achieve greenhouse gas mitigation, water quality, and biosecurity goals.

Additionally, the regional managers and advisers connect with colleagues around New Zealand to help develop impactful and practical policy and bring on-the-ground insights back into MPI to help inform operations.

Key highlights from 2023/24 include:

- Working closely with a diverse range of stakeholders on El Niño awareness and decision-making for farmers and growers.
- On Farm Support participated with science funders and research institutions to develop the Science for Farmers site at National Fielddays, sharing things farmers and growers can do to reduce their greenhouse gas emissions.
- Assisting Integrated Farm Planning Accelerator Fund applicants to share their learnings with others in the sector.
- On Farm Support participated with Te Uru Rākau – New Zealand Forest Service teams to hold workshops to educate sheep and beef farmers about the Emissions Trading Scheme, enabling farmers to consider diverse income sources and sustainability.
- Computer literacy courses were rolled out nationwide for Beef + Lamb New Zealand's Generation Next Programme participants, starting in the lower North Island, Canterbury, and Otago, to help farmers overcome some of the challenges to online reporting.
- On Farm Support provided six undergraduate scholarships to students at Massey and Lincoln universities to support future on-farm advisers. Successful applicants receive mentoring and development opportunities, as well as \$5,000 towards their study.

# Showcasing agriscience tools in the pipeline for New Zealand's farming future

A partnership between MPI and industry, Science for Farmers highlights projects accelerating agriscience in New Zealand and showcases work under way to put new tools in the hands of farmers to help sharpen our competitive edge and increase export value – and a key component is clear communication on progress and innovations.

The collaboration brings together MPI's On Farm Support service and research partners AgResearch, AgriZero<sup>NZ</sup>, the Livestock Improvement Corporation, Manaaki Whenua – Landcare Research, Massey University, and the NZAGRC.

For the first time, a dedicated Science for Farmers site at the 2023/24 National Fielddays at Mystery Creek near Hamilton showcased the range of innovation,

investment and research taking place to help farmers adapt to climate change, reduce on-farm greenhouse gas emissions, and protect the environment.

The site covered pasture management, animal genetics, and other mitigation tools that can sustainably increase on-farm profitability while improving long-term business resilience. It also shed light on tools and technology being developed to help the sector in the future.

The showcase at Fielddays offered a chance for farmers to ask scientists questions, see alternative pasture mixes in action, and to learn more about major investments being made in areas such as methane mitigation.



MPI's Chief Science Adviser, John Roche, being interviewed about our Science for Farmers site at the 2024 Fielddays event.





In addition to Science for Farmers, MPI hosted other sites and events at the 2024 National Fieldays. Here, Jenny Cameron, MPI's Chief Transformation Officer, facilitates the young female leaders panel discussion at the Careers and Education Hub.

## Supporting the country's continued recovery from adverse weather events

In 2023/24 MPI administered a further \$35.4 million to help rural communities recover from Cyclone Gabrielle, the Auckland Anniversary Weekend floods, and a number of other heavy rain events. Funds were available to all parts of the food and fibre sector in weather-impacted regions, including horticulture, agriculture, fisheries, and forestry through an open expression of interest process. MPI received 192 expressions of interest and 108 were approved for funding. These funds supported a range of initiatives from veterinarian services to urgent maintenance and mental health support in Northland, Auckland, Waikato (including Thames-Coromandel), Bay of Plenty, Tairāwhiti, Hawke's Bay, Manawatū-Whanganui (including Tararua), and Wairarapa.

The Time-Critical Primary Industries Recovery Fund of \$30 million was available to support primary sector businesses and rural communities to boost health and safety and to protect animal welfare. The 72 projects

approved through this funding included:

- the replacement of road and boundary fencing to protect people, stock, and waterways across the regions;
- urgent repair work to reestablish water supply infrastructure alongside essential, future-focused work to ensure safe drinking water for people and stock in Tararua, Manawatū, Hawke's Bay, and Tairāwhiti;
- the Mates4Life suicide prevention and mental wellbeing programme in Hawke's Bay;
- a community-led approach to access expert advice to address the immediate recovery needs of farming communities and businesses; and
- funding of two FirstMate (Seafood Sector Support Trust) adverse events navigators in Hawke's Bay and Tairāwhiti to arrange support and community connection for fishers and their families.

The Isolated Rural Communities Recovery Fund of \$5.4 million funded 35 initiatives to completion to support the physical and psychosocial wellbeing and the future recovery and resilience of rural

communities isolated by the adverse weather events, including:

- establishing community and iwi-led resilience hubs across the regions;
- funding equipment, resources and training for 11 bases that make up the Ngāti Porou East Coast Emergency Management Network;
- enabling the Ngāti Hei Charitable Trust to set up iwi-led support of families directly impacted and to foster the economic recovery of the rohe;
- providing safe drinking water to the Huramua Marae and community and establishing it as a community meeting point during an emergency;
- funding mental health support and community groups working with vulnerable people in isolated rural areas in the Masterton district;
- establishing 10 resilience resource caches for easily isolated marae and rural communities on the Coromandel Peninsula; and
- funding essential emergency supplies, equipment, communication devices, and containers to set up emergency resilience ePODs (emergency care stations) at rural fire stations.

### Removing woody debris

Funding to clean up woody debris in Tairāwhiti and Hawke's Bay was announced on 14 May 2023 with a target to remove 70,000 tonnes of debris from catchment systems.

The target was exceeded, with MPI and councils collaborating to remove a total of 128,138 tonnes of woody debris. Hawke's Bay Regional Council removed 74,987 tonnes, and 53,151 tonnes were removed by Gisborne District Council. This was funded through the Woody Debris Cyclone Recovery Fund.

Budget 2024 allocated \$27 million for 2024/25 through MPI to continue the removal of woody debris from Cyclone Gabrielle in Tairāwhiti.

### Continued 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.

MPI contracted NIWA in June 2023 to resurvey areas that showed the greatest impact and examine the contributions of major rivers to marine sedimentation. This research included seabed mapping, sediment and biological sampling.

Results suggested that the nearshore environment was affected more than deeper areas with some areas receiving sediment while others were eroded. Impacts were also seen in fisheries habitats and seabed ecosystems. There was an initial reduction in the number of seabed animals, with some evidence of recovery by October 2023.

Stable isotope analysis showed 98 percent of marine cyclone deposits were from river sources. In Hawke's Bay, deposits were dominated by sediment from the Mohaka, Wairoa and Nuhaka rivers. In northern Tairāwhiti, the Waiapu River dominated.

## Progress indicators

### 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.

#### In 2023/24:

**Up to \$150,000** was provided to the East Coast Rural Support Trust for the period 1 April 2024 to 30 June 2024.

Wellbeing and psychosocial impacts were priority areas serviced by Rural Support Trusts, alongside other co-ordination and clean-up activities.

**\$170,000** in additional funding was provided to Rural Support Trusts to provide support across regions impacted by the El Niño weather event in March 2024.

A total of 68 community events were run by Rural Support Trusts and other rural groups to provide support.

## **Strong industry engagement in MPI-led forums and events**

Each year, MPI supports various forums and events for food and fibre sector to engage with farmers, growers and producers and recognise outstanding contributions to the sector.

Some highlights from 2023/24:

- *Situation and Outlook for Primary Industries (SOPI)* launch events in December 2023 and June 2024;
- the Biosecurity Awards;
- the Primary Industries Good Employer Awards; and
- National Fielddays.

The National Fielddays at Mystery Creek in Hamilton is an invaluable way for MPI to engage with and demonstrate our support for farmers, growers and producers. In addition to MPI's site in the Pavilion, MPI again led the delivery of the Fielddays Careers and Education and Forestry Hubs which promoted food and fibre sector services and opportunities to the wider public.

This year, MPI's On Farm Support team launched the new Science for Farmers site at Fielddays. Refer to "Showcasing agriscience tools in the pipeline for New Zealand's farming future" for more information.

## **MPI's publicly released science, data, research and evaluation is valued by industry**

Refer to "Showcasing agriscience tools in the pipeline for New Zealand's farming future" for more information.

## **MPI-led initiatives in the sector's Fit for a Better World roadmap are delivered**

Refer to MPI's annual reports 2019/20 to 2022/23 for more information on progress against this indicator.



# Key result area: Strengthening relationships with Māori

## Our 2023/24 achievements

### MPI engagement with Māori industry representatives

As a driving force in New Zealand's economy, iwi and hapū are natural partners for MPI. We are actively seeking opportunities to work together across the spectrum of Māori food and fibre sector assets. The *Te Ōhanga Māori 2018* economic report estimated the value of the Māori-owned food and fibre sector asset base at over \$23 billion in 2018, more than double what it was valued in 2013 (Reserve Bank of New Zealand and Business and Economic Research Limited, 2021). Updated data will be available in the 2023 *Te Ōhanga Māori* report, expected to be released in December 2024, and indications are that this growth trajectory will continue.

MPI works with Ngā Pouwhiro Taimatua – the Māori Primary Sector Forum to identify priorities of focus to grow the Māori primary sector economy. Ngā Pouwhiro Taimatua and MPI worked in partnership to develop the Māori primary sector plan, *Te Rautaki mō te Taurikura*, launched in late 2022.

Throughout 2023/24, we held regular hui with Ngā Pouwhiro Taimatua to provide updates on the implementation of the *Rautaki*, with a particular focus on unlocking opportunities in Māori-led aquaculture and trade and export.

### MPI's tailored support to grow the Māori food and fibre sector

MPI provides a range of services and programmes tailored to the needs of Māori landowners, communities and agribusinesses.

These services include:

- a customary fisheries team that helps tangata whenua manage the gathering of kaimoana and establishment of mātaimai reserves within their area;
- an aquaculture settlement team focused on delivery of the Māori Commercial Aquaculture

Claims Settlement Act;

- a Māori agribusiness team that administers five targeted funding programmes through a network of regional advisers; and
- a forestry-focused Māori Partnerships team that supports Māori to engage with forestry land use decisions.

### Innovation project profile – Māui Inc mussel spat

Located in the Far North at Ahipara on 90 Mile Beach, the Māui Inc mussel spat project received Māori Agribusiness Innovation funding to assist the Green-Lipped Mussel sector to improve wild-caught spat harvesting. Wild-caught spat has tended to have extremely low survival rates. Māui Inc. has designed and is trialling a new technology prototype to determine if they can sustainably catch mussel spat and reliably supply a portion of the aquaculture sector's spat requirements. This works to support the sector's resilience and supply chain to better meet high export demand for Green-Lipped Mussels.

On 26 February 2024, Māui Inc. successfully delivered their first order of Green-Lipped Mussel spat by air freight to their grow-out partner near Motueka in the South Island.

### MPI's Treaty settlement commitments

MPI has obligations to deliver Treaty of Waitangi settlement commitments we are responsible for under deeds of settlement and settlement legislation. We work with relevant agencies to negotiate Treaty settlement redress with iwi/hapū claimant groups. The Treaty settlement commitments resulting from these negotiations typically fall into the following categories:

- Fisheries redress – agreements that set out how MPI will meet its statutory obligations to iwi under Fisheries legislation including providing for iwi/hapū input and participation relating to fisheries sustainability measures.
- Relationship redress – agreements setting out how MPI and post-settlement governance

entities (PSGEs) will work together including early engagement on policy development.

- Property redress – the transfer of predominantly forest land that is of cultural or commercial significance.
- Natural resources arrangements – arrangements that enable participation of a PSGE in decision-making for natural resources under legislative frameworks such as the Resource Management Act 1991, Biosecurity Act 1993, Fisheries Act 1996, Forests Act 1949, Walking Access Act 2008.

### Status of MPI's Treaty settlement commitments

As at 30 June 2024, MPI is responsible for 739 Treaty settlement commitments. Three quarters (76 percent) of the commitments MPI is responsible for are recorded as either on track or complete. These largely relate to discreet property transfers and where relationship redress instruments are countersigned and in place.

A process is in place for progressing the remainder of the commitments.

### He Korowai Whakamana

*He Korowai Whakamana*, a Cabinet-agreed framework, enhances the Crown's accountability for its Treaty settlement commitments. *He Korowai Whakamana* requires core Crown agencies to record and track the status, and report annually on, their Treaty settlement commitments. MPI continues to publicly track its progress against delivering on Treaty settlement commitments.

### Te Haeata

Core Crown agencies use *Te Haeata – the Settlement Portal* to record the status of their Treaty settlement commitments. The status can be updated to show whether each of their commitments is complete, on track, yet to be triggered or has delivery issues.

From 1 July 2024, PSGEs can access Te Haeata – the Settlement Portal and see the status of Treaty Settlement commitments.

## Progress indicators

### Co-designed initiatives between our business units and Māori stakeholders are increased

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

Māori make a significant contribution to New Zealand's exports, both as suppliers to companies such as Fonterra, Zespri and Alliance and as direct exporters. In 2023, Māori businesses exported around \$1.35 billion worth of goods, and 22 percent of Māori authorities (economically significant businesses involved in the collective management of assets held by Māori) operated in the food and fibre sector. Seafood accounted for 39 percent of the value of exports by Māori authorities, and milk powder, butter and cheese were 30 percent (Stats NZ 2024a).

Below are some of the key funds MPI administers to help boost this growth.

**\$1.068 million** to 22 Māori Agribusiness Extension (MABx) clusters

**\$749,000** to 12 projects through the new Māori Agribusiness Innovation Fund with seven innovation projects being approved

**\$624,000** to 27 Māori Agribusiness Pathway to Increased Productivity (MAPIP) projects

## Partnerships with Māori in key industry areas, such as agriculture, horticulture and aquaculture, are increased

Refer to “MPI engagement with Māori industry representatives” section for details.

## Our Treaty settlement commitments are delivered

Refer to “MPI’s Treaty Commitment Settlements” for details.

## Evidence that Māori perspectives are well considered and embedded into our work across policy, programmes and services is increased

Refer to the “Outcome Sustainability” for details.



MPI is a platinum sponsor of the Ahuwhenua Trophy competition that celebrates excellence in Māori farming and growing, along with Te Puni Kōkiri. Wairarapa Moana ki Pouakani won the 2024 Ahuwhenua Trophy for dairy, and Ben Purua won the Young Māori Dairy Farmer Award.









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 describes MPI's performance in 2023/24 contributing towards the achievement of our strategic outcomes as outlined in our Strategic Intentions 2021–2025. The performance measure standards are set out in the 2023/24 Main Estimates of Appropriations and Supplementary Estimates of Appropriations across Vote Agriculture, Biosecurity, Fisheries and Food Safety and Vote Forestry. The full details are available on Treasury's website.<sup>2</sup> MPI's performance against the standards 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 four strategic outcomes set our direction to achieve our vision, *New Zealand will be the world's most trusted provider of high-value food and fibre products*. The table below shows how the departmental appropriations MPI is responsible for are linked to our strategic outcomes. Each appropriation may contribute to one or more of the outcomes.

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

<sup>2</sup> Vote Agriculture, Biosecurity, Fisheries and Food Safety – Natural Resources Sector – Estimates of Appropriations 2023/24; Vote Forestry – Natural Resources Sector – Estimates of Appropriations 2023/24; Vote Agriculture, Biosecurity, Fisheries and Food Safety – Supplementary Estimates of Appropriations 2023-24; Vote Forestry – Supplementary Estimates of Appropriations 2023-24



## Disclosure of judgements

### Reporting Entity

MPI is a public service department established on 30 April 2012 by a merger of the previous Ministry of Agriculture and Forestry and the New Zealand Food Safety Authority in 2010, and the Ministry of Fisheries in 2011.

MPI as a single, integrated government entity was formed to help seize export opportunities for primary industries, improve food and fibre sector productivity, ensure the food we produce is safe, increase sustainable resource use and protect New Zealand from biological risk.

We do this by working across six ministerial portfolios to bring together the following regulatory systems, which underpin the food and fibre sector: agriculture, forestry, fisheries, food safety, biosecurity and animal welfare. MPI is responsible for administering 47 Acts of Parliament, funded by two Votes containing the following departmental appropriations:

- 47 individual output category appropriations within seven multi-category appropriations;
- two annual appropriations; and
- one multi-year appropriation.

### Statement of compliance

MPI service performance reporting has been prepared in accordance with the requirements of Public Finance Act 1989 and Public Audit Act 2001. It is aligned with the reporting expectations of the revised Public Benefit Entity Financial Reporting Standard 48 (PBE FRS 48 standard), released by the External Reporting Board in November 2017 and amended in August 2020. It was also prepared in accordance with generally accepted accounting principles.

Under the PBE FRS 48 reporting requirements, public sector entities are mandated since 1 January 2022 to include disclosures/significant judgements relevant to the public understanding of the service performance for appropriations.

Since 2021/22, MPI has started providing contextual notes and disclosures/judgements in reporting on our performance, where relevant. These disclosures

include reflecting the changes in government priorities and funding, improving readers' understandability and any external factors affecting the performance.

### Overall approach to continuous improvement of MPI's service performance system

With the growing requirement for good external performance reporting and increased scrutiny over the public sector, MPI continues to strengthen its performance measures system through gradual improvements based on the feedback received annually from MPI's Audit and Risk team and its external auditors, EY/Office of the Auditor-General. These improvements include, but are not limited to, maintaining a data catalogue for all measures and regular performance monitoring through reporting to senior leadership on the progress of the measures towards the standards. These practices allow for the measures to be consistently reviewed for fit, raise issues with performance early, and provide transparency and confidence in MPI's performance.

We continue to work with our auditors to identify performance measures that should be addressed immediately, particularly those that have the most significant effect and relevance to users of our accountability report. We have undertaken a triaging approach to the review process and prioritised addressing the measures that needed immediate attention, while intending to address our medium and low risk measures in the short to medium term.

We also considered if other factors such as new appropriations or initiatives, or a change in priorities or business process, necessitated a replacement, amendment or removal of a measure to appropriately link it to the appropriation intention statement, align to the intended impact and contribute to MPI's outcomes.

MPI will continue to improve its non-financial information to meet PBE FRS 48 standards while being able to provide a coherent narrative over time.

## **Critical reporting judgements, estimates and assumptions**

We review our appropriation non-financial information each year to ensure that it reflects the current range of services we provide and our operating environment and that it supports the achievement of our outcomes.

Changes to our performance measures based on the auditor's feedback were considered against the following qualitative characteristics as outlined in PBE FRS 48 standard for service performance reporting: relevance, understanding, comparability, faithful representation, timeliness and verifiability.

# Summary of 2023/24 performance of services funded by departmental appropriations

In 2023/24, MPI was the administrator for 50 appropriations, including the individual output categories within the seven multi-category appropriations (MCAs) for the services that we provide to the Government and the public.

In this section we report information on financial and non-financial performance in these appropriations. Where applicable, the significant judgement/disclosures that affected the selection/removal/review of measures, aggregation and changes to performance standards are included with each measure.

## Multi-category appropriations (MCAs) and respective output categories

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

## Multi-year appropriation (MYA)

1. Plant Health and Environmental Capability

## 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 expenditure appropriation



Across our two Votes, we have disclosed and provided an explanation for the performance measures for an appropriation, where relevant. This includes providing an explanation for measures where the results achieved have either a negative or positive variance of over five percent. There is also commentary made available where the performance vastly differs from the previous years.



# Vote Agriculture, Biosecurity, Fisheries and Food Safety

## 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	2023/24		Variance explanation	2022/23	2021/22
	Standard	Actual		Actual	Actual
<b>Performance of the MCA as a whole</b>					
Percentage of requirements for Biosecurity Import Health Standards met when clearing import entries	95%	97.3%	Standard has been met consistently over the past few years above 95 percent due to consistent improvements in the process and systems. This measure will be reviewed next year during the Estimates process.	97.3%	97.5%
Percentage of high-risk or serious pest or disease notifications that commence investigation within 24 hours	100%	100%	In 2023/24, there were a total of 334 high-risk or serious pest or disease notifications. All of these were responded to within 24 hours of MPI receiving notification. This measure will be reviewed next year during the Estimates process.	100%	100%

## 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.

	2023/24			2022/23	2021/22
Performance measure	Standard	Actual	Variance explanation	Actual	Actual
<b>Departmental Output Expenses</b>					
Percentage of new or renewed GIA Partners with operational agreements, including multi-lateral agreements <sup>1</sup>	5% increase per annum	18.5%	Higher engagement over the previous year has resulted in the signing of five Operational Agreements in 2023/24. Three of these were renewals and two were completely new agreements (Solanaeous and Deer sector).	80.2%	80%
Number of response exercises held to prepare MPI for the possible incursion of new pests and diseases into New Zealand	4	12	A total of twelve response exercises were delivered in 2023/24, which was four more than in the previous year. The response exercises/simulations held in 2023/24 include: <ul style="list-style-type: none"> <li>• Fruit Fly discussion exercises – two sessions;</li> <li>• Brown Marmorated Stink Bug (BMSB) discussion exercise;</li> <li>• Virtual Response Simulation Patrick – this was a simulation of a marine incursion, run three times over the period;</li> <li>• Series of six exercises/simulations as part of the Response Leadership Programme delivery covering various aspects of responses.</li> </ul> This standard will be reviewed next year during the Estimates process.	8	8
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%	95.7%	This performance measure only reports on contracts worth over \$40,000. Out of 47 contracts, 45 fully met service delivery expectations. Two remaining did not meet or partially met service delivery expectations due to challenges in securing an appropriate vessel and adverse weather conditions which impacted operational delivery. There are regular communications with our suppliers to try and manage risks to delivery.	91%	96.3%
<b>Border Biosecurity Monitoring and Clearance</b>					
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.					
Percentage of international air passengers that comply with biosecurity requirements by the time they leave the Biosecurity Control Area at the airport	98.5%	98.7%	The result is consistent with the previous year and showed a continued acceptable compliance level of the Passenger Pathway since the borders re-opened and that the current operating model is working well.	98.8%	Not assessed

### Contextual note

1. 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.  
The wording and budget standard of the measure have been updated to provide clarity.

Performance measure	2023/24		Variance explanation	2022/23	2021/22
	Standard	Actual		Actual	Actual
Percentage of international mail that complies with biosecurity requirements by the time it leaves the International Mail Centre <sup>2</sup>	99%	99.7%	The result is consistent with previous years and shows a continued acceptable compliance level of the Mail Pathway and that the current operating model is working well.	99.5%	99.6%
Percentage of audited transitional facilities demonstrate an improvement in compliance <sup>3</sup>	80% (2023/24 baseline)	89.6%	In 2023/24, 24,774 out of 27,659 audited demonstrated an improvement in compliance. The standard will be reviewed in next year's Estimates process.	New measure for 2023/24	N/A
<b>Border Biosecurity Systems Development and Maintenance</b>					
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.					
The number of new Import Health Standards developed, and the number of amendments made to existing Import Health Standards <sup>4</sup>	8 or more	48	MPI has been exceeding the standard for this measure due to efforts to improve the efficiency of import health standard development, maintenance and delivery that have occurred over the last several years. This measure will be reviewed next year during the Estimates process.	33	34
The percentage of export certificates issued annually which meet biosecurity and phytosanitary technical requirements of overseas competent authorities <sup>5</sup>	99%	99.7%		99.6%	99.8%
Percentage of World Organisation for Animal Health and International Plant Protection Convention standards that are adopted by New Zealand	90%	100%	In 2023/24, all 21 standards were amendments to existing standards and adopted in order to achieve the effective maintenance of New Zealand's biosecurity system. Amendments may comprise a mix of new definitions to an existing standard, revision of existing standards, or the addition of a new annex to an existing standard.	100%	100%

#### Contextual note

- Over an annual 2-3 week period, MPI conducts compliance checks from a sample of 4,000 mail packages (i.e. 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 third-party company to ensure consistency and accurateness.
- This SPM has replaced "Percentage of consignments that were released with risk being mitigated" to better reflect the focus of the business unit.  
The following measures in the Border Biosecurity Monitoring and Clearance Category have been removed as achievement of these measures is dependent on factors outside of MPI's control:
  - the average turnaround time for responding to air cargo applications does not exceed 3 hours;
  - the average turnaround time for responding to sea cargo applications does not exceed 21 hours.
- This refers to an increase in the total number of new Import Health Standards and amended Import Health Standards over the previous financial years.
- "Overseas competent authorities" is a World Trade Organisation term that defines a specific group of authorities.



## 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	2023/24		Variance explanation	2022/23	2021/22
	Standard	Actual		Actual	Actual
Percentage of laboratory tests processed, completed, and reported within 30 days of receipt of sample <sup>6</sup>	80%	96.7%	In 2023/24, 38,739 out of a total of 40,055 laboratory tests (e.g. testing of soil samples for pathogens, virus isolation) were processed, completed and reported within 30 days of receipt of sample.	New measure for 2023/24	N/A
Percentage of incursion investigations closed within 30 days with biological risk managed or no further action warranted	80%	90.3%	In 2023/24, 1,121 out of a total of 1,242 incursion investigations closed within 30 days with biological risk managed or no further action warranted. The result exceeded the standard due to increase in high priority investigations for High Pathogenicity Avian Influenza (HPAI) and Brown Marmorated Stink Bug (BMSB) rule-out over this period.	83.8%	80.6%
Number of markets that closed due to the standard of MPI's active surveillance programmes	Zero	Zero	Markets are closed when the quality of biosecurity surveillance programmes does not meet acceptable and recognised standards to achieve their objectives. Internal engagement with relevant Market Access/Exports teams is undertaken to determine if this quality represented the cause of any market closures. Only applies where surveillance programmes are relevant to export market access requirements.	Zero	Zero
Percentage of targeted surveillance programmes monitored for pests and diseases <sup>7</sup>	100%	100%		Achieved	Achieved
<b>Response to <i>Mycoplasma bovis</i></b>					
This category is intended to achieve the effective eradication and long-term management of <i>Mycoplasma bovis</i>					
Percentage of farms captured by all surveillance streams over the past 12 months that test negative <sup>8</sup>	95% or greater	99.3%	Currently there are no active Confirmed Properties for <i>M. bovis</i> . The last Confirmed Positive case detected through background surveillance was identified in August 2023 via Bulk Tank Milk (BTM) screening.	New measure for 2023/24	N/A

### Contextual note

- The measure and standard have been updated to ensure they are more easily understood. The measure has been reworded from "ISO 17025 accreditation maintained for all laboratory processing, testing, and reporting".
- This measure has been amended to provide clarity as to what is being measured.
- This new measure has replaced the following existing measures. The reason for change is to focus on those farms that have tested negative:
  - 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.

### Biosecurity: Control of Bovine TB

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

	2023/24			2022/23	2021/22
Performance measure	Standard	Actual	Variance explanation	Actual	Actual
<b>Non-Departmental Output Expenses</b>					
Percentage of Tbfree quarterly performance reports reviewed and approved <sup>9</sup>	100%	100%		100%	New measure for 2022/23

### 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.

Percentage of grant-funded work programmes delivered this financial year	95%	95.1%	<p>MPI provided grant funding for Tiakina Kauri related activities during the financial year to support implementation of the National Pest Management Plan (NPMP). A number of these grants are multi-year grants so the full benefits will not be realised until the end of their funding term.</p> <p>We also provided grant-funding to three biosecurity engagement programmes which delivered as planned (Tauranga Moana Biosecurity Capital Incorporated, Biosecurity Taranaki, and the Biosecurity Business Pledge).</p> <p>For more information, refer to Chapter 2, for the work done to protect New Zealand from harmful pests and diseases.</p>	65%	New measure for 2022/23
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#### Contextual note

<sup>9</sup> Please refer to the OSPRI Annual Report for more information on the performance of the Tbfree programme – <https://www.ospri.co.nz/publications-resources/>

## 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.

Performance measure	2023/24		Variance explanation	2022/23	2021/22
	Standard	Actual		Actual	Actual
<b>Non-Departmental Other Expenses</b>					
Percentage of non-complex compensation claims resolved within 30 working days of receipt <sup>10</sup>	90%	100%	The number of compensation claims for eligible losses associated with the <i>M. bovis</i> 2017 response, in accordance with the requirements of section 162A of the Biosecurity Act 1993, has steadily been reducing since 2019. All 23 non-complex claims this year have been received, assessed and paid within 30 working days.	95.5%	89.6%
Percentage of complex claims have a Resolution Plan in place and communication has occurred with the claimant within 3 months of receipt <sup>11</sup>	100%	100%		New measure for 2023/24	N/A

### Contextual note

10. 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. Resolved means a formal decision is made. The wording of the measure has been updated to ensure it is more easily understood.
11. A complex claim is where a consequential loss has been identified as a result of actions undertaken in a notified biosecurity response. This may include losses relating to items like milk, crop, or meat production, or other financial impacts directly stemming from the destruction or restriction of a person's goods/property. The nature of these cases and the matters they relate to are typically difficult to resolve. This new measure has been selected to reflect the complexity of the M.bovis compensation claim process.



Departmental appropriations revenue and output expenses				
Actual June 2023		Actual June 2024	Main Estimates June 2024	Supp Estimates June 2024
\$000	Revenue Crown	\$000	\$000	\$000
11,688	Border Biosecurity Monitoring and Clearance	6,930	8,975	6,930
39,521	Border Biosecurity Systems Development and Maintenance	26,149	25,586	26,149
84,810	Biosecurity Incursion Response and Long Term Pest Management	69,319	73,546	69,319
59,599	Domestic Biosecurity Surveillance	68,708	65,228	68,708
77,298	Response to <i>Mycoplasma bovis</i>	44,008	20,898	44,008
<b>272,916</b>	<b>Total revenue Crown</b>	<b>215,114</b>	<b>194,233</b>	<b>215,114</b>
<b>Revenue other</b>				
125,427	Border Biosecurity Monitoring and Clearance	180,379	120,300	154,404
7,833	Border Biosecurity Systems Development and Maintenance	8,249	6,361	7,561
990	Biosecurity Incursion Response and Long Term Pest Management	7,767	775	7,826
3,487	Domestic Biosecurity Surveillance	3,868	4,514	4,514
73	Response to <i>Mycoplasma bovis</i>	51	2,974	2,974
<b>137,810</b>	<b>Total revenue other</b>	<b>200,314</b>	<b>134,924</b>	<b>177,279</b>
<b>410,726</b>	<b>Total revenue</b>	<b>415,428</b>	<b>329,157</b>	<b>392,393</b>
<b>Expenses</b>				
135,935	Border Biosecurity Monitoring and Clearance	154,499	129,275	161,334
44,422	Border Biosecurity Systems Development and Maintenance	27,596	31,947	33,710
76,944	Biosecurity Incursion Response and Long Term Pest Management	72,672	74,321	77,145
67,581	Domestic Biosecurity Surveillance	72,084	69,742	73,222
49,388	Response to <i>Mycoplasma bovis</i>	33,475	23,872	46,982
<b>374,270</b>	<b>Total expenses</b>	<b>360,326</b>	<b>329,157</b>	<b>392,393</b>
<b>Surplus/[Deficit]</b>				
1,180	Border Biosecurity Monitoring and Clearance	32,810	-	-
2,932	Border Biosecurity Systems Development and Maintenance	6,802	-	-
8,856	Biosecurity Incursion Response and Long Term Pest Management	4,414	-	-
(4,495)	Domestic Biosecurity Surveillance	492	-	-
27,983	Response to <i>Mycoplasma bovis</i>	10,584	-	-
<b>36,456</b>	<b>Total surplus/[deficit]</b>	<b>55,102</b>	<b>-</b>	<b>-</b>
<b>Non-Departmental appropriations</b>				
24,000	Biosecurity: Control of Bovine TB	24,000	24,000	24,000
1,687	Biosecurity: Grants Supporting Biosecurity Programmes and Initiatives	7,873	6,990	7,127
6,927	Biosecurity: Compensation and Ex-gratia following a Biosecurity Event	-	-	-
44,121	Compensation and Ex-Gratia Payments in Response to <i>Mycoplasma Bovis</i>	9,365	5,100	17,214
76,735	Sub-total Non-Departmental Expenditure	41,238	36,090	48,341
<b>451,005</b>	<b>Total MCA Expenditure</b>	<b>401,564</b>	<b>365,247</b>	<b>440,734</b>

# 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	2023/24		Variance explanation	2022/23	2021/22
	Standard	Actual		Actual	Actual
<b>Performance of the MCA as a whole</b>					
The percentage of scientifically evaluated fish stocks that are above stock biomass limits is at or above 80 percent <sup>12</sup>	More than 80%	87.5%		86.8%	84.9%
<b>Fisheries Enforcement and Monitoring</b>					
This category is intended to achieve the adherence to New Zealand fisheries laws.					
<b>Departmental Output Expenses</b>					
Percentage of commercial operators inspected are found to be voluntarily compliant <sup>13</sup>	80-90%	89.1%		85.7%	89.8%
Percentage of recreational fishers inspected are found to be voluntarily compliant	90-95%	94.4%		94.1%	94.3%

### Contextual note

- The definition of "above stock biomass limits" is that the stock is above the soft limit (the biomass level below which a stock is deemed to be overfished or depleted). The previous measure ("The percentage of scientifically evaluated fish stocks with no sustainability issues") was slightly amended to be more relevant and clearer.
- "Voluntarily compliant" means that routine inspection finds the operators to be compliant by their own volition, without any intervention by Compliance Officers.

Performance measure	2023/24		Variance explanation	2022/23	2021/22
	Standard	Actual		Actual	Actual
Percentage of fisheries compliance case files involving significant offending, or multiple offenders, where a prosecution decision is made within the relevant statutory limitation period <sup>14</sup>	95-100%	100%		99.1%	99.6%
Percentage of Planned Days that Fisheries Observers are at sea	90%	91.9%		74.9%	77.2%
Percentage of cases taken to court that achieve their objective <sup>15</sup>	90-95%	92.7%		95.9%	96%
<b>Fisheries Management</b>					
This category is intended to achieve the implementation of policy advice relating to fisheries matters and ministerial servicing.					
Percentage of fisheries management-related requests completed within either specified or statutory timeframes:					
<ul style="list-style-type: none"> <li>Aide Memoires (Timeframes are set on a case-by-case basis)</li> </ul>	95-100%	100%		100%	N/A
<ul style="list-style-type: none"> <li>Briefings (Timeframes are set on a case-by-case basis)</li> </ul>	95-100%	100%		100%	N/A
<ul style="list-style-type: none"> <li>Ministerial Correspondence (Proposed response within a 20-working day timeframe)</li> </ul>	95-100%	99.3%		100%	N/A
<ul style="list-style-type: none"> <li>Ministerial Official Information Act 1982 requests (Proposed response within a 15-working day timeframe)<sup>16</sup></li> </ul>	95-100%	93.9%	The ability of MPI to meet the standard was impacted by the volume and complexity of the requests received.	100%	N/A

#### Contextual note

14. "Significant offending" means an offence under the Fisheries Act 1996 or the Crimes Act 1961. The "statutory limitation period" means the time within which a document initiating a prosecution for that offence ("charging document") must be filed in Court.

The measure description and note have been updated for clarity and context.

15. 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.

For clarity, a case still achieves its objective in the event of the death of a defendant resulting in the withdrawal of charges.

A case still achieves its objectives in the event, due to steps taken by defendants before decision to convict, the Judge determines their actions to be sufficiently mitigating so as to discharge all linked defendants without conviction, providing no deficiency in the prosecutor's case was pointed to as contributing to the Judge's decision.

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.

16. 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.



Performance measure	2023/24		Variance explanation	2022/23	2021/22
	Standard	Actual		Actual	Actual
<ul style="list-style-type: none"> <li>Written Parliamentary Questions (Proposed response within four working days)<sup>17</sup></li> </ul>	95-100%	88%	The ability of MPI to meet the standard was impacted by the volume and complexity of the requests received.	62.7%	N/A
Percentage of the Crown's obligations to Māori under fisheries related Treaty of Waitangi settlement legislation and the Fisheries Act delivered <sup>18</sup>	100%	100%		98.1%	100%
Ministerial decisions on sustainability rounds are implemented within agreed timeframes <sup>19</sup>	Achieved	Achieved		Achieved	Achieved
<b>Fisheries: Aquaculture</b>					
This category is intended to achieve support for the all-of-government pathway to promote growth in the aquaculture sector.					
Percentage of agreed annual Aquaculture Strategy Implementation Plan deliverables that are completed <sup>20</sup>	80%	81.3%		80%	80.8%
<b>Fisheries: Grants to Manage Sustainable Use of Fisheries Resources</b>					
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.					
<b>Non-Departmental Output Expenses</b>					
Percentage of funding applications are assessed within agreed timeframes <sup>21</sup>	90-100%	100%		100%	New measure for 2022/23

#### Contextual 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 Crown has a number of fisheries related legislative obligations to Māori under Treaty of Waitangi settlement legislation and the Fisheries Act. This measure will measure the delivery of these.  
The wording of the measure has been updated to ensure it is more easily understood.
- The sustainability round process, run twice per year, enables MPI to provide advice to the Minister on catch limits, deemed values, and other management settings for fish stocks to provide for their sustainable use.  
This note has been added for context.
- An Aquaculture Strategy Implementation Plan (<https://www.mpi.govt.nz/fishing-aquaculture/aquaculture-fish-and-shellfish-farming/aquaculture-strategy-for-new-zealand/>) is published annually that establishes and clearly states specific 'deliverables' (with deadlines) for the year ahead. This note was added for context.  
The measure "Obligations to Māori under the Māori Commercial Aquaculture Settlement Act are delivered by statutory deadline" was removed from the Fisheries: Aquaculture category and moved into the Fisheries Aquaculture Settlements MYA with updated wording.
- The application and assessment processes have their own criteria and timeframes.

Departmental appropriations revenue and output expenses				
Actual June 2023		Actual June 2024	Main Estimates June 2024	Supp Estimates June 2024
\$000	Revenue Crown	\$000	\$000	\$000
2,224	Fisheries: Aquaculture	4,260	3,224	4,260
59,956	Fisheries Enforcement and Monitoring	59,773	65,823	59,773
12,081	Fisheries Management	12,658	12,364	12,658
<b>74,261</b>	<b>Total revenue Crown</b>	<b>76,691</b>	<b>81,411</b>	<b>76,691</b>
	<b>Revenue other</b>			
17	Fisheries: Aquaculture	21	16	16
3,365	Fisheries Enforcement and Monitoring	3,527	3,555	3,555
104	Fisheries Management	154	875	875
<b>3,486</b>	<b>Total revenue other</b>	<b>3,702</b>	<b>4,446</b>	<b>4,446</b>
<b>77,747</b>	<b>Total revenue</b>	<b>80,393</b>	<b>85,857</b>	<b>81,137</b>
	<b>Expenses</b>			
3,930	Fisheries: Aquaculture	4,104	3,240	4,276
59,331	Fisheries Enforcement and Monitoring	62,515	69,378	63,328
11,004	Fisheries Management	13,010	13,239	13,533
<b>74,265</b>	<b>Total expenses</b>	<b>79,629</b>	<b>85,857</b>	<b>81,137</b>
	<b>Surplus/[Deficit]</b>			
(1,689)	Fisheries: Aquaculture	177	-	-
3,990	Fisheries Enforcement and Monitoring	785	-	-
1,181	Fisheries Management	(198)	-	-
<b>3,482</b>	<b>Total surplus/[deficit]</b>	<b>764</b>	<b>-</b>	<b>-</b>
Non-Departmental appropriations				
779	Fisheries: Grants to Manage Sustainable use of Fisheries Resources	895	1,200	1,200
72	Fisheries Quota Shares and ACE Administration Costs	88	149	149
851	Sub-total Non-Departmental Expenditure	983	1,349	1,349
<b>75,116</b>	<b>Total MCA Expenditure</b>	<b>80,612</b>	<b>87,206</b>	<b>82,486</b>

# 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



**Achieved 14 out of 14 applicable performance measures**  
 One performance measure was deemed as Not Applicable  
 Spend: \$128.55 million

	2023/24			2022/23	2021/22
Performance measure	Standard	Actual	Variance explanation	Actual	Actual
<b>Performance of the MCA as a whole</b>					
The rate of domestically acquired foodborne campylobacteriosis per 100,000 people per annum <sup>22</sup>	20% reduction from 88 to 70 per 100,000 people	77 cases per 100,000 people	The reported notification rate is for the calendar year 2023 (1 January 2023–31 December 2023). This indicates continued progress towards the five-year target. The notification rate for the 2024 calendar year will provide the final result for this measure. Verified 2024 campylobacteriosis data will be available at the end of June 2025.  The standard is not applicable as it is a five-year standard and not an annual standard.	81 cases per 100,000 people p.a.	80 cases per 100,000 people

### Contextual note

22. The standard is for per 100,000 people by the end of the calendar year 2024. The measure tracks the progress annually for the entire calendar year. This performance target uses an attribution factor of 75 percent for foodborne Campylobacteriosis. "Attribution factor/rate" refers to the proportion of illnesses attributed to food sources or other pathways of transmissions, including non-food pathways such as water or animals. The numbers in the budget standard were updated from 87 to 69 to 88 to 70, so that they reflect Campylobacteriosis 2020 – 2024 performance target and that it is also consistent with the numbers reported in the MPI’s Annual Report on Foodborne Diseases in New Zealand. For details see <https://www.mpi.govt.nz/dmsdocument/46693-Foodborne-transmission-of-Campylobacteriosis-Yersiniosis-and-STEC-infection-in-New-Zealand>. The note was updated to clarify the reporting timeline.



## Food Safety: Assurance

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

	2023/24			2022/23	2021/22
Performance measure	Standard	Actual	Variance explanation	Actual	Actual
<b>Departmental Output Expenses</b>					
Percentage of access to overseas markets maintained after overseas audits <sup>23</sup>	100%	100%		100%	100%
From all export certificates issued annually (approximately 200,000), the number rejected due to verification error <sup>24</sup>	5 or fewer	0		2	1
Percentage of Verification Services corrective actions that are closed out by the agreed date <sup>25</sup>	85%	90.5%		90.9%	88.3%
Percentage of food businesses who provide full and complete applications, are registered within 20 working days <sup>26</sup>	85%	99.8%	7,654 out of 7,673 businesses were registered within 20 working days. The positive variance is due to improved processes.	99.9%	99.9%
<b>Food Safety: Information</b>					
This category is intended to achieve effective provision of information, advice and tools to food and primary product exporters.					
Percentage of exporters rate the overall satisfaction level with Export Regulatory Advice Service as 5 or higher (satisfaction rating – 1 being completely dissatisfied to 7 being completely satisfied) <sup>27</sup>	75%	89.8%	115 out of 128 respondents who completed Export Regulatory Advice Service (ERAS) surveys rated their satisfaction with ERAS' service 5 or higher.	78.3%	77.4%

### Contextual note

23. Overseas audits include audits of export premises on behalf of overseas competent authorities (these are delegated agencies carrying out audits on behalf of overseas governments), hosting overseas competent authority auditors, and support provided for remote audits by overseas competent authorities when auditors are unable to travel to New Zealand.
24. Verification error is an error on the export certificate due to the fault of the internal verifier. The previous measure ("From a total of approximately 200,000 export certificates issued annually, the number rejected due to verification error") was slightly amended to clarify that "5" is not a fraction of 200,000 but stands in relation to all export certificates. The value (5 errors) is so low as it represents the number acceptable for human error per year. Every instance of this occurrence is being followed up. The reputational consequence for exceeding this standard is very high.
25. 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.
26. Twenty working days is the processing time of a completed application for registration. This target is internal and not statutory. The measure and wording have been updated for clarity and context. The measure "Percentage of customers that participate in a satisfaction survey rate overall verification service as 4 or higher (satisfaction rating – 1 represents very dissatisfied to 5 which represents very satisfied)" has been removed for the Food Safety: Assurance category as this does not relate or support the Category Intention Statement.
27. The adjustment aims to capture a more comprehensive view of satisfaction, acknowledging that a rating of 5 (previously 6) indicates a positive sentiment and aligns with widely accepted industry practices. This change is a means to improve accuracy and responsiveness to exporter feedback.

## 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.

	2023/24			2022/23	2021/22
Performance measure	Standard	Actual	Variance explanation	Actual	Actual
Percentage of investigations resolved within the required timeframe <sup>28</sup>	Equal to or greater than 90%	97.2%	In 2023/24, 774 out of 796 investigations were resolved within the required timeframes.	93.4%	93.7%
Percentage of serious food safety complaints where investigations are commenced within 24 hours of the MPI assessment being made <sup>29</sup>	95-100%	100%	In 2023/24, all of 73 serious complaints were recorded and responded to within 24 hours of notification to MPI.	99%	99.4%
Percentage of serious food complaints investigations are resolved within the required timeframe <sup>30</sup>	95-100%	99.1%	215 out of 217 serious food complaints investigations were resolved within the required timeframe. Financial year 2023/24 measures serious food complaints investigations opened between April 2023 and April 2024, with assessment into whether these investigations were resolved within 60 working days.	99%	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.

The percentage of export certificates issued which meet the certification requirements of overseas competent authorities <sup>31</sup>	99%	100%		99.9%	99.9%
Standards and/or guidance developed for the year as agreed with cost recovered sectors <sup>32</sup>	Achieved	Achieved	Twenty two projects were completed in 2023/24.	New measure for 2023/24	N/A

### Contextual note

28. Food Compliance uses two categories of timeframes for investigations:
- percentage of non-complex investigations completed within 6 months;
  - 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).
29. MPI considers "Serious category complaints" to include reports where there is imminent risk to public health, any deliberate action to contaminate food, actual or potential damage to New Zealand's trading reputation, foodborne illness outbreaks.
30. MPI considers 'Serious category complaints' to include reports where there is imminent risk to public health, any deliberate action to contaminate food, actual or potential damage to New Zealand's trading reputation, foodborne illness outbreaks. Serious category investigations are required to be managed by recall actions.
31. "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 previous measure ("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") was reworded to be more accurate without identifying the total amount of certificates per year. Since this measure is reported as percentage, the total number of certificates is not relevant for the accuracy of the measure to be reported on.
32. The number of standards and/or guidance will vary from year-to-year dependent on discussions with cost recovered sectors. This is a new measure that replaces a previous measure "The percentage of high priority animal product initiatives for the year progressed, as agreed with key animal product sector stakeholders". Another measure in this category, "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" has been removed as this process is reflected in the newly introduced measure.

## 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.

Performance measure	2023/24		Variance explanation	2022/23	2021/22
	Standard	Actual		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 <sup>33</sup>	75%	80.1%	This measure was achieved. The Market Access work programme covers both Sanitary and Phytosanitary matters. It does not distinguish between those relating to Food Safety and those related to Trade and Primary Industries market access. Importing countries standards are a blend of both and also address Technical Barriers to Trade issues.	92.8%	73.1%
A work programme has been developed and agreed to, with consultation between MPI and key primary industry groups <sup>34</sup>	Achieved	Achieved	This measure was achieved for the 2023/24 year. MPI has a living multi-year work programme that is regularly refreshed in consultation with key industry groups, sector by sector for items relevant to that sector. The seafood and horticulture sector refresh has been completed, and the refresh of other sectors' items has been progressed.  For more information, please refer to Chapter 2 under Prosperity outcome.	Achieved	Achieved
Conclude bilateral (or regional) arrangements with key trading partners accepting New Zealand primary industry regulatory systems	Minimum 1	Achieved	The annual standard for this measure "Minimum 1" was achieved in January 2024 with Indonesia signing the Renewal of the Recognition of New Zealand's Food Safety Control Systems for Horticulture.	0	2
Regular (e.g. annual) formal meeting held with key trading partner regulators <sup>35</sup>	Minimum 1	Achieved	The annual standard for this measure "Minimum 1" was achieved for this financial year. New Zealand held meetings with counterpart agencies under the relevant FTA chapters. These include bilateral meetings with Korea, Taiwan, Malaysia, Thailand and the UK along with plurilateral meetings with the ASEAN-Australia-New Zealand Free Trade Area, PACER Plus (Pacific nations) and Comprehensive and Progressive Agreement for Trans-Pacific Partnership blocs.  For more information, please refer to Chapter 2 under Prosperity outcome.	7	5

### Contextual note

33. 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.
34. 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.
35. 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 2023		Actual June 2024	Main Estimates June 2024	Supp Estimates June 2024
\$000	Revenue Crown	\$000	\$000	\$000
8,679	Food Safety: Assurance	7,695	8,692	7,695
4,865	Food Safety: Information	4,595	4,966	4,595
9,309	Food Safety: Response	10,824	9,517	10,824
5,085	Food Safety: Standards	6,668	5,263	6,668
5,514	Food Safety: Trade and Market Access Food Safety	6,217	5,561	6,217
<b>33,452</b>	<b>Total revenue Crown</b>	<b>35,999</b>	<b>33,999</b>	<b>35,999</b>
	<b>Revenue other</b>			
61,504	Food Safety: Assurance	67,216	75,283	77,992
429	Food Safety: Information	515	2	2
62	Food Safety: Response	38	360	360
6,153	Food Safety: Standards	5,619	12,519	12,744
1,706	Food Safety: Trade and Market Access Food Safety	1,766	2,066	2,066
<b>69,854</b>	<b>Total revenue other</b>	<b>75,154</b>	<b>90,230</b>	<b>93,164</b>
<b>103,306</b>	<b>Total revenue</b>	<b>111,153</b>	<b>124,229</b>	<b>129,163</b>
	<b>Expenses</b>			
78,451	Food Safety: Assurance	86,649	83,975	85,687
3,976	Food Safety: Information	3,727	4,968	4,597
10,122	Food Safety: Response	9,638	9,877	11,184
17,775	Food Safety: Standards	18,052	17,782	19,412
7,117	Food Safety: Trade and Market Access Food Safety	8,305	7,627	8,283
<b>117,441</b>	<b>Total expenses</b>	<b>126,371</b>	<b>124,229</b>	<b>129,163</b>
	<b>Surplus/[Deficit]</b>			
(8,268)	Food Safety: Assurance	(11,738)	-	-
1,318	Food Safety: Information	1,383	-	-
(751)	Food Safety: Response	1,224	-	-
(6,537)	Food Safety: Standards	(5,765)	-	-
103	Food Safety: Trade and Market Access Food Safety	(322)	-	-
<b>(14,135)</b>	<b>Total surplus/[deficit]</b>	<b>(15,218)</b>	<b>-</b>	<b>-</b>
<b>Non-Departmental appropriations</b>				
1,100	Food Safety Science and Research	-	1,700	1,700
2,152	Food Safety: Joint Food Standards Setting Treaty	2,185	2,153	2,153
3,252	Sub-total Non-Departmental Expenditure	2,185	3,853	3,853
<b>120,693</b>	<b>Total MCA Expenditure</b>	<b>128,556</b>	<b>128,082</b>	<b>133,016</b>



## 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:



Prosperity  
Tōnuitanga



Sustainability  
Kauneke Tauwhiro

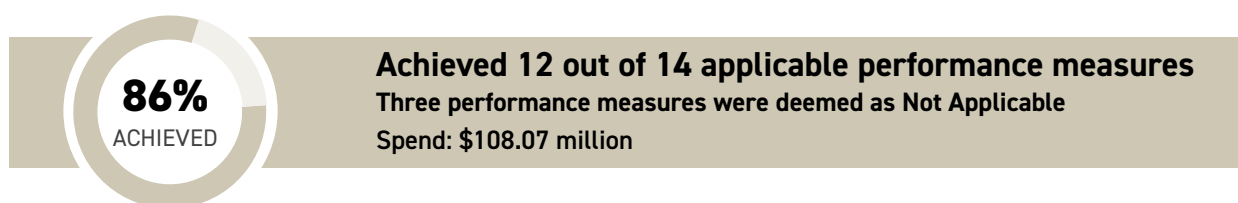


Protection  
Whakangungu

### 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	2023/24		Variance explanation	2022/23	2021/22
	Standard	Actual		Actual	Actual
<b>Performance of the MCA as a whole</b>					
Percentage of completed research contracts or work programmes that have completed intended deliverables <sup>36</sup>	90%	84.6%	The reason for not meeting the standard was primarily due to funding being approved for climate change projects totalling approximately \$3.2 million in 2023/24 but contracts not being signed before year end. Cyclone Gabrielle audit and assurance work undertaken has had an impact on this work delivery. For more information, please refer to Chapter 2.	83.8%	91.6%
Percentage of cases taken to court that achieve their objective <sup>37</sup>	90-95%	100%	Charges were withdrawn by MPI in five animal welfare prosecutions during the 2023/24 financial year. In one case, charges were withdrawn on public interest grounds, due to a change in circumstances on the defendant's farm, in line with the prosecutor's ongoing duty of review in the Solicitor-General's Prosecution Guidelines. In the other four cases, less serious charges were withdrawn when guilty pleas to more serious charges were entered.	87.5%	100%

#### Contextual note

36. This will measure climate change research contracted by MPI that has delivered its intended outcomes, and the success of our adverse event work programmes.

37. "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.

	2023/24			2022/23	2021/22
Performance measure	Standard	Actual	Variance explanation	Actual	Actual
<b>Departmental Output Expenses</b>					
Percentage of funding applications processed in the agreed timeframes <sup>38</sup>	80%	80.9%	There were 136 applications processed during the year: <ul style="list-style-type: none"> <li>88 for Sustainable Food and Fibre Futures (SFF Futures);</li> <li>33 for Vet Bonding Scheme (VBS);</li> <li>12 for Greenhouse Gas Inventory Research (GHGIR);</li> <li>Three for Sustainable Land Management And Climate Change (SLMACC).</li> </ul> Processing of funding applications was slightly impacted by the urgency and scale of processing Cyclone Gabrielle grants. This required the full time support of a large number of the Investment Programmes team through to June 2023.	90.7%	81.3%
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 <sup>39</sup>	Equal or greater than 40	152	We have exceeded the annual standard by approximately 280 percent due to increased participation from Māori landowners, Māori businesses, and iwi/hapū entities in 2023/24. The standard for this measure will be reviewed in the next Estimates process.	37	New measure for 2022/23
<b>Animal Welfare: Education and Enforcement</b>					
This category is intended to achieve the effective provision of education and enforcement to improve animal welfare in New Zealand.					
Percentage of priority 1 (Grade 1 – significant/acute) complaints are recorded and responded to within 24 hours <sup>40</sup>	95–100%	97%	A total of 135 priority 1 animal welfare complaints were responded to this year compared to 118 in the previous year. Of these 135 complaints, 131 were responded to within 24 hours.	98.3%	98.2%

### Contextual note

38. The application and assessment processes for each fund administered has its own criteria and timeframes. 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.
39. This measure is reporting on the performance of the Budget 2022 initiative Māori Agribusiness as part of integrated advisory services. The budget standard was updated to reflect the increase in demand for Māori Agribusiness Extension (MABx) and Māori Agribusiness Pathway to Productivity (MAPIP) programmes.
40. 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	2023/24		Variance explanation	2022/23	2021/22
	Standard	Actual		Actual	Actual
Undertake preventative inspections contributing to better animal welfare outcomes <sup>41</sup>	200	338	There has been a focus on proactive inspections during 2023/24 resulting in the annual standard being exceeded.	New measure for 2023/24	N/A
Percentage of investigations resolved within the required timeframes <sup>42</sup>	90-95%	96.6%	The measure is about the efficient resolution of non-complex cases. At the time a case is received, it is not possible to say what intervention activity will be necessary. This causes a delay in the measure to allow for any enforcement or follow-up activity to be taken. In instances when animal welfare cases do not result in a prosecution (non-complex), we aim to investigate and close the matter within 6 months.	96.8%	96.7%
<b>Climate Emergency Response Implementation and Administration</b>					
This category is intended to achieve effective support to help meet New Zealand domestic and international climate change targets.					
Number of entities participating in MPI's climate change and emissions reductions programmes <sup>43</sup>	95	85	Due to changes in funding, this performance measure will be reviewed in the next Estimates process.	New measure for 2023/24	N/A
<b>Agriculture: Climate Emergency Response Fund</b>					
This category is intended to achieve effective implementation of programmes to help New Zealand work towards its domestic and international climate change targets					
<b>Non-Departmental Output Expenses</b>					
The percentage of (non-AgriZeroNZ) forecast investment dispersed each year according to the Accelerating New Mitigations programme's strategic funding plan <sup>44</sup>	85%	101%	Out of the \$23.5 million of (non-Joint Venture) intended investments as per the Strategic Funding plan/Climate Change Governance Committee paper, \$23.8 million was dispersed as per the financial reporting in 2023/24.  For more information, please refer to Chapter 2 under Sustainability outcome.	62%	New measure for 2022/23

#### Contextual note

41. Preventative inspections' is defined as, but not limited to, inspecting farms known to engage in intensive winter grazing practices, broiler chicken farms, monitoring rodeos, etc. The measure wording was slightly amended from the previous "Percentage of inspections where offences have been detected resulting in an enforcement activity" to increase reader understandability.
42. In instances when animal welfare cases do not result in a prosecution (non-complex), the case will be investigated and closed within 6 months.
43. This measure is reporting on the performance of the Budget 2022 initiative "Agriculture Emissions Reduction-Supporting Producers and Māori Entities Transition to a Low Emissions Future". An entity is any legal entity liable for emissions levies or responsible for decision making that affects practice and land use changes e.g. producer businesses (farmer/grower/Māori agribusiness), landowner organisations (trusts, iwi, hapū). The previous budget standard was adjusted to reflect fifty-percent reduction in budget and timeframe extended for an additional year to include 2026/27.
44. This measure is reporting on the performance of the Budget 2022 initiative "Accelerating development of greenhouse gas mitigations" for the non-AgriZeroNZ component. The measure and the note were updated to include AgriZeroNZ, which is now the Joint Venture's official name. The official name should be used in the performance measure reporting process for consistency with other reporting. This result excludes the performance of Public-Private Joint Venture (AgriZeroNZ) on Centre for Climate Action which is measured under the Category: Agriculture: Climate Emergency Response Fund Joint Venture.

Performance measure	2023/24		Variance explanation	2022/23	2021/22
	Standard	Actual		Actual	Actual
The number of farm types for which mitigation investments (non- AgriZeroNZ) are relevant each year <sup>45</sup>	At least 3 farm types in any given financial year	Achieved	The New Zealand Agricultural Greenhouse Gas Research Centre and MPI have a wide range of mitigation investment. Some apply to all ruminant animals, while others to one or a combination of dairy, beef, and/or sheep and deer. In addition, there is research on pasture-based inhibitors and effluent management. For more information, please refer to Chapter 2 under Sustainability outcome.	New measure for 2023/24	N/A
Progress toward having enough tools/solutions to meet legislated targets that are adoptable by 2030 (non-AgriZero <sup>NZ</sup> ) <sup>46</sup>	Increasing trend	Achieved	Under MPI's 2023 projections with additional measures scenario, projected agriculture emissions are meeting our 2030 target of a 10 percent reduction in biogenic methane emissions (relative to 2017 levels). The central projection reaches a 11.1 percent reduction in 2030. These projections included the impact of tools that are in development, i.e. EcoPond, low methane sheep breeding, nitrification inhibitors applied to pasture, a methane inhibitor based on a bromoform rumen bolus, and land use change. These projections assumed agricultural emissions pricing would begin in 2030. The 2030 target is legislated by the Climate Change Response Act. The next round of projections will factor in changes to government policy, and any further tools/solutions that may be developed. For more information, please refer to Chapter 2 under Sustainability outcome.	New measure for 2023/24	N/A

#### Contextual note

45. This measure is reporting on the performance of the Budget 2022 initiative "Accelerating Development of Greenhouse Gas Mitigations". Non-AgriZeroNZ means this result excludes the Public-Private Joint Venture on Centre for Climate Action. Performance for the Joint Venture is measured under the Category Appropriation Agriculture: Climate Emergency Response Fund Joint Venture. Relevant means mitigation investments that relate to one of the farm types i.e. dairy, beef, sheep, deer, goats, horticulture, arable. The measure and the note were updated to include Non-AgriZeroNZ. The note was also updated to clarify the meaning of "relevant". The budget standard was updated to clarify the period in which the performance will be measured.
46. This measure is reporting on the performance of the Budget 2022 initiative "Accelerating development of greenhouse gas mitigations". This is for non-AgriZeroNZ which excludes the Public-Private Joint Venture on Centre for Climate Action. Legislated targets: Estimated reduction in emissions contributing to Greenhouse Gas (GHG) Emission Budget 1 and 2, based on the effectiveness of new tools/solutions to reduce emissions. The budget standard is based on the Ministry for Environment's Agricultural Emissions Budgets:
- EB1, 2022-2025= 159.4 Mt CO<sub>2</sub>-e;
  - EB2, 2026-2030= 191.0 Mt CO<sub>2</sub>-e.



	2023/24			2022/23	2021/22
Performance measure	Standard	Actual	Variance explanation	Actual	Actual
Progress toward having enough tools/solutions to meet legislated targets that are adoptable by 2030 (AgriZero <sup>NZ</sup> ) <sup>47</sup>	Increasing trend	Achieved	Under MPI's 2023 projections with additional measures scenario, projected agriculture emissions are meeting our 2030 target of a 10 percent reduction in biogenic methane emissions (relative to 2017 levels). The central projection reaches a 11.1 percent reduction in 2030. These projections included the impact of tools that are in development, ie. EcoPond, low methane sheep breeding, nitrification inhibitors applied to pasture, a methane inhibitor based on a bromoform rumen bolus, and land use change. These projections assumed agricultural emissions pricing would begin in 2030. The 2030 target is legislated by the Climate Change Response Act. The next round of projections will factor in changes to government policy, and any further tools/solutions that may be developed. For more information, please refer to Chapter 2 under Sustainability outcome.	New measure for 2023/24	N/A
<b>Agriculture: Grants Supporting Sustainability</b>					
This category is intended to achieve the effective provision of grants to support the agricultural sector to be competitive and sustainable.					
Percentage of funding applications received from farmers and growers impacted by the cyclone assessed within the agreed timeframes <sup>48</sup>	100%	N/A	The performance measure is reported as not applicable because the fund officially closed in the 2022/23 financial year (3 April 2023). This measure was previously used for Cyclone Gabrielle in the 2022/23 financial year. It was reworded for the 2023/24 financial year as a placeholder measure in the occurrence of adverse events. It will be activated during response activities to support the primary sector.	76.4%	New measure for 2022/23
Number of new catchments established through MPI's Catchment Extension Services Programme <sup>49</sup>	12	23	New catchment groups established exceeded the standard by 11 bringing the total to 23 for the 2023/24 financial year. This is due to the on-the-ground work MPI is delivering to provide catchment groups with the necessary skills and tools to become established.	New measure for 2023/24	N/A

#### Contextual note

47. This measure is reporting on the performance of the Budget 2022 initiative "Accelerating Development of Greenhouse Gas Mitigations". This is similar to the previous measure but used for AgriZeroNZ (the public: private Joint Venture) under the same appropriation. Legislated targets: Estimated reduction in emissions contributing to Greenhouse Gas (GHG) Emission Budget 1 and 2, based on the effectiveness of new tools/solutions to reduce emissions. This new measure was added in order to track progress of the work of AgriZeroNZ against the Emissions Reduction Plan's key target for Agriculture. The budget standard is based on the Ministry for Environment's Agricultural Emissions Budgets:

- EB1, 2022-2025= 159.4 Mt CO<sub>2</sub>-e;
- EB2, 2026-2030= 191.0 Mt CO<sub>2</sub>-e.

48. The application and assessment processes have its own criteria and timeframes.

49. This new measure was added for this category to accurately represent the scope of the funding and monitor the performance.

### 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.

	2023/24			2022/23	2021/22
Performance measure	Standard	Actual	Variance explanation	Actual	Actual
<b>Non-Departmental Output Expenses</b>					
Percentage of those within the Primary Sector affected by adverse events who were eligible and took up recovery assistance funding <sup>50</sup>	85%	N/A	The performance measure is reported as not applicable because the fund officially closed in the 2022/23 financial year (3 April 2023). This measure was reworded for the 2023/24 financial year as a placeholder measure in the occurrence of adverse events. It will be activated during recovery activities to support the primary sector. There were no adverse events in 2023/24 therefore, no funding was utilised for this purpose.	N/A	90%
<b>Cyclone Gabrielle – Primary Sector Response</b>					
This category is intended to achieve the effective provision of support to farmers and growers in the immediate recovery of Cyclone Gabrielle.					
Percentage of funding applications received from farmers and growers impacted by the cyclone assessed within 30 working days of receipt <sup>51</sup>	100%	N/A	The performance measure is reported as not applicable because the fund officially closed in 2022/23 financial year (3 April 2023). This measure was reworded for the 2023/24 financial year as a placeholder measure in the occurrence of adverse events. It will be activated during recovery activities to support the primary sector. There were no adverse events in 2023/24 therefore, no funding was utilised for this purpose.	76.4%	New measure for 2022/23
<b>Agriculture: Climate Emergency Response Fund Joint Venture</b>					
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.					
<b>Non-Departmental Capital Expenditure</b>					
Invest in portfolio of high abatement potential ventures equitably across sectors <sup>52</sup>	Invested in at least 3 ventures per financial year	Achieved	AgriZero <sup>NZ</sup> currently has investments that cover four livestock types: dairy, beef, sheep and deer. Details are found on AgriZero <sup>NZ</sup> 's investing page: <a href="https://www.agrizerozero.nz/investors">https://www.agrizerozero.nz/investors</a> . This measure will be reviewed next year during the Estimates process.	New measure for 2023/24	N/A

#### Contextual note

50. This is a placeholder measure that will be used during recovery activities for any adverse event to support the primary sector. In previous years this has been used for adverse events e.g. cyclone, drought but not limited to weather events. The 2023/24 measure ("Percentage of eligible farmers affected by adverse events who took up recovery assistance funding") was amended to be a generic placeholder measure to cover the intention of this category.
51. This measure was added as a result of the establishment of a new output class category as part of the Supps 2022/23 process. This category was not funded in 2023/24 Mains and no funding has been received as part of the Supps 2023/24 process. Therefore, the measure has been included to measure the performance of this category.
52. This measure is reporting on the performance of the Budget 2022 initiative "Accelerating Development of Greenhouse Gas Mitigations". The amount of ventures invested in as a standard may change each financial year, based on AgriZeroNZ's Key Performance Indicators (KPIs) as per their annual Business Plan. Additional information can be found in their website <https://www.agrizerozero.nz/>. One of the main purposes of AgriZero is to invest in ventures with high abatement potential – this is where a large proportion of the funding is intended to be spent. Therefore, this new measure was created to align with the intention of the funding.

Departmental appropriations revenue and output expenses				
Actual June 2023		Actual June 2024	Main Estimates June 2024	Supp Estimates June 2024
\$000	Revenue Crown	\$000	\$000	\$000
33,487	Agriculture: Administration of Grants and Programmes	24,795	24,554	24,795
15,618	Animal Welfare: Education and Enforcement	19,987	22,527	19,987
14,706	Climate Emergency Response Implementation & Administration	15,734	28,937	15,734
<b>63,811</b>	<b>Total Revenue Crown</b>	<b>60,516</b>	<b>76,018</b>	<b>60,516</b>
	<b>Revenue other</b>			
33	Agriculture: Administration of Grants and Programmes	168	30	30
94	Animal Welfare: Education and Enforcement	252	6	6
11	Climate Emergency Response Implementation & Administration	13	-	-
<b>138</b>	<b>Total revenue other</b>	<b>433</b>	<b>36</b>	<b>36</b>
<b>63,949</b>	<b>Total revenue</b>	<b>60,949</b>	<b>76,054</b>	<b>60,552</b>
	<b>Expenses</b>			
18,222	Agriculture: Administration of Grants and Programmes	21,613	24,584	24,825
14,684	Animal Welfare: Education and Enforcement	17,785	22,533	19,993
10,611	Climate Emergency Response Implementation & Administration	7,149	28,937	15,734
<b>43,517</b>	<b>Total expenses</b>	<b>46,547</b>	<b>76,054</b>	<b>60,552</b>
	<b>Surplus/[Deficit]</b>			
15,298	Agriculture: Administration of Grants and Programmes	3,350	-	-
1,028	Animal Welfare: Education and Enforcement	2,454	-	-
4,106	Climate Emergency Response Implementation & Administration	8,598	-	-
<b>20,432</b>	<b>Total surplus/[deficit]</b>	<b>14,402</b>	<b>-</b>	<b>-</b>
Non-Departmental appropriations				
\$000	Non-Departmental appropriations	\$000	\$000	\$000
-	Agriculture: Climate Change Research	-	-	-
9,307	Agriculture: Climate Emergency Response Fund	23,948	39,185	23,191
17,058	Agriculture: Grants Supporting Sustainability	12,258	2,304	12,341
27,918	Agriculture: Recovery Assistance	1,502	526	2,347
36,223	Cyclone Gabrielle – Primary Sector Response	234	-	12,777
<b>90,506</b>	<b>Sub-total Non-Departmental Expenditure</b>	<b>37,942</b>	<b>42,015</b>	<b>50,656</b>
	<b>Appropriations for Capital expenditure</b>			
8,250	Agriculture: Climate Emergency Response Fund Joint Venture	23,584	19,250	23,584
<b>142,273</b>	<b>Total MCA Expenditure including Capital Expenditure</b>	<b>108,073</b>	<b>137,319</b>	<b>134,792</b>

# 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



**100%**  
ACHIEVED

**Achieved 3 out of 3 performance measures**

Spend: \$33.35 million

	2023/24			2022/23	2021/22
Performance measure	Standard	Actual	Variance explanation	Actual	Actual
<b>Performance of the MCA as a whole</b>					
Percentage of funding allocated to rural businesses and communities impacted by the North Island Weather Events	95%	96.5%	The fund closed on 31 March 2024. A total of \$34.1 million of funding was allocated to rural businesses and communities through 108 initiatives.  For more information, please refer to Chapter 2 under Visible Leadership outcome.	N/A	New measure for 2022/23
<b>Primary Sector Response and Recovery Administration costs</b>					
This category is intended to achieve effective administration of programmes which support the primary sector in response to the North Island Weather Events.					
<b>Departmental Output Expenses</b>					
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%	100%	For more information, please refer to Chapter 2 under Visible Leadership outcome.	N/A	New measure for 2022/23



## 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	2023/24		Variance explanation	2022/23	2021/22
	Standard	Actual		Actual	Actual
<b>Non-Departmental Other Expenses</b>					
Percentage of funding allocated to rural businesses and communities impacted by the North Island Weather Events	95%	96.5%	For more information, please refer to Chapter 2 under Visible Leadership outcome.	N/A	New measure for 2022/23

Revenue and output expenses				
Actual June 2023		Actual June 2024	Main Estimates June 2024	Supp Estimates June 2024
\$000	<b>Revenue Crown</b>	\$000	\$000	\$000
4,014	Primary Sector Response and Recovery Administration costs	1,509	3,256	1,509
<b>4,014</b>	<b>Total revenue Crown</b>	<b>1,509</b>	<b>3,256</b>	<b>1,509</b>
	<b>Revenue other</b>			
-	Primary Sector Response and Recovery Administration costs	-	-	-
-	<b>Total revenue other</b>	-	-	-
<b>4,014</b>	<b>Total revenue</b>	<b>1,509</b>	<b>3,256</b>	<b>1,509</b>
	<b>Expenses</b>			
356	Primary Sector Response and Recovery Administration costs	750	3,256	1,509
<b>356</b>	<b>Total expenses</b>	<b>750</b>	<b>3,256</b>	<b>1,509</b>
	<b>Surplus/[Deficit]</b>			
3,658	Primary Sector Response and Recovery Administration costs	759	-	-
<b>3,658</b>	<b>Total surplus/[deficit]</b>	<b>759</b>	<b>-</b>	<b>-</b>
<b>Non-Departmental appropriations</b>				
744	Support for Rural Businesses and Communities	32,603	15,341	32,791
744	Sub-total Non-Departmental Expenditure	32,603	15,341	32,791
<b>1,100</b>	<b>Total MCA Expenditure</b>	<b>33,353</b>	<b>18,597</b>	<b>34,300</b>

# 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:



**Prosperity**  
Tōnuitanga



**Sustainability**  
Kauneke Tauwhiro



**Protection**  
Whakangungu



**Visible Leadership**  
Ngā Manukura

## 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, biosecurity, fisheries management and food safety.

## How we performed



Performance measure	2023/24		Variance explanation	2022/23	2021/22
	Standard	Actual		Actual	Actual
<b>Performance of the MCA as a whole</b>					
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	4.2	The Ministerial rating of performance of policy advice was provided by the Ministers who were in their roles as at November 2023. This is the average across agriculture, fisheries, forestry, food safety, biosecurity and rural communities portfolios. From 2023/24 onwards MPI will be using an updated methodology, which aligns with the guidance provided in the DPMC guidelines for Ministerial Satisfaction Surveys ( <a href="https://www.dpmc.govt.nz/sites/default/files/2022-07/guide-ministerial-policy-satisfaction-survey.pdf">https://www.dpmc.govt.nz/sites/default/files/2022-07/guide-ministerial-policy-satisfaction-survey.pdf</a> Guide to the Ministerial Policy Satisfaction Survey (dpmc.govt.nz).	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 <sup>53</sup>	3.5	3.59		3.4	3.7

### Contextual note

53. 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.

## 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.

	2023/24			2022/23	2021/22
Performance measure	Standard	Actual	Variance explanation	Actual	Actual
<b>Departmental Output Expenses</b>					
Percentage of agriculture-related requests completed within either specified or statutory timeframes:					
<ul style="list-style-type: none"> <li>Aide Memoires (Timeframes are set on a case-by-case basis)</li> </ul>	95-100%	97.9%		99.6%	N/A
<ul style="list-style-type: none"> <li>Briefings (Timeframes are set on a case-by-case basis)</li> </ul>	95-100%	98.8%		99.5%	N/A
<ul style="list-style-type: none"> <li>Ministerial Correspondence (Proposed response within a 20-working day timeframe)</li> </ul>	95-100%	99%		99.6%	N/A
<ul style="list-style-type: none"> <li>Ministerial Official Information Act 1982 requests (Proposed response within a 15-working day timeframe)<sup>54</sup></li> </ul>	95-100%	100%		92%	N/A
<ul style="list-style-type: none"> <li>Written Parliamentary Questions (Proposed response within four working days)<sup>55</sup></li> </ul>	95-100%	83.6%	The ability of MPI to meet the standard was impacted by the volume and complexity of the requests received.	71.4%	N/A
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	4.52		4	4.3
<b>Animal Welfare: Policy Advice and Ministerial Servicing</b>					
This category is intended to achieve the effective development and provision of policy advice and efficient ministerial servicing relating to animal welfare.					
Percentage of animal welfare-related requests completed within either specified or statutory timeframes:					
<ul style="list-style-type: none"> <li>Aide Memoires (Timeframes are set on a case-by-case basis)</li> </ul>	95-100%	96.2%		97.8%	N/A
<ul style="list-style-type: none"> <li>Briefings (Timeframes are set on a case-by-case basis)</li> </ul>	95-100%	57.1%	Six out of fourteen briefings to the Minister were provided late.	100%	N/A

### Contextual note

54. 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.

55. 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.

Performance measure	2023/24		Variance explanation	2022/23	2021/22
	Standard	Actual		Actual	Actual
• Ministerial Correspondence (Proposed response within a 20-working day timeframe)	95-100%	98.5%		100%	N/A
• Ministerial Official Information Act 1982 requests (Proposed response within a 15-working day timeframe) <sup>56</sup>	95-100%	100%		100%	N/A
• Written Parliamentary Questions (Proposed response within four working days) <sup>57</sup>	95-100%	76.7%	The ability of MPI to meet the standard was impacted by the volume and complexity of the requests received.	83%	N/A
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	4.52		4.7	4.3
<b>Biosecurity: Policy Advice and Ministerial Servicing</b>					
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.					
Percentage of animal welfare-related requests completed within either specified: or statutory timeframes:					
• Aide Memoires (Timeframes are set on a case-by-case basis)	95-100%	97.5%		100%	N/A
• Briefings (Timeframes are set on a case-by-case basis)	95-100%	98.3%		100%	N/A
• Ministerial Correspondence (Proposed response within a 20-working day timeframe)	95-100%	96.6%		94.9%	N/A
• Ministerial Official Information Act 1982 requests (Proposed response within a 15-working day timeframe) <sup>58</sup>	95-100%	100%		94.4%	N/A
• Written Parliamentary Questions (Proposed response within four working days) <sup>59</sup>	95-100%	68.8%	The ability of MPI to meet the standard was impacted by the volume and complexity of the requests received.	55.8%	N/A
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	4.35		4	4.3

#### Contextual note

56. 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.

57. 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.

58. 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.

59. 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.



### 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	2023/24		Variance explanation	2022/23	2021/22
	Standard	Actual		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	4.08		4.9	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.

Percentage of agriculture-related requests completed within either specified or statutory timeframes:					
<ul style="list-style-type: none"> <li>Aide Memoires (Timeframes are set on a case-by-case basis)</li> </ul>	95-100%	100%		100%	N/A
<ul style="list-style-type: none"> <li>Briefings (Timeframes are set on a case-by-case basis)</li> </ul>	95-100%	100%		100%	N/A
<ul style="list-style-type: none"> <li>Ministerial Correspondence (Proposed response within a 20-working day timeframe)</li> </ul>	95-100%	100%		100%	N/A
<ul style="list-style-type: none"> <li>Ministerial Official Information Act 1982 requests (Proposed response within a 15-working day timeframe)<sup>60</sup></li> </ul>	95-100%	100%		87.5%	N/A
<ul style="list-style-type: none"> <li>Written Parliamentary Questions (Proposed response within four working days)<sup>61</sup></li> </ul>	95-100%	92.7%	The ability of MPI to meet the standard was impacted by the volume and complexity of the requests received.	82.7%	N/A
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	4.35		4.9	4.8

### 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.

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		4	Not assessed
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#### Contextual note

60. 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.

61. 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.

## 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.

	2023/24			2022/23	2021/22
Performance measure	Standard	Actual	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 <sup>62</sup>	75%	80.1%	The Market Access work programme covers both Sanitary and Phytosanitary matters and does not distinguish between those relating to Trade and Primary Industries market access and those related to Food Safety as importing countries standards are a blend of both and also address Technical Barriers to Trade issues.	92.8%	73.1%
A work programme has been developed and agreed to with consultation between MPI and key primary industry groups <sup>63</sup>	Achieved	Achieved	This measure was achieved for the 2023/24 year. MPI has a living multi-year work programme that is regularly refreshed in consultation with key industry groups, sector by sector for items relevant to that sector. The seafood and horticulture sector refresh have been completed, and the refresh of other sectors' items has been progressed. For more information, please refer to Chapter 2 under Prosperity outcome.	Achieved	Achieved
Conclude bilateral (or regional) arrangements with key trading partners accepting New Zealand primary industry regulatory systems	Minimum 1	Achieved	The annual standard for this measure "Minimum 1" was achieved in June 2024 with China signing the Export Protocol for Kiwiberry.	2	2
Regular (e.g. annual) formal meeting held with key trading partner regulators <sup>64</sup>	Minimum 1	Achieved	The annual standard for this measure "Minimum 1" was achieved for this financial year. New Zealand held meetings with counterpart agencies under the relevant FTA chapters. These include bilateral meetings with Korea, Taiwan, Malaysia, Thailand, and the UK along with plurilateral meetings with the ASEAN-Australia-New Zealand Free Trade Area, PACER Plus (Pacific nations) and Comprehensive and Progressive Agreement for Trans-Pacific Partnership blocs. Bilateral biosecurity meetings were also held with Japan and Australia during within this financial year. For more information, please refer to Chapter 2 under Prosperity outcome.	7	5

### Contextual note

62. A work plan is agreed with the Sanitary and Phytosanitary Standards Market Access Programme governance group. The work topics advanced are assessed and prioritised by MPI in consultation with key sector stakeholders.

63. 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.

64. 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 2023		Actual June 2024	Main Estimates June 2024	Supp Estimates June 2024
\$000	Revenue Crown	\$000	\$000	\$000
7,792	Fisheries Policy Advice	10,366	8,111	10,366
35,953	Operational Advice on Sustainability and Management Controls in Fisheries	36,623	35,836	36,623
16,130	Trade and Market Access Primary Industries	16,975	16,237	16,975
77,019	Agriculture: Policy Advice and Ministerial Servicing	75,811	86,730	75,811
8,771	Animal Welfare: Policy Advice and Ministerial Servicing	10,313	8,924	10,313
10,959	Biosecurity: Policy Advice and Ministerial Servicing	9,257	10,517	9,257
8,697	Food Safety: Policy Advice and Ministerial Servicing	8,814	8,814	8,814
<b>165,321</b>	<b>Total revenue Crown</b>	<b>168,159</b>	<b>175,169</b>	<b>168,159</b>
	<b>Revenue other</b>			
621	Fisheries Policy Advice	493	482	505
321	Operational Advice on Sustainability and Management Controls in Fisheries	278	285	1,273
1,022	Trade and Market Access Primary Industries	960	-	-
713	Agriculture: Policy Advice and Ministerial Servicing	446	207	268
202	Animal Welfare: Policy Advice and Ministerial Servicing	1,162	9	9
33	Biosecurity: Policy Advice and Ministerial Servicing	27	14	100
383	Food Safety: Policy Advice and Ministerial Servicing	316	54	87
<b>3,295</b>	<b>Total revenue other</b>	<b>3,682</b>	<b>1,051</b>	<b>2,242</b>
<b>168,616</b>	<b>Total revenue</b>	<b>171,841</b>	<b>176,220</b>	<b>170,401</b>
	<b>Expenses</b>			
9,864	Fisheries Policy Advice	9,223	8,593	10,871
35,301	Operational Advice on Sustainability and Management Controls in Fisheries	36,004	36,121	37,896
16,828	Trade and Market Access Primary Industries	16,016	16,237	16,975
70,301	Agriculture: Policy Advice and Ministerial Servicing	61,764	86,937	76,079
8,252	Animal Welfare: Policy Advice and Ministerial Servicing	7,926	8,933	10,322
7,627	Biosecurity: Policy Advice and Ministerial Servicing	7,845	10,531	9,357
8,468	Food Safety: Policy Advice and Ministerial Servicing	7,863	8,868	8,901
<b>156,641</b>	<b>Total expenses</b>	<b>146,641</b>	<b>176,220</b>	<b>170,401</b>

Departmental appropriations revenue and output expenses				
	Surplus/[Deficit]			
(1,451)	Fisheries Policy Advice	1,636	-	-
973	Operational Advice on Sustainability and Management Controls in Fisheries	897	-	-
324	Trade and Market Access Primary Industries	1,919	-	-
7,431	Agriculture: Policy Advice and Ministerial Servicing	14,493	-	-
721	Animal Welfare: Policy Advice and Ministerial Servicing	3,549	-	-
3,365	Biosecurity: Policy Advice and Ministerial Servicing	1,439	-	-
612	Food Safety: Policy Advice and Ministerial Servicing	1,267	-	-
<b>11,975</b>	<b>Total surplus/[deficit]</b>	<b>25,200</b>	<b>-</b>	<b>-</b>
<b>156,641</b>	<b>Total MCA Expenditure</b>	<b>146,641</b>	<b>176,220</b>	<b>170,401</b>



# Plant Health and Environmental Capability (Multi-Year Appropriation – MYA)

## Scope of Appropriation

This appropriation is limited to the design, construction, and commissioning of the new Plant Health and Environment Laboratory.


This appropriation contributes to the outcome:



## What we intended to achieve with the appropriation

This appropriation is intended to achieve the delivery of a new Plant Health and Environment Laboratory which will support New Zealand's capacity to effectively manage known or suspected biosecurity risks.

## How we performed



Achieved 1 out of 1 performance measure

Spend: \$2.88 million

Performance measure	2023/24		Variance explanation	2022/23	2021/22
	Standard	Actual		Actual	Actual
<b>Departmental Output Expenses</b>					
Percentage of deliverables are met according to plan <sup>65</sup>	85%	95%	The Plant Health and Environmental Capability Programme Governance Board (PGB) has approved the "re-baseline" in Budget 2024/25 including its budget, schedule, and scope. The programme is currently on track to meet the practical completion date of April 2028. This measure will be reviewed in the next year's Estimates process.	N/A	N/A

### Contextual note

65. This new SPM has been introduced to reflect this new MYA's business practice.

Revenue and output expenses				
Actual June 2023		Actual June 2024	Main Estimates June 2024	Supp Estimates June 2024
\$000	<b>Revenue Crown</b>	\$000	\$000	\$000
-	Plant Health and Environmental Capability	3,542	4,342	3,542
-	<b>Total revenue Crown</b>	<b>3,542</b>	<b>4,342</b>	<b>3,542</b>
	<b>Revenue other</b>			
-	Plant Health and Environmental Capability	-	-	-
-	Total revenue other	-	-	-
-	<b>Total revenue</b>	<b>3,542</b>	<b>4,342</b>	<b>3,542</b>
	<b>Expenses</b>			
-	Plant Health and Environmental Capability	2,877	4,342	3,542
-	<b>Total expenses</b>	<b>2,877</b>	<b>4,342</b>	<b>3,542</b>
	<b>Surplus/[Deficit]</b>			
-	Plant Health and Environmental Capability	665	-	-
-	<b>Total surplus/[deficit]</b>	<b>665</b>	<b>-</b>	<b>-</b>

# 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

100%

ACHIEVED

Achieved 1 out of 1 performance measure

Spend: \$64.98 million

	2023/24			2022/23	2021/22
Performance measure	Standard	Actual	Variance explanation	Actual	Actual
<b>Departmental Capital Expenditure</b>					
Capital Expenditure is in accordance with the Ministry’s capital plan <sup>66</sup>	Achieved	Achieved	\$64.98 million was spent for MPI’s capital expenditure plan.	Achieved	Achieved

Departmental Capital Expenditure				
Actual June 2023		Actual June 2024	Main Estimates June 2024	Supp Estimates June 2024
\$000	Capital expenditure PLA	\$000	\$000	\$000
59,234	Capital expenditure PLA	64,980	62,799	82,087

### Contextual note

66. The Ministry’s capital plan aligns with the Ministry’s strategy and the prioritised programmes on the plan are for building, replacing and enhancing the Ministry’s critical assets for its service delivery. This note was added to provide more clarity on the performance information.

# 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

NOT  
APPLICABLE

**Not Applicable 1 out of 1 performance measure**

Spend: \$0.07 million

Performance measure	2023/24		Variance explanation	2022/23	2021/22
	Standard	Actual		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 <sup>67</sup>	3,000	N/A	This measure is reported as not applicable because in its final year (2023/24), the Primary Sector Workforce Programme focused on initiatives that look at longer-term workforce issues and did not result in direct employment placements. However, since its establishment in 2020/21, 16,766 people were placed directly into employment against the original target of supporting at least 10,000 New Zealanders into the food and fibre sector over four years.	4,022	6,190

### Contextual note

67. 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 2023		Actual June 2024	Main Estimates June 2024	Supp Estimates June 2024
\$000	<b>Revenue Crown</b>	\$000	\$000	\$000
2,557	Implementation of COVID-19 Assistance for Primary Industries	2,083	2,083	2,083
<b>2,557</b>	<b>Total revenue Crown</b>	<b>2,083</b>	<b>2,083</b>	<b>2,083</b>
<b>Revenue other</b>				
76	Implementation of COVID-19 Assistance for Primary Industries	-	-	-
<b>76</b>	<b>Total revenue other</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2,633</b>	<b>Total revenue</b>	<b>2,083</b>	<b>2,083</b>	<b>2,083</b>
<b>Expenses</b>				
1,304	Implementation of COVID-19 Assistance for Primary Industries	66	2,083	2,083
<b>1,304</b>	<b>Total expenses</b>	<b>66</b>	<b>2,083</b>	<b>2,083</b>
<b>Surplus/[Deficit]</b>				
1,329	Implementation of COVID-19 Assistance for Primary Industries	2,017	-	-
<b>1,329</b>	<b>Total surplus/[deficit]</b>	<b>2,017</b>	<b>-</b>	<b>-</b>

# 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



	2023/24			2022/23	2021/22
Performance measure	Standard	Actual	Variance explanation	Actual	Actual
<b>Performance of the MCA as a whole</b>					
Number of Forestry Advisory Service engagements held during the year <sup>68</sup>	At least one engagement per customer segment (8)	717	<p>Forest Advisory Service (FAS) had 717 engagements across the eight different customer segments. The segments include: Service providers, Processors, Small Forest Grower, Large Forest Grower, Product Suppliers, Central Government, Local Government and Representative bodies.</p> <p>The Forest Advisory Service (FAS) was a new service at the start of 2023/24. The amount of engagement that FAS would achieve during the financial year was unclear when the standard was set. The FAS gained traction throughout the year as people became aware of the new service, and through promotion with our sector partners.</p>	Achieved	New measure for 2021/22

#### Contextual note

<sup>68</sup> Engagement is any focused interactions with our customer segments for the specific purpose of providing support and advice to the forestry sector, including: (a) visits to landowners to provide advice, (b) workshops with landowners and land users, (c) presentations at formal events, (d) meeting with iwi/hapū and (e) representation at forestry events. The budget standard was updated to be more fit for purpose and valid based on the performance in 2023/24.

Performance measure	2023/24		Variance explanation	2022/23	2021/22
	Standard	Actual		Actual	Actual
The percentage of completed implementation partnership agreement milestones under the Forestry and Wood Processing Industry Transformation Plan that are met by their due date <sup>69</sup>	Equal to or greater than 80%	66%	All milestone deliverables for ITP implementation partnership agreements were completed within the 2023/24 financial year. The milestones that were not met on time were due to third party suppliers not delivering milestone outputs on time or to a satisfactory standard. In all cases, the revised milestones were finalised and completed within the 2023/24 financial year.	New measure for 2023/24	N/A
<b>Forestry: Administration of Grants and Programmes</b>					
This category is intended to achieve the sustainable growth and development of the Forestry sector.					
<b>Departmental Output Expenses</b>					
Percentage of One Billion Tree fund milestone assessments that meet performance targets in the financial year <sup>70</sup>	Greater than 90%	96%	MPI takes steps to actively manage milestones. Planting under the One Billion Trees Fund occurs across multiple years, therefore where planting does not occur within the designated year, MPI considers reasons for the delays and, where appropriate, agrees to amend milestones to reflect the revised delivery programme. This ensures that milestone assessments are not overdue.	96%	6.8%

#### Contextual note

69. Delivering the Forestry and Wood Processing Industry Transformation Plan (ITP) requires close engagement and partnership between government and the relevant sectors. Implementation partnership agreements (IPAs) recognise industry's role as a partner in delivering ITP projects and initiatives. IPAs allow MPI to structure responsibility, accountability, and funding with partners across the sector for delivering the ITP. The standard has been set to account for force majeure events (such as Cyclones Hale and Gabrielle). The new measure has been introduced to better reflect the overall effectiveness of the output categories under the MCA.

70. The measure and budget standard were updated to focus on "milestone assessments" rather than "milestone completion" to clarify that internal performance is being measured. The previous measure ("The percentage of contracted milestones under the One Billion Trees fund that were met within two months of their due date") was clarified to differentiate between measuring grantee completion of milestones rather than internal performance of ensuring that the assessments are performed in a timely way.

Performance measure	2023/24		Variance explanation	2022/23	2021/22
	Standard	Actual		Actual	Actual
<b>Forestry: Climate Emergency Response implementation and administration</b>					
This category is intended to achieve the delivery of programmes as part of the Forestry sector contribution to the Climate Emergency Response Fund.					
Number of research outputs for science-based practices and technologies produced in the financial year to improve forest carbon sequestration and long-term carbon stock <sup>71</sup>	8	8	<p>Eight research outputs were produced for the following Research Aims that progressed the delivery of the Maximising Forest Carbon programme Research Plan:</p> <ul style="list-style-type: none"> <li>• identified priority forest types for sequestration research;</li> <li>• initial lidar trial – two trials using different technology methodologies;</li> <li>• identified forest management techniques currently being practiced;</li> <li>• identified trial sites with existing data on ungulate management on public conservation land;</li> <li>• identified trial sites with existing data using forest management activities;</li> <li>• Redwood ETS carbon yield table;</li> <li>• modelling options for Indigenous ETS carbon yield tables.</li> </ul> <p>For more information refer to Forest Science and Research   NZ Government (<a href="https://www.mpi.govt.nz/forestry/forest-science-and-research/">https://www.mpi.govt.nz/forestry/forest-science-and-research/</a>). Also refer to Chapter 2 under Sustainability outcome.</p>	New measure for 2023/24	N/A
Percentage of native afforestation programme key milestones scheduled for delivery in the financial year that were completed <sup>72</sup>	75%	89.1%	<p>The native afforestation programme pivoted in late 2023/24 due to feedback from the sector and change of government policy. This meant that the three redefined workstreams – Research Programme, Nursery &amp; Sector Support and Iwi/Māori Engagement – had more focus and resources which enabled a higher than projected rate of milestone completion.</p> <p>For more information, refer to Chapter 2 under Sustainability outcome.</p>	New measure for 2023/24	N/A

#### Contextual note

71. This is a measure for Budget 2022 new initiative “Maximising Natural Carbon Storage: Increasing Natural Sequestration to Achieve New Zealand’s Future Carbon Goals”. The measure replaces the previous measure, to be more output/impact focused.

72. This is a new measure for Budget 2022 initiative “Establishing native forests at scale to develop long-term carbon sinks and improve biodiversity”. “Key milestones” are limited to this programme, which aims to increase native afforestation rates and new forest carbon sinks through supplying more affordable and resilient native tree seedlings, with greater establishment rates. The proposed measure was derived based off Emission Reduction Plan (ERP) action 14.2.2 output. This includes work to explore and test science-based practices, technologies to support sustainable expansion of native sector, including by demonstrating best practice/technology and providing training for the native plant nursery sector. The Native Afforestation Programme (NAP) has pivoted and re-scoped throughout 2022/23 and 2023/24 and is currently in an establishment phase. Milestone measurement across all of the NAP workstreams (as provided in work packages) is the most appropriate measure at this time to reflect the programme’s progress.



### 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	2023/24		Variance explanation	2022/23	2021/22
	Standard	Actual		Actual	Actual
Costs and revenues are consistent with industry norms as assessed by annual independent review of a sample of forests <sup>73</sup>	Achieved	Achieved		Achieved	100%

### 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.

Percentage of forestry-related requests completed within either specified or statutory timeframes:					
<ul style="list-style-type: none"> <li>Aide Memoires (Timeframes are set on a case-by-case basis)</li> </ul>	95-100%	100%		100%	N/A
<ul style="list-style-type: none"> <li>Briefings (Timeframes are set on a case-by-case basis)</li> </ul>	95-100%	100%		100%	N/A
<ul style="list-style-type: none"> <li>Ministerial Correspondence (Proposed response within a 20-working day timeframe)</li> </ul>	95-100%	98.8%		100%	N/A
<ul style="list-style-type: none"> <li>Ministerial Official Information Act 1982 requests (Proposed response within a 15-working day timeframe)<sup>74</sup></li> </ul>	95-100%	100%		95.5%	N/A
<ul style="list-style-type: none"> <li>Written Parliamentary Questions (Proposed response within four working days)<sup>75</sup></li> </ul>	95-100%	80.3%	The ability of MPI to meet the standard was impacted by the volume and complexity of the requests received.	56.5%	N/A
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 <sup>76</sup>	3.5	3.59		3.4	3.7
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	4.52		4.0	4.1

#### Contextual note

73. This measure replaced the previous measure, and the budget standard was updated to better reflect departmental performance. This measure was previously under the non-departmental category: Forestry: Operational management of the Crown's Forests and was moved here as its more relevant to the intention of this category.

74. 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.

75. 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.

76. 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.

Performance measure	2023/24		Variance explanation	2022/23	2021/22
	Standard	Actual		Actual	Actual
Percentage of high priority registered sawmills inspected annually for compliance with the Forests Act 1949 (Part 3A) <sup>77</sup>	90%	90%	MPI has completed all targeted inspections (77) for 2023/24.	90.4%	94.5%
Percentage of completed inspections for approved annual logging plans subject to post harvest inspections each financial year <sup>78</sup>	90%	100%	A low total number of annual logging plans (ALPs) were approved in the 2022/23 financial year leading to a low target for 2023/24. This is likely due to some prior years having ALP approvals with multi-year periodic harvest volumes which means that no further approval will be issued until the next periodic cycle (3, 5, 10 or 15 years). One inspection conducted in the financial year is noted as having been performed for an annual logging plan that was approved in the 2021/22 financial year (which was not inspected in the 2022/23 financial year).	95%	83.3%
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 <sup>79</sup>	95%	99%		99.3%	99.5%
<b>Forestry: Climate Emergency Response Fund</b>					
This category is intended to achieve effective implementation of programmes to help achieve New Zealand's Future Carbon Goals.					
<b>Non-Departmental Output Expenses</b>					
Percentage of budgeted Wood Processing Growth Fund – Catalyst fund contracted to grantees in the financial year <sup>80</sup>	80%	32%	MPI paused approval of WPGF Catalyst applications until funding was confirmed through Budget 2024. MPI resumed contracting in May 2024 and has a strong pipeline of Catalyst partnerships under assessment and in contract negotiation for 2024/25. For more information, refer to Chapter 2 under Prosperity outcome.	New measure for 2023/24	N/A

#### Contextual note

77. High priority sawmills are those that are: a) milled over 100m<sup>3</sup> 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 and d) new sawmills registered for the current financial year.
78. The budget standard was updated based on 2022/23 performance of this measure.
79. The target of 95 percent has been set to allow for the implementation and embedding of a new IT system for processing emissions returns. New measures have been created under the Climate Emergency Response Fund as a result of funding allocated for this output class category.
80. This is a measure for Budget 2022 initiative "Maximising natural carbon storage: Increasing natural sequestration to achieve New Zealand's future carbon goals". The measure was updated to reflect the source of funding and clarify that this funding is being provided to grantees given that is the primary function of the Wood Processing Growth fund. The budget standard has been lowered to 80 percent to account for first year of implementation.

Performance measure	2023/24		Variance explanation	2022/23	2021/22
	Standard	Actual		Actual	Actual
Percentage of Wood Processing Growth Fund Catalyst contracts scheduled for completion in the financial year that were completed <sup>81</sup>	90%	100%	Three contracts were due for completion in 2023/24 financial year. All three contracts were completed. For more information, refer to Chapter 2 under Prosperity outcome.	New measure for 2023/24	N/A
<b>Forestry: Operational management of the Crown's Forests</b>					
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.					
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		Achieved	100%
Volume of logs (in cubic metres – m <sup>3</sup> ) harvested and sold on behalf of the Crown, from the Crown Forestry Estate to within +/- 10% <sup>82</sup>	220,000m <sup>3</sup>	199,350m <sup>3</sup>	The standard met was 91 percent, which was within the standard's variance of +/- 10 percent.	286,681m <sup>3</sup>	497,995m <sup>3</sup>
<b>Forestry: Grants and partnerships programme</b>					
This category is intended to achieve and encourage new planting and reversion of an expected 25,000 hectares over the life of the One Billion Trees programme.					
<b>Non-Departmental Other Expenses</b>					
The number of hectares established under the One Billion Trees Fund <sup>83</sup>	2,000ha	2,325ha	The annual standard for 2023/24 has decreased in line with One Billion Trees fund close out projections. Milestones due in prior financial years were completed in 2023/24 resulting in an increase in the total number of hectares established for the year.	3,840ha	3,953ha

#### Contextual note

81. The previous measure ("The percentage of contracted milestones under the Wood Products Growth Fund that were met within two-months of their due date") was updated to shift the focus from milestones to deliverables to demonstrate the interim progress towards the overall goal of this fund. The change is also to acknowledge that while milestones move, the focus will remain on whether the contracts were completed for the grants awarded.
82. The budget standard was updated based on previous years' performance.
83. The One Billion Trees programme encompasses both grants and partnerships. Grants are quantified each year based on number of hectares that met establishment criteria following an inspection. Partnership hectares are estimated based on the proportion of total milestones completed during the year multiplied by the total hectares contracted over the life of the partnership. For example, if 2 of a total 10 milestones are completed during the year for a 100 hectare project, the value reported is 20 hectares. The budget standard has been updated to reflect contractual arrangements.

## Forestry: Hill Country Erosion Fund

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

Performance measure	2023/24		Variance explanation	2022/23	2021/22
	Standard	Actual		Actual	Actual
The number of hectares treated through Hill Country Erosion Funding this financial year <sup>84</sup>	5,200ha	7,204ha	The standard for this performance measure is calculated by summing the treatment targets in Hill Country Erosion Fund (HCEF) Funding Agreements for each of the 14 regional/unitary council programmes. The overachievement of this result is predominantly due to regional erosion-control programmes individually delivering an increased area of land retirement/reversion (to native vegetation) compared with these contracted targets. Individual councils exceeding their expected targets has cumulatively resulted in a large overachievement across the entire HCEF programme.	8,864ha	6,814ha

## 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.

Percentage of Woody Debris Clean-up fund budgeted funding contracted in the financial year <sup>85</sup>	>90%	100%	All funding was allocated to Gisborne District Council and Hawke's Bay Regional Council (HBRC) in late 2023. Strong fiscal management; the use of experienced, work-ready forestry crews with relevant equipment; and various methods of debris removal all led to the cost savings throughout the project. HBRC notified in their final report that a small amount of unspent funding will be returned to MPI after the close of contract.	100%	New measure for 2022/23
Number of tonnes of woody debris removed from high priority catchments in Gisborne and Hawke's Bay <sup>86</sup>	70,000 tonnes	128,138 tonnes	The target of 70,000 tonnes was met in mid-December 2023. Lower overall unit costs enabled removals of additional material, and targets to be exceeded within the available budget envelope. On completion of their respective work programmes, Gisborne District Council removed 53,151 tonnes of debris and Hawke's Bay Regional Council removed 74,987 tonnes of debris.	N/A	New measure for 2022/23

### Contextual note

84. The budget standard was updated to align with the programme projections for the rest of 2023/24 financial year.

85. The previous measure ("Percentage of 2022/23 budgeted funding contracted") was updated for better understandability and clarity. This is a measure for Budget 2022 initiative "Providing recovery support for primary industries, and rural communities removing woody debris".

86. This measurement is measuring the cumulative removal of the 70,000 tonnes from the inception of the scheme to completion (14 May 2023 to 30 June 2024). "Highest priority catchments" are identified and defined by Territorial Authorities. This is a measure for Budget 2022 initiative "Providing recovery support for primary industries, and rural communities: removing woody debris".



## Forestry: Capital Climate Response Investments

This category is intended to achieve effective planting for Woody Biomass funded through Capital Climate Response Investments

Performance measure	2023/24		Variance explanation	2022/23	2021/22
	Standard	Actual		Actual	Actual
<b>Non-Departmental Other Expenditure</b>					
Number of hectares contracted under forestry joint ventures as part of the Woody Biomass Supply initiative in the financial year	500ha	0	During 2023/24, Crown Forestry secured a pipeline of landowner interest covering 5,000ha (which would exceed the 500ha first year target, and meet the 5,000ha all-of-life planting target for the Woody Biomass planting programme). MPI paused commercial negotiations until funding through Budget 2024 was confirmed. Negotiations re-commenced in June 2024 and are expected to be finalised in Quarter 2 of 2024/25.	New measure for 2023/24	N/A

Revenue and output expenses				
Actual June 2023		Actual June 2024	Main Estimates June 2024	Supp Estimates June 2024
\$000	Revenue Crown	\$000	\$000	\$000
7,237	Forestry: Administration of Grants and Programmes	5,876	5,876	5,876
1,811	Forestry: Management of the Crown's Forestry Assets	1,838	1,838	1,838
58,980	Forestry: Policy Advice and Ministerial Servicing	54,315	53,999	54,315
5,598	Forestry: Climate Emergency Response implementation and administration	23,664	28,664	23,664
<b>73,626</b>	<b>Total revenue Crown</b>	<b>85,693</b>	<b>90,377</b>	<b>85,693</b>
	<b>Revenue other</b>			
14	Forestry: Administration of Grants and Programmes	5	15	15
3	Forestry: Management of the Crown's Forestry Assets	17	116	116
1,608	Forestry: Policy Advice and Ministerial Servicing	1,657	3,160	9,543
6	Forestry: Climate Emergency Response implementation and administration	12	-	-
<b>1,631</b>	<b>Total revenue other</b>	<b>1,691</b>	<b>3,291</b>	<b>9,674</b>
<b>75,257</b>	<b>Total revenue</b>	<b>87,384</b>	<b>93,668</b>	<b>95,367</b>
	<b>Expenses</b>			
6,444	Forestry: Administration of Grants and Programmes	4,473	5,891	5,891
1,924	Forestry: Management of the Crown's Forestry Assets	2,439	1,954	1,954
59,280	Forestry: Policy Advice and Ministerial Servicing	48,514	57,159	63,858

4,019	Forestry: Climate Emergency Response implementation and administration	10,330	28,664	23,664
<b>71,667</b>	<b>Total expenses</b>	<b>65,756</b>	<b>93,668</b>	<b>95,367</b>
	<b>Surplus/[Deficit]</b>			
807	Forestry: Administration of Grants and Programmes	1,408	-	-
(110)	Forestry: Management of the Crown's Forestry Assets	(584)	-	-
1,308	Forestry: Policy Advice and Ministerial Servicing	7,458	-	-
1,585	Forestry: Climate Emergency Response implementation and administration	13,346	-	-
<b>3,590</b>	<b>Total surplus/[deficit]</b>	<b>21,628</b>	<b>-</b>	<b>-</b>
<b>Non-Departmental appropriations</b>				
39,218	Forestry: Operational Management of the Crown's Forests	31,972	32,171	38,840
2	Forestry: Climate Emergency Response Fund	587	4,578	4,578
26,008	Forestry: Grants and partnerships programme	14,523	24,320	23,470
9,125	Forestry: Hill Country Erosion Fund	5,935	6,300	7,175
3,540	North Island Weather Event-Cyclone Gabrielle Response and Recovery	4,600	6,600	4,600
<b>77,893</b>	<b>Sub-total Non-Departmental Expenditure</b>	<b>57,617</b>	<b>73,969</b>	<b>78,663</b>
	<b>Appropriations for Capital expenditure</b>			
-	Forestry: Capital Climate Response Investments	-	5,078	5,078
<b>149,560</b>	<b>Total MCA Expenditure including Capital Expenditure</b>	<b>123,373</b>	<b>172,715</b>	<b>179,108</b>

# Multi-category appropriations with non-departmental categories exempted from end-of-year reporting

The following multi-category appropriations with non-departmental categories were exempted from end of year-performance reporting under Vote Agriculture, Biosecurity, Fisheries and Food Safety.

## Non-Department Output Expenses

**Food Safety: Protecting Consumers MCA – Food Safety Science and Research category:** An exemption was granted as the appropriation is one from which resources will be provided to a person or entity other than a department, a functional chief executive, an Office of Parliament, or a Crown entity under s15D(2)(b)(iii) of the Public Finance Act, as the amount of this annual appropriation for a non departmental output expense is less than \$5 million.

## Non-Department Other Expenses

**Fisheries: Managing the Resource Sustainably MCA – Fisheries Quota Shares & ACE Administration Costs category:** An exemption was granted as the appropriation is one from which resources will be provided to a person or entity other than a department, a functional chief executive, an Office of Parliament, or a Crown entity under s15D(2)(b)(iii) of the Public Finance Act, as the amount of this annual appropriation for a non departmental other expense is less than \$5 million.

**Food Safety: Protecting Consumers MCA – Food Safety: Joint Food Standards Setting Treaty category:** An exemption was granted as the appropriation is one from which resources will be provided to a person or entity other than a department, a functional chief executive, an Office of Parliament, or a Crown entity under s15D(2)(b)(iii) of the Public Finance Act, as the amount of this annual appropriation for a non departmental other expense is less than \$5 million.

# Performance measures removed in 2023/24

Appropriation	Performance measure	Disclosure on Supplementary Estimates 2023/24
<p>Agriculture: Programmes Supporting Sustainably (MCA)</p> <p>Category: Agriculture: Administration of Grants and Programmes (Departmental Output Expenses)"</p>	<p>Percentage of applications assessed that were successfully approved funding in the financial year</p>	<p>This measure (<i>Percentage of applications assessed that were successfully approved funding in the financial year</i>) was removed as it is no longer relevant and fit for purpose for this appropriation, which is limited to the administration of grants and programmes. There is another measure in this category to monitor and report on its performance.</p>
<p>Growth and Development of the Forestry Sector (MCA)</p> <p>Category: Forestry: Management of the Crown's Forestry Assets (Departmental Output Expenses)</p>	<p>The number of hectares of the Crown's forestry assets divested via a surrender or sale process this year</p>	<p>This measure was removed as it is no longer relevant and fit for purpose and replaced with the one below.</p> <p>Note: The replacement measure is <i>Costs and revenues are consistent with industry norms as assessed by annual independent review of a sample of forests</i></p>
<p>Growth and Development of the Forestry Sector (MCA)</p> <p>Category: North Island Weather Event: Cyclone Gabrielle Response and Recovery (Non-Departmental Other Expenses)</p>	<p>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</p>	<p>This measure was introduced as a placeholder when the appropriation was first established in 2022/23. The intention was to show that MPI had engaged with councils to start planning for the removal of woody debris. This is no longer relevant as the other two measures under this category are tracking the performance against the intention of this category.</p>







04.

# Strengthening our organisation for New Zealand

Te whakapakari i tō mātou whakahaere  
mō Aotearoa

# Our people

## Our working styles

Our working styles – open, agile, engaging and proactive – enable us to work in ways that build trust, confidence and the respect of our Ministers, Treaty and industry partners, stakeholders and the public.

Over the past year, we continued to increase the use of our working styles across MPI. This included embedding them into MPI's induction programme, updating our external website and intranet and including them in relevant people policies.

## Improving our efficiency: Our organisational change process

As part of the Government's 2024/25 fiscal savings programme, MPI was asked to make savings of 7.5 percent across our baseline funding. Credible savings were found by reducing contractor and consultant numbers, filling vacancies only where necessary, and reducing programme and project expenditure. This resulted in the Improving our Efficiency organisational change process.

Consultation on the proposed changes began in March 2024. About 1,500 submissions were received from individuals, teams, staff networks and unions.

These contributed to the development of decision documents released in May 2024. The new structure came into effect on 1 July with a net reduction of 391 positions, and a focus on seeking administrative and management efficiencies.

There were no reductions to frontline services and statutory roles, such as veterinarians, animal welfare, fishery and food compliance officers, or our biosecurity teams at the border. Of the disestablished positions, 193 were vacant with 65 people leaving before the new structure took effect due to natural attrition or taking voluntary redundancy. MPI placed 70 percent of the remaining people affected into positions within the organisation.

Our people were supported throughout the process. Drop-in sessions were held during the consultation to ensure staff and managers, particularly those affected, understood the change process and had a forum to ask questions.

Wrap-around support was also provided after the final decisions were made, including supporting affected people to identify suitable roles, running workshops on the application process, and providing CV and interview preparation.



**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.

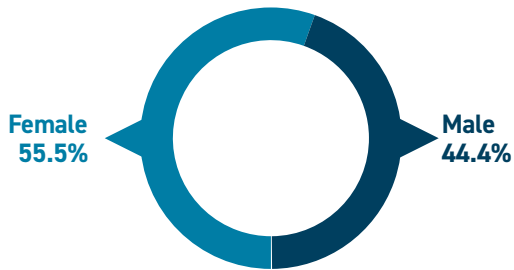
**Engaging/Tūituituia:** Building and maintaining trust in MPI starts with engaging with our colleagues, stakeholders, partners and customers. To be engaging means being warm and empathetic, taking off the expert mantle and genuinely listening to understand the situation of others.

**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.

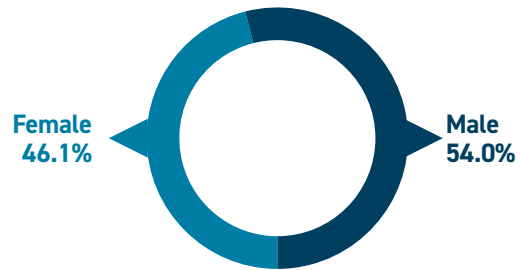


# Diversity, equity and inclusion

Workforce gender 2024

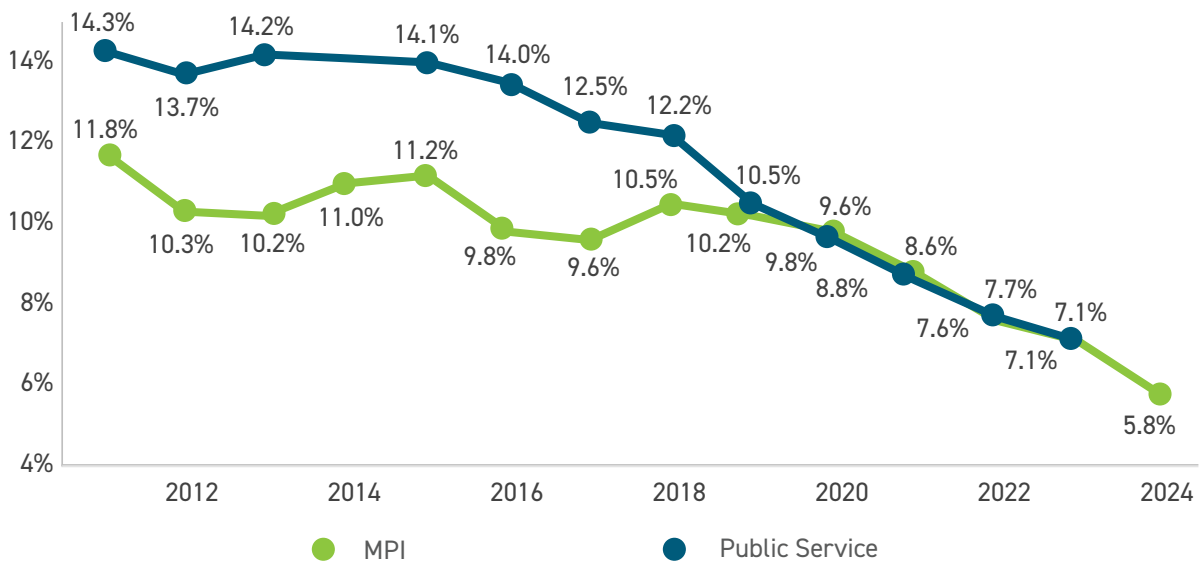


Leadership gender: Tiers 2-3



Ethnicity	MPI Senior Leaders (Tier 2 & Tier 3) 2023	MPI Senior Leaders (Tier 2 & Tier 3) 2024
European	66.7%	64.4%
Other ethnicity (including New Zealanders)	40.5%	45.0%
Asian	1.2%	2.6%
Māori	9.5%	10.1%
Middle Eastern/Latin American/African	1.2%	0.0%
Pacific Peoples	0.0%	1.3%

MPI and public service gender pay gaps



## Diversity, equity and inclusion: Progress towards the five Papa Pounamu focus areas

The Public Service Commission's Papa Pounamu Public Service work programme sets out to ensure a public service that:

- is free from bias and discrimination;
- is fully accessible to everyone;
- knows the composition of its workforce; and
- is transparent about progress towards inclusion, diversity and equity.

MPI's approach to this work aligns with the public sector's five Papa Pounamu focus areas.

### Addressing bias in the workplace

In April 2024, a series of bias awareness and inclusive design workshops were run. These were aimed at ensuring that our human resource practices, systems and processes are bias free and inclusive. Following this, we updated our unconscious bias resources and we launched MPI's Bias Aware Guide – *Creating Inclusive Workplaces*.

### Building cultural competency

MPI's Māori cultural competency pathway, Te Ara Ahurea Mātau, guides the development of cultural competence amongst MPI staff. You can read more about this in the "Māori-Crown relations capability" section of this chapter.

### Inclusive leadership

MPI continues to foster and embed inclusivity through our leadership development programmes and practices. In 2023/24, 135 staff participated in formal leadership development programmes. Of the participants, 61 percent were female, and 19 percent were Māori.

### Fostering diverse leadership

MPI's Emerging Leaders Programme is an avenue to grow diversity in leadership. Individuals can be nominated by their manager, self-nominate, or be nominated by a peer or colleague. This approach reduces the risk of bias and provides a development channel for those who may not yet see themselves as leaders but are capable. Fifty-one staff participated

across a range of ethnicities, including Middle Eastern/Latin American/African (MELAA), Māori, Asian, Pacific Peoples and European/Other.

### Supporting employee-led networks

MPI has seven employee-led groups representing over 1,100 people from varied communities across MPI. Our networks receive funding and other support from MPI's People and Capability team, and they are sponsored by members of the senior leadership team.

## Our 2022–2024 pay gaps action plan

MPI published its current Gender and Ethnic Pay Gaps Action Plan in 2022 and published a progress update in December 2023. You can find this on our website: [www.mpi.govt.nz/about-mpi/corporate-publications/mpis-gender-and-ethnic-pay-gap-action-plan/](http://www.mpi.govt.nz/about-mpi/corporate-publications/mpis-gender-and-ethnic-pay-gap-action-plan/).

Our current action plan priorities include:

- eliminating all forms of bias or discrimination;
- achieving equitable pay outcomes;
- ensuring MPI's leadership is representative of its staff and stakeholders; and
- facilitating effective career and leadership development.

### Gender and ethnic pay gaps

**We have continued to make progress in reducing our gender pay gap, from 7.6 percent in 2022, to 7.1 percent in 2023, to 5.8 percent as at 30 June 2024.**

MPI's ethnic pay gap reporting is split across six ethnicities: Pacific Peoples at 15 percent, Asian at 15 percent, MELAA at 9 percent, Māori at 2 percent, European at -11 percent and Other at -2 percent.

Our 2024 areas of focus, outlined in our 2023 progress update, aim to further reduce both gender and ethnic pay gaps. These are: recruitment, leadership, representation, development, and systems and processes.



# Equal employment opportunities

## Our commitment to accessibility

MPI remains committed to ensuring its workplace is accessible and inclusive for everyone, including those who are neurodivergent or identify as having a disability. A member of our senior leadership team continues to sponsor and champion this work.

In 2023/24, we developed MPI's Reasonable Accommodation Policy, currently in draft and expected to be published by the end of 2024. A reasonable accommodation is an adjustment made to accommodate a person with a disability.

We will also be running neurodiversity awareness training for staff later in 2024 and in early 2025.

Combined, these accessibility related actions will be incorporated into our updated inclusion, diversity and equity strategy and work programme, due to be published in November 2024.

## Building a positive workplace

MPI's Positive and Safe Workplaces programme focuses on workplace culture and the wellbeing of our employees. In 2023/24, some of the key actions in our Positive and Safe Workplaces programme include:

- refreshing the Inclusion, Diversity and Equity strategy and action plan;
- continuing to implement our Gender and Ethnic Pay Gap Action Plan 2022-2024;
- addressing bias and accessibility in the workplace; and
- continuing to embed the MPI working styles.

## Our mentoring programme

MPI's Mentoring Programme was established in 2018 to connect people across MPI through a shared learning journey and foster an understanding and appreciation of the diversity of our work.

In 2023/24, we adjusted our programme to better support diversity and an equitable and inclusive approach. Communications to staff were tailored to encourage greater representation of applicants from MPI's diverse communities. We also ensured that our application and shortlisting process enabled accessible and equitable entry onto the programme.

## TupuToa internships

MPI has a well-established partnership with TupuToa, which provides the opportunity to place Māori or Pasifika interns into MPI each year during the summer break.

In 2023/24, we also had two of our Early in Career staff on the Kia Tupu Kia Toa Leadership Programme.

# Māori–Crown relations capability

MPI has a wide and increasing range of relationships with Māori. We have a strong regional presence through our Māori Agribusiness advisers, customary fisheries officers, biosecurity staff, and forest advisers who work directly with Māori towards the better utilisation and development of collectively owned assets. Building Māori cultural capability is a strategic priority for MPI because it supports our goal of improving services and outcomes for Māori through a stronger Māori–Crown relationship.

MPI's cultural competency pathway, Te Ara Ahurea Mātau, is our plan to build the cultural capability of our staff and includes our Māori language plan, Mairangatia Te Reo Māori. Our cultural competency pathway aligns with the public sector's multi-year work programme, Whāinga Amorangi, to lift our capability in Māori language and knowledge of New Zealand and the Treaty of Waitangi history.

In October 2023, we established the Māori Partnerships and Investment business unit. The purpose of this business unit is to:

- provide strategic advice and support to staff on Treaty of Waitangi settlements and relationships with Treaty partners;
- provide a range of programmes tailored to the needs of Māori agribusinesses; and
- help ensure that our relationships and our work with Māori are strategically managed and well co-ordinated.

## Progress towards Whāinga Amorangi Phase One: Empowering people

Phase One of MPI's cultural competency pathway, Te Ara Ahurea Mātau, supports staff with opportunities for learning and exposure to experiences to develop Māori–Crown relations core capabilities. The following specific initiatives were undertaken to grow our capability in 2023/24.

## Engagement with Māori

MPI wants to create a thriving, sustainable, future focused economy through its commitment to improving results for Māori and meeting our Tiriti o Waitangi obligations.

To enable this, our staff were offered the following resources in 2023/24:

- Māori Cultural Capability, Engaging with Māori and Mana Āki are self-directed e-modules that supported the learning and development of 310 staff in relation to engagement with Māori.
- An online resource hub was developed to provide practical tools and resources to support co-ordinated engagement with Māori such as a calendar of Māori–Crown engagement events taking place across the country.
- In 2023/2024, MPI also implemented a Māori–Crown relations workshop in its internal Leadership Programme. This gives new people leaders the tools to understand the Crown's relationship with Māori. There were 57 participants.

In developing MPI's approach to supporting staff capability, we have collaborated with Māori staff, our employee network Te Tauaki Puāwai, and the Public Sector Association Māori delegate and groups.

At 7.4 percent of MPI's workforce (2024 calendar year), Māori are currently underrepresented in our organisation. Increasing Māori representation at all levels at MPI will help to fulfil our obligations to Māori and support the shift towards realising the economic potential of Māori in and across the primary sector. Our Gender and Ethnic Pay Gap action plan has led to the establishment of an MPI Māori recruitment community of practice to support us to recruit in ways that attract and retain more Māori staff.

We have supported Māori staff to develop leadership skills through our programmes: Rangatahi Māori Emerging Leaders Programme, Te Ara ki Matangireia and TupuToa. In late 2023, we ran a one-day workshop focused on empowering Māori women to navigate pathways to leadership and providing a personal development opportunity .

### **New Zealand history and Te Tiriti o Waitangi**

New Zealand's history and Te Tiriti o Waitangi is introduced to all new staff through MPI's induction programme.

We also offer more in-depth courses on these topics, including a self-directed online module, "NZ Colonial History and the Treaty of Waitangi", that 139 staff completed in 2023/24.

Insights from participants show that these courses help them better support the Māori–Crown relationship in their work.

### **Tikanga/kawa**

MPI has a Māori cultural capability learning portal that provides staff with resources that introduce and support understanding of tikanga Māori (Māori customary practices).

Information in the hub is promoted to staff through internal communication channels throughout the year. Key events such as Waitangi Day, Matariki and Te Wiki o te Reo Māori are used to promote the resources available.

### **Progress in implementing Mairangatia Te Reo Māori, our Māori language plan**

MPI has focused on ensuring Māori language resources and training are available to all staff. In 2023/24, we promoted our MPI Māori language e-learning module which 158 staff completed, and we promoted MPI's Māori cultural awareness app, Te Kākano Puāwai.

### **Treaty settlement commitments**

This is reported on in Chapter 2 under the strategic outcome of Visible Leadership.

# Health, safety and wellbeing

## Staff health, safety and wellbeing are priorities

We want a workplace where people work together for the protection and promotion of health, safety and wellbeing.

Our frontline work can be demanding, with people often required to enter diverse and dynamic environments with inherent health and safety risks. This includes working in manufacturing premises, in food businesses, on farms and on fishing vessels. We also work with other government agencies, regional councils, industry and volunteers.

To manage these health and safety risks, we make sure:

- managers understand the critical risks associated with the work their teams do, and the critical controls required to manage those risks;
- there are regular checks to ensure health and safety critical controls are in place to manage the risks effectively; and
- people are making informed health and safety decisions, considering the dynamic nature of MPI's work.

## MPI's Health, Safety, and Wellbeing Governance Committee

To ensure we achieve these goals, MPI's Health, Safety and Wellbeing Governance Committee oversees and promotes staff 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. It is chaired by MPI's Director-General, who is also the Government Health and Safety Lead.

## Health and safety representatives at MPI

As at 30 June 2024, MPI had 199 trained health and safety representatives.

Christine Davis, an Observer Services team leader from Fisheries New Zealand, was a finalist for the Health and Safety Representative of the Year Award in June 2024. These awards, given by the Government Health and Safety Lead, recognise outstanding representatives who have proactively supported improvements in health, safety and wellbeing in their organisations.

Christine has worked as a fisheries observer and chairs the Observer Health and Safety Committee.



Health and Safety Representative of the Year Award finalist Christine Davis (MPI) with Ray Smith, MPI's Director-General, who is also the Government Health and Safety Lead.



## Critical health and safety risk management

MPI monitors and reports on 13 priority critical risks that could cause serious injury or illness, require notification to a regulator or have a major impact on our activities.

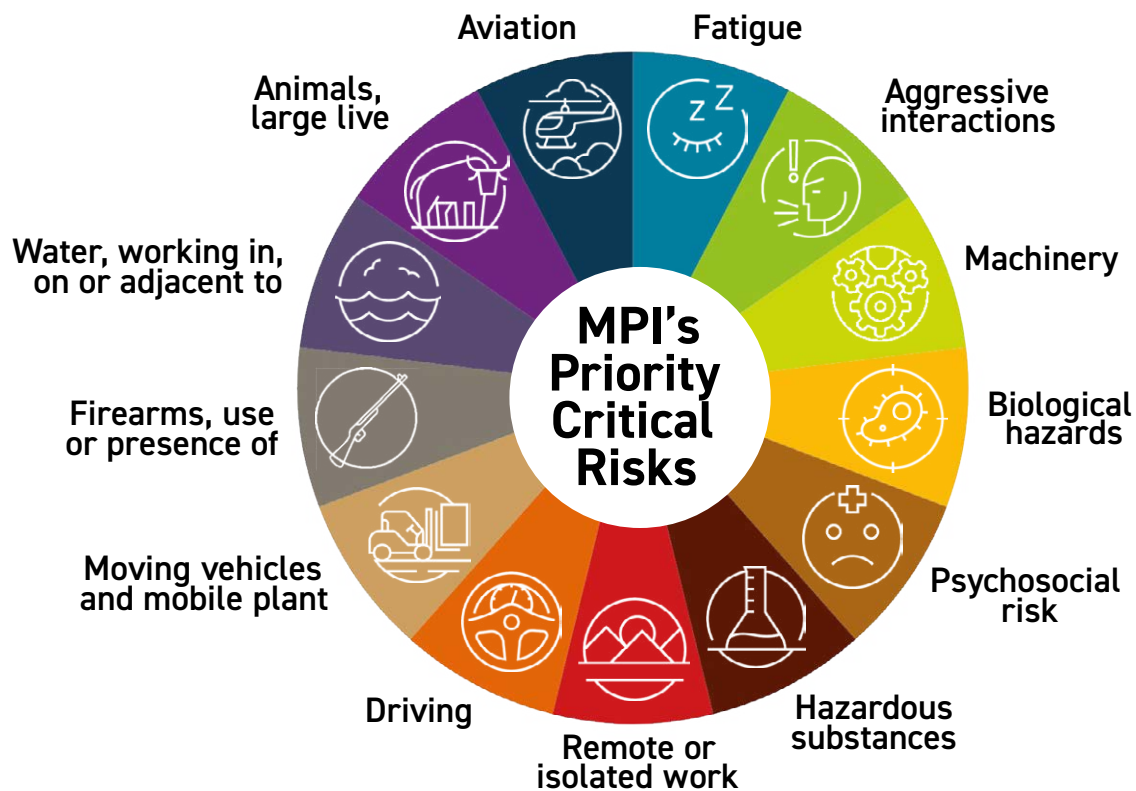
In 2023/24, to ensure these risks were managed, we:

- used our new MPI-wide risk and incident management system to track and complete 341 actions relating to our risks;
- completed 46 hazardous substances inspections across MPI sites, helping us see where changes to our controls were being implemented to dynamically manage our risks; and
- completed deep-dive studies of the priority critical risks of biological hazards, aviation, and machinery.

In line with the Government Health and Safety Lead's Critical Risk Management Improvement Roadmap, MPI is now moving on to the final, assurance stage of risk management. This means the organisation has identified its critical risks, developed a critical risk management improvement programme, engaged with workers to develop controls (methods of reducing or eliminating risks) and developed a plan for implementing the new controls.

We now have a programme of assurance activities designed to confirm the implementation and effectiveness of critical controls, with anticipated roll-out in 2024/25.

You can find the Government Health and Safety Lead's Critical Risk Management Improvement Roadmap on their website, at <https://www.healthandsafety.govt.nz/assets/Documents/GHSL-Risk-Maturity-Improvement-Roadmap-March-2021-FINAL.pdf>.



## Working with others

We work with other organisations with which we have a shared or an overlapping duty to manage health and safety risks or responsibilities.

For MPI, some duties are a part of contracts with third party providers or partner organisations. We also have overlapping duties when staff are working on sites owned by other organisations or another organisation is carrying out regulatory functions on MPI's behalf.

In 2021, we identified 11 health and safety overlapping duty priority areas of work extending across our activities. The identification of these supports MPI to use its influence to bring industry stakeholders together and to improve the health and safety outcomes in New Zealand's food and fibre sector.

Out of the 11 priority areas representing significant bodies of work, five have been completed so far. In 2023/24, we completed work on the priority area to establish and embed regular performance reporting for Crown Forestry, including the review of protocols for non-mechanised felling and a plan to have all contractors independently certified through Safetree, a health and safety initiative run by the Forestry Industry Safety Council.

Also in 2023/24, as part of the pest management programmes priority area, we met with the regional and local councils delivering these programmes to discuss health and safety contractor assurance processes.

# Making sure MPI operates effectively and efficiently

## Regulatory stewardship

### **The role of MPI's Inspector General Regulatory Systems**

MPI's role as a regulator means ensuring the regulatory systems it administers are effective. To support this, in 2020 the Director-General created the role of Inspector General Regulatory Systems to advise him on matters where regulatory improvement could be achieved.

The Inspector General Regulatory Systems' work programme is intended to enable the review of all aspects of MPI's regulatory systems over time. Some reviews assess a sub-system of a regulatory system such as dairy manufacturing within food safety. Others examine pan-system elements of regulatory delivery, such as compliance investigations and cost recovery. Senior leaders determine what enhancements are implemented following completion of the reviews.

In addition to undertaking regulatory reviews, the Inspector General Regulatory Systems engages with the regulatory stewardship community, both within MPI and across government, contributing to thought leadership and system enhancement.

You can find the Inspector General's work programme and reports on MPI's website, at <https://www.mpi.govt.nz/about-mpi/structure/office-of-the-inspector-general-regulatory-systems/>.

### **Regulatory reviews in 2023/24**

#### **Biosecurity at airports (continuing in 2024/25):**

Reviews the management of biosecurity risks posed by airline passengers at New Zealand's four major international airports.

#### **Containment facilities:**

Looked at MPI's role in the enforcement of the Hazardous Substances and New Organisms Act 1996 at containment facilities. Containment facilities like research laboratories hold organisms brought into New Zealand for research and study that can never be released.

#### **Cost recovery – a regulatory element review:**

Considered MPI's cost recovery practices for the four regulatory systems of biosecurity, fisheries, food safety and animal welfare.

#### **The regulatory management of wine:**

Evaluated the regulatory system for wine produced in New Zealand. It examined the role the regulator plays in developing policy and standards, delivering certification and verification services and ensuring compliance with the legislation.

# Managing and reducing emissions

## Carbon Neutral Government Programme requirements

The Carbon Neutral Government Programme (CNGP) was launched in 2020 to accelerate the reduction of public sector emissions. As a CNGP participant, MPI is expected to:

- measure, verify and report emissions annually;
- set gross emission reduction targets from a selected base year; and
- implement a plan to reduce the organisation's emissions.

MPI's approach and timeframe for offsetting its remaining emissions will be guided by the Government's CNGP offsetting policy, which is currently under review.

## Our emission management approach

To manage our emissions, we are measuring our operational carbon emissions and implementing our multi-year organisational emission reduction plan.

MPI's emissions are generated through the work we do to grow New Zealand's economy and protect the food and fibre sector. Our main emission sources are domestic and international air travel, fuel for our vehicle and vessel fleet, and energy use at our sites.

MPI selected the 2018/19 financial year as its base year to measure emissions from, totalling 11,181 metric tonnes of carbon dioxide equivalent emissions tCO<sub>2</sub>e. 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.

## Our 2023/24 results

**5,963** tCO<sub>2</sub>e

or a

**46%** reduction

compared with base year

In 2023/24, MPI's total emissions were 5,963 tCO<sub>2</sub>e, which is a 46 percent reduction compared with our 2018/19 base year. This performance currently exceeds that required to meet our 2025 and 2030 targets, meaning we are well on track.

## MPI's targets for 2025 and 2030 remain in place

Our targets for reducing gross emissions, set in 2021/22, remain in place. Our targets meet or exceed the CNGP requirements for 2025 and 2030.

### 2025 target:

Gross annual emissions to be no more than

**8,386** tCO<sub>2</sub>e

or a

**25%** reduction

in gross emissions compared to base year 2018/19.

### 2030 target:

Gross annual emissions to be no more than

**6,485** tCO<sub>2</sub>e

or a

**42%** reduction

in gross emissions compared to base year 2018/19.

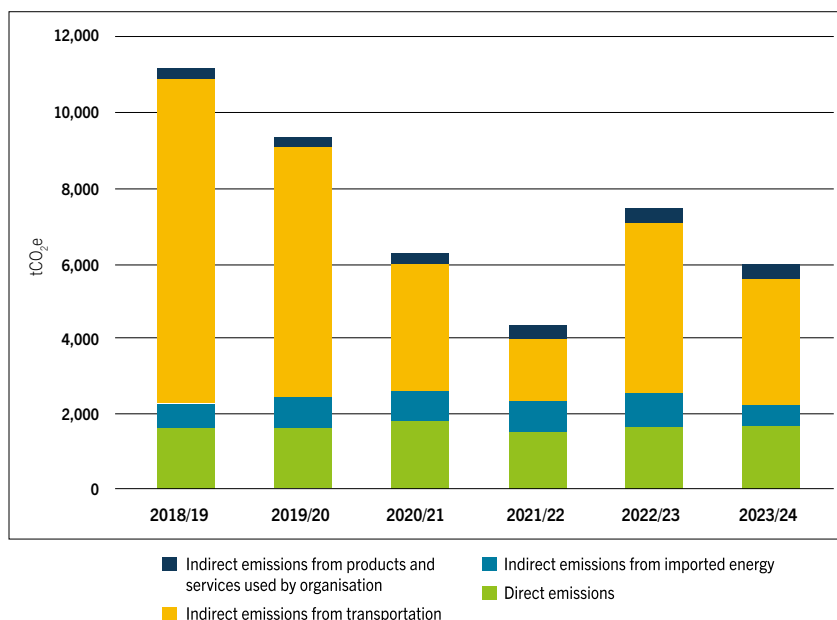
These targets are science based, meaning they are aligned with climate science to contribute to the global goal of limiting warming to well below 2°C over pre-industrial levels.



## We are reporting our emissions to demonstrate MPI's progress

MPI's emissions data has been independently audited and verified, providing assurance that our work is in line with ISO 14064-1:2018, the international standard that specifies principles and requirements for quantifying and reporting greenhouse gas emissions.

MPI's reported emissions by category for 2018/19 to 2023/24



### MPI's reported emission sources by category

Category	Emission source
1 Direct emissions	Petrol, diesel, stationary gas, natural gas, liquefied petroleum gas and refrigerants (see Note 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 (see Note 2)

**Notes:**

- 1 Refrigerant emissions are derived from any gas leakage from MPI's laboratory fridges, freezers and air conditioning units.
- 2 Transmission and distribution losses represent the energy lost when electricity or natural gas is transported from the point of generation to the buildings and facilities where it is used.

### MPI's emission intensity by full time equivalent (FTE) staff by financial year (at 30 June)

Key performance indicator	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
FTE staff	3,030	3,358	3,450	3,539	3,756	3,525
Total gross emissions per FTE (tCO <sub>2</sub> e)	3.68	2.76	1.79	1.20	1.99	1.69

## How we are tracking against our emission reduction plan and targets

In 2023/24, our total emissions were 5,963 tCO<sub>2</sub>e. Our 2023/24 emissions represent a 46 percent reduction compared with our 2018/19 base year.

As we head towards our 2025 and 2030 targets, MPI's challenge is to maintain these emission savings as we continue to support New Zealand's food and fibre sector domestically and abroad.

### We are implementing our plan to achieve our targets

We remain committed to our multi-year organisational emission reduction plan. The following priority initiatives will support us to reach our targets. Below, we list some highlights of our progress in 2023/24.

#### Reducing emissions from air travel

- We reached our sub-target of achieving at least a 30 percent reduction in international air travel in 2023/24, compared with 2018/19 levels. Our emissions were 1,671 tCO<sub>2</sub>e, which was well under our target of 3,114 tCO<sub>2</sub>e.
- We also reached our sub-target of achieving at least a 30 percent reduction in domestic air travel in 2023/24, compared with 2018/19 levels. Our emissions were 993 tCO<sub>2</sub>e, which was under our target of 2,333 tCO<sub>2</sub>e.
- We updated our travel policy to include carbon emission considerations. We also integrated carbon projections into our travel management systems. This supports our people to consider both carbon and financial efficiency when they plan and arrange air travel.
- Because we have changed how we travel, MPI's carbon per passenger kilometre in 2023/24 was 21 percent lower than in 2018/19.

## Decarbonising our fleet

We continued transitioning MPI's passenger fleet to electric or hybrid vehicles where possible. With limited lower-emission alternatives available, replacing diesel utes remains a challenge. However, where possible, we have chosen to use plug-in hybrids instead of diesel utes.

As at 30 June 2024, MPI's vehicle fleet had 66 electric vehicles, 81 plug-in hybrids and 150 regular hybrids in operation. These vehicles produced an estimated saving of 240 tCO<sub>2</sub>e in 2023/24.

We continued monitoring vehicle performance closely to ensure we have the right vehicles in the right places.

As the technology evolves, we will look to transition our commercial fleet to lower-emission alternatives.

## We will continue to improve our emissions data

Our ability to manage our emissions effectively relies on credible data, regular monitoring, and timely reporting. In 2023/24, we continued to improve the quality and frequency of our emission measurements.

We are also pursuing opportunities to measure and reduce emissions in MPI's supply chain. This will be a multi-year initiative focused on gradual improvement, which is guided by an organisation-wide Procurement Strategy.

# Asset performance

## MPI's service critical assets

Service critical assets refer to the essential tools, systems and infrastructure that are crucial for delivering key services. MPI's physical assets and digital and information technology systems are critical to our business continuity and managing these assets properly ensures we can continue to perform our critical duties, needed to protect and grow New Zealand's biodiversity and food and fibre sector.

Our Property and Major Assets Committee and Digital, Data and Technology Committee provide organisational oversight and governance for MPI's physical and digital assets, respectively. These committees are responsible for strategic leadership across MPI's asset portfolios for property, physical security, vehicle and vessel fleets, and digital services and delivery.

## MPI's service critical physical assets

MPI staff are located at more than 50 sites across New Zealand. We have more than 62 buildings in our property portfolio, most of which are leased premises, with five properties owned by MPI.

MPI works across our business units to support a strategic and best practice approach to physical asset management. Our asset management strategy continues to evolve, which includes improving our industry standard performance measures and risk management protocols across our property portfolio.

## Our National Property Strategy

MPI developed its National Property Strategy in 2021 to guide our decisions for property investment in alignment with MPI's vision, outcomes and priorities. Our objectives are to ensure MPI meets government requirements and responds to other government initiatives, operates appropriate and effective physical asset portfolio strategies and management frameworks, gains assurance that all legal and regulatory obligations are met, and actively manages the organisation's exposure to risk. The strategic

management of our physical assets is underpinned by the following principles and drivers:

- Fitness for purpose – our spaces are resilient and sustainable and will fit our needs into the future, including the improvement of the specialist facilities to deliver our critical services.
- Value for money – investment in MPI's assets factors in both affordability and whole-of-life cost.
- Efficient footprint – ensuring our workplaces are the right size, in the right place, balancing opportunities to reduce our office footprint while future-proofing operational service delivery needs and embedding the technology for people to connect and collaborate.
- Adaptable and agile – workplace modernisation is essential to create environments that are flexible, accessible and inclusive, enable collaboration and community engagement, and provide the technology needed to underpin our functions, in ways that respond to the needs of our workforce.
- Joined up government – MPI's assets enable us to work across government, making best use of public assets to maximise value for the public, improve service delivery and support government objectives.

## Our biosecurity diagnostic laboratories

MPI's three major biosecurity diagnostic laboratories are service critical property assets. They are crucial for the delivery of services that protect our primary industries and environment from biosecurity risks and the work they do provides assurance to New Zealand's trading partners.

Virus and bacteria containment facilities are approved in accordance with an international physical containment (PC) scale, with PC1 being the lowest for safe bacteria and viruses and PC4 being the highest. The key performance metric for these laboratories is related to infrastructure and system availability which measures and monitors the readiness and usability of our service critical property assets and systems. This ensures they are consistently available and functional and can support the critical services that they facilitate.

## National Animal Health Laboratory (MPI-owned site)

The National Animal Health Laboratory (AHL) is New Zealand's national veterinary laboratory located at our MPI-owned site in Wallaceville, Upper Hutt. It plays a pivotal role in protecting New Zealand from animal diseases that could have serious effects on our animal industries, the health of New Zealanders and the environment. MPI uses the AHL to:

- diagnose and help control animal (including aquatic animal) diseases;
- certify animals and animal products are disease-free for import or export; and
- prepare for potential disease outbreaks.

Within the AHL is our new National Biocontainment Laboratory which is the only "enhanced PC3" laboratory in New Zealand. The National Biocontainment Laboratory contains more safety measures than a PC3 laboratory, using complex systems and technology to protect scientists who work inside and to make sure that infectious organisms are not released into the environment. It also meets the same seismic rules as hospitals, airport control towers and water treatment plants.

### Asset performance

The AHL National Biocontainment Laboratory has dedicated biocontainment engineers who manage and monitor the maintenance and investment requirements of the laboratory.

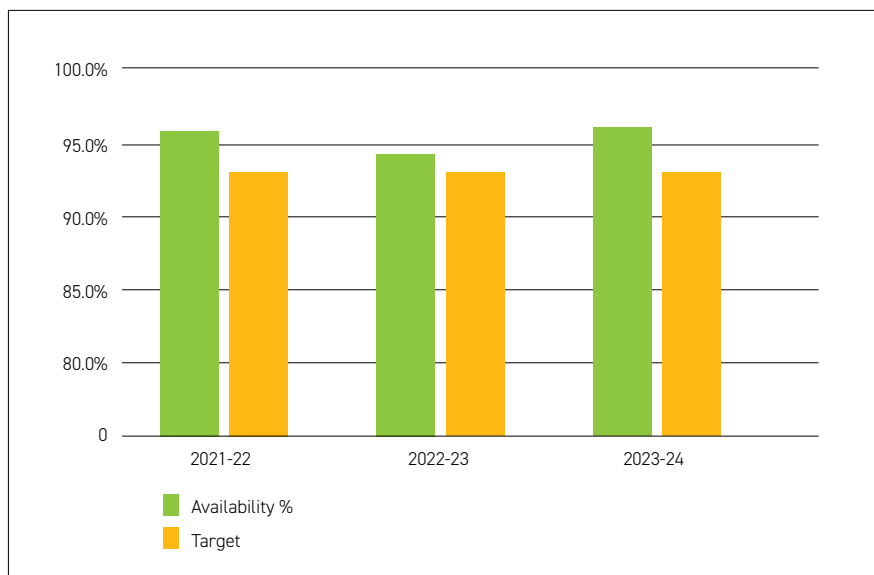
Performance data for the National Biocontainment Laboratory demonstrates a consistently high level of system availability of these critical facilities across the last three years (refer to the graph below). The availability performance of the laboratory allows for three to four percent planned downtime for such activities as planned maintenance and one to two percent for unplanned downtime, for example unplanned repairs.

## Plant Health and Environment Laboratory (leased site)

MPI's Plant Health and Environment Laboratory (PHEL) is based in Tāmaki, Auckland, and identifies pests and diseases affecting plants and the environment, as well as exotic and invasive plants. The PHEL provides highly secure diagnostic facilities that include quarantine glasshouses, a tissue culture facility and a containment laboratory. It helps to protect New Zealand's environment and the food and fibre sector from suspected exotic organisms and reassures trading partners that New Zealand is free of certain pests and diseases through:

- testing for exotic and emerging plant pests and diseases;
- import and export testing of plants and plant products;
- scientific advice to support our surveillance programmes for exotic pests and diseases, such as fruit flies and exotic and invasive plants;
- maintaining the Plant Pest Information Network (PPIN), a national database for plant pests; and
- international partnerships and activities.

**Availability of MPI's National Biocontainment Laboratory**



This facility is located at a site leased from Manaaki Whenua Landcare Research which manages the maintenance and investment in the building and utility infrastructure. A major programme to replace our PHEL facility is currently underway (see the Post-entry Quarantine section below).

#### **Asset performance**

MPI is responsible for the greenhouses and the associated systems and environmental controls. Planned maintenance schedules and daily observations by staff ensure that these facilities remain fit for purpose and are kept to an acceptable standard.

#### **Post-entry quarantine facility (MPI-owned buildings + ground lease)**

The post-entry quarantine (PEQ) facility development is part of MPI's strategic Plant Health and Environment Capability programme. Based in Mount Albert, Auckland, it will have 12 greenhouses, a head house and laboratories and nearly doubles New Zealand's available Level 3B post-entry quarantine greenhouse space for plant imports. This is responding to the long-term need for more laboratory space to check high-value crops and new plant varieties when they are imported. The PEQ will be a part of the new complex to replace the PHEL and aims to provide New Zealand with a world-class scientific facility to ensure the biosecurity system has access to fast, accurate, and comprehensive scientific equipment and expertise for the next 30 years.

#### **Asset performance**

As part of a staged construction process, the PEQ facility greenhouses, head house and laboratories were completed in February 2024. This component of the new facility has been undergoing rigorous scientific testing in readiness to open for importers in November 2024 and is rated as "excellent" using the New Zealand Asset Management Support (NAMS) Special Interest Group methodology for both condition and functionality.

Construction of the entire complex is due to be completed in 2028.

#### **Our Digital Strategy**

MPI refreshed its Digital Strategy in 2023 to enable the adoption of common business capabilities using scalable cloud native platforms. Three principles underpin how we manage these assets to ensure uninterrupted delivery of these critical capabilities:

- Assets are operationally effective to meet our obligations and are available when needed to support the food and fibre sector.
- Our assets are maintained and continue to be fit for use in a complex and changing environment.
- Assets are upgraded and/or replaced within their lifecycle when appropriate, ensuring we take advantage of modern technologies and techniques, and the value that this delivers.

#### **Critical digital assets managed by MPI**

MPI manages two digital assets that support critical outcomes for New Zealand.

#### **Forestry in the Emissions Trading Scheme**

MPI manages the digital platform for the Forestry aspects of the ETS on behalf of the Environmental Protection Authority. It provides forestry participants with the ability to meet their obligations including submitting emissions returns to earn New Zealand Units.

The delivery of a modern and scalable ETS platform was deployed in early 2023 in response to new ETS legislation.

#### **Asset performance**

An operational support and continual delivery model is in place to ensure this asset remains fit for use, meets regulatory requirements and continues to assist New Zealand in its various climate change commitments.

#### **Export Certification Platform**

New Zealand's food and fibre exporters require digital certifications to enable their products to enter overseas markets. These certificates provide



an importing country with confirmation from the New Zealand Government (MPI) that products or commodities meet certain standards and requirements.

MPI's certification platforms:

- support exporters by enhancing, safeguarding and simplifying access for primary exports to overseas markets;
- lift confidence with trade partners; and
- protect New Zealand's borders from food safety and biosecurity incursions that may arise from importing products.

#### Asset performance

An operational and continuous support function will be established to ensure the asset is maintained and continues to be fit for use in an ever-changing certification environment.

MPI's new Level 3B post-entry quarantine facility, Mount Albert, Auckland.















05.

# Our financial statements

Ā mātou pūrongo pūtea



# Statement of responsibility

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 2024 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 2025 and its operations for the year ending on that date.

Signed



**Ray Smith**

Director-General  
30 September 2024

Countersigned



**Neil Cherry**

Deputy Director-General  
Corporate Services  
30 September 2024





# Independent auditor's report

## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF THE MINISTRY FOR PRIMARY INDUSTRIES ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2024

The Auditor-General is the auditor of the Ministry for Primary Industries (the Ministry). The Auditor-General has appointed me, David Borrie, 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 141 to 146 and 149 to 175, that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and contingent assets as at 30 June 2024, 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 2024 on pages 58 to 109;
- the statement of departmental expenses and capital expenditure against appropriations for the year ended 30 June 2024 on pages 147 to 148;
- the schedules of non-departmental activities which are managed by the Ministry on behalf of the Crown on pages 177 to 204; that comprise:
- the schedules of non-departmental assets, liabilities, commitments, and contingent liabilities and contingent assets as at 30 June 2024;
  - the schedules of non-departmental revenue, expenses, and capital expenditure for the year ended 30 June 2024;
  - the statement of non-departmental expenditure and capital expenditure against appropriations for the year ended 30 June 2024;
  - the statement of trust monies for the year ended 30 June 2024; 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 2024; 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 2024
  - 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 statements 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, commitments, contingent liabilities and contingent assets and commitments as at 30 June 2024;
  - revenue, expenses and capital expenditure for the year ended 30 June 2024;
  - the statement of expenditure and capital expenditure against appropriations for the year ended 30 June 2024; and
  - the schedule of trust monies for the year ended 30 June 2024.

Our audit was completed on 30 September 2024. This is the date at which our opinion is expressed.

The basis for 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 to Vote Agriculture, Biosecurity, Fisheries and Food Safety and Vote Forestry.

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 57, 110 to 132, 137 to 140, 176, and 205 to 237 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, we have no relationship with, or interests in, the Ministry.

David Borrie  
Ernst & Young  
Chartered Accountants  
On behalf of the Auditor-General  
Wellington, New Zealand



# Financial commentary

This section of the annual report provides a commentary on MPI's 2023/24 financial results. 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.

## 2023/24 Departmental results

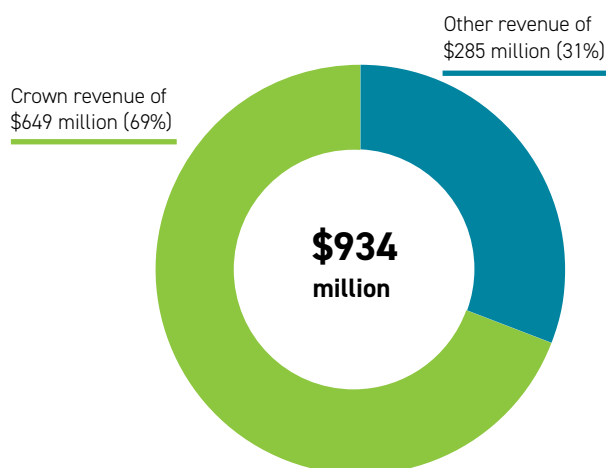
In 2023/24 our revenue from the Crown and the other sources was \$934 million. The operating expenditure was \$829 million for the year, resulting in a net surplus of \$106 million.

### Our Revenue sources in 2023/24

Our total revenue of \$934 million was made up of revenue from the Crown of \$649 million and \$285 million from other sources. The total revenue was \$28 million higher compared to 2022/23.

Revenue Crown was \$40 million less than 2022/23, mainly driven by reduced funding in *Response to Mycoplasma bovis* (\$33 million) as the programme has been operating under a National Pest Management Plan (NPMP) managed by OSPRI as the management agency from June 2023.

In 2023/24, Revenue Other was \$69 million more than 2022/23, mainly due to increased border clearance levies as passenger numbers return post Covid 19 and the volumes are much higher compared to pre-Covid levels.



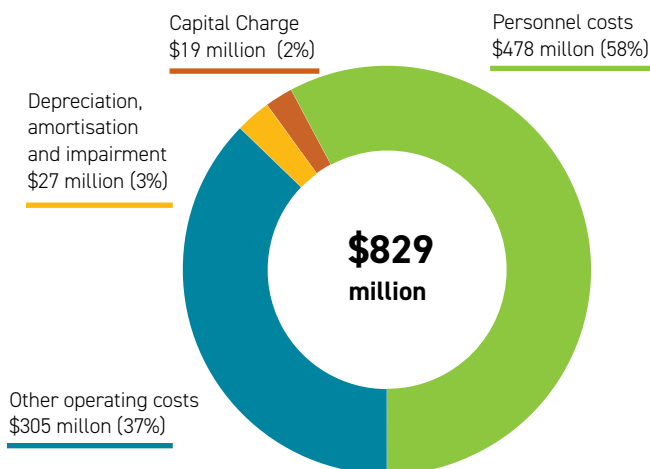
### How we spent the funding we received for our departmental appropriations

In 2023/24, our operating expenditure was **\$829 million** of which \$478 million (58 percent) was personnel related costs.

### The departmental assets we manage to support our operation

In 2023/24, our total departmental assets were **\$659 million**.

MPI manages \$659 million of departmental assets. Software assets and property, plant and equipment represent almost half of our assets. Software assets represent the number of systems used to support the operations of MPI and the services provided.



Our property, plant and equipment include owned land and 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.

## 2023/24 Non-departmental results

### The non-departmental revenue we received on behalf of the Crown in 2023/24

In 2023/24, our total non-departmental revenue was **\$90 million**.

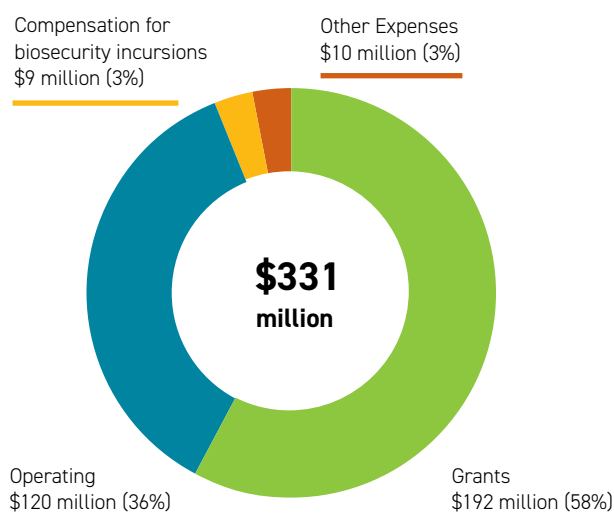
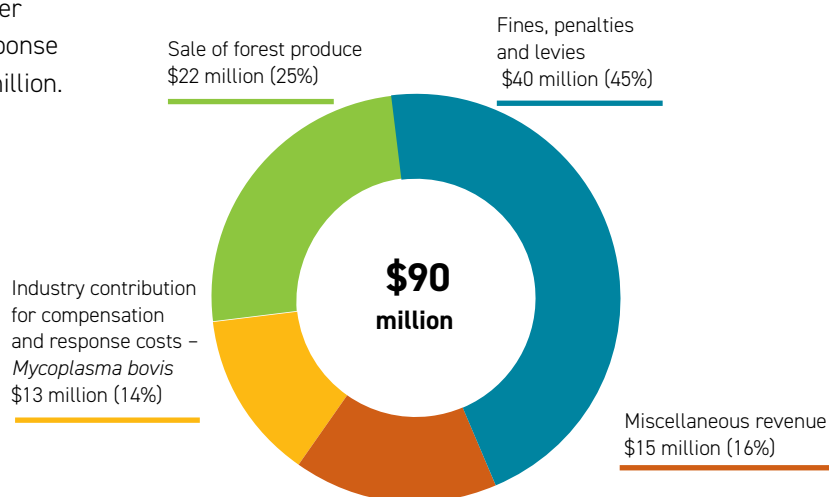
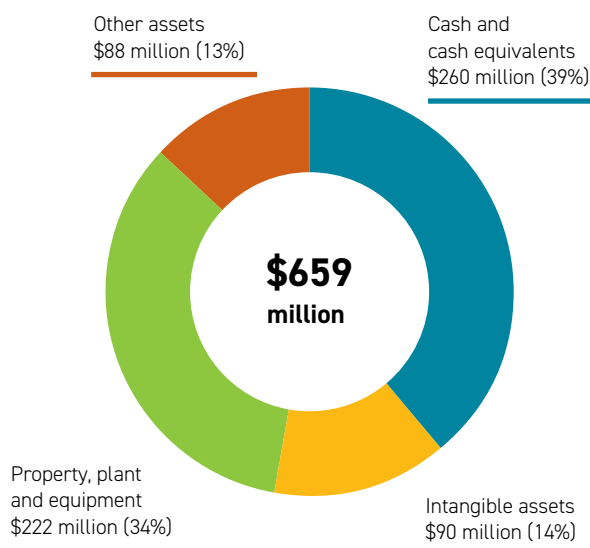
Non-departmental revenue for 2023/24 was \$24.8 million less than 2022/23 mainly due to lower sales of forest produce by \$13.6 million and lower industry contribution for compensation and response costs in respect of *Mycoplasma bovis* of \$15.3 million.

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

In 2023/24, our total non-departmental expenditure was **\$331 million**.

MPI administered \$331 million of expenditure on behalf of the Crown for the year ending 30 June 2024 against a budget of \$346 million. Non-departmental expenditure for 2023/24 was \$75.6 million lower compared to 2022/23. The key factors contributing to this variance were as follows:

- Forestry Grants and Partnership Programme – The expenditure on One Billion Trees programme was \$11.5 million less in 2023/24 due to delayed contractual milestones related to the programme.
- Agriculture Recovery Assistance – A decrease of \$26.4 million, largely attributed to one-off funding of \$25 million in 2022/23 to support business recovery for Cyclone-affected farmers and growers.
- Compensation payments for biosecurity response events – The amount of compensation paid in 2023/24 was \$42 million lower than 2022/23.



# Overview of departmental financial results

For the year ended 30 June 2024

Actuals 2023 \$000		Actuals 2024 \$000	Unaudited estimates of appropriations <sup>3</sup> 2024 \$000
<b>906,364</b>	<b>Revenue – in total</b>	<b>934,486</b>	<b>953,316</b>
689,958	Revenue Crown	649,306	660,888
216,406	Revenue Other	285,180	292,428
<b>839,817</b>	<b>Expenditure – in total</b>	<b>828,876</b>	<b>894,866</b>
453,979	Personnel costs	469,958	478,178
349,669	Other operating expenses	304,756	373,408
19,288	Depreciation, amortisation and impairment expenses	27,192	28,100
16,881	Capital charge	18,921	15,180
-	– Restructuring costs	8,049	-
<b>66,547</b>	<b>Operating surplus/(deficit)</b>	<b>105,610</b>	<b>58,450</b>
54,593	Repayment of surplus to Crown	53,935	58,450
92,797	Working capital	165,104	120,461
<b>274,736</b>	<b>Non-current assets</b>	<b>311,568</b>	<b>320,623</b>
<b>16,084</b>	<b>Non-current liabilities</b>	<b>15,689</b>	<b>10,000</b>
<b>351,449</b>	<b>Equity</b>	<b>460,983</b>	<b>431,084</b>

For 2023/24, our total operating expenditure was \$829 million. This was \$11 million lower than the 2022/23 expenditure. The decrease in expenditure was largely due to a reduction of \$37.15 million in consultancy expenses, offset by increased expenditure of \$15.98 million in personnel costs and \$8 million of redundancy costs following the “Improving our Efficiency” organisational restructure in response to achieving the Government’s Budget 2024 fiscal savings target of 7.5 percent.

The total revenue for the year was \$934 million, of which 69 percent was from the Crown. We also received revenue of \$285 million (31 percent) from third party funded services, statutory fees, and levies. Revenue from the Crown was \$40.7 million less in 2023/24 compared to 2022/23 partly due to a decrease in funding for Biosecurity: Border and

Domestic Biosecurity Risk Management (\$57.8 million) and an increase in funding for Development and Implementation of Primary Industries Policy Advice (\$12.1 million). Revenue from other sources has also increased by \$68.8 million from 2022/23. This was mainly from border clearance levies with steady growth in passenger volumes.

<sup>3</sup> The 2024 Estimates of Appropriations figures are for the year ended 30 June 2024 and were published in the 2023 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 2024.

## Significant movements between 2024 actuals and 2023 actuals

### Personnel costs

The full-time equivalent staff numbers as at 30 June 2024 was 3,618 (2023: 3,756). While the majority of staff are New Zealand based, the Ministry has a small number of staff in 12 different locations around the world. The \$15.98 million increase in personnel costs is largely attributed to staff progression and the impacts of annual salary movements.

### Contractor and consultant expenses

Our expenditure on contractors and consultants reduced by \$37.15 million in 2023/24 compared to 2022/23. This is in line with the previous Government's expectations on public sector agencies to reduce the expenditure on contractors and consultants.

### Non-current assets

Non-current assets comprising of plant, property and equipment (PPE), as well as intangible assets, increased by \$37 million in 2023. This is primarily due to:

- PPE additions of \$33 million in 2024; and
- Intangible asset additions of \$32 million, including \$13.5 million for the Emission Trading Scheme transformation programme.

These increases were offset by depreciation and amortisation expense for the year of \$27 million.

### Equity

The \$109 million net increase in equity is due to \$60.3 million of capital injection, \$2.4 million capital withdrawal from the Crown and a movement of \$51 million in the memorandum accounts.

## Significant variances between 2024 actual results and the estimates of appropriations

### Other operating expenses

The actual expenditure for other operating expenses is \$69 million lower than budget. This is due to savings in the contractor and consultant expense of \$39.5 million and return of funding for a number of initiatives, including Climate Emergency Response Fund of \$30 million as part of the rapid savings exercise by the previous Government and also the budget savings reduction by the current Government.

### Equity

Equity is \$30 million higher than budgeted due to opening balance variance of \$12 million plus an actual net surplus variance of \$47 million and a surplus change in the memo account of \$4.5 million offset by a decreased capital injection of \$31.3 million and an increase capital withdrawal of \$2.4 million.



# Statement of comprehensive revenue and expenses

For the year ended 30 June 2024

Actuals 2023 \$000		Note	Actuals 2024 \$000	Unaudited estimates of appropriations 2024 \$000	Unaudited forecast 2025 \$000
<b>Revenue</b>					
689,958	Revenue Crown		649,306	660,888	620,362
216,406	Revenue other	2	285,180	292,428	294,673
<b>906,364</b>	<b>Total revenue</b>		<b>934,486</b>	<b>953,316</b>	<b>915,035</b>
<b>Expenditure</b>					
453,979	Personnel costs	3	469,958	478,178	457,999
19,288	Depreciation, amortisation and impairment expense	8,9	27,192	28,100	32,590
16,881	Capital charge	4	18,921	15,180	21,309
	– Restructuring costs		8,049	–	–
349,669	Other operating expenses	5	304,756	373,408	394,122
<b>839,817</b>	<b>Total expenditure</b>		<b>828,876</b>	<b>894,866</b>	<b>906,020</b>
<b>66,547</b>	<b>Net surplus/(deficit)</b>		<b>105,610</b>	<b>58,450</b>	<b>9,015</b>
<b>Other comprehensive revenue and expense</b>					
–	Total other comprehensive revenue and expense		–	–	–
<b>66,547</b>	<b>Total comprehensive revenue and expense</b>		<b>105,610</b>	<b>58,450</b>	<b>9,015</b>

The accompanying notes form part of these financial statements.

# Statement of financial position

As at 30 June 2024

Actuals 2023 \$000		Note	Actuals 2024 \$000	Unaudited estimates of appropriations 2024 \$000	Unaudited forecast 2025 \$000
<b>Assets</b>					
<b>Current assets</b>					
207,237	Cash and cash equivalents		259,515	251,320	161,744
67,449	Debtors and other receivables	6	77,172	61,590	61,590
3,425	Prepayments		6,008	6,000	6,000
4,578	Inventories	7	4,793	5,000	5,000
<b>282,689</b>	<b>Total current assets</b>		<b>347,488</b>	<b>323,910</b>	<b>234,334</b>
<b>Non-current assets</b>					
204,674	Property, plant and equipment	8	222,029	226,807	261,809
70,062	Intangible assets	9	89,539	93,816	118,645
<b>274,736</b>	<b>Total non-current assets</b>		<b>311,568</b>	<b>320,623</b>	<b>380,454</b>
<b>557,425</b>	<b>Total assets</b>		<b>659,056</b>	<b>644,533</b>	<b>614,788</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
76,780	Creditors and other payables	10	63,230	90,500	90,500
54,593	Repayment of surplus	11	53,935	58,450	9,015
3,550	Provisions	12	12,146	6,499	6,499
54,969	Employee entitlements	13	53,073	48,000	48,000
<b>189,892</b>	<b>Total current liabilities</b>		<b>182,384</b>	<b>203,449</b>	<b>154,014</b>
<b>Non-current liabilities</b>					
2,523	Creditors and other payables	10	1,869	-	-
3,115	Provisions	12	3,115	-	-
10,446	Employee entitlements	13	10,705	10,000	10,000
<b>16,084</b>	<b>Total non-current liabilities</b>		<b>15,689</b>	<b>10,000</b>	<b>10,000</b>
<b>205,976</b>	<b>Total liabilities</b>		<b>198,073</b>	<b>213,449</b>	<b>164,014</b>
<b>351,449</b>	<b>Net assets</b>		<b>460,983</b>	<b>431,084</b>	<b>450,774</b>
<b>Equity</b>					
337,798	Crown capital and retained earnings	14	395,657	390,467	410,157
(26,967)	Memorandum accounts (net position)	14	24,708	-	-
40,618	Property revaluation reserves	14	40,618	40,617	40,617
<b>351,449</b>	<b>Total equity</b>		<b>460,983</b>	<b>431,084</b>	<b>450,774</b>

The accompanying notes form part of these financial statements.

# Statement of changes in equity

For the year ended 30 June 2024

Actuals 2023 \$000		Note	Actuals 2024 \$000	Unaudited estimates of appropriations 2024 \$000	Unaudited forecast 2025 \$000
297,502	Balance at 1 July		351,449	339,490	409,313
66,547	Total comprehensive revenue and expense		105,610	58,450	9,015
<b>Owner transactions</b>					
41,993	Capital injections	14	60,276	91,594	41,461
-	Capital withdrawals	14	(2,417)	-	-
(54,593)	Return of operating surplus to the Crown	11	(53,935)	(58,450)	(9,015)
<b>351,449</b>	<b>Balance at 30 June</b>		<b>460,983</b>	<b>431,084</b>	<b>450,774</b>

The accompanying notes form part of these financial statements.

# Statement of cash flows

For the year ended 30 June 2024

Actuals 2023 \$000		Note	Actuals 2024 \$000	Unaudited estimates of appropriations 2024 \$000	Unaudited forecast 2025 \$000
<b>Cash flows from operating activities</b>					
689,958	Receipts from Crown		649,306	660,888	620,362
209,551	Receipts from revenue other		274,093	292,428	294,673
(444,412)	Payments to employees		(479,644)	(478,328)	(458,149)
(351,739)	Payments to suppliers		(307,146)	(373,982)	(394,696)
(16,881)	Payments for capital charge		(18,921)	(15,180)	(21,309)
-	Goods and services tax		(4,850)	-	-
<b>86,477</b>	<b>Net cash from operating activities</b>	15	<b>112,838</b>	<b>85,826</b>	<b>40,881</b>
<b>Cash flows from investing activities</b>					
1,046	Receipts from sale of property, plant and equipment		1,152	-	-
(24,504)	Purchase of property, plant and equipment		(32,780)	(27,199)	(41,837)
(35,370)	Purchase of intangible assets		(32,198)	(35,600)	(37,846)
<b>(58,828)</b>	<b>Net cash from investing activities</b>		<b>(63,826)</b>	<b>(62,799)</b>	<b>(79,683)</b>
<b>Cash flows from financing activities</b>					
41,993	Capital injections from the Crown		57,859	91,594	41,461
(82,215)	Repayment of surplus to the Crown		(54,593)	(9,457)	(44,314)
<b>(40,222)</b>	<b>Net cash from financing activities</b>		<b>3,266</b>	<b>82,137</b>	<b>(2,853)</b>
<b>(12,573)</b>	<b>Net increase (decrease) in cash</b>		<b>52,278</b>	<b>105,164</b>	<b>(41,655)</b>
219,810	Cash at the beginning of the year		207,237	146,156	203,399
<b>207,237</b>	<b>Cash at the end of the year</b>		<b>259,515</b>	<b>251,320</b>	<b>161,744</b>

The accompanying notes form part of these financial statements.



# Statement of commitments

As at 30 June 2024

## 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 \$1.1 million (2023: \$1.6 million).

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

Actuals 2023 \$000		Actuals 2024 \$000
<b>Capital commitments</b>		
1,081	Buildings	39,303
433	Plant & Equipment	65
1,957	Motor vehicles and Vessels	635
4,700	Technology and Digital	7,285
<b>8,171</b>	<b>Total capital commitments</b>	<b>47,288</b>
<b>Non-cancellable operating lease commitments</b>		
The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:		
19,293	Not later than one year	17,613
63,609	Later than one year and not later than five years	61,948
94,658	Later than five years	81,322
<b>177,560</b>	<b>Total non-cancellable operating lease commitments</b>	<b>160,883</b>
<b>185,731</b>	<b>Total commitments</b>	<b>208,171</b>

# Statement of contingent liabilities and contingent assets

As at 30 June 2024

## Unquantifiable contingent liabilities – Legal proceedings and disputes

MPI had no unquantifiable departmental contingent liabilities in 2024 (2023: 1).

## Contingent assets

MPI has no departmental contingent assets as at 30 June 2024 (2023: \$nil).

## Quantifiable contingent liabilities – Legal proceedings and disputes

MPI had no quantifiable departmental contingent liabilities in 2024 (2023: \$nil).

# Statement of departmental expenses and capital expenditure against appropriations

For the year ended 30 June 2024

Expenditure after remeasurements		Expenditure before remeasurements	Remeasurements	Expenditure after remeasurements	Appropriation voted <sup>1</sup>	Forecast <sup>2</sup>
2023 \$000	Departmental Appropriations	2024 \$000	2024 \$000	2024 \$000	2024 \$000	2025 \$000
<b>Vote Agriculture, Biosecurity, Fisheries and Food Safety</b>						
-	Plant Health and Environmental Capability MYA	2,877	-	2,877	3,542	800
-	<b>Total Non-Annual Departmental Appropriations</b>	<b>2,877</b>	<b>-</b>	<b>2,877</b>	<b>3,542</b>	<b>800</b>
<b>Biosecurity: Border and Domestic Biosecurity Risk Management – MCA</b>						
135,935	Border Biosecurity Monitoring and Clearance	154,481	18	154,499	161,334	160,213
44,422	Border Biosecurity Systems Development and Maintenance	27,592	4	27,596	33,710	32,546
76,944	Biosecurity Incursion Response and Long Term Pest Management	72,668	4	72,672	77,145	77,582
67,581	Domestic Biosecurity Surveillance	72,078	6	72,084	73,222	70,461
49,388	Response to <i>Mycoplasma bovis</i>	33,474	1	33,475	46,982	24,256
<b>374,270</b>		<b>360,293</b>	<b>33</b>	<b>360,326</b>	<b>392,393</b>	<b>365,058</b>
<b>Agriculture: Programmes Supporting Sustainability – MCA</b>						
18,222	Agriculture: Administration of Grants and Programmes	21,610	3	21,613	24,825	16,903
14,684	Animal Welfare: Education and Enforcement	17,783	2	17,785	19,993	26,132
10,611	Climate Emergency Response implementation and administration	7,148	1	7,149	15,734	16,166
<b>43,517</b>		<b>46,541</b>	<b>6</b>	<b>46,547</b>	<b>60,552</b>	<b>59,201</b>
<b>Development and Implementation of Primary Industries Policy Advice – MCA</b>						
9,864	Fisheries Policy Advice	9,222	1	9,223	10,871	8,911
35,301	Operational Advice on Sustainability and Management Controls in Fisheries	36,002	2	36,004	37,896	36,763
16,828	Trade and Market Access Primary Industries	16,014	2	16,016	16,975	16,365
70,301	Agriculture: Policy Advice and Ministerial Servicing	61,756	8	61,764	76,079	73,719
8,252	Animal Welfare: Policy Advice and Ministerial Servicing	7,925	1	7,926	10,322	8,238
7,627	Biosecurity: Policy Advice and Ministerial Servicing	7,844	1	7,845	9,357	10,804
8,468	Food Safety: Policy Advice and Ministerial Servicing	7,862	1	7,863	8,901	9,011
<b>156,641</b>		<b>146,625</b>	<b>16</b>	<b>146,641</b>	<b>170,401</b>	<b>163,811</b>

Expenditure after remeasurements		Expenditure before remeasurements	Remeasurements	Expenditure after remeasurements	Appropriation voted <sup>1</sup>	Forecast <sup>2</sup>
2023 \$000	Departmental Appropriations	2024 \$000	2024 \$000	2024 \$000	2024 \$000	2025 \$000
<b>Food Safety: Protecting Consumers – MCA</b>						
78,451	Food Safety: Assurance	86,638	11	86,649	85,687	87,942
3,976	Food Safety: Information	3,727	–	3,727	4,597	5,078
10,122	Food Safety: Response	9,637	1	9,638	11,184	10,101
17,775	Food Safety: Standards	18,050	2	18,052	19,412	19,286
7,117	Food Safety: Trade and Market Access Food Safety	8,304	1	8,305	8,283	7,681
<b>117,441</b>		<b>126,356</b>	<b>15</b>	<b>126,371</b>	<b>129,163</b>	<b>130,088</b>
<b>Fisheries: Managing the Resource Sustainably – MCA</b>						
3,930	Fisheries: Aquaculture	4,104	–	4,104	4,276	3,316
59,331	Fisheries Enforcement and Monitoring	62,507	8	62,515	63,328	73,439
11,004	Fisheries Management	13,009	1	13,010	13,533	14,518
<b>74,265</b>		<b>79,620</b>	<b>9</b>	<b>79,629</b>	<b>81,137</b>	<b>91,273</b>
<b>Implementation of COVID-19 Assistance for Primary Industries</b>						
<b>1,304</b>		<b>66</b>	<b>–</b>	<b>66</b>	<b>2,083</b>	<b>–</b>
<b>North Island Weather Events – MCA</b>						
356	Primary Sector Response and Recovery Administration costs	750	–	750	1,509	–
<b>356</b>		<b>750</b>	<b>–</b>	<b>750</b>	<b>1,509</b>	<b>–</b>
<b>767,794</b>	<b>Total Departmental Annual and Multi-Year Appropriations</b>	<b>760,251</b>	<b>79</b>	<b>763,207</b>	<b>840,780</b>	<b>810,231</b>
<b>59,234</b>	<b>Capital expenditure PLA</b>	<b>64,980</b>	<b>–</b>	<b>64,980</b>	<b>82,087</b>	<b>79,683</b>
<b>827,028</b>	<b>Total Annual and Multi-Year Appropriations and Capital Expenditure</b>	<b>828,108</b>	<b>79</b>	<b>828,187</b>	<b>922,867</b>	<b>889,914</b>
<b>Vote Forestry</b>						
<b>Growth and Development of the Forestry Sector – MCA</b>						
6,444	Forestry: Administration of Grants and Programmes	4,472	1	4,473	5,891	6,292
1,924	Forestry: Management of the Crown's Forestry Assets	2,439	–	2,439	1,954	1,985
59,280	Forestry: Policy Advice and Ministerial Servicing	48,508	6	48,514	63,858	62,853
4,019	Forestry: Climate Emergency Response implementation and administration	10,329	1	10,330	23,664	24,659
<b>71,667</b>	<b>Total Departmental Annual Appropriations</b>	<b>65,748</b>	<b>8</b>	<b>65,756</b>	<b>95,367</b>	<b>95,789</b>

#### Notes

1. The 2024 Appropriation Voted figures are those submitted to Treasury for the 2024 Supplementary Estimates.
2. The forecast figures represent the re-stated Budget 2024 estimates for the 2025 financial year. The Statement of accounting policies provides explanations for these figures, which are not subject to audit.



# Statement of trust monies

## For the year ended 30 June 2024

### 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 2023 \$000		Actuals 2024 \$000
96	Balance at 1 July	11
65,387	Contributions	65,727
(65,474)	Distributions	(65,627)
2	Other	-
<b>11</b>	<b>Balance at 30 June</b>	<b>111</b>

### 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 2023 \$000		Actuals 2024 \$000
1	Balance at 1 July	-
4,486	Contributions	4,796
(4,487)	Distributions	(4,780)
<b>-</b>	<b>Balance at 30 June</b>	<b>16</b>

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 2024

### 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 2024. They were authorised for issue by the Director-General of MPI on 30 September 2024.

### 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

Amendments to PBE IPSAS 1- Disclosure of Fees for Audit Firms' Services.

The amendments to PBE IPSAS 1 aim to address concerns about the quality and consistency of disclosures an entity provides about fees paid to its audit or review firm for different types of services. Entities are required to disclose the fees incurred for

services received from its audit or review firm, and a description of each service.

The change is required for accounting periods beginning on or after 1 January 2024.

#### **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 percent 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 and 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 towards 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 2024 Estimates of Appropriations figures are for the year ended 30 June 2024 and were published in the 2023 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 2024. The forecasts reflected the Ministry's assumptions at the time of preparation and took into consideration the on-going impact of COVID-19 emergency, global economic turbulence and the

impacts of climate change through more frequent and intense weather events.

The 2025 forecast figures are for the year ending 30 June 2025, which are consistent with the best estimate financial forecast information submitted to the Treasury for the BEFU 2024 for the year ending 30 June 2025.

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 2025 forecast figures were prepared in accordance and comply with PBE FRS 42 Prospective Financial Statements.

The forecast financial statements were authorised by the Director-General of MPI on 28 March 2024. 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 2025 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 2025 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 2024 was used as the opening position for the 2025 forecasts.

Factors that could lead to material differences between the forecast financial statements and the 2025 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 2024 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:

### **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 on 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 \$1.0 million in 2024.

This balance is included in the annual leave balance reported in note 13: Employee entitlements.

## Note 2: Revenue other

Actuals <sup>1</sup> 2023 \$000		Note	Actuals 2024 \$000
<b>Other revenue associated with memorandum accounts</b>			
41,664	Border biosecurity clearance fees	19a	73,072
1,802	Fees for certification of plant and forestry exports	19b	1,989
42,772	Verification services	19c	45,475
4,672	Approvals, accreditations and registration services	19d	4,492
23,493	Fees for standards setting for the food industry	19e	24,977
1,465	Wine standards management services	19f	1,299
1,339	Food standards and assurance services	19g	1,802
83,146	Border biosecurity traveller clearance levy	19h	106,980
1,140	Forest Market Assurance/ ETS services	19i	1,626
<b>201,493</b>	<b>Total other revenue associated with memorandum accounts</b>		<b>261,712</b>
<b>Other revenue not associated with memorandum accounts</b>			
591	Rental income from sub-leased accommodation		578
69	Net gain/(loss) on sale of property, plant and equipment		198
3,899	Goods and services funded by external party		4,182
10,354	Other goods and services		18,510
<b>14,913</b>	<b>Total other revenue not associated with memorandum accounts</b>		<b>23,468</b>
<b>216,406</b>	<b>Total revenue other</b>		<b>285,180</b>

### Note

1. The Actual 2023 comparatives have been restated to align to note 19.

## Note 3: Personnel costs

Actuals 2023 \$000		Actuals 2024 \$000
412,503	Salaries and wages	443,397
12,506	Employer superannuation contributions to defined contribution plans	13,217
9,567	Increase/(decrease) in employee entitlements including Holidays Act 2003 provision	(1,637)
19,403	Other personnel costs	14,981
<b>453,979</b>	<b>Total personnel costs</b>	<b>469,958</b>

## 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 2024 was 5 percent (2023: 5 percent).

## Note 5: Other operating expenses

Actuals 2023 \$000		Note	Actuals 2024 \$000
483	Audit of financial statements	5a	497
21,110	Operating lease expenses		21,238
3,636	Advertising and publicity		3,384
22,283	Fisheries and marine-related research contracts		22,218
9,392	Other research contracts		9,005
65,250	Contractors and Consultants	5b	28,101
136,404	Other contracts for services		136,431
12,758	Travel		10,838
5,776	Property costs		7,182
23,321	Information technology		26,284
6	Movement in expected credit loss (note 6b)		360
(73)	Property, plant and equipment impairment and written-off		-
11,334	Consultancy and professional specialist services		4,254
2,725	Biosecurity Response consumables		878
35,264	Other operating expenses		34,086
<b>349,669</b>	<b>Total other operating expenses</b>		<b>304,756</b>

### 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 2024 (2023: 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 2023 \$000		Actuals 2024 \$000
<b>Operating Expenses</b>		
37,544	Contractor Employee Backfill	20,835
27,706	Contractors and consultants	7,266
<b>65,250</b>	<b>Total Operating expense--contractor and consultants</b>	<b>28,101</b>

## Note 6: Debtors and other receivables

Actuals 2023 \$000		Actuals 2024 \$000
<b>Exchange transactions</b>		
11,891	Debtors	12,453
(191)	Less expected credit loss	(551)
<b>11,700</b>	<b>Net debtors</b>	<b>11,902</b>
8,123	Border clearance levy	8,271
3,028	Biosecurity systems entry levy	5,086
4,598	Accrued revenue	11,913
<b>Non-exchange transactions</b>		
40,000	Debtor Crown	40,000
<b>67,449</b>	<b>Total debtors and other receivables</b>	<b>77,172</b>

## Note 6a: Aging profile of debtors

	2023			2024		
	Gross \$000	Expected credit loss \$000	Net \$000	Gross \$000	Expected credit loss \$000	Net \$000
Current	9,432	-	9,432	10,652	-	10,652
Greater than 30 days	1,619	-	1,619	1,097	-	1,097
Greater than 60 days	257	-	257	423	-	423
Greater than 90 days	583	(191)	392	281	(551)	(270)
<b>Total</b>	<b>11,891</b>	<b>(191)</b>	<b>11,700</b>	<b>12,453</b>	<b>(551)</b>	<b>11,902</b>

The expected credit loss rates for receivables at 30 June 2023 and 30 June 2024 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 \$551,000 (2023: \$191,000).

## Note 6b: Movement in the expected credit loss

Actuals 2023 \$000		Actuals 2024 \$000
185	Balance at 1 July	191
176	Additional provisions made	628
(141)	Unused amounts reversed during the year	(179)
(29)	Receivables written off during the year	(89)
<b>191</b>	<b>Balance at 30 June</b>	<b>551</b>



## Note 7: Inventories

Actuals 2023 \$000		Actuals 2024 \$000
<b>Held for distribution inventories</b>		
4,560	Opening balance of foot and mouth disease vaccine	4,560
<b>4,560</b>	<b>Closing balance of foot and mouth disease vaccine</b>	<b>4,560</b>
18	Other Inventory Held	233
<b>4,578</b>	<b>Total inventories</b>	<b>4,793</b>

No inventories are pledged as security for liabilities (2023: 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
<b>Cost or valuation</b>						
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)
<b>Balance at 30 June 2023</b>	<b>13,779</b>	<b>128,035</b>	<b>57,802</b>	<b>38,562</b>	<b>29,581</b>	<b>267,759</b>
Balance at 1 July 2023	13,779	128,035	57,802	38,562	29,581	267,759
Additions through purchase (at cost)	-	3,127	19,085	6,706	3,862	32,780
Disposals (at cost)	-	-	-	(1,493)	(2,502)	(3,995)
Reclassification	-	4,208	(64)	(4,144)	(30)	(30)
<b>Balance at 30 June 2024</b>	<b>13,779</b>	<b>135,370</b>	<b>76,823</b>	<b>39,631</b>	<b>30,911</b>	<b>296,514</b>
<b>Accumulated depreciation and impairment losses</b>						
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)	-
<b>Balance at 30 June 2023</b>	<b>-</b>	<b>3,845</b>	<b>25,342</b>	<b>23,863</b>	<b>10,035</b>	<b>63,085</b>
Balance at 1 July 2023	-	3,845	25,342	23,863	10,035	63,085
Depreciation expense	-	3,854	3,996	3,898	2,906	14,654
Disposals	-	-	-	(1,484)	(1,557)	(3,041)
Impairment losses	-	-	-	-	(183)	(183)
Reclassification	-	63	(63)	-	(30)	(30)
<b>Balance at 30 June 2024</b>	<b>-</b>	<b>7,762</b>	<b>29,275</b>	<b>26,277</b>	<b>11,171</b>	<b>74,485</b>
<b>Carrying amounts (net asset value)</b>						
At 1 July 2022	13,779	117,941	33,617	12,526	15,102	192,965
At 30 June and 1 July 2023	13,779	124,190	32,460	14,699	19,546	204,674
<b>At 30 June 2024</b>	<b>13,779</b>	<b>127,608</b>	<b>47,548</b>	<b>13,354</b>	<b>19,740</b>	<b>222,029</b>

## 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, with the effective date for all valuations being 30 June 2022.

### 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.

### 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.

### 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 2024 total \$17.2 million (2023: \$14.6 million). Leasehold improvements for 2024 total \$19.8 million (2023: \$1.8 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
<b>Cost</b>			
Balance at 1 July 2022	13,363	97,956	111,319
Additions (at cost)	2,010	33,361	35,371
<b>Balance at 30 June 2023</b>	<b>15,373</b>	<b>131,317</b>	<b>146,690</b>
Balance at 1 July 2023	15,373	131,317	146,690
Additions (at cost)	1,869	30,330	32,199
Disposals (at cost)	(45)	(306)	(351)
Reclassification	-	(1)	(1)
<b>Balance at 30 June 2024</b>	<b>17,197</b>	<b>161,340</b>	<b>178,537</b>
<b>Accumulated amortisation</b>			
Balance at 1 July 2022	11,799	57,430	69,229
Amortisation expense	1,015	6,384	7,399
<b>Balance at 30 June 2023</b>	<b>12,814</b>	<b>63,814</b>	<b>76,628</b>
Balance at 1 July 2023	12,814	63,814	76,628
Amortisation expense	1,012	9,348	10,360
Disposals	(45)	(306)	(351)
Impairment losses	212	2,149	2,361
<b>Balance at 30 June 2024</b>	<b>13,993</b>	<b>75,005</b>	<b>88,998</b>
<b>Carrying amounts (net asset value)</b>			
At 1 July 2022	1,564	40,526	42,090
At 30 June and 1 July 2023	2,559	67,503	70,062
<b>At 30 June 2024</b>	<b>3,204</b>	<b>86,335</b>	<b>89,539</b>

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 2024 has been tested for material impairment, and the above figures are at cost and are not amortised. There was no impairment in work in progress (2023: \$nil).

The total amount of intangible assets in the course of development for the year ended 30 June 2024 is \$30.6 million (2023: \$27.2 million).

## Note 10: Creditors and other payables

Actuals 2023 \$000		Actuals 2024 \$000
<b>Current liabilities</b>		
<b>Exchange transactions</b>		
10,540	Creditors	9,008
9,366	Unearned revenue	8,200
1,087	Lease incentive	1,014
504	Auckland kennel lease	623
41,776	Accrued expenses	34,565
<b>Non-exchange transactions</b>		
13,507	Taxes payable to Inland Revenue Department	9,820
<b>76,780</b>	<b>Total current liabilities</b>	<b>63,230</b>
<b>Non-current liabilities</b>		
<b>Exchange transactions</b>		
2,523	Auckland kennel lease	1,869
<b>2,523</b>	<b>Total non-current liabilities</b>	<b>1,869</b>
<b>79,303</b>	<b>Total creditors and other payables</b>	<b>65,099</b>

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 2023 \$000		Actuals 2024 \$000
66,547	Net surplus/(deficit)	105,610
(11,954)	Adjust for (surpluses)/deficits for services subject to memorandum accounts	(51,675)
<b>54,593</b>	<b>Total return of operating surplus</b>	<b>53,935</b>

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 return of operating surplus to the Crown is required to be paid by 31 October of each year.



## Note 12: Provisions

Actuals 2023 \$000		Actuals 2024 \$000
<b>Current</b>		
948	Other provisions	3,448
228	Restructure provision	6,632
2,374	Wallaceville Response Provision	2,066
<b>3,550</b>	<b>Total current provisions</b>	<b>12,146</b>
<b>Non-current</b>		
3,115	Lease make-good	3,115
<b>3,115</b>	<b>Total Non-current provisions</b>	<b>3,115</b>
<b>6,665</b>	<b>Total provisions</b>	<b>15,261</b>

### Note 12a: Restructure provision

Actuals 2023 \$000		Actuals 2024 \$000
664	Opening balance 1 July	228
168	Additional provisions made	6,632
(604)	Amounts used	(228)
<b>228</b>	<b>Closing balance</b>	<b>6,632</b>

The restructuring provision is from the Ministry's organisation-wide restructuring plan announced on 16 May 2024 in response to the Government's Budget 2024 fiscal savings programme target of 7.5 percent per annum effective from 1 July 2024.

The liability associated with the restructuring provision has been assessed and considered to be reasonably certain.

### Note 12b: Lease make-good provision

Actuals 2023 \$000		Actuals 2024 \$000
3,055	Opening balance 1 July	3,115
121	Additional provisions made during the year	-
(61)	Amounts used	-
<b>3,115</b>	<b>Closing balance</b>	<b>3,115</b>

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 12c: Wallaceville response provision

Actuals 2023 \$000		Actuals 2024 \$000
2,931	Opening balance 1 July	2,374
-	- Additional provisions made during the year	-
(557)	Amounts used	(308)
<b>2,374</b>	<b>Closing balance</b>	<b>2,066</b>

## Note 12d: Other provisions

Other provisions totalling \$3.448 million include \$2.5 million for compensation payable under section 162A of the Biosecurity Act 1993. 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.

## Note 13: Employee entitlements

Actuals 2023 \$000		Actuals 2024 \$000
<b>Current employee entitlements represented by:</b>		
12,915	Salaries and wages	11,175
33,778	Annual leave and Holiday's Act 2003 compliance liability	33,925
1,467	Sick leave	1,710
2,193	Long service leave	2,088
4,616	Retiring leave	4,175
<b>54,969</b>	<b>Total current employee entitlements</b>	<b>53,073</b>
<b>Non-current employee entitlements represented by:</b>		
4,035	Long service leave	4,197
6,411	Retiring leave	6,508
<b>10,446</b>	<b>Total non-current employee entitlements</b>	<b>10,705</b>
<b>65,415</b>	<b>Total employee entitlements</b>	<b>63,778</b>

### 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 5.30 percent; 2 year 4.49 percent; and 3 year-plus 5.11 percent (2023: 5.43 percent, 4.85 percent, 4.84 percent). A salary inflation factor of 3.33 percent (2023: 3.35 percent) has been used and is based on a 2.03 percent medium term inflation assumption (2023: 2.05 percent). The discount rates and salary inflation factor were provided by the Treasury.

If the discount rates were to differ by 1 percent higher from that used, with all other factors held constant, the carrying amount of the liability would be an estimated \$619,266 lower. If the discount rates were to differ by 1 percent lower from that used, with all

other factors held constant, the carrying amount of the liability would be an estimated \$684,473 higher.

If the salary inflation factor were to differ by 1 percent higher from that used, with all other factors held constant, the carrying amount of the liability would be

an estimated \$755,434 higher. If the salary inflation factor were to differ by 1 percent lower from that used, with all other factors held constant, the carrying amount of the liability would be an estimated \$694,348 lower.

## Note 14: Equity

Actuals 2023 \$000		Actuals 2024 \$000
<b>Crown capital and retained earnings</b>		
295,805	Balance at 1 July	337,798
41,993	Capital injections from the Crown	60,276
–	– Capital withdrawal	(2,417)
(2,794)	Write-off irrecoverable memorandum account operating deficits (Note 19a, 19c, 19e and 19g)	(732)
66,547	Net surplus/(deficit)	105,610
(9,160)	Transfer of memorandum accounts net (surplus)/ deficit	(50,943)
(54,593)	Return of operating surplus to the Crown	(53,935)
<b>337,798</b>	<b>Balance at 30 June</b>	<b>395,657</b>
<b>Memorandum accounts (Note 19)</b>		
(38,921)	Balance at 1 July	(26,967)
9,160	Net memorandum account surpluses/(deficits)	50,943
2,794	Write-off irrecoverable operating deficits	732
<b>(26,967)</b>	<b>Balance at 30 June</b>	<b>24,708</b>
<b>Revaluation reserve – land</b>		
12,340	Balance at 1 July	12,340
<b>12,340</b>	<b>Balance at 30 June</b>	<b>12,340</b>
<b>Revaluation reserve – residential and non-residential buildings</b>		
28,159	Balance at 1 July	28,159
<b>28,159</b>	<b>Balance at 30 June</b>	<b>28,159</b>
<b>Revaluation reserve – artworks</b>		
119	Balance at 1 July	119
<b>119</b>	<b>Balance at 30 June</b>	<b>119</b>
<b>40,618</b>	<b>Total revaluation reserve</b>	<b>40,618</b>
<b>351,449</b>	<b>Total equity</b>	<b>460,983</b>

## Note 15: Reconciliation of net surplus/(deficit) to net cash flow from operating activities

Actuals 2023 \$000		Note	Actuals 2024 \$000
<b>66,547</b>	<b>Net surplus/(deficit)</b>		<b>105,610</b>
	<b>Add/(less) non-cash items classified as investing or financing activities</b>		
7,399	Amortisation and impairment of intangible assets	9	12,721
11,816	Depreciation and impairment of property, plant and equipment	8	14,471
-	Property revaluation loss		-
<b>19,215</b>	<b>Total non-cash items</b>		<b>27,192</b>
	<b>Add/(less) items classified as investing or financing activities</b>		
(69)	Net (gain)/loss on sale of property, plant and equipment	2	(198)
<b>(69)</b>	<b>Total investing or financing activities</b>		<b>(198)</b>
	<b>Add/(less) movements in assets</b>		
19	(Increase)/decrease in inventories		(215)
(7,445)	(Increase)/decrease in debtors and other receivables		(9,723)
930	(Increase)/decrease in prepayments		(2,583)
	<b>Add/(less) movements in liabilities</b>		
(1,287)	Increase/(decrease) in creditors and other payables		(14,204)
9,567	Increase/(decrease) in employee entitlements		(1,637)
(1,000)	Increase/(decrease) in provisions		8,596
<b>784</b>	<b>Total net movement in assets and liabilities</b>		<b>(19,766)</b>
<b>86,477</b>	<b>Net cash from operating activities</b>		<b>112,838</b>

## 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 is 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 Todd McClay, Hon Andrew Hoggard and Hon Shane Jones have certified that there have been no related party transactions for the year ended 30 June 2024 (2023: nil).

## Key management personnel compensation

Actuals 2023 \$000		Actuals 2024 \$000
4,023	Leadership team, including the Director-General remuneration	4,310
11	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 Deputy Directors-General. The remuneration figures for 2024 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 2023 \$000	Financial instrument categories	Actuals 2024 \$000
<b>Financial assets</b>		
207,237	Cash and cash equivalents	259,515
67,449	Financial assets at amortised cost (note 6)	77,172
<b>274,686</b>	<b>Total financial assets</b>	<b>336,687</b>
<b>Financial liabilities</b>		
52,316	Financial liabilities at amortised cost (excluding unearned revenue and leases) (note 10)	43,573
<b>52,316</b>	<b>Total financial liabilities</b>	<b>43,573</b>

### 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 2024, 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 provide financial information relating to the accumulated surpluses and deficits incurred in the provision of statutory information and delivery of other services by MPI to third parties on a 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 towards 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 2023 \$000		Actuals 2024 \$000
(9,928)	Border biosecurity clearance fees account	6,185
(2,762)	Phytosanitary exports account	(1,661)
(999)	Verification of the food regulatory programme account	(766)
(163)	Approvals, accreditations and registrations	(3,315)
5,251	Standards setting for the food industry account	5,383
2,059	Wine standards management – Wine Act 2003	1,885
(1,228)	Food standards and assurance – Food Act 2014	(1,182)
(18,882)	Border biosecurity traveller clearance levy	18,179
(315)	Forest Market Assurance/ETS	-
<b>(26,967)</b>	<b>Total memorandum account balances</b>	<b>24,708</b>

## Note 19a: Border biosecurity clearance fees account

Actuals 2023 \$000		Actuals 2024 \$000
(2,160)	Opening balance 1 July	(9,928)
41,664	Revenue	73,072
(63,392)	Expenses	(68,759)
11,800	Revenue from the Crown for low value goods	11,800
2,160	Write-off accumulated operating deficits	-
<b>(9,928)</b>	<b>Closing balance</b>	<b>6,185</b>

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 19b: Phytosanitary exports account

Actuals 2023 \$000		Actuals 2024 \$000
(1,333)	Opening balance 1 July	(2,762)
1,802	Revenue	1,989
(3,460)	Expenses	(3,650)
229	Expenses transferred to the Crown	2,762
<b>(2,762)</b>	<b>Closing balance</b>	<b>(1,661)</b>

This account covers fees for certification of plant and forestry exports.

## Note 19c: Verification of the food regulatory programme account

Actuals 2023 \$000		Actuals 2024 \$000
(2,991)	Opening balance 1 July	(999)
42,772	Revenue	45,475
(41,414)	Expenses	(45,448)
634	Write-off accumulated operating deficits	206
<b>(999)</b>	<b>Closing balance</b>	<b>(766)</b>

This account covers verification activities undertaken by MPI in accordance with the Animal Products (Fees, Charges and Levies) Regulations 2007.

## Note 19d: Approvals, accreditations and registrations

Actuals 2023 \$000		Actuals 2024 \$000
1,348	Opening balance 1 July	(163)
4,672	Revenue	4,492
(6,183)	Expenses	(7,644)
<b>(163)</b>	<b>Closing balance</b>	<b>(3,315)</b>

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 2023 \$000		Actuals 2024 \$000
6,536	Opening balance 1 July	5,251
23,493	Revenue	24,977
(24,778)	Expenses	(25,233)
-	Write-off accumulated operating deficits	388
<b>5,251</b>	<b>Closing balance</b>	<b>5,383</b>

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 2023 \$000		Actuals 2024 \$000
1,361	Opening balance 1 July	2,059
1,465	Revenue	1,299
(1,198)	Expenses	(1,473)
431	Expenses transferred to the Crown	-
<b>2,059</b>	<b>Closing balance</b>	<b>1,885</b>

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 2023 \$000		Actuals 2024 \$000
(1,036)	Opening balance 1 July	(1,228)
1,339	Revenue	1,802
(1,531)	Expenses	(1,894)
-	Write-off accumulated operating deficits	138
<b>(1,228)</b>	<b>Closing balance</b>	<b>(1,182)</b>

This account covers services provided by MPI under the Food Act 2014.

## Note 19h: Border biosecurity traveller clearance levy

Actuals 2023 \$000		Actuals 2024 \$000
(40,646)	Opening balance 1 July	(18,882)
83,146	Revenue	106,980
592	Revenue from the Crown for exempt travellers	592
(61,974)	Expenses	(70,511)
<b>(18,882)</b>	<b>Closing balance</b>	<b>18,179</b>

This account covers fees and costs associated with the biosecurity clearance costs of travellers coming into New Zealand.

## Note 19i: Forest Market Assurance/ETS

Actuals 2023 \$000		Actuals 2024 \$000
	- Opening balance 1 July	(315)
1,140	Revenue	1,626
(1,455)	Expenses	(1,566)
	- Expenses transferred to the Crown	255
<b>(315)</b>	<b>Closing balance</b>	<b>-</b>

This Account covers emissions trading scheme services in accordance with the Climate Change (Forestry) Regulations 2022, and the Climate Change (Emissions Rulings: Fees and Charges) Regulations 2010.

The 2023 results include registration services specified in the Forests (Regulation of Log Traders and Forestry Advisers) Amendment Regulations 2023 for log traders and forestry advisors. The registration requirements contained in the Log Traders and Forestry Advisers Act were repealed in 2024 and the accumulated deficit relating to these activities has been transferred to the Crown.

## 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 2024

## 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 \$331 million of expenses on behalf of the Crown for the year ending 30 June 2024 against a budget of \$346 million. This was \$76 million lower than the 2023 expenditure. The key factors contributing to the lower expenditure are as follows:

- Forestry Grants and Partnership Programme – the expenditure on the One Billion Trees programme was \$11.5 million less in 2023/24 due to delayed contractual milestones related to the programme;
- Agriculture Recovery Assistance – a decrease of \$26.4 million, largely attributed to one-off funding of \$25 million in 2022/23 to support business recovery for Cyclone-affected farmers and growers; and
- Compensation Payments for biosecurity response events – the amount of compensation paid in 2023/24 was \$42 million lower compared to 2022/23.

Non-tax revenue for the year was \$90 million, a decrease of \$25 million from the 2023 year, driven mainly by a decrease in sale of forest produce of \$14 million due to a planned reduction in harvesting across the Crown Forest estate and a decrease in industry contribution of \$15.3 million for *Mycoplasma bovis* compensation.

Non-departmental assets are \$741 million, a decrease of \$61 million from the 2023 year. The value of Crown forests increased by \$7 million, debtors and other receivables decreased by \$28.3 million, cash and cash equivalents decreased by \$53 million and net investment in the Centre for Climate Action Joint Venture increased by \$20 million.

Non-departmental liabilities are \$72 million, a decrease of \$29 million from the 2023 year. This is mainly due to a decrease in creditors and other payables of \$11 million due to decreased grants payable and a reduced provision of \$25 million due to a decrease in biosecurity incursions.

Capital expenditure for the year was \$26 million, which is \$15 million more compared to 2023 year. This is due to an increase in the equity contribution for the Centre for Climate Action Joint Venture of \$15 million.

Further details of MPI's management of these Crown assets and liabilities are provided in the Output Performance sections of this report.

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 2024.

# Statement of non-departmental expenditure and capital expenditure against appropriations

For the year ended 30 June 2024

Actuals 2023 \$000	Annual appropriations	Expenditure before remeasurements 2024 \$000	Expenditure after remeasurements 2024 \$000	Appropriation voted 2024 \$000	Unaudited forecast 2025 \$000
<b>Vote Forestry</b>					
<b>APPROPRIATIONS FOR OUTPUT EXPENSES</b>					
<b>Growth and Development of the Forestry Sector MCA</b>					
39,218	Forestry: Operational Management of the Crown's Forests	31,972	31,972	38,840	44,298
2	Forestry: Climate Emergency Response Fund	587	587	4,578	2,951
<b>Vote Agriculture, Biosecurity, Fisheries and Food Safety</b>					
3,595	Support for Walking Access	3,595	3,595	3,595	3,595
<b>Agriculture: Programmes Supporting Sustainability MCA</b>					
9,307	Agriculture: Climate Emergency Response Fund	23,948	23,948	23,191	-
17,058	Agriculture: Grants Supporting Sustainability	12,258	12,258	12,341	2,304
27,918	Agriculture: Recovery Assistance	1,502	1,502	2,347	747
<b>Biosecurity: Border and Domestic Biosecurity Risk Management MCA</b>					
24,000	Biosecurity: Control of Bovine TB	24,000	24,000	24,000	24,000
1,687	Biosecurity: Grants Supporting Biosecurity Programmes and Initiatives	7,873	7,873	7,127	13,476
<b>Fisheries: Managing the Resource Sustainably MCA</b>					
779	Fisheries: Grants to Manage Sustainable use of Fisheries Resources	895	895	1,200	1,200
<b>Food Safety: Protecting Consumers MCA</b>					
1,100	Food Safety Science and Research	-	-	1,700	700
<b>124,664</b>	<b>Total output expenses</b>	<b>106,630</b>	<b>106,630</b>	<b>118,919</b>	<b>93,271</b>
<b>APPROPRIATIONS FOR BENEFITS OR RELATED EXPENSES</b>					
849	Agriculture: Rural Veterinarians Bonding Scheme	1,430	1,430	1,650	1,650
<b>849</b>	<b>Total benefits or related expenses</b>	<b>1,430</b>	<b>1,430</b>	<b>1,650</b>	<b>1,650</b>
<b>APPROPRIATIONS FOR OTHER EXPENSES</b>					
<b>Vote Forestry</b>					
<b>Growth and Development of the Forestry Sector MCA</b>					
26,008	Forestry: Grants and Partnership Programmes	14,523	14,523	23,470	17,149
9,125	Forestry: Hill Country Erosion Fund	5,935	5,935	7,175	6,300
3,540	North Island Weather Event – Cyclone Gabrielle Response and Recovery	4,600	4,600	4,600	26,750

Actuals 2023 \$000	Annual appropriations	Expenditure before remeasurements 2024 \$000	Expenditure after remeasurements 2024 \$000	Appropriation voted 2024 \$000	Unaudited forecast 2025 \$000
<b>Vote Agriculture, Biosecurity, Fisheries and Food Safety</b>					
1,213	COVID-19 Assistance for Primary Industries	400	400	400	-
4,585	Fisheries: Aquaculture Settlements	-	-	-	-
139	Fisheries: Provision for Fisheries Debt Write Downs	175	175	1,000	1,000
3,300	Subscriptions to International Organisations	3,770	3,770	3,838	3,208
	<b>Agriculture: Programmes Supporting Sustainability MCA</b>				
36,223	Cyclone Gabrielle – Primary Sector Response	234	234	12,777	-
	<b>Biosecurity: Border and Domestic Biosecurity Risk Management MCA</b>				
6,927	Biosecurity: Compensation and Ex-gratia following a Biosecurity Event	-	-	-	-
44,121	Compensation and Ex-Gratia Payments in Response to <i>Mycoplasma Bovis</i>	9,365	9,365	17,214	15,000
	<b>Fisheries: Managing the Resource Sustainably MCA</b>				
72	Fisheries Quota Shares and ACE Administration Costs	88	88	149	149
	<b>Food Safety: Protecting Consumers MCA</b>				
2,152	Food Safety: Joint Food Standards Setting Treaty	2,185	2,185	2,153	2,100
	<b>North Island Weather Events MCA</b>				
744	Support for Rural Businesses and Communities	32,603	32,603	32,791	-
<b>138,149</b>	<b>Total other expenses</b>	<b>73,878</b>	<b>73,878</b>	<b>105,567</b>	<b>71,656</b>
<b>APPROPRIATIONS FOR CAPITAL EXPENDITURE</b>					
<b>Vote Forestry</b>					
	<b>Growth and Development of the Forestry Sector MCA</b>				
-	Forestry: Capital Climate Response Investments	-	-	5,078	9,483
<b>Vote Agriculture, Biosecurity, Fisheries and Food Safety</b>					
	<b>Agriculture: Programmes Supporting Sustainability MCA</b>				
8,250	Agriculture: Climate Emergency Response Fund Joint Venture	23,584	23,584	23,584	28,333
<b>8,250</b>	<b>Total capital expenses</b>	<b>23,584</b>	<b>23,584</b>	<b>28,662</b>	<b>37,816</b>
<b>271,912</b>	<b>Total Annual Appropriation Expenditure</b>	<b>205,522</b>	<b>205,522</b>	<b>254,798</b>	<b>204,393</b>

# Statement of non-departmental expenditure and capital expenditure against appropriations continued

For the year ended 30 June 2024

Actuals 2023 \$000	Multi-year appropriations	Actuals 2024 \$000
<b>Vote Forestry</b>		
<b>APPROPRIATIONS FOR OTHER EXPENSES</b>		
<b>Forestry and Other Economic Development and Erosion Control</b>		
2,000	Original appropriation – over five years from 1 July 2021 to 30 June 2026	2,000
14,250	Adjustments to 2023	14,250
	– Adjustments for 2024	–
16,250	Adjusted Appropriation	16,250
1,689	Actual expenses to 2023	1,689
	– Actual expenses for 2024	434
<b>14,561</b>	<b>Appropriation remaining</b>	<b>14,127</b>
<b>APPROPRIATION FOR CAPITAL EXPENDITURE</b>		
<b>Forestry: Capital Investment in the Crown's Forestry Assets</b>		
55,600	Original appropriation – over five years from 1 July 2022 to 30 June 2027	55,600
21,082	Adjustments to 2023	21,082
	– Adjustments for 2024	–
76,682	Adjusted Appropriation	76,682
2,817	Actual expenses to 2023	2,817
	– Actual expenses for 2024	2,768
<b>73,865</b>	<b>Appropriation remaining</b>	<b>71,097</b>
<b>Multi-year appropriations</b>		
<b>Vote Agriculture, Biosecurity, Fisheries and Food Safety</b>		
<b>APPROPRIATIONS FOR OUTPUT AND OTHER EXPENSES</b>		
<b>Accelerating Development of Greenhouse Gas Mitigations Research and Development Fund</b>		
	– Original appropriation – over five years from 1 July 2024 to 30 June 2029	353,264
	– Adjustments to 2023	–
	– Adjustments for 2024	–
	– Adjusted Appropriation	353,264
	– Actual expenses to 2023	–
	– Actual expenses for 2024	–
	<b>– Appropriation remaining</b>	<b>353,264</b>
<b>New Zealand Agricultural Greenhouse Gas Research</b>		
23,050	Original appropriation – over five years from 1 October 2019 to 30 June 2024	23,050
(8,712)	Adjustments to 2023	(8,712)
	– Adjustments for 2024	–
14,338	Adjusted Appropriation	14,338
14,338	Actual expenses to 2023	14,338
	– Actual expenses for 2024	–
	<b>– Appropriation remaining</b>	<b>–</b>

Actuals 2023 \$000	Multi-year appropriations	Actuals 2024 \$000
<b>Sustainable Land Management and Climate Change Research</b>		
109,311	Original appropriation – over five years from 1 July 2022 to 30 June 2027	109,311
	– Adjustments to 2023	–
	– Adjustments for 2024 <sup>1</sup>	(13,600)
109,311	Adjusted Appropriation	95,711
21,593	Actual expenses to 2023	21,593
	– Actual expenses for 2024	21,665
<b>87,718</b>	<b>Appropriation remaining</b>	<b>52,453</b>
<b>Agriculture: Farm Advisor Scheme</b>		
5,679	Original appropriation – over five years from 1 July 2021 to 30 June 2026	5,679
	– Adjustments to 2023	–
	– Adjustments for 2024	–
5,679	Adjusted Appropriation	5,679
531	Actual expenses to 2023	531
	– Actual expenses for 2024	1,261
<b>5,148</b>	<b>Appropriation remaining</b>	<b>3,887</b>
<b>Agriculture: Integrated Farm Plan Accelerator Fund</b>		
14,441	Original appropriation – over five years from 1 July 2021 to 30 June 2026	14,441
	– Adjustments to 2023	–
	– Adjustments for 2024	–
14,441	Adjusted Appropriation	14,441
1,652	Actual expenses to 2023	1,652
	– Actual expenses for 2024	4,965
<b>12,789</b>	<b>Appropriation remaining</b>	<b>7,824</b>
<b>Fisheries: Aquaculture Settlements</b>		
	– Original appropriation – over five years from 1 July 2023 to 30 June 2028	17,768
	– Adjustments to 2023	–
	– Adjustments for 2024 <sup>2</sup>	89,589
	– Adjusted Appropriation	107,357
	– Actual expenses to 2023	–
	– Actual expenses for 2024	2,083
<b>–</b>	<b>Appropriation remaining</b>	<b>105,274</b>
<b>Global Research Alliance on Agricultural Greenhouse Gas Research</b>		
34,000	Original appropriation – over four years from 1 July 2020 to 30 June 2024	34,000
5,686	Adjustments to 2023	5,686
	– Adjustments for 2024	–
39,686	Adjusted Appropriation	39,686
21,606	Actual expenses to 2023	21,606
	– Actual expenses for 2024	8,326
<b>18,080</b>	<b>Appropriation remaining</b>	<b>9,754</b>



# Statement of non-departmental expenditure and capital expenditure against appropriations continued

For the year ended 30 June 2024

Actuals 2023 \$000	Multi-year appropriations	Actuals 2024 \$000
<b>Sustainable Food and Fibre Futures</b>		
255,491	Original appropriation – over five years from 1 October 2019 to 30 June 2024	255,491
(6,166)	Adjustments to 2023	(6,166)
	– Adjustments for 2024	–
249,325	Adjusted Appropriation	249,325
169,822	Actual expenses to 2023	169,822
	– Actual expenses for 2024	64,517
<b>79,503</b>	<b>Appropriation remaining</b>	<b>14,986</b>
<b>Sustainable Food and Fibre Futures Fund</b>		
	– Original appropriation – over five years from 1 July 2024 to 30 June 2029	402,717
	– Adjustments to 2023	–
	– Adjustments for 2024	–
	– Adjusted Appropriation	402,717
	– Actual expenses to 2023	–
	– Actual expenses for 2024	–
	<b>– Appropriation remaining</b>	<b>402,717</b>
<b>Total Appropriations</b>		
<b>93,092</b>	<b>Total Multi-Year Appropriation Expenditure</b>	<b>103,251</b>
92,429	– Vote Agriculture, Biosecurity, Fisheries and Food Safety	102,817
663	– Vote Forestry	434
<b>263,662</b>	<b>Total Annual Appropriation Expenditure</b>	<b>181,938</b>
185,769	– Vote Agriculture, Biosecurity, Fisheries and Food Safety	124,321
77,893	– Vote Forestry	57,617
<b>11,067</b>	<b>Total Capital Expenditure</b>	<b>26,352</b>
8,250	– Vote Agriculture, Biosecurity, Fisheries and Food Safety	23,584
2,817	– Vote Forestry	2,768
<b>367,821</b>	<b>Total Annual, Multi-Year Appropriation &amp; Capital Expenditure</b>	<b>311,541</b>
286,448	– Vote Agriculture, Biosecurity, Fisheries and Food Safety	250,722
81,373	– Vote Forestry	60,819

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 2024.

## Notes

1. The adjustment is to return uncommitted operating funds for the Sustainable Land Management and Climate Change Programme.
2. The adjustment represents the expense transfer from annual appropriation Fisheries: Aquaculture Settlements to the new Multi-Year Non-Departmental Other Expenses appropriation: Aquaculture Settlements established in Budget 2023 to provide the Ministry with more flexibility in managing the claims in the future.

# Schedule of non-departmental revenue

For the year ended 30 June 2024

Actuals 2023 \$000		Note	Actuals 2024 \$000	Unaudited estimates of appropriations 2024 \$000	Unaudited forecast 2025 \$000
35,958	Sale of forest produce		22,403	25,363	42,584
39,963	Fines, penalties and levies	2	39,993	40,913	47,763
4,623	Sale of Crown quota and annual catch entitlement (ACE)		5,752	225	225
2,625	Deemed value for over-fishing		3,325	5,000	5,000
	– Gain on revaluation of forests measured at fair value	6a	4,767	–	–
	– Gain on sale of Crown Forestry assets		65	–	–
56	Forestry land rental		49	19	–
3,469	Miscellaneous revenue	3	917	50	507
28,347	Industry contribution for compensation and response costs – <i>Mycoplasm</i> <i>bovis</i>	4	13,020	7,581	11,147
<b>115,041</b>	<b>Total non-departmental revenue</b>		<b>90,291</b>	<b>79,151</b>	<b>107,226</b>

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 2024.

# Schedule of non-departmental expenses

For the year ended 30 June 2024

Actuals 2023 \$000		Note	Actuals 2024 \$000	Unaudited estimates of appropriations 2024 \$000	Unaudited forecast 2025 \$000
208,254	Grants		190,400	185,628	145,849
75,522	Operating		74,164	67,761	84,417
51,048	Compensation for biosecurity incursions	15	9,365	5,100	15,000
849	Benefits		1,430	1,650	1,650
17,280	Research and development		5,990	38,864	91,811
3,595	New Zealand Walking Access Commission funding	9	3,595	3,595	3,595
68	Depreciation and impairment of property, plant and equipment	8	68	70	70
139	Impairment of receivables	7	175	1,000	1,000
10,050	Loss on revaluation of forests measured at fair value	6a	-	-	-
(3,116)	Impairment/(reversal of impairment) of the Crown's equity investment in Crown Irrigation Investments Limited	10	2,812	-	-
935	Net deficit from joint venture	11	3,682	-	-
42,237	GST input expenses		39,576	42,261	36,241
<b>406,861</b>	<b>Total non-departmental expenses</b>		<b>331,257</b>	<b>345,929</b>	<b>379,633</b>

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 2024.

# Schedule of non-departmental capital expenditure

## For the year ended 30 June 2024

Actuals 2023 \$000		Note	Actuals 2024 \$000	Unaudited estimates of appropriations 2024 \$000	Unaudited forecast 2025 \$000
2,708	Purchase and development of Crown Forestry assets valued	6	2,768	18,000	5,000
-	Capital climate response investments		-	5,078	9,483
8,250	Climate Emergency Response Fund Joint Venture <sup>1</sup>		23,584	19,250	28,333
<b>10,958</b>	<b>Total non-departmental capital expenditure</b>		<b>26,352</b>	<b>42,328</b>	<b>42,816</b>

### Notes

1. This capital expenditure is for the 50 percent equity investment in the Climate Emergency Response Joint Venture. 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 2024.

# Schedule of non-departmental assets

As at 30 June 2024

Actuals 2023 \$000		Note	Actuals 2024 \$000	Unaudited estimates of appropriations 2024 \$000	Unaudited forecast 2025 \$000
<b>Current assets</b>					
538,603	Cash and cash equivalents		485,168	278,489	496,360
8,553	Forests – for harvest in 12 months	6	9,946	22,000	22,000
39,219	Debtors and other receivables	7	17,882	61,000	39,000
8,651	Prepayments		5,196	6,000	6,000
550	Non-current assets held for sale	5	550	550	550
<b>595,576</b>	<b>Total current assets</b>		<b>518,742</b>	<b>368,039</b>	<b>563,910</b>
<b>Non-current assets</b>					
7,017	Debtors and other receivables	7	75	18,000	7,000
97,969	Forests	6	104,111	126,762	94,522
21,900	Property, plant and equipment	8	21,831	21,828	21,760
	Crown equity investment in Crown entities				
1,150	– New Zealand Walking Access Commission		1,150	1,150	1,150
70,264	– Crown Irrigation Investments Limited	10	67,452	146,100	146,100
7,315	Investment in Joint Venture	11	27,216	–	59,232
<b>205,615</b>	<b>Total non-current assets</b>		<b>221,835</b>	<b>313,840</b>	<b>329,764</b>
<b>801,191</b>	<b>Total non-departmental assets</b>		<b>740,577</b>	<b>681,879</b>	<b>893,674</b>

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 2024.



# Schedule of non-departmental liabilities

As at 30 June 2024

Actuals 2023 \$000		Note	Actuals 2024 \$000	Unaudited estimates of appropriations 2024 \$000	Unaudited forecast 2025 \$000
<b>Current liabilities</b>					
62,322	Creditors and other payables	12	50,959	41,000	41,000
1,320	Over and under recovered costs from fishing industry	13	6,999	4,000	4,000
34,162	Provisions	14	9,575	3,000	3,000
<b>97,804</b>	<b>Total current liabilities</b>		<b>67,533</b>	<b>48,000</b>	<b>48,000</b>
<b>Non-current liabilities</b>					
3,553	Provisions	14	4,581	11,000	11,000
<b>3,553</b>	<b>Total non-current liabilities</b>		<b>4,581</b>	<b>11,000</b>	<b>11,000</b>
<b>101,357</b>	<b>Total non-departmental liabilities</b>		<b>72,114</b>	<b>59,000</b>	<b>59,000</b>

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 2024.

# Schedule of non-departmental contingent liabilities and contingent assets

As at 30 June 2024

## 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.

In the regions where settlement has been reached, there is a 5-yearly reconciliation process to assess whether forecasts and valuations were accurate. If not, then top-ups to settlements can be required.

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 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.

There are currently five claims for compensation relating to *Bonamia Ostraea* incursions valued at \$31.12 million as at 30 June 2024 (2023: \$71.090 million). The revised value of the claims is based on the best available estimate and the likelihood of such claims being successful.

The contingent liability resulting from the *Mycoplasma bovis* outbreak remains unquantified as at 30 June 2024 with 26 claims for compensation currently on hand. 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 2024 (2023: nil).

# Schedule of non-departmental commitments

As at 30 June 2024

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 2024 to 2080. The commitments shown are MPI's best estimate of the minimum expenditure over the remaining term of the leases.

Actuals 2023 \$000		Actuals 2024 \$000
<b>Non-cancellable operating lease commitments</b>		
29,136	Not later than one year	45,813
110,219	Later than one year and not later than five years	117,942
1,774,680	Later than five years	1,744,652
<b>1,914,035</b>	<b>Total non-departmental operating lease commitments</b>	<b>1,908,407</b>

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 2024.

# Schedule of trust monies

For the year ended 30 June 2024

## 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 2023 \$000		Actuals 2024 \$000
1,150	Balance at 1 July	1,588
3,440	Contributions	4,570
(3,087)	Distributions	(3,741)
85	Revenue	120
<b>1,588</b>	<b>Balance at 30 June</b>	<b>2,537</b>

## 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 2023 \$000		Actuals 2024 \$000
1,749	Balance at 1 July	2,158
331	Contributions	169
(2)	Distributions	(3)
80	Revenue	127
<b>2,158</b>	<b>Balance at 30 June</b>	<b>2,451</b>

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 2024.

# Notes to the non-departmental statements and schedules

For the year ended 30 June 2024

## 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 2024. 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

#### Amendments to PBE IPSAS 1- Disclosure of Fees for Audit Firms' Services

The amendments to PBE IPSAS 1 aim to address concerns about the quality and consistency of disclosures an entity provides about fees paid to its

audit or review firm for different types of services. Entities are required to disclose the fees incurred for services received from its audit or review firm, and a description of each service.

The change is required for accounting periods beginning on or after 1 January 2024.

#### Standard issued and not yet effective and not early adopted

##### 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 2024. They are consistent with the financial information in the Main Estimates.

#### 1.5.2 Forecast figures

The 2025 forecast figures for the year ended 30 June 2025 are those submitted to the Treasury for purposes of consolidation into the 2024 Budget Economic and Fiscal Update (2024 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 28 March 2024. 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 2025 (2025 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 2024 is used as the opening position for the 2025 forecasts.

Factors that could lead to material differences between the forecast information presented and the 2024 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 2023 to 30 June 2024 is primarily recovered from the commercial fishing sector over the period 1 October 2023 to 30 September 2024 (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 partners (Dairy NZ and Beef + Lamb NZ). Accruals are recognised in line with the agreed percentages documented in the agreement, which are 32 percent of eligible costs.

Industry partners will fund the cost of meeting their obligations under the agreement through a levy order. Industry partners 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

A provision is recognised for future expenditure of an 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 resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Provisions are not recognised for net deficits from future operating activities.

#### 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 ventures

Investments in joint ventures are accounted for using the equity method, 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 2023 \$000		Actuals 2024 \$000
	Cost recovery levies from fishing industry:	
32,280	– Fisheries services	31,660
4,114	– Conservation services	3,422
1,828	Biosecurity Act 1993 fines	3,094
871	Dairy industry levy	1,373
114	Fisheries Act 1996 infringement notices	(92)
756	Animal welfare infringement	536
<b>39,963</b>	<b>Total fines, penalties and levies income</b>	<b>39,993</b>

## Note 3: Miscellaneous revenue

Actuals 2023 \$000		Actuals 2024 \$000
	<b>Miscellaneous revenue</b>	
2,889	Recovery of funds for termination of funding agreement	786
500	Potato Spindle Tuber Viroid response industry contributions	–
80	Interest Income	131
<b>3,469</b>	<b>Total Miscellaneous revenue</b>	<b>917</b>

## 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 percent of response and compensation costs through industry partners on behalf of the Crown. The amount covers response costs incurred in 2023/24 amounting to \$10.2 million for response (2023: \$15.1 million), and \$3.0 million for compensation (2023: \$14.1 million). It is assumed that the full amount recoverable will be collected through a levy. To date, MPI has incurred recoverable costs totalling \$236.2 million (2023: \$223.4 million), and of this has collected a total of \$238.12 million (2023: \$195.7 million) through levies.

## Note 5: Non-current forestry assets held for sale

Non-current assets held for sale \$550,000 (2023: \$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 2024 is \$225,000 (2023: \$225,000).



## Note 6: Forests

Actuals 2023 \$000		Actuals 2024 \$000
	Forests measured at fair value	
113,230	Opening balance 1 July	105,888
2,708	Forestry additions valued	3,210
(918)	Changes in fair value	10,759
(9,132)	Decrease due to harvesting	(5,992)
<b>105,888</b>	<b>Total forestry assets measured at fair value</b>	<b>113,865</b>
64	Forestry assets acquired but not planted	19
570	Forestry assets planted but not valued	173
<b>106,522</b>	<b>Closing balance of forestry assets</b>	<b>114,057</b>
8,553	Current portion of forests for harvest in 12 months	9,946
97,969	Non current portion of forestry assets	104,111
<b>106,522</b>	<b>Closing balance of forestry assets</b>	<b>114,057</b>

## Note 6a: Gain/(loss) on forest revaluation

Actuals 2023 \$000		Actuals 2024 \$000
113,230	Opening balance of forestry assets	105,888
3,334	Forestry additions	3,383
(626)	Forestry assets planted but not valued	(173)
<b>115,938</b>	<b>Forestry assets before valuation</b>	<b>109,098</b>
<b>105,888</b>	<b>Closing balance of forestry assets after valuation</b>	<b>113,865</b>
<b>(10,050)</b>	<b>Gain/(loss) on forest revaluation net of harvesting</b>	<b>4,767</b>

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 2024, the net stocked area of trees was 27,155 hectares (2023: 27,047 hectares).

During the year ending 30 June 2024:

- 199,350 cubic metres of logs (2023: 286,681 cubic metres) were produced and sold from harvesting operations;
- 466 (2023: 832) hectares of new joint forestry agreements and rights were also planted during the 2024 planting season.

### Forests measured at fair value:

The valuations at 30 June 2024 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 percent (2023: 7 percent) has been used for forests greater than 1,000 hectares and 8 percent (2023: 8 percent) for forests less than 1,000 hectares in discounting the present value of expected post-tax cash flows. The exception to this rule is Tokararangi Forest where a discount rate of 10 percent has been applied to account for the remoteness, difficult terrain, and environmental risk associated with this forest that is not easily quantified. Application of a discount rate to cashflows that excluded taxation and other finance costs aligns to forest valuers preferred industry approach;
- in the 2024 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 2024) 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. The damage to forests owned by Crown Forestry was estimated to be around 600 hectares.

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 estimated to be damaged by wind, and noted in the 2023 valuation, had been entirely salvaged prior to the 30 June 2024 valuation.

In Northland the relevant forest managers have assessed damage caused to the mostly younger plantings. Most of the damage involved toppling of 1-3-year-old trees within Waireia, Waiotira, Ngati Hine, Pouto Te Uri o Hau (TUOH), Motatau, Morris, Kawiti, Tukurua, 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 that will be accounted for progressively as stand areas are remapped.

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 was some disruption to the previously planned harvest schedule as well as a reduction in recovered volume and revenue due to stem breakage plus higher costs of harvesting typical of salvage operations.

### Forestry valuation sensitivity analysis

Export (at wharf gate) log prices rose steadily between May 2023 and February 2024 but then decreased sharply and have remained low since March 2024. 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 percent increase or decrease to log prices changes the long term forestry valuation by approximately 15 percent. 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 14 percent of the total forest value as at 30 June

2024 (2023: 23 percent). An increase to log prices by 10 percent for these forests would increase their fair value by \$3.8 million (2023: 10 percent increase result in a \$6.6 million increase). A decrease to log prices by 10 percent would decrease their fair value by \$3.8 million (2023: 10 percent decrease results in a \$6.6 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 8 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. China continues to deal with its deflated real estate sector with a mix of incentives and stimulus to encourage investment. As at mid-June 2024 the China market appears to have stabilised somewhat with CFR prices having bottomed out in May and log exporters seeing some improvement in June prices – up \$3-4/m<sup>3</sup> on May prices. NZ log arrivals into China during May were almost 20 percent down on April arrivals and the market is responding positively to this. Whilst the China market appears to be improving there remains a solid deficit between the imported cost of logs and the wholesale price of logs. As yet there is not a sustained imbalance between supply and demand or a corresponding substantial drop in inventory, however indicators are headed in the right direction for both.

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 2023 \$000		Actuals 2024 \$000
<b>Current assets</b>		
<b>Non-exchange transactions</b>		
37,607	Debtors and other receivables – fine, penalties and levies	18,600
(1,428)	Less expected credit loss	(1,603)
<b>Exchange transactions</b>		
3,040	Debtors and other receivables – Crown Forestry operations and miscellaneous revenues	885
<b>39,219</b>	<b>Total current</b>	<b>17,882</b>
<b>Non-current assets</b>		
<b>Non-exchange transactions</b>		
7,017	Debtors and other receivables – fine, penalties and levies	75
<b>7,017</b>	<b>Total non-current</b>	<b>75</b>
<b>46,236</b>	<b>Total debtors and other receivables</b>	<b>17,957</b>

The aging profile of debtors and other receivables at year end is detailed below.

	2023			2024		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
Not past due	26,084	-	26,084	13,207	-	13,207
Greater than 90 days	21,581	(1,428)	20,152	6,353	(1,603)	4,750
<b>Total</b>	<b>47,665</b>	<b>(1,428)</b>	<b>46,236</b>	<b>19,560</b>	<b>(1,603)</b>	<b>17,957</b>

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 2023 \$000		Actuals 2024 \$000
1,289	Balance at 1 July	1,428
139	Additional provisions made	175
<b>1,428</b>	<b>Balance at 30 June</b>	<b>1,603</b>

## Note 8: Property, plant and equipment

	Land \$000	Buildings \$000	Roads, fences and equipment \$000	Motor vehicles \$000	Total \$000
<b>Cost or valuation</b>					
Balance 1 July 2022	21,139	295	5,809	402	27,645
<b>Balance 30 June 2023</b>	<b>21,139</b>	<b>295</b>	<b>5,809</b>	<b>402</b>	<b>27,645</b>
Balance 1 July 2023	21,139	295	5,809	402	27,645
Reversal of accumulated depreciation on revaluation	-	-	-	(402)	(402)
<b>Balance 30 June 2024</b>	<b>21,139</b>	<b>295</b>	<b>5,809</b>	<b>-</b>	<b>27,243</b>
<b>Accumulated depreciation and impairment losses</b>					
Balance at 1 July 2022	-	-	5,275	402	5,677
Depreciation expense	-	6	62	-	68
<b>Balance 30 June 2023</b>	<b>-</b>	<b>6</b>	<b>5,337</b>	<b>402</b>	<b>5,745</b>
Balance at 1 July 2023	-	6	5,337	402	5,745
Depreciation expense	-	7	62	-	69
Eliminate on disposal	-	-	-	(402)	(402)
<b>Balance 30 June 2024</b>	<b>-</b>	<b>13</b>	<b>5,399</b>	<b>-</b>	<b>5,412</b>
<b>Carrying amounts (net asset value)</b>					
At 1 July 2022	21,139	295	534	-	21,968
At 30 June and 1 July 2023	21,139	289	472	-	21,900
<b>At 30 June 2024</b>	<b>21,139</b>	<b>282</b>	<b>410</b>	<b>-</b>	<b>21,831</b>

## 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 2024 was \$3.6m (2023: \$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 2024, 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 2024 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 2023 \$000		Actuals 2024 \$000
67,148	Opening balance	70,264
-	Investment in CIIL	-
3,116	(Impairment)/Recovery of impairment in Crown equity investment in CIIL	(2,812)
<b>70,264</b>	<b>Closing balance (total investment)</b>	<b>67,452</b>

## Note 11: Investment in Centre for Climate Action Joint Venture

Actuals 2023 \$000		Actuals 2024 \$000
	<b>Centre for Climate Action Joint Venture</b>	
-	Opening Balance	7,315
8,250	Equity investment during the year	23,583
(935)	Share of net asset increase/(decrease) in joint venture	(3,682)
<b>7,315</b>	<b>Investment in Centre for Climate Action Joint Venture</b>	<b>27,216</b>

The Crown, through MPI, has a 50 percent interest in the Centre for Climate Action Joint Venture (AgriZero<sup>NZ</sup>) with the other 50 percent held by ANZCO Foods Limited, Fonterra Co-operative Group Limited,

Rabobank New Zealand Ltd, Ravensdown Ltd, Silver Fern Farms Limited, Synlait Milk Limited, The a2 Milk Company, ANZ New Zealand Limited, ASB Bank Limited and the Bank of New Zealand.



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 on 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 percent 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 2024. AgriZero<sup>NZ</sup> 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 percent of additional equity investment, once the other joint venture partners pay their share of the funding.

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 2023 \$000		Actuals 2024 \$000
<b>Non-exchange transactions</b>		
1,587	GST payable	853
33,387	Grants payable	31,478
11,557	Compensation payable for biosecurity incursions	3,627
35	Other accrued expenses	34
11,411	Third Party Accruals	9,930
<b>Exchange Transactions</b>		
4,345	Crown Forestry accrued expenses	5,037
<b>62,322</b>	<b>Total creditors and other payables</b>	<b>50,959</b>

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 2024 MPI has provided for \$7 million (2023: \$1.3 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 2024 to be applied against future cost recovery levy orders.

## Note 14: Provisions

Actuals 2023 \$000		Actuals 2024 \$000
<b>Current</b>		
1,776	Rural veterinarians bonding scheme	1,848
4,705	Commercial aquaculture claims settlement	6,788
27,681	Compensation for biosecurity incursions	939
<b>34,162</b>	<b>Total current provisions</b>	<b>9,575</b>
<b>Non-current provisions</b>		
91	Rural veterinarians bonding scheme	134
3,462	Onerous contracts	4,447
<b>3,553</b>	<b>Total non-current provisions</b>	<b>4,581</b>
<b>37,715</b>	<b>Total provisions</b>	<b>14,156</b>

## Note 14a: Provision for compensation for biosecurity incursions

Actuals 2023 \$000		Actuals 2024 \$000
24,913	Opening balance	27,681
23,039	Additional provisions made	4,623
(20,271)	Amounts used	(31,365)
<b>27,681</b>	<b>Closing balance</b>	<b>939</b>

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 2024, 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 Biosecurity incursions provision are amounts incurred from:

- Destruction of stock – The amounts claimed for the destruction of stock take into account 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. A provision for destruction of stock was not required in 2024 (2023: \$14.8 million).

- Loss of milk production – Claims for milk production losses take into account 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. A provision for loss of milk production was not required in 2024 (2023: \$6.05 million).
- 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 as complete information is not readily available, 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 – 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. A provision was not required for 2024 (2023: \$0.6 million).
- Provision for Imported Bovine Semen Testing incursion response is \$0.1 million (2023: \$nil).
- Working capital interest, professional fees and advisory fees. For the 2024 year, a provision was not required (2023: \$nil).
- Compensation for other biosecurity incursions including the Post-Entry Quarantine incursion response relating to the destruction of fruit trees \$0.8 million (2023: \$6.18 million).

## Note 15: Expenditure on compensation for biosecurity

Actuals 2023 \$000		Actuals 2024 \$000
<b>Compensation for biosecurity incursions expenditure:</b>		
44,121	Mycoplasma bovis	9,365
6,927	Other incursions	-
<b>51,048</b>	<b>Total expenditure for biosecurity incursions</b>	<b>9,365</b>

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 \$11.1 million higher than budgeted. This is mainly due to an increase of \$5.4 million in industry contribution for compensation and response cost for *Mycoplasma bovis*. There was also a \$4.77 million increase in the gain on revaluation of forests measured at fair value and \$5.5 million for the return of the One Billion Trees and Afforestation Grant Scheme funding for recipients who have subsequently decided to register for the Emissions Trading Scheme (ETS).

These increases were partially offset by a decrease in forest produce sales of \$2.9 million and deemed value for over-fishing of \$1.7 million.

### Non-departmental expenses

Total non-departmental expenses were \$14.67 million lower than budget. This variance is primarily attributed to the following factors:

- Agriculture Emission Pricing System: Expenditure was \$15.2 million below budget due to the delays in the development of the agriculture emissions pricing system.

- Aquaculture Settlements: under the Māori Commercial Aquaculture Claims Settlement Act 2004 was \$12 million lower than budgeted, largely due to the timing of negotiation settlements with iwi aquaculture organisations.
- Forestry Grants and Partnership Programme: Expenditure was \$10 million under budget, reflecting lower-than-expected spending in grants and partnership activities within the One Billion Trees programme.
- Forestry Climate Emergency Response Fund: Expenditure was \$4 million below budget.

These savings were partially offset by:

- Support for Rural Communities: Expenditure was \$17 million higher than budgeted to support isolated and under-serviced communities affected by the 2023 North Island Weather Events.
- Agriculture Sector Support: An additional \$10 million was spent on grants to promote a sustainable and competitive agriculture sector.

### Non-departmental capital expenditure

Capital expenditure decreased by \$16.0 million compared to budget. This is mainly due to the purchase and development of Crown Forestry assets.









# Appendices

Ngā āpitihanga



# Appendix 1

## Legislation we administer

The text below lists the Acts MPI is responsible for. These are broken down by Ministerial portfolio.

### Agriculture

<b>Minister:</b>	Minister of Agriculture
<b>Associate Ministers:</b>	Associate Minister of Agriculture Associate Minister of Agriculture (Animal Welfare, Skills) Associate Minister of Agriculture (Horticulture)

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 2012<sup>4</sup>
- 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

<b>Minister:</b>	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

<b>Minister:</b>	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

<sup>4</sup> 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.

- Provisions) Act 1999
- Food Act 2014
- Wine Act 2003

## Forestry

<b>Minister:</b>	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

<b>Minister:</b>	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

<b>Minister:</b>	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

# Appendix 2

## Tracking significant Budget initiatives

### Significant initiatives in 2023/24

Initiative name	Budget year (Commenced)	MPI strategic outcome	Page reference for performance information (this report)
Establishing the Wood Processing Growth Fund (WPGF) to deliver the Maximising Carbon Storage Initiative	2023	Prosperity	Refer to chapter 2 under the "Prosperity" outcome and the "Statement of Service Performance" Performance chapter for details on the progress of this initiative.
	<p>Initiative description: The aim of the WPGF is to drive investment in additional domestic wood processing capacity, focusing on high value and long-lived wood products. The WPGF has two separate programmes:</p> <p>a) Catalyst Programme – grants to co-fund investment enabling activities such as business cases, feasibility studies and research pilots. Catalyst is solely delivered by MPI.</p> <p>b) Accelerator Programme – delivering capital co-investments in debt and equity alongside private capital. Accelerator is delivered in partnership with MBIE's Kānoa – Regional Economic Development &amp; Investment Unit.</p>		
Future of Certification	2022	Prosperity	Refer to chapter 2 under the "Prosperity" outcome for details on the progress of this initiative.
	<p>Future of Certification: This initiative will replace, consolidate and modernise New Zealand's export and import certification systems. These systems are managed by MPI and facilitate the two-way trade of primary exports and imports with overseas markets. Each year a considerable amount of New Zealand's food and fibre sector exports are dependent on official assurances to access overseas markets. The investment is to modernise our certification systems that support the objective of accelerating our economic growth through food and fibre sector exports.</p>		
Integrated advisory services to support more sustainable and productive land use practices: <ul style="list-style-type: none"> <li>• Forestry Advisory Services</li> <li>• Māori Agribusiness, as part of integrated advisory services</li> <li>• On Farm Support Services</li> </ul>	2022	Sustainability	Refer to chapter 2 under the "Sustainability" outcome and the "Statement of Service Performance" chapter for details on the progress of this initiative.
	<p>Initiative description: This initiative provides funding for a permanent integrated network of support for rural land-users including establishing a network of regionally based farm advisers, expanding Māori agribusiness services, and sustaining and expanding the forestry advisory service into new parts of the sector. This initiative supports New Zealand's food and fibre sector and rural land users to navigate significant ongoing change and increasing complexity in their operating environment and accelerate the adoption of more sustainable land use practices to deliver improved environmental and productivity outcomes.</p>		
Accelerating Development of Greenhouse Gas Mitigations Research and Development Fund: <ul style="list-style-type: none"> <li>• Accelerating development of greenhouse gas mitigations</li> <li>• Supporting producers and Māori entities to transition to a low emissions future (also referred to as extension)</li> </ul>	2022	Sustainability	Refer to chapter 2 under the "Sustainability" outcome and the "Statement of Service Performance" chapter for details on the progress of this initiative.
	<p>Initiative description: As part of the "Agriculture" chapter of New Zealand's Emissions Reduction Plan through Budget 2022, funding was allocated to strengthen the role of research and development in getting new tools and technology to reduce on-farm emissions more quickly to farmers. This investment will accelerate development and uptake of high impact agricultural mitigation technologies, reduce greenhouse gas emissions, and help meet our targets and international commitments.</p>		
Maximising natural carbon storage: Increasing natural sequestration to achieve New Zealand's future carbon goals	2022	Sustainability	Refer to chapter 2 under the "Sustainability" outcome and the "Statement of Service Performance" chapter for details on the progress of this initiative.
	<p>Initiative description: This aims to 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.</p>		



Initiative name	Budget year (Commenced)	MPI strategic outcome	Page reference for performance information (this report)
Antimicrobial resistance (AMR): Addressing future antimicrobial resistance risks in New Zealand	2022	Protection	Refer to chapter 2 under the "Protection" outcome and the "Statement of Service Performance" chapter for details on the progress of this initiative.
	Initiative description: This initiative aims to build capability and resilience in the food safety system to address future primary industries related AMR risks in New Zealand.		
Long Term Pest Management: <ul style="list-style-type: none"> <li>Controlling pest wallabies in New Zealand</li> <li>Wilding conifer control in New Zealand</li> </ul>	2020 and ongoing	Protection	Refer to Chapter 2 under the "Protection" outcome and "Statement of Service Performance" chapter for details on the progress of this initiative.
	Initiative(s) description: Through the long-term pest management plans, MPI helps protect New Zealand's native flora and fauna, whenua (land), freshwater, and marine environments, as well as its people's culture, livelihoods, and health, while allowing for ongoing growth in trade and tourism that is important for the economy.		
Core Biosecurity Infrastructure: Plant health and environmental capability	2023	Protection	Refer to Chapter 2 under the "Protection" outcome for details on the progress of this initiative.
	Initiative description: This is established to address the long-term capacity and capability constraints of the existing Plant Health and Environment Laboratory (PHEL) at Tāmaki, Auckland as the existing facilities are too small, at end-of-life, and lack the capacity to meet current and future demand.		
Eradication of <i>Mycoplasma bovis</i> from New Zealand	Budget 2020 and extended up to Budget 2023	Protection	Refer to chapter 2 under the "Protection" outcome and the "Statement of Service Performance" chapter for details on the progress of this initiative.
	Initiative description: The programme aims to eradicate <i>Mycoplasma bovis</i> infection from cattle herds by 30 June 2028 and minimise the impacts on the lives of farmers, their families, and communities, supporting farmers through the disease management process, and leaving the biosecurity ecosystem of New Zealand stronger and positioned well for the future. Since November 2023, MPI has contracted the long-term surveillance phase of its operations to disease management agency OSPRI. MPI and industry partners DairyNZ and Beef + Lamb New Zealand remain accountable for the overall management and the success of the programme under the current Government Industry Agreement (GIA). MPI is also retaining some aspects of the programme, including compensation and compliance.		
North Island Weather Events (NIWE): Mitigating the risk of impact from woody debris to critical infrastructure	Budget 2022 and extended into Budget 2023	Visible Leadership	Refer to chapter 2 under the "Visible Leadership" outcome and the "Statement of Service Performance" chapter for details on the progress of this initiative.
	Initiative description: This initiative provides funding for the removal of up to 70,000 tonnes of woody debris from catchment systems to mitigate the risk of further impacts to critical infrastructure as a result of the North Island weather events.		

## Significant initiatives no longer valid/relevant

Initiative name	Budget year (Commenced)	Context
Delivering industry transformation plans (ITPs) in partnership with primary sectors: Agritech ITP, Forestry and wood processing ITP, Fisheries ITP, and Food and Beverage ITP	2022	There was a change in government priorities between the financial years 2023/24 and 2024/25.
North Island Weather Events (NIWE): <ul style="list-style-type: none"> <li>Continued recovery support and addressing time-critical response to the primary industries, and rural communities</li> <li>Connecting and supporting isolated and under serviced rural communities</li> </ul>	2022	The funding has ended as at 30 June 2024.
Cyclone Gabrielle: <ul style="list-style-type: none"> <li>Cyclone Gabrielle Primary Sector Response and Recovery Fund</li> <li>Extended Funding for the Cyclone Gabrielle Farmer and Grower Recovery Grants Fund</li> </ul>	2022	The funding has ended as at 30 June 2024.

# Appendix 3

## Crown entity monitoring

MPI is the monitoring agency for the Outdoor Access Commission.

This Crown entity, created through the Walking Access Act 2008, provides national leadership on outdoor access issues and works to build a legacy of public access for New Zealanders.

The Commission's functions include:

- negotiating access across private land and resolving disputes so the public has new or enhanced outdoor access;
- maintaining a national strategy on outdoor access;
- providing maps, a code of responsible conduct and other information to the public on its website; and
- providing grants to community trail groups.

The Minister of Agriculture is the Commission's responsible Minister. MPI supports the Minister to deliver on the Walking Access Act 2008 and the Crown Entities Act 2004 through the appointment and maintenance of an effective board, setting of the Commission's direction and performance expectations, administration of its funding, and monitoring its performance.

The Commission's annual reports are available on its website, at [www.herengaanuku.govt.nz/our-work/publications](http://www.herengaanuku.govt.nz/our-work/publications).

# Appendix 4

## Government Health and Safety Lead

The Government Health and Safety Lead (GHSL) was established in 2017 as part of the public sector's commitment to becoming a role model for improving health and safety across New Zealand.

The GHSL's vision is to enhance health, safety, and wellbeing capabilities by collaborating with 47 public sector organisation members. The GHSL works to identify and prioritise health and safety areas for improvement, open discussions on risks and issues and to share professional development tools and good practices.

The GHSL engages and partners with the sector to:

- identify areas of specific need, helping to co-ordinate priorities and resources;
- identify and share good practice, helping to avoid inconsistency and duplication;
- understand and share learnings and lessons to enhance policies and processes within the sector; and
- support the sector to identify, monitor and report on performance and trends, helping to focus on areas that will deliver the greatest benefit.

### Key milestones

In 2023/24, the GHSL team delivered the following for the public sector:

#### Worker engagement and participation

- Guidance and resources for agencies and health and safety representatives that were endorsed by the Public Service Association and the New Zealand Institute of Safety Management.
- The 2024 GHSL Health and Safety Rep of the Year Conference and Awards, attended by more than 300 attendees which provided a development opportunity for health and safety representatives and celebrated the importance of their roles within the sector.

- Released an online resource on developing a positive workplace culture which completed the final phase of the Positive Workplace Cultures Programme.

#### Sector capability and capacity

- The GHSL's Summer Intern Programme reached a significant milestone in 2023/24, bringing the total number of interns to 102, supported by 30 public sector agencies. Around half of all previous interns now work within health and safety with many remaining in the public sector.
- The GHSL's Mentally Healthy Work Pilot Programme, delivered in 2023, was nominated as a finalist in the leadership category of the New Zealand Workplace Health & Safety Awards. The second iteration of this programme will be delivered to the sector in September 2024.
- The GHSL continues offering 50 senior leaders the Officer Development Programme every year. This award-winning programme was developed with the Institute of Directors and over 380 leaders have completed this course, which strengthens their understanding of responsibilities under the Health and Safety at Work Act (2015).

#### Sharing good practices

- Our Keeping our People Safe publication, launched in 2023/24, shares lessons and insights from 10 public sector agencies. This will be an annual publication aimed at improving sector-wide health, safety and wellbeing initiatives.

# Abbreviations

<b>AHL</b>	Animal Health Laboratory
<b>AMR</b>	Antimicrobial resistance
<b>BMSB</b>	Brown marmorated stink bug
<b>CNGP</b>	Carbon Neutral Government Programme
<b>ERAS</b>	Exporter Regulatory Advice Service
<b>ETS</b>	Emissions Trading Scheme
<b>EU</b>	European Union
<b>EY</b>	Ernst & Young
<b>FMD</b>	Foot and mouth disease
<b>FRS</b>	Financial reporting standard
<b>FTA</b>	Free trade agreement
<b>FTE</b>	Full-time equivalent
<b>GAAP</b>	Generally accepted accounting principles
<b>GIA</b>	Government Industry Agreement for Biosecurity Readiness and Response
<b>HEA</b>	Horticulture Export Authority
<b>HPAI</b>	High pathogenicity avian influenza
<b>IPSAS</b>	International Public Sector Accounting Standards
<b>MABx</b>	Māori Agribusiness Extension
<b>MAPIP</b>	Māori Agribusiness Pathway to Increased Productivity
<b>MCA</b>	Multi-category appropriation
<b>MELAA</b>	Middle Eastern / Latin American / African
<b>MKGI</b>	Māori Kiwifruit Growers Incorporated
<b>MPI</b>	Ministry for Primary Industries
<b>Mt CO<sub>2</sub>-e</b>	Million tonnes of carbon dioxide equivalent greenhouse gas
<b>MYA</b>	Multi-year appropriation
<b>NAIT</b>	National Animal Identification and Tracing
<b>NIWA</b>	National Institute of Water and Atmospheric Research
<b>NZ</b>	New Zealand
<b>NZAGRC</b>	New Zealand Agricultural Greenhouse Gas Research Centre
<b>NZ-EU FTA</b>	New Zealand – European Union Free Trade Agreement
<b>OSPRI</b>	Operational Solutions for Primary Industries
<b>PBE</b>	Public benefit entity
<b>PC</b>	Physical containment

<b>PEQ</b>	Post-entry quarantine
<b>PFA</b>	Public Finance Act 1989
<b>PHEL</b>	Plant Health and Environment Laboratory
<b>PSGE</b>	Post-settlement governance entity
<b>PSTVd</b>	Potato spindle tuber viroid
<b>PSU</b>	Professional Standards Unit
<b>SAMR</b>	State Administration of Market Regulation
<b>SFF Futures</b>	Sustainable Food and Fibre Futures
<b>SPM</b>	Service performance measure
<b>tCO<sub>2</sub>e</b>	Metric tonnes of carbon dioxide equivalent emissions
<b>UK</b>	United Kingdom
<b>WPGF</b>	Wood Processing Growth Fund

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# Ministers' reports on non-departmental appropriations

Ngā pūrongo a ngā Minita mō ngā tohanga  
pūtea ehara nā te tari

# Purpose

The Ministry for Primary Industries (MPI) receives money from the Government to distribute 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 Forestry and the Minister for Oceans and Fisheries are required under section 19B of the Public Finance Act 1989 to report against non-departmental appropriations in Vote Agriculture, Biosecurity, Fisheries and Food Safety, and Vote Forestry. This report has been appended in the Ministry for Primary Industries' 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 2023/24 performance of services funded by non-departmental appropriations

In 2023/24, eight non-departmental appropriations that provided services to the food and fibre sector were funded across Vote Agriculture, Biosecurity, Fisheries and Food Safety, and Vote Forestry.

This section reports on the financial and non-financial performance of MPI's non-departmental appropriations to provide information on the extent of these activities.

### Multi-year Non-Departmental Output Expenses appropriation

1. Sustainable Land Management and Climate Change Research

### Multi-year Non-Departmental Other Expenses appropriations

2. Agriculture: Farm Advisor Scheme
3. Agriculture: Integrated Farm Plan Accelerator Fund
4. Fisheries: Aquaculture Settlements
5. Global Research Alliance on Agricultural Greenhouse Gases
6. Sustainable Food and Fibre Futures
7. Forestry and other Economic Development, and Erosion Control

### Multi-year Non-Departmental Capital Expenditure appropriation

8. Forestry: Capital Investment in the Crown's Forestry Assets

In 2023/24, the standards for 9 of 10 applicable performance measures (90 percent) funded under the above non-departmental appropriations were met. One performance measure was deemed not applicable for reporting.



In this report, 2023/24 performance information was compared against the performance measures and results for 2022/23 and 2021/22. Where appropriate, an explanation is provided for measures with positive or negative variances of more than five percent.

Performance measures and targets are reviewed each year to ensure that they reflect the range of services provided under non-departmental appropriations, the operating environment, and support the achievement of MPI's outcomes.



# 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 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.

The New Zealand Agricultural Greenhouse Gas Research Centre (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 coordinated research under five major themes: ruminant methane, nitrous oxide, soil carbon, integrated farm systems, and identifying and advancing mātauranga and Te Ao Māori approaches to biological emissions reductions.

## 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

Twenty-two projects were completed in 2023/24 across the SLMACC programme. Overall, SLMACC has committed \$83 million across 193 projects since 2007, with 165 projects completed since the fund started. There are 28 ongoing projects (including two projects that have been approved and working through contracting processes).

The NZAGRC plays an important role in identifying and funding critical research and development. An additional \$50 million will be spent over the next five years to support the development of new emission reduction tools.

Highlights among the projects completed during 2023/24 include:

- Increasing awareness of the free online tool aimed at helping farmers at the start of their tree planting journey.
- Demonstrating the significant potential of satellite imagery and automated vegetation classification to inform decision-making and demonstrate nature-related claims on-farm.
- Demonstrating the likely impacts of warmer temperatures on woolly apple aphid and its parasitoid *Aphelinus mali*.



## Assessment of service performance

	2023/24			2022/23	2021/22
Performance measure	Standard	Actual	Variance explanation	Actual	Actual
<b>Non-Departmental Output Expenses</b>					
Percentage of contracts completed in the financial year that met their contracted deliverables	90-100%	100%	There were 22 Climate Change Research projects completed this financial year (eight Greenhouse Gas Inventory Research projects and 14 Sustainable Land Management and Climate Change projects). All projects met their contracted deliverables.	100%	New measure for 2022/23

2022/23 \$000	Appropriation, adjustment and use	2023/24 \$000
109,311	<b>Original appropriation – over five years from 1 July 2022 to 30 June 2027</b>	109,311
	– Adjustments to 2023	–
	– Adjustments for 2024	(13,600)
109,311	Adjusted Appropriation	95,711
21,593	Actual expenses to 2023	21,593
	– Actual expenses for 2024	21,665
87,718	<b>Appropriation remaining</b>	<b>52,453</b>

For more information on Sustainable Land Management and Climate Change Research, please refer to the MPI website <https://www.mpi.govt.nz/funding-rural-support/farming-funds-and-programmes/slmacc/>

# 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 farm planning;
- fit-for-purpose professional development to enable advisers to meet required competencies;
- an adviser support package to reduce the financial barriers for host organisations to take on 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 making 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 continued to receive 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 below the total contracted spend of \$2.6 million.

Other aspects of the programme to support adviser development have begun, such as the first adviser networking hui, mentoring, and further training opportunities.

In MPI's Careers Pathway Scheme, there are 47 host organisations receiving funding. In 2023/24, there were 112 farm advisers participating in the Scheme.

## Assessment of service performance

Performance measure	2023/24		Variance explanation	2022/23	2021/22
	Standard	Actual		Actual	Actual
<b>Non-Departmental Output Expenses</b>					
Number of farm advisors participating in MPI's Careers Pathway Scheme per annum	20-30	112	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 this scheme spans multiple years depending of the advisory experience of individual advisers. The standard for this measure will be reviewed next year during the Estimates process.	42	0

2022/23 \$000	Appropriation, adjustment and use	2023/24 \$000
5,679	<b>Original appropriation – over five years from 1 July 2021 to 30 June 2026</b>	5,679
-	- Adjustments to 2023	-
-	- Adjustments for 2024	-
5,679	Adjusted Appropriation	5,679
531	Actual expenses to 2023	531
-	- Actual expenses for 2024	1,261
<b>5,148</b>	<b>Appropriation remaining</b>	<b>3,887</b>

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 and growers 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 have been approved since inception of the fund, with 35 currently in progress. MPI has committed approximately \$14 million since the inception of the fund in 2021. There are five significant projects in partnership with Industry Assurance Programmes that support farm businesses to improve existing farm plans or adopt integrated farm plans.

Out of the 36 projects, 15 projects will support between 81 and 133 Māori farm businesses to adopt integrated approach to farm planning through clusters or collectives.

## Assessment of service performance

Performance measure	2023/24		Variance explanation	2022/23	2021/22
	Standard	Actual		Actual	Actual
<b>Non-Departmental Other Expenses</b>					
Number of significant projects in partnership with Industry Assurance Programmes that support farm businesses to improve existing farm plans or adopt Integrated Farm Plans <sup>1</sup>	3	5	The programme provided the opportunity for the objectives of industry assurance programmes to align with the fund's outcomes. Applications for funding were received from a number of organisations across the country with the current capability to provide sector-based resources to a large number of farmers.	3	3
Number of Māori farm businesses supported to adopt Integrated Farm Plans through clusters or collectives <sup>2</sup>	25	81	Whenua Māori entities and organisations supporting Māori agribusiness made up a significant group of applicants to the fund. The nature of whenua Māori ownership is such that many of these groups have existing networks and established extension groups – often with a focus on building capability – to whom they can deliver farm planning initiatives.	79	25

2022/23 \$000	Appropriation, adjustment and use	2023/24 \$000
14,441	<b>Original appropriation – over five years from 1 July 2021 to 30 June 2026</b>	14,441
	- Adjustments to 2023	-
	- Adjustments for 2024	-
14,441	Adjusted Appropriation	14,441
1,652	Actual expenses to 2023	1,652
	- Actual expenses for 2024	4,965
<b>12,789</b>	<b>Appropriation remaining</b>	<b>7,824</b>

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/>

### Contextual note

1. A significant project is defined as either, working with large numbers of farmers across several regions, providing sector-based resources at a national scale, or providing data assurance at a national scale. This note was added to the measure to provide more clarity for the reader.
2. Clusters and collectives are groupings of Māori landowners or trusts located in geographical proximity, all working together collectively in respect to their outcomes. This note was added to the measure to provide more clarity for the reader.



# Fisheries: Aquaculture Settlements

## Introduction

This report covers Vote Agriculture, Biosecurity, Fisheries, and Food Safety Non-Departmental Other Expense Multi-Year Appropriation (MYA) for 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 relating 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. Negotiations are ongoing and statutory deadlines may continue to move as negotiated with iwi.

## Assessment of service performance

	2023/24			2022/23	2021/22
Performance measure	Standard	Actual	Variance explanation	Actual	Actual
<b>Non-Departmental Output Expenses</b>					
Regional Agreements required under the Māori Commercial Aquaculture Settlement Act are negotiated and agreed by statutory deadlines <sup>3</sup>	Achieved	N/A	This measure was reported as not applicable because negotiations are ongoing and statutory deadlines may continue to move as negotiated with iwi. The Waikato West Regional Agreement statutory deadline was extended by a year from March 2024 to March 2025. The Otago Regional Agreement statutory deadline was extended by 2 years from May 2024 to May 2026. The Bay of Plenty Regional Agreement statutory deadline is extended to December 2024. These extensions are provided for in the legislation, by agreement between Iwi Aquaculture Organisations and the Crown, to enable a Regional Agreement to be reached.	Achieved	New measure for 2022/23

2022/23 \$000	Appropriation, adjustment and use	2023/24 \$000
-	<b>Original appropriation – over four years from 1 July 2023 to 30 June 2028</b>	17,768
-	Adjustments to 2023	-
-	Adjustments for 2024	89,589
-	Adjusted Appropriation	107,357
-	Actual expenses to 2023	-
-	Actual expenses for 2024	2,083
-	<b>Appropriation remaining</b>	<b>105,274</b>

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/>

### Contextual note

3. MPI maintains a list/register of Regional Agreements and their statutory deadline for completion.

This measure has been repurposed as it is no longer required in the Fisheries: Aquaculture category of the Fisheries: Managing the Resource Sustainably MCA. The wording for this measure has also been updated and introduced to reflect performance for this new MYA.

# 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 the 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 research is focused on four key areas both internationally and domestically in livestock, croplands, rice paddies, and interdisciplinary topics. Two major features of the GRA appropriation include:

- the inventory development programme that utilises New Zealand expertise to support developing countries to build a robust greenhouse gas inventory; and
- the research programme that connects New Zealand scientists into the international research community to collaborate on relevant mitigation options.

The GRA 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

Formal collaborative bilateral relationships have been established with both Germany and Australia. These relationships enable the sharing of expertise and capacity to accelerate progress on joint priorities around agricultural climate change. Joint work on mitigation research priorities and knowledge extension are under way.

Recognition of New Zealand as a global leader through the GRA continues to grow with an invitation from Brazil to participate in the G20 meeting of chief agricultural scientists. New Zealand is not a member of G20. This invitation was an opportunity for New Zealand to take part in the discussions and sharing of global agricultural priorities with the world's biggest markets.

The scholarship programmes continue to receive strong engagement and quality applications. The second round of the Regional Universities Forum for Capacity Building in Agriculture (RUFORUM) and sixth round of the Climate Food and Farming – Global Research Alliance Development Scholarships (CLIFF-GRADS) programmes both awarded new scholarships in 2023/2024, supporting Master and PhD students in agricultural climate science. These scholarships have global reach and have established a network of alumni who are becoming embedded in research systems around the world, with a positive view of New Zealand.

The second round of the Joint Research Initiative between New Zealand and Ireland funded four research projects focused on reducing emissions in pastoral systems. By working together, New Zealand and Ireland are utilising comparable production systems, emissions challenges, and strong research

relationships to accelerate solutions suitable to our circumstances. It has also built stronger relationships with Ireland in wider international settings (e.g. CODEX).

### Assessment of service performance

	2023/24			2022/23	2021/22
Performance measure	Standard	Actual	Variance explanation	Actual	Actual
<b>Non-Departmental Other Expenses</b>					
Number of participants supported by New Zealand in GRA activities to build scientific and policy capability <sup>4</sup>	150	424	Standard was exceeded. The delivery of an online training programme and extra international requests to collaborate on applicable training workshops resulted in more participants being reached than expected.	New measure for 2023/24	N/A
Percentage of GRA mitigation research investment by New Zealand is aligned with domestic priorities <sup>4</sup>	90%	99.8%	Standard was exceeded. Nearly all of the research investment directly targeted New Zealand research priorities, the exception being focused more on enhancing the wider system than the core priorities.	New measure for 2023/24	N/A

#### Contextual note

4. Two new measures in the table above have been developed to replace three existing measures. This is required to reflect the changing domestic system and priorities. The measures being removed are:
- percentage of Global Research Alliance (GRA) projects funded by New Zealand are completed to contracted quality standards;
  - number of people completing New Zealand supported GRA activities to build scientific and policy capability in developing countries; and
  - increased engagement and investment from GRA members and partners to future activities of the GRA.

2022/23 \$000	Appropriation, adjustment and use	2023/24 \$000
34,000	<b>Original appropriation – over four years from 1 July 2020 to 30 June 2024</b>	34,000
5,686	Adjustments to 2023	5,686
–	– Adjustments for 2024	–
39,686	Adjusted Appropriation	39,686
21,606	Actual expenses to 2023	21,606
–	– Actual expenses for 2024	8,326
<b>18,080</b>	<b>Appropriation remaining</b>	<b>9,754</b>

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) for 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 large-scale, multi-year partnerships.

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; and
- New Zealand's innovative, world-leading, and future-ready food and fibre sector.

## 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 61 projects were completed in 2023/24. MPI has committed up to \$305 million since the inception of the SFF Futures fund in 2018. The total MPI and industry co-investment in SFF Futures programmes as of 30 June 2024 was approximately \$664 million.

MPI commissioned an independent economic analysis of the long-term benefits expected from SFF Futures investments, completed in February 2024. The modelling estimated that the portfolio will produce \$4.3 billion in net present-value benefits over the next 30 years, a nine-times return on investment. Benefits could be as high as \$6.1 billion after 30 years, a 13-times return on investment.

Most SFF Futures projects target increased sales or productivity. These projects would be expected to contribute to future growth in New Zealand's export volume or value in addition to domestic growth.

## Assessment of service performance

	2023/24			2022/23	2021/22
Performance measure	Standard	Actual	Variance explanation	Actual	Actual
<b>Non-Departmental Other Expenses</b>					
Total value of contracts under active management in the Sustainable Food and Fibre Futures portfolio <sup>5</sup>	Minimum \$200 million	\$323,928,977	The Sustainable Food and Fibre Futures portfolio consists of 187 'In Progress' projects totaling \$323.9 million of MPI funding and total project funding of \$719.5 million. This is a point in time figure and should not be aggregated across the year. The actual result varied from the committed funding as this has included other administration costs.	\$340,566,400	\$294,570,003
Percentage of contracts completed in the financial year that met all their contracted deliverables <sup>6</sup>	90-100%	96.7%	There were 61 Sustainable Food and Fibre Futures projects completed in this financial year. All but two projects met their contracted deliverables. One grant project did not meet contracted deliverables as the grantee discontinued project due to unfavourable trials. One partnership project was terminated early by mutual agreement as it could not deliver a commercially viable product.	98.6%	100%

2022/23 \$000	Appropriation, adjustment and use	2023/24 \$000
255,491	<b>Original appropriation – over five years from 1 October 2019 to 30 June 2024</b>	255,491
(6,166)	Adjustments to 2023	(6,166)
-	- Adjustments for 2024	-
249,325	Adjusted Appropriation	249,325
169,822	Actual expenses to 2023	169,822
-	- Actual expenses for 2024	64,517
<b>79,503</b>	<b>Appropriation remaining</b>	<b>14,986</b>

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/>

### Contextual note

- Minimum \$200 million is an aggregated total of MPI funding of all live contracts (whole of life cost). Active management means in-progress projects that have been contracted and being individually managed. This note was amended to include 'whole of life cost' to provide more clarity for the reader.
- 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/>

# Non-departmental appropriations exempt from end-of-year reporting

The following non-departmental appropriations were exempted from end-of-year performance reporting under Vote Agriculture, Biosecurity, Fisheries and Food Safety.

## Non-Department Other Expenses

**COVID 19 Assistance for Primary Industries:** An exemption was granted as the appropriation is one from which resources will be provided to a person or entity other than a department, a functional chief executive, an Office of Parliament, or a Crown entity under s15D(2)(b)(iii) of the Public Finance Act, and the amount of this annual appropriation for a non-departmental other expense is less than \$5 million.

**Fisheries: Provision for Fisheries Debt Write Downs:** An exemption was granted as the appropriation is one from which resources will be provided to a person or entity other than a department, a functional chief executive, an Office of Parliament, or a Crown entity under s.15D(2)(b)(ii) of the PFA, as additional performance information is unlikely to be informative because this appropriation is solely for payments made in accordance to statutory requirement.

**Subscriptions to International Organisations:** An exemption was granted as the appropriation is one from which resources will be provided to a person or entity other than a department, a functional chief executive, an Office of Parliament, or a Crown entity under s15D(2)(b)(iii) of the Public Finance Act as the amount of this annual appropriation for a non-departmental other expense is less than \$5 million.

## Non-Departmental Benefits or Related Expenses

**Agriculture: Rural Veterinarians Bonding Scheme:** An exemption was granted as the appropriation is one from which resources will be provided to a person or entity other than a department, a functional chief executive, an Office of Parliament, or a Crown entity under s.15D(2)(b)(ii) of the PFA, as additional performance information is unlikely to be informative because this appropriation is solely for payments under the Rural Veterinarians Bonding Scheme.

# Forestry and Other Economic Development, and Erosion Control

## Introduction

This report covers Vote Forestry Non-Departmental Other Expense Multi-Year Appropriation (MYA) for 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 district (also known as Tairāwhiti). This region is renowned for its susceptibility to erosion with 26 percent of the region recognised as vulnerable to severe erosion compared with eight percent for the rest of New Zealand. The area also experiences high-intensity rainfall events which influence the rate of erosion processes.

The purpose of ECFP grants was to plant enough trees to prevent further erosion or to encourage natural reversion to indigenous forests.

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. Eight community projects were approved, with four now complete.

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 158 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

Over the 2023/24 funding year, a total of 277 hectares was assessed as 'established' under the ECFP, exceeding the target of 100 hectares. This means the planted trees have been verified as successfully established. Over the life of the ECFP, 45,847 hectares of erosion prone land have been treated.

## Assessment of service performance

	2023/24			2022/23	2021/22
Performance measure	Standard	Actual	Variance explanation	Actual	Actual
<b>Non-Departmental Output Expenses</b>					
Number of hectares established under the Erosion Control Funding Programme in the financial year <sup>7</sup>	100ha	277ha	Several large blocks of land treatments were verified as established by Te Uru Rākau – New Zealand Forest Service inspections during 2023/24. The standard was exceeded due to some blocks that were impacted by Cyclone Gabrielle completing work sooner than expected, and other blocks with overdue establishment milestones completing their work in 2023/24.	93.8ha	144ha

2022/23 \$000	Appropriation, adjustment and use	2023/24 \$000
2,000	<b>Original appropriation – over five years from 1 July 2021 to 30 June 2026</b>	2,000
14,250	Adjustments to 2023	14,250
-	Adjustments for 2024	-
16,250	Adjusted Appropriation	16,250
1,689	Actual expenses to 2023	1,689
-	Actual expenses for 2024	434
<b>14,561</b>	<b>Appropriation remaining</b>	<b>14,127</b>

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/>

### Contextual note

7. "Hectares established" translates to trees planted that are surviving. The measure was slightly amended to be clearer of the objective of the funding.



# Forestry: Capital investment in the Crown's Forestry Assets

## Introduction

This report covers Vote Forestry Non-Departmental Capital Expenditure Multi-Year Appropriation (MYA) for Forestry: 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 over the life of the programme. 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 20,785 stocked hectares (as of February 2024). In 2023/24, 1,670 hectares fertilised, 656 hectares of first lift pruning, and 65 hectares of thinning operations were completed. The current book value of these forests is \$63.04 million, an increase of \$11 million (21 percent) from June 2023.

## Assessment of service performance

	2023/24			2022/23	2021/22
Performance measure	Standard	Actual	Variance explanation	Actual	Actual
<b>Non-Departmental Output Expenses</b>					
Hectares of One Billion Trees joint venture forest assets contracted for planting over the 2024 planting season <sup>8</sup>	175ha	113ha	The standard for the measure was not met because the contracted area for planting during 2024 planting season was not ready as weed species were still present following pre-plant spray operations. Planting has been rescheduled for 2025 planting season to allow time for further breakdown and ensure successful establishment of trees planted.	342ha	1,006ha

2022/23 \$000	Appropriation, adjustment and use	2023/24 \$000
55,600	<b>Original appropriation – over five years from 1 July 2022 to 30 June 2027</b>	55,600
21,082	Adjustments to 2023	21,082
-	- Adjustments for 2024	-
76,682	Adjusted Appropriation	76,682
2,817	Actual expenses to 2023	2,817
-	- Actual expenses for 2024	2,768
<b>73,865</b>	<b>Appropriation remaining</b>	<b>71,097</b>

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/>

### Contextual note

8. This measure relates to the area contracted for planting for a given planting season (June to August). The measure was slightly amended to be clearer of the objective of the funding, indicating that it is only measuring the One Billion Trees Joint Venture programme.

