

# The Ministry of Agriculture and Forestry

## Role and Functions of MAF

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

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

2. This outcome statement recognises that the sectors are all based on natural resources (land, water, genetic material) and biological production systems, and heavily reliant on international trade for their profitability. The papers on the agricultural, horticultural and forestry sectors describes the contribution that the sectors make to economic activity in New Zealand.

3. In considering the contribution that MAF can make to the outcomes sought from the sectors, MAF has described its purpose:

*To create opportunity for and manage risk to New Zealand and the food, fibre, forestry and associated industries;*

and its roles:

*To provide policy advice on the trading environment, sustainable resource use and the regulation of product safety, biosecurity and related matters;*

*To administer the regulation of product safety, biosecurity and related matters;*

*To provide services where government needs to be the provider.*

## Where MAF has come from and its Strategic Direction

4. MAF has been the subject of almost constant restructuring over the past fifteen years.
5. The 1<sup>st</sup> of July 2002 saw the establishment of the New Zealand Food Safety Authority (NZFSA) as a semiautonomous body attached to MAF. The NZFSA is an integrated food safety agency bringing together the primary processing and export assurance functions of MAF with the domestic food safety functions of the Ministry of Health (see *The New Zealand Food Safety Authority* for further details on the make-up and strategy of the NZFSA).
6. A Biosecurity Strategy for New Zealand is being developed. This Strategy will recognise the expanding scope of the biosecurity risks faced by New Zealand and set an integrated strategy for responding to those risks. The Strategy will acknowledge the current fragmented nature of biosecurity responsibilities within government and may suggest changes to current arrangements. MAF is currently the biggest and most developed biosecurity agency within government.
7. Past restructuring (some of which has been internally driven) has resulted in:
  - a clear focus on the policy issues facing the sectors;

- a clear focus on the implementation of policy in the biosecurity, animal welfare and food assurances roles and in particular the development of an internationally recognised centre of excellence in the development and implementation of science based risk analysis and management; and
  - a significant reduction in the role of MAF in the delivery of services with the corporatisation of some services into SOEs, the contracted outsourcing of services and the reliance on “market providers”.
8. Given that the benefits described above have largely been achieved it is timely to refocus on MAF as a whole. Two interlinked initiatives will be pursued in the short to medium term.
- Firstly, areas of actual and potential co-dependency and synergy across MAF will be identified and pursued to ensure MAF is able to contribute more effectively to the achievement of Government’s outcomes. We will initially look for these areas internally, and then externally within Government and more broadly, to ensure MAF is contributing effectively and to the extent that is fully able to meet whole of government outcomes.
  - Secondly, greater emphasis will be put on the development and enhancement of corporate systems and processes which underpin effective and efficient delivery. These will include improved strategic and financial planning (including prioritisation processes), improved information management processes and a greater emphasis on capability development.
9. The first step will be the appointment of a Deputy Director-General to take responsibility for Corporate Systems and MAF cross cutting functions.
10. MAF’s existing medium term strategic goals have been in place for some time. The appointment of a new Chief Executive and the requirement to develop a Statement of Intent for the 2003/04 financial year provide an opportunity to reconsider the Ministry’s goals and objectives. That said, MAF’s key result areas will continue to involve:
- the economic contribution of the sectors to national wellbeing through trade liberalisation, market access, improved domestic policy interventions, Māori development and strengthened rural communities;
  - the contribution of the sectors to national environmental wellbeing through improved management practices (with respect to matters such as water, land management, pest and weed management, sustainable indigenous forestry and climate change);
  - maintaining and enhancing New Zealand’s biosecurity status; and
  - the provision of world class food safety assurances to New Zealanders and foreign trading partners.
  - MAF’s current strategic goals and the contribution made to their achievement are set out in Appendix A.

## How MAF is Organised

11. The MAF organisational structure is attached as Appendix B.

## **MAF POLICY**

12. MAF Policy exists to provide information, analysis and advice to government on issues affecting the economic and environmental performance of the sectors. It is divided into six Business Units:

- International Policy;
- Sector Performance Policy;
- Sustainable Resource Use Policy;
- Biosecurity and Science Policy;
- Policy Information and Regions; and
- Business Services.

The Policy Information and Regions Group provides MAF's link with rural New Zealand, producers, processors, and the communities within which they operate.

## **NEW ZEALAND FOOD SAFETY AUTHORITY**

13. The New Zealand Food Safety Authority (NZFSA) is a semi-autonomous body attached to MAF. The NZFSA exists to protect and promote public health and safety and facilitate access to markets for New Zealand food products and by-products. It is divided into the following Business Units:

- Agriculture and Veterinary Medicines;
- Animal Products;
- Dairy and Plant Products;
- Communications and Business Services;
- Policy and Regulatory Standards;
- Programme Development; and
- Processed Foods and Retail Sales.

## **BIOSECURITY AUTHORITY**

14. The Biosecurity Authority exists to protect New Zealand's unique biodiversity and facilitates exports by managing risks to plant and animal health and animal welfare. It is divided into four Business Units:

- Animal Biosecurity;
- Animal Welfare;
- Plants Biosecurity; and
- Forests Biosecurity.

## **FOREST MANAGEMENT GROUP**

15. The Forest Management Group manages and administers the government's responsibilities in the sustainable management of indigenous forests, the East Coast Forestry Project, Forestry Encouragement Loans and Crown Lease forests on Māori land.

## **OPERATIONS GROUP**

16. MAF Operations is the delivery arm of MAF. It supplies technical biosecurity clearances, verification and evaluation services for standards compliance, and a diagnostic and emergency response capability for animal and plant pests and diseases. It is divided into three Business Units:
- MAF Quarantine Service (which provides biosecurity and biodiversity protection at ports and airports);
  - Verification Agency (which provides evaluation, verification and certification services to the sectors); and
  - National Centre for Disease Investigation (which includes the New Zealand Animal Health Reference laboratory and the Exotic Disease Response Centre) and the National Plant Pest Reference Laboratory.

## **CORPORATE SERVICES GROUPS**

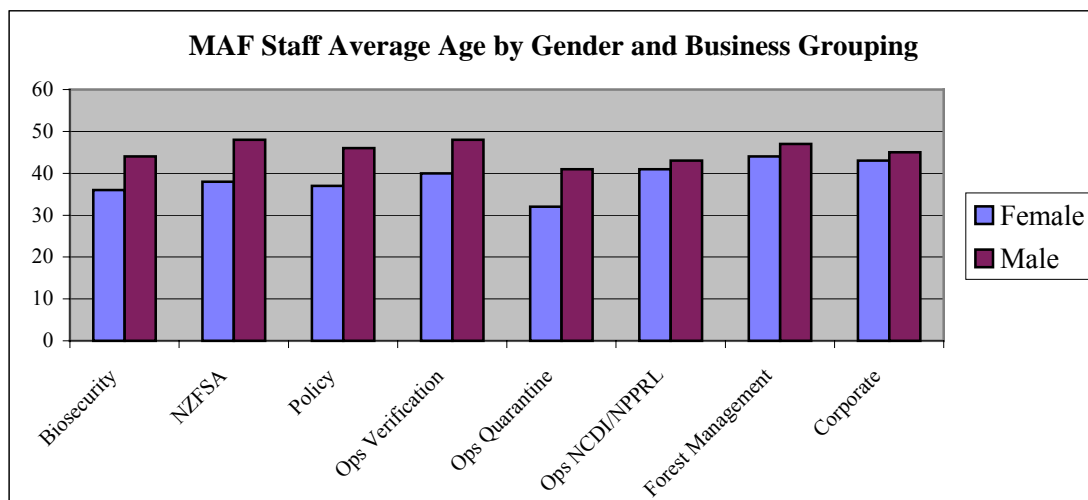
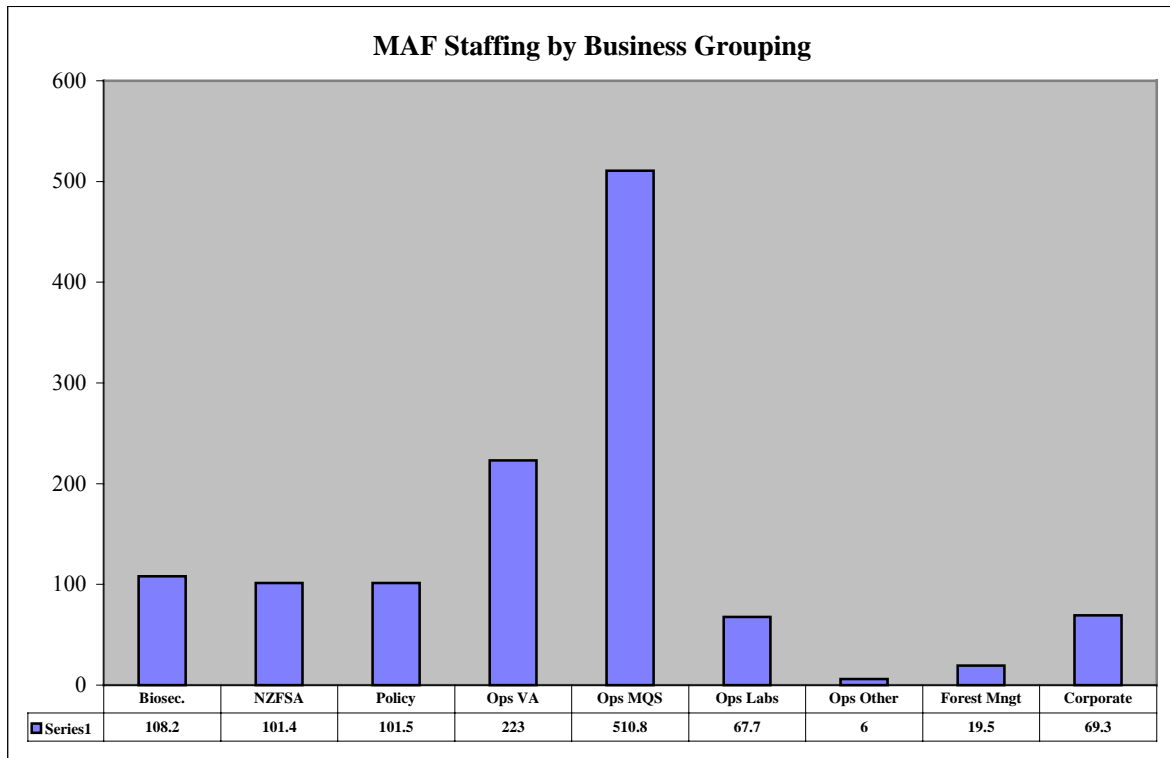
17. In addition, MAF has the following corporate services groups:
- Corporate Human Resources;
  - Corporate Information – Management and technology;
  - Corporate Finance; and
  - Corporate Services, which is made up of:
    - Accountability Documents and Ministerial Services;
    - Accommodation and Services;
    - Corporate Communications; and
    - Legal Services.

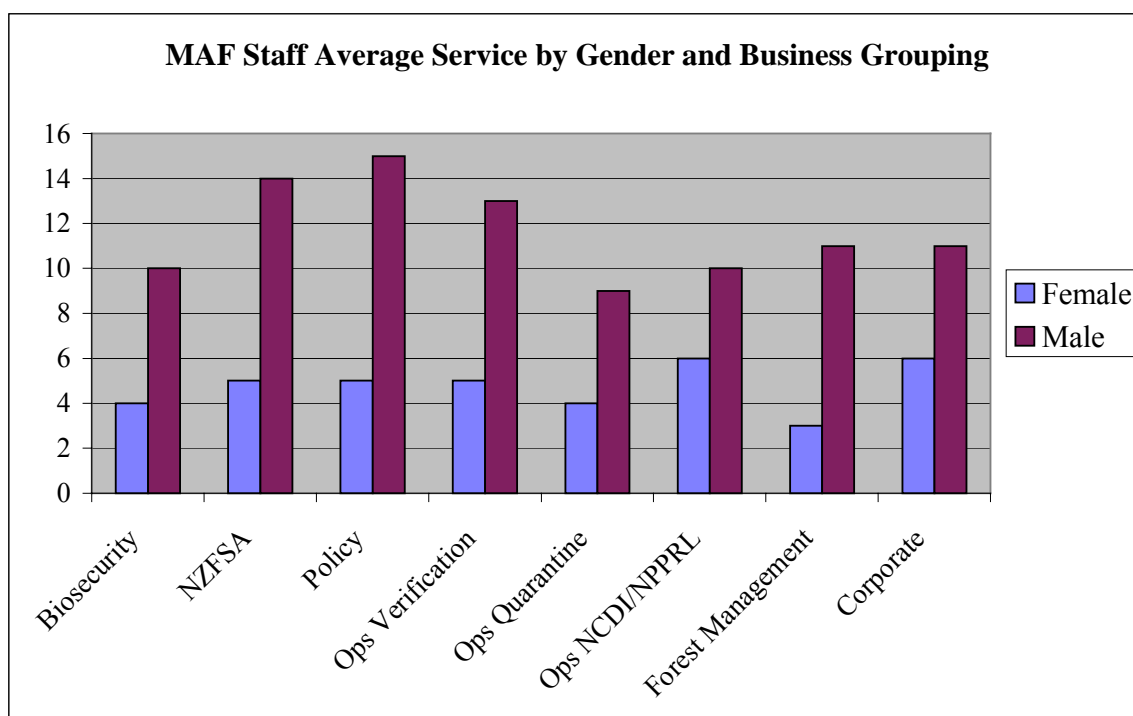
## **People Resources**

18. MAF has approximately 1300 staff spread throughout the country from Dargaville to Bluff and a few at international locations. Main concentrations of staff are at Auckland (particularly undertaking Quarantine roles), Wellington and Christchurch. The significant rural presence that MAF once maintained has largely been dismantled with the movement of field staff to SOEs in 1998.
19. The majority of staff within MAF are tertiary qualified in a scientific discipline. A continuing decrease in relevant biological science enrolments at Universities is impacting

on recruitment and our ability to fulfil diversity targets. MAF is currently reviewing its ability to recruit and retain staff with the capability required to meet its accountabilities and government’s expectations. It is becoming increasingly difficult to build (or even to maintain) capability in the current labour market environment with no increases in baselines.

20. The following graphs illustrate MAF’s people resources.





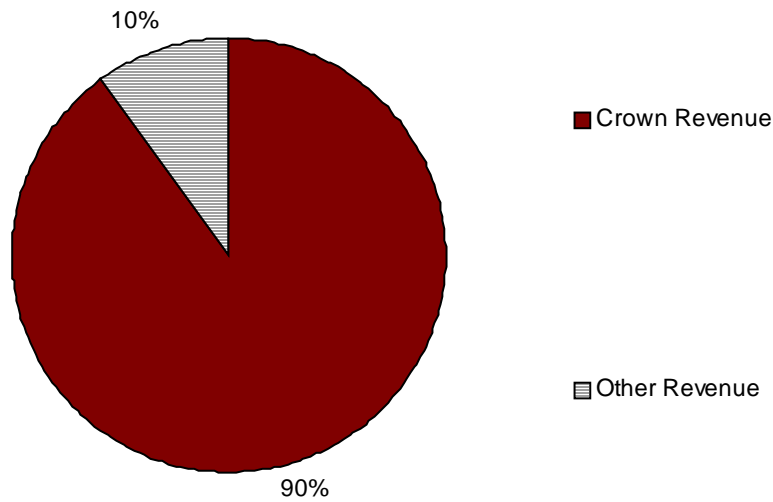
## Financial Resources

21. Overall, the Ministry's financial position is sound with adequate cash reserves to meet known future capital expenditure requirements. With the establishment of the New Zealand Food Safety Authority the Ministry will now be managing its finances within a structure of three votes and five ministers.
22. An unsuccessful bid was made in the 2002 new initiatives budget round for revenue to cover the cost of information management developments including document, file and content management and business continuity. The Ministry was directed to prepare a business case and a comprehensive project plan and report back in time for the initiative to be considered in the 2003 Budget.
23. In Vote Biosecurity (Agriculture and Forestry) the Border Inspection output class (D3) includes:
  - Crown funded outputs where the revenue is not covering the costs of the services provided (Passenger and Mail Clearance); and
  - third party funded outputs where the revenue is in excess of the cost of providing the services (Cargo Clearance).

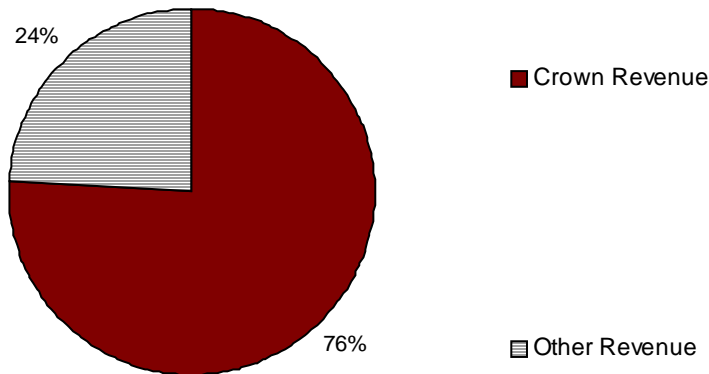
Action underway to amend the Biosecurity Cost Regulations will highlight this issue by bringing the revenue from cargo inspection more in line with the actual costs, thus exposing the shortfall in Crown funding.

24. There may be a requirement for significant additional funding to pursue eradication of the Painted Apple Moth, depending on a decision yet to be made by Cabinet.
25. The following graphs illustrate the total revenue for Vote Agriculture and Forestry, Vote Biosecurity and Vote Food Safety broken down into Crown revenue and other revenue. These figures are based on the main Estimates for 2002/03. Details of Vote Agriculture

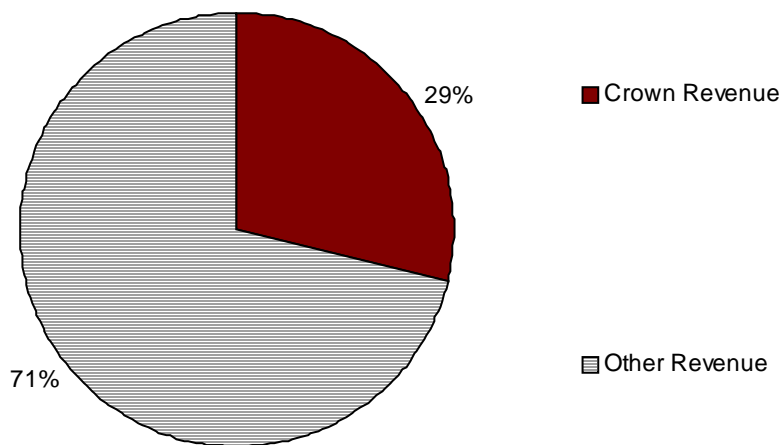
and Forestry, Vote Biosecurity and Vote Food Safety by output class are attached as Appendix C.



Vote Agriculture and Forestry Total Revenue based on Main Estimates 2002/03



Vote Biosecurity Total Revenue based on Main Estimates 2002/03



Vote Food Safety Total Revenue based on Main Estimates 2002/03

## Crown Entities

26. There are two Crown entities within MAF's area of responsibility. These are:

- The Agricultural and Marketing Research and Development Trust (AGMARDT) – AGMARDT was established in 1987 with the objective of promoting and encouraging the New Zealand agricultural, pastoral, horticultural and forestry industries. It supports research and education in agriculture. The Trust concentrates its support on industry sectors where there appears to be inadequate or no support from conventional sources. As part of its education programme, it also offers scholarships for undergraduate students to work for Masterate and PhD degrees in New Zealand universities in fields relating to agriculture.
- Animal Control Products Limited (ACP) – ACP commenced operation in the 1950s, mixing toxins and later manufacturing finished bait products for agencies involved in controlling a wide range of introduced vertebrate pests including rabbits, wallabies, possums, rooks and feral ungulates. ACP undertakes direct sales to government agencies such as the Department of Conservation and regional councils. It has also developed an extensive retail presence with 120 outlets throughout New Zealand, serviced by Mark Bell-Booth Limited. ACP operates a proactive research and development programme and works closely with Landcare Research to enhance its existing products and develop new innovative solutions to serve the pest control industry. Overseas markets are also serviced by ACP's well-established export capabilities. The Crown Company Monitoring Advisory Unit is responsible for monitoring ACP.

# Appendix A

## MAF'S Strategic Goals

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

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

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

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

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

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

**Biosecurity** – By 2010 New Zealand will have in place an integrated, effective and accepted risk management regime for biosecurity that meets expectations and international obligations.

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

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

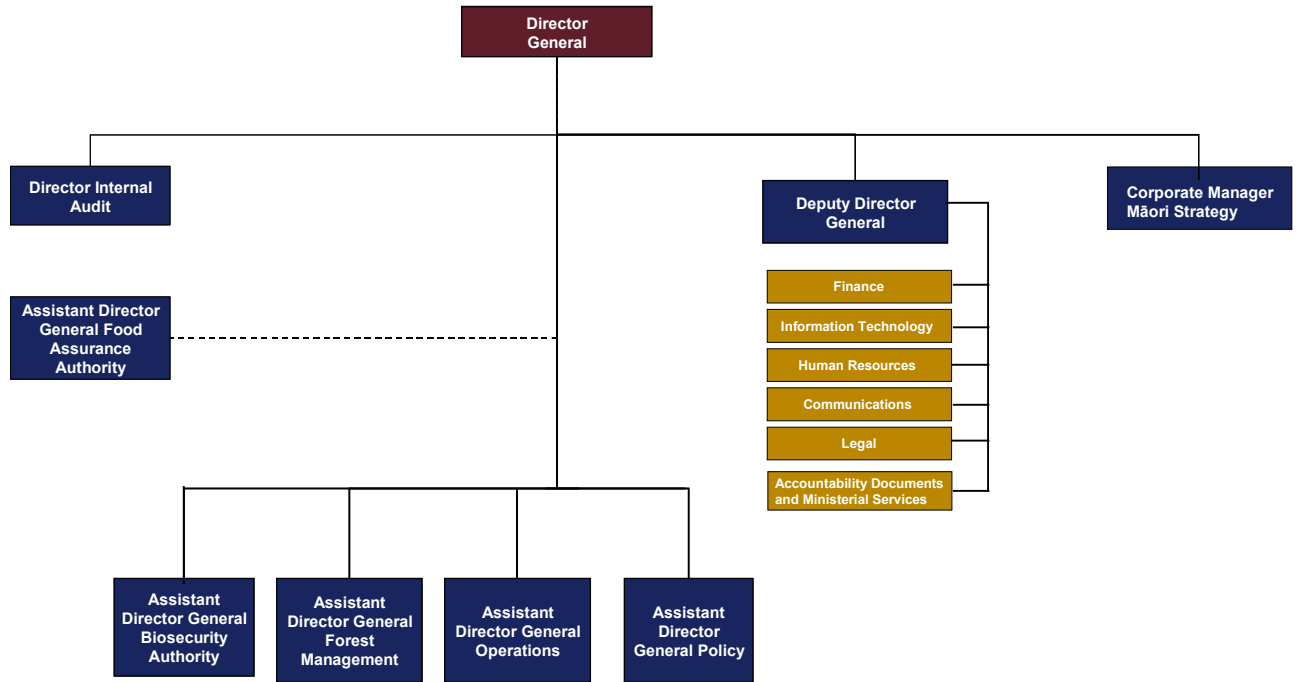
MAF will have identified with Māori their aspirations for, expectations of, and impediments to optimising the benefits to them from the productive resources they own and assessed both the need for and efficiency of central and local government interventions, which impede or assist Māori in meeting their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

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

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

# Appendix B

## MAF Organisational Structure



# Appendix C

## FINANCES

Output Classes No. Description	Revenue Crown \$000	%	Revenue Other \$000	%	Total Revenue \$000	Expenditure \$000	Surplus/ (Deficit) \$000
<b>Vote Agriculture and Forestry</b>							
D1 Agriculture and Forestry Policy Advice	14,972	99	200	1	15,172	15,172	-
D2 Administration of Indigenous Forestry Provisions	1,584	94	100	6	1,684	1,684	-
D3 Contract, Grant and Asset Management	2,294	99	20	1	2,314	2,314	-
D4 Contestable Services	-	-	1,800	100	1,800	1,800	-
<b>Total Vote Agriculture and Forestry</b>	<b>18,850</b>	<b>90</b>	<b>2,120</b>	<b>10</b>	<b>20,970</b>	<b>20,970</b>	<b>-</b>
<b>Vote Biosecurity, Agriculture and Forestry</b>							
D1 Biosecurity and Animal Welfare Policy Advice	3,938	100	-	-	3,938	3,938	-
D2 Administration of Biosecurity and Animal Welfare Standards and Pest Management Strategies	9,921	85	1,718	15	11,639	11,639	-
D3 Border Inspection	20,793	62	12,670	38	33,463	33,463	-
D4 Disease and Pest Surveillance Response Capability	15,820	94	1,032	6	16,852	16,852	-
D5 Enforcement and Prosecutions	2,136	98	40	2	2,176	2,176	-
D6 Specific Disease and Pest Responses	3,294	98	83	2	3,377	3,377	-
D13 Discretionary Services	-	-	2,423	100	2,423	2,423	-
<b>Total Vote Biosecurity</b>	<b>56,213</b>	<b>76</b>	<b>17,966</b>	<b>24</b>	<b>74,179</b>	<b>74,179</b>	<b>-</b>
<b>Vote Food Safety</b>							
D1 Food Safety Policy Advice	1,462	100	-	-	1,462	1,462	-
D2 Regulatory Standards	12,222	45	15,340	55	27,562	27,562	-
D3 Response to "Food Safety" Emergencies	100	100	-	-	100	100	-
D4 Systems Audit and Enforcement	1,921	50	2,047	50	3,968	3,968	-
D5 Consultation and Food Safety Information	944	100	-	-	944	944	-
D6 Regulatory Programmes	1,916	6	28,132	94	30,048	30,048	-
<b>Total Vote Food Safety</b>	<b>18,565</b>	<b>29</b>	<b>45,519</b>	<b>71</b>	<b>64,084</b>	<b>64,084</b>	<b>-</b>
<b>Total All Votes</b>	<b>93,628</b>	<b>59</b>	<b>65,605</b>	<b>41</b>	<b>159,233</b>	<b>159,233</b>	<b>-</b>