

# *Vote Forestry*

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APPROPRIATION MINISTER(S): Minister of Forestry (M35)

DEPARTMENT ADMINISTERING THE VOTE: Ministry for Primary Industries (A14)

RESPONSIBLE MINISTER FOR MINISTRY FOR PRIMARY INDUSTRIES: Minister of Agriculture

## *Overview of the Vote*

The Minister of Forestry is responsible for appropriations in the Vote for the 2023/24 financial year covering just over \$193 million for the following:

- just over \$57 million for the provision of advice to support decision-making by Ministers, implementation of policy decisions, operational policy and administration of legislation relating to forestry
- just over \$32 million for the operational management of the Crown's forests
- just over \$28.500 million for climate emergency response implementation and administration
- just over \$24 million for the provision of initiatives, grants and programmes to establish trees or build skills, capability and capacity in the forestry sector
- \$18 million for the purchase or planting of the Crown's forestry assets
- just under \$7 million for the North Island Weather Event Cyclone Gabrielle response and recovery
- \$6.300 million for the projects which protect erosion-prone hill country
- just under \$6 million for the administration of government approved schemes, grants and assistance to the forestry sector
- just over \$5 million for supporting investments in the Forestry sector that contribute to achieving New Zealand's domestic and international climate targets
- just over \$4.500 million for supporting community and industry groups to implement programmes in the Forestry Sector funded from the Climate Emergency Response Fund
- just over \$2.5 million for forestry and other economic development and erosion control in the Tairāwhiti region, and
- just under \$2 million for the management of the Crown's interest in forest and forestry-related assets.

### **Crown Revenue and Capital Receipts**

Ministers expect to collect just over \$25 million of Crown revenue and capital receipts in 2023/24. This is mainly comprised of sale of forest produce revenue.

Details of these appropriations are set out in Parts 2-4.

# Details of Appropriations and Capital Injections

## Annual Appropriations and Forecast Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Multi-Category Expenses and Capital Expenditure</b>			
<b>Growth and Development of the Forestry Sector MCA (M35) (A14)</b>	181,508	181,508	<b>172,715</b>
The single overarching purpose of this appropriation is to support the growth and development of the forestry sector.			
<b>Departmental Output Expenses</b>			
<i>Forestry: Administration of Grants and Programmes</i>	7,252	7,252	5,891
This category is limited to the administration of government approved schemes, grants and assistance to the forestry sector.			
<i>Forestry: Climate Emergency Response implementation and administration</i>	5,598	5,598	28,664
This category is limited to expenses incurred in implementing and administering programmes in the Forestry Sector funded from the Climate Emergency Response Fund.			
<i>Forestry: Management of the Crown's Forestry Assets</i>	1,927	1,927	1,954
This category is limited to the management of the Crown's interest in forests and forestry-related assets.			
<i>Forestry: Policy Advice and Ministerial Servicing</i>	60,396	60,396	57,159
This category is limited to supporting Ministers on Government policy matters through the provision of advice (including second opinion advice and contributing to policy advice led by other agencies), implementation of policy decisions, operational policy, administering legislation, and ministerial servicing relating to forestry.			
<b>Non-Departmental Output Expenses</b>			
<i>Forestry: Climate Emergency Response Fund</i>	50	50	4,578
This category is limited to supporting community and industry groups to implement programmes in the Forestry Sector funded from the Climate Emergency Response Fund.			
<i>Forestry: Operational management of the Crown's Forests</i>	46,636	46,636	32,171
This category is limited to the purchase of forestry operation and management services.			
<b>Non-Departmental Other Expenses</b>			
<i>Forestry: Grants and partnerships programmes</i>	46,249	46,249	24,320
This category is limited to the use of initiatives and grants, and programmes to establish trees or build skills, capability and capacity in the forestry sector.			
<i>Forestry: Hill Country Erosion Fund</i>	10,000	10,000	6,300
This category is limited to projects that protect erosion-prone hill country.			
<i>North Island Weather Event: Cyclone Gabrielle Response and Recovery</i>	3,400	3,400	6,600
This category is limited to providing support to councils to take short to medium term measures towards mitigating the risk from woody debris to critical infrastructure in the event of significant weather events.			
<b>Non-Departmental Capital Expenditure</b>			
<i>Forestry: Capital Climate Response Investments</i>	-	-	5,078
This category is limited to supporting investments in the Forestry sector that contribute to achieving New Zealand's domestic and international climate targets.			
<b>Total Multi-Category Expenses and Capital Expenditure</b>	181,508	181,508	172,715
<b>Total Annual Appropriations and Forecast Permanent Appropriations</b>	181,508	181,508	172,715

## Multi-Year Appropriations

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
<b>Non-Departmental Other Expenses</b>		
<b>Forestry and Other Economic Development, and Erosion Control (M35) (A14)</b> This appropriation is limited to forestry and other economic development and erosion control in the Tairāwhiti region.  Commences: 01 July 2021  Expires: 30 June 2026	Original Appropriation	2,000
	Adjustments to 2021/22	14,250
	Adjustments for 2022/23	-
	Adjusted Appropriation	16,250
	Actual to 2021/22 Year End	1,026
	Estimated Actual for 2022/23	7,537
	Estimate for 2023/24	2,563
	Estimated Appropriation Remaining	5,124
<b>Non-Departmental Capital Expenditure</b>		
<b>Forestry: Capital investment in the Crown's Forestry Assets (M35) (A14)</b> This appropriation is limited to the purchase or planting of the Crown's Forestry assets.  Commences: 01 July 2022  Expires: 30 June 2027	Original Appropriation	55,600
	Adjustments to 2021/22	-
	Adjustments for 2022/23	21,082
	Adjusted Appropriation	76,682
	Actual to 2021/22 Year End	-
	Estimated Actual for 2022/23	16,682
	Estimate for 2023/24	18,000
	Estimated Appropriation Remaining	42,000

## Total Annual Appropriations and Forecast Permanent Appropriations and Multi-Year Appropriations

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Annual Appropriations and Forecast Permanent Appropriations	181,508	181,508	172,715
Total Forecast MYA Non-Departmental Other Expenses	7,537	7,537	2,563
Total Forecast MYA Non-Departmental Capital Expenditure	16,682	16,682	18,000
<b>Total Annual Appropriations and Forecast Permanent Appropriations and Multi-Year Appropriations</b>	<b>205,727</b>	<b>205,727</b>	<b>193,278</b>

# Supporting Information

## Part 1 - Vote as a Whole

### 1.1 - New Policy Initiatives

Policy Initiative	Appropriation	2022/23 Final Budgeted \$000	2023/24 Budget \$000	2024/25 Estimated \$000	2025/26 Estimated \$000	2026/27 Estimated \$000
Drawdown of Tagged Contingency Delivering Industry Transformation Plans in Partnership with Primary Sectors	<b>Growth and Development of the Forestry Sector (MCA)</b> Forestry: Policy Advice and Ministerial Servicing Departmental Output Expenses	-	1,440	1,720	1,740	-
	<b>Growth and Development of the Forestry Sector (MCA)</b> Forestry: Grants and partnership programmes Non-Departmental Output Expense	-	3,000	8,500	6,600	-
Drawdown of Tagged Contingency Increasing Woody Biomass Supply to Replace Coal and other Carbon Intensive Fuels and Materials	<b>Growth and Development of the Forestry Sector (MCA)</b> Forestry: Climate Emergency Response Implementation and Administration Departmental Output Expenses	-	4,351	4,345	4,313	4,312
	<b>Growth and Development of the Forestry Sector (MCA)</b> Forestry: Climate Emergency Response Fund Non-Departmental Output Expenses	50	1,418	2,890	3,223	3,658
Establishing the Wood Processing Growth Fund to deliver the Budget 2022 Maximising Carbon Storage Initiative	<b>Growth and Development of the Forestry Sector (MCA)</b> Forestry: Climate Emergency Response implementation and administration Departmental Output Expenses	-	1,803	1,798	1,716	1,954
	<b>Growth and Development of the Forestry Sector (MCA)</b> Forestry Climate Emergency Respond Fund Non-Departmental Output Expenses	-	3,160	3,061	3,143	3,005
Drawdown of Tagged Contingency for Establishing native forests at scale to develop long-term carbon sinks and improve biodiversity	<b>Growth and Development of the Forestry Sector (MCA)</b> Forestry: Climate Emergency Response implementation and administration Departmental Output Expenses	8,612	10,726	7,694	7,694	7,694

Policy Initiative	Appropriation	2022/23 Final Budgeted \$000	2023/24 Budget \$000	2024/25 Estimated \$000	2025/26 Estimated \$000	2026/27 Estimated \$000
Mitigating the risk of impact from woody debris to critical infrastructure	<b>Growth and Development of the Forestry Sector (MCA)</b> Forestry: Administration of Grants and Programmes Departmental Output Expenses	150	-	-	-	-
	<b>Growth and Development of the Forestry Sector (MCA)</b> North Island Weather Event: Cyclone Gabrielle Response and Recovery Non-Departmental Other Expenses	3,400	6,600	-	-	-
<b>Total Initiatives</b>		12,212	32,498	30,008	28,429	20,623

## 1.2 - Trends in the Vote

### Summary of Financial Activity

	2018/19	2019/20	2020/21	2021/22	2022/23		2023/24			2024/25	2025/26	2026/27
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Final Budgeted \$000	Estimated Actual \$000	Departmental Transactions Budget \$000	Non- Departmental Transactions Budget \$000	Total Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
<b>Appropriations</b>												
Output Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Benefits or Related Expenses	-	-	-	-	-	-	N/A	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	4,904	8,802	4,765	1,026	7,537	7,537	-	2,563	2,563	2,563	2,561	-
Capital Expenditure	6,802	14,899	8,084	4,418	16,682	16,682	-	18,000	18,000	3,600	21,400	17,000
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Multi-Category Expenses and Capital Expenditure (MCA)												
<i>Output Expenses</i>	109,447	115,238	124,158	100,952	121,859	121,859	93,668	36,749	130,417	127,601	122,455	98,464
<i>Other Expenses</i>	13,611	22,432	51,670	43,188	59,649	59,649	-	37,220	37,220	31,949	15,633	7,427
<i>Capital Expenditure</i>	-	-	-	-	-	-	N/A	5,078	5,078	9,483	6,985	1,874
<b>Total Appropriations</b>	134,764	161,371	188,677	149,584	205,727	205,727	93,668	99,610	193,278	175,196	169,034	124,765
<b>Crown Revenue and Capital Receipts</b>												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	103,522	94,675	117,363	56,759	41,823	41,823	N/A	25,382	25,382	35,153	26,016	6,148
Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-
<b>Total Crown Revenue and Capital Receipts</b>	103,522	94,675	117,363	56,759	41,823	41,823	N/A	25,382	25,382	35,153	26,016	6,148

Note - where restructuring of the vote has occurred then, to the extent practicable, prior years information has been restated as if the restructuring had occurred before the beginning of the period covered. In this instance Total Appropriations for the Budgeted and Estimated Actual year may not equal Total Annual Appropriations and Forecast Permanent Appropriations and Multi-Year Appropriations in the Details of Appropriations and Capital Injections.

## Adjustments to the Summary of Financial Activity Table Due to Vote Restructuring

There has been no restructuring adjustments to prior year information in the Summary of Financial Activity table.

### 1.3 - Analysis of Significant Trends

#### *Non-Departmental Other Expenses*

Non-departmental other expenditure trends down over the forecast period. This is primarily due to funding of the Forestry Grants and Partnerships decreasing.

#### *Crown Revenue and Capital Receipts*

Crown Revenue or Capital Receipt Item	2022/23		2023/24	Description of Crown Revenue or Capital Receipt Item
	Budgeted \$000	Estimated Actual \$000	Budgeted \$000	
<b>Crown Revenue</b>				
Sale of Forest Produce	41,673	41,823	25,382	Revenue from the sale of forest produce from Crown forests is higher in 2022/23 compared to 2023/24, as the harvesting activities were brought forward into 2022/23 due to impacts of Cyclone Gabrielle.
New Zealand Emissions Trading Scheme	150	-	-	Fees received from forest landowners joining the New Zealand Emissions Trading Scheme. The decrease is due to this revenue stream shifting from non-departmental to departmental.
<b>Total Crown Revenue and Capital Receipts</b>	<b>41,823</b>	<b>41,823</b>	<b>25,382</b>	

## Part 3 - Details of Non-Departmental Appropriations

### 3.4 - Non-Departmental Other Expenses

#### Forestry and Other Economic Development, and Erosion Control (M35) (A14)

##### *Scope of Appropriation and Expenses*

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
<b>Forestry and Other Economic Development, and Erosion Control (M35) (A14)</b> This appropriation is limited to forestry and other economic development and erosion control in the Tairāwhiti region.  Commences: 01 July 2021  Expires: 30 June 2026	Original Appropriation	2,000
	Adjustments to 2021/22	14,250
	Adjustments for 2022/23	-
	Adjusted Appropriation	16,250
	Actual to 2021/22 Year End	1,026
	Estimated Actual for 2022/23	7,537
	Estimate for 2023/24	2,563
	Estimated Appropriation Remaining	5,124

##### *What is Intended to be Achieved with this 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.

##### *How Performance will be Assessed and End of Year Reporting Requirements*

Assessment of Performance	2022/23		2023/24
	Final Budgeted Standard	Estimated Actual	Budget Standard
Number of hectares established under the Erosion Control Funding Programme per annum (see Note 1)	100ha	100ha	100ha

Note 1 - "Hectares established" translates to trees planted that are surviving.

##### *End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Minister of Forestry in a report appended to the Ministry for Primary Industries' annual report.

##### *Service Providers*

Provider	2022/23 Final Budgeted \$000	2022/23 Estimated Actual \$000	2023/24 Budget \$000	Expiry of Resourcing Commitment
Grant Recipient landowners for forestry treatments to address wide-scale erosion problems in the Gisborne District	7,537	7,537	2,563	June 2031
<b>Total</b>	<b>7,537</b>	<b>7,537</b>	<b>2,563</b>	

## 3.5 - Non-Departmental Capital Expenditure

### Forestry: Capital investment in the Crown's Forestry Assets (M35) (A14)

#### *Scope of Appropriation and Expenses*

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
<b>Forestry: Capital investment in the Crown's Forestry Assets (M35) (A14)</b> This appropriation is limited to the purchase or planting of the Crown's Forestry assets.  Commences: 01 July 2022  Expires: 30 June 2027	Original Appropriation	55,600
	Adjustments to 2021/22	-
	Adjustments for 2022/23	21,082
	Adjusted Appropriation	76,682
	Actual to 2021/22 Year End	-
	Estimated Actual for 2022/23	16,682
	Estimate for 2023/24	18,000
	Estimated Appropriation Remaining	42,000

#### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to achieve the effective establishment and tending of the Crown's joint venture forest assets.

#### *How Performance will be Assessed and End of Year Reporting Requirements*

Assessment of Performance	2022/23		2023/24
	Final Budgeted Standard	Estimated Actual	Budget Standard
Hectares of joint venture forest assets contracted for planting over the 2024 planting season (see Note 1)	300ha	300ha	175ha

Note 1 - This measure relates to the area contracted for planting for a given planting season (June to August).

DISCLOSURE: The measure, note and standard have been adjusted to reflect the reviewed forecast for 2024.

#### *End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Minister of Forestry in a report appended to the Ministry for Primary Industries' annual report.

# Part 4 - Details of Multi-Category Expenses and Capital Expenditure

## 4 - Multi-Category Expenses and Capital Expenditure

### Growth and Development of the Forestry Sector (M35) (A14)

#### *Overarching Purpose Statement*

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

#### *Scope of Appropriation*

##### **Departmental Output Expenses**

###### *Forestry: Administration of Grants and Programmes*

This category is limited to the administration of government approved schemes, grants and assistance to the forestry sector.

###### *Forestry: Climate Emergency Response implementation and administration*

This category is limited to expenses incurred in implementing and administering programmes in the Forestry Sector funded from the Climate Emergency Response Fund.

###### *Forestry: Management of the Crown's Forestry Assets*

This category is limited to the management of the Crown's interest in forests and forestry-related assets.

###### *Forestry: Policy Advice and Ministerial Servicing*

This category is limited to supporting Ministers on Government policy matters through the provision of advice (including second opinion advice and contributing to policy advice led by other agencies), implementation of policy decisions, operational policy, administering legislation, and ministerial servicing relating to forestry.

##### **Non-Departmental Output Expenses**

###### *Forestry: Climate Emergency Response Fund*

This category is limited to supporting community and industry groups to implement programmes in the Forestry Sector funded from the Climate Emergency Response Fund.

###### *Forestry: Operational management of the Crown's Forests*

This category is limited to the purchase of forestry operation and management services.

##### **Non-Departmental Other Expenses**

###### *Forestry: Grants and partnerships programmes*

This category is limited to the use of initiatives and grants, and programmes to establish trees or build skills, capability and capacity in the forestry sector.

###### *Forestry: Hill Country Erosion Fund*

This category is limited to projects that protect erosion-prone hill country.

###### *North Island Weather Event: Cyclone Gabrielle Response and Recovery*

This category is limited to providing support to councils to take short to medium term measures towards mitigating the risk from woody debris to critical infrastructure in the event of significant weather events.

##### **Non-Departmental Capital Expenditure**

###### *Forestry: Capital Climate Response Investments*

This category is limited to supporting investments in the Forestry sector that contribute to achieving New Zealand's domestic and international climate targets.

*Expenses, Revenue and Capital Expenditure*

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Total Appropriation</b>	<b>181,508</b>	<b>181,508</b>	<b>172,715</b>
<b>Departmental Output Expenses</b>			
Forestry: Administration of Grants and Programmes	7,252	7,252	5,891
Forestry: Climate Emergency Response implementation and administration	5,598	5,598	28,664
Forestry: Management of the Crown's Forestry Assets	1,927	1,927	1,954
Forestry: Policy Advice and Ministerial Servicing	60,396	60,396	57,159
<b>Non-Departmental Output Expenses</b>			
Forestry: Climate Emergency Response Fund	50	50	4,578
Forestry: Operational management of the Crown's Forests	46,636	46,636	32,171
<b>Non-Departmental Other Expenses</b>			
Forestry: Grants and partnerships programmes	46,249	46,249	24,320
Forestry: Hill Country Erosion Fund	10,000	10,000	6,300
North Island Weather Event: Cyclone Gabrielle Response and Recovery	3,400	3,400	6,600
<b>Non-Departmental Capital Expenditure</b>			
Forestry: Capital Climate Response Investments	-	-	5,078
<b>Funding for Departmental Output Expenses</b>			
<b>Revenue from the Crown</b>	<b>73,626</b>	<b>73,626</b>	<b>90,377</b>
Forestry: Administration of Grants and Programmes	7,237	7,237	5,876
Forestry: Climate Emergency Response implementation and administration	5,598	5,598	28,664
Forestry: Management of the Crown's Forestry Assets	1,811	1,811	1,838
Forestry: Policy Advice and Ministerial Servicing	58,980	58,980	53,999
<b>Revenue from Others</b>	<b>1,547</b>	<b>1,547</b>	<b>3,291</b>
Forestry: Administration of Grants and Programmes	15	15	15
Forestry: Management of the Crown's Forestry Assets	116	116	116
Forestry: Policy Advice and Ministerial Servicing	1,416	1,416	3,160

*What is Intended to be Achieved with this Appropriation*

This appropriation is intended to achieve effective support for the growth and development of the forestry sector.

### *How Performance will be Assessed for this Appropriation*

Assessment of Performance	2022/23		2023/24
	Final Budgeted Standard	Estimated Actual	Budget Standard
Number of Forestry Advisory Service engagements held during the year (see Note 1)	New measure	-	At least one engagement per customer segment (10)
The percentage of completed implementation partnership agreement milestones under the Forestry and Wood Processing Industry Transformation Plan that are met by their due date (see Note 2)	New measure	-	Equal to or greater than 80%

Note 1 - Engagement is any focussed 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.

Customer segments are: Potential Growers - Community, Potential Growers - Developers, New to Ecosystem, Traders, Primary Processors, Secondary Processors, Small Forest Growers, Large Forest Growers, Product Suppliers, and Planters and Harvesters.

DISCLOSURE: The existing measure 'The core functionality to support the Forestry Planning and Advisory service will be fully stood up by June 2023' has been removed as it does not reflect the overall effectiveness of the appropriation. The measure has been replaced to be more informative of how MPI is providing support with the Forestry Planning and Advisory Service, reflecting new Budget 2022 initiatives.

Note 2 - 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).

DISCLOSURE: The new measure has been introduced to better reflect the overall effectiveness of the output categories under the MCA.

### *What is Intended to be Achieved with each Category and How Performance will be Assessed*

Assessment of Performance	2022/23		2023/24
	Final Budgeted Standard	Estimated Actual	Budget Standard
<b>Departmental Output Expenses</b>			
<b>Forestry: Administration of Grants and Programmes</b>			
This category is intended to achieve the sustainable growth and development of the forestry sector.			
The percentage of contracted milestones under the One Billion Trees Fund that were met within two months of their due date (see Note 1)	Equal to or greater than 90%	Equal to or greater than 90%	Equal to or greater than 90%

	2022/23		2023/24
	Final Budgeted Standard	Estimated Actual	Budget Standard
<b>Assessment of Performance</b>			
<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's contribution to the Climate Emergency Response Fund.			
The percentage of Maximising Forest Carbon key milestones completed by their due date (see Note 2)	Equal to or greater than 95%	Equal to or greater than 95%	Equal to or greater than 95%
<b>Forestry: Management of the Crown's Forestry Assets</b>			
This category is intended to achieve the effective administration and management of the Crown's interest in forests and forestry-related assets.			
The number of hectares of the Crown's forestry assets divested via a surrender or sale process this year (see Note 3)	250ha	250ha	250ha
<b>Forestry: Policy Advice and Ministerial Servicing</b>			
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%	95-100%	95-100%
<ul style="list-style-type: none"> <li>Briefings (timeframes are set on a case-by-case basis)</li> </ul>	95-100%	95-100%	95-100%
<ul style="list-style-type: none"> <li>Ministerial Correspondence (proposed response within a 20-working day timeframe)</li> </ul>	95-100%	95-100%	95-100%
<ul style="list-style-type: none"> <li>Ministerial Official Information Act 1982 requests (proposed response within a 15-working day timeframe) (see Note 4)</li> </ul>	95-100%	95-100%	95-100%
<ul style="list-style-type: none"> <li>Written Parliamentary Questions (proposed response within four working days) (see Note 5)</li> </ul>	95-100%	95-100%	95-100%
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 (see Note 6)	3.5	3.5	3.5
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	4
Percentage of high priority registered sawmills inspected annually for compliance with the Forests Act 1949 (Part 3A) (see Note 7)	90%	90%	90%
Percentage of completed inspections for approved annual logging plans subject to post harvest inspections each financial year	75%	75%	75%
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 (see Note 8)	95%	95%	95%
<b>Non-Departmental Output Expenses</b>			
<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.			
The percentage of 2023/24 budgeted funding contracted	-	New measure	More than 90%
The percentage of contracted milestones under the Wood Products Growth Fund that were met within two months of their due date	-	New measure	More than 90%

Assessment of Performance	2022/23		2023/24
	Final Budgeted Standard	Estimated Actual	Budget Standard
<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
Costs and revenues are consistent with industry norms as assessed by annual independent review of a sample of forests	Achieved	Achieved	Achieved
Volume of logs (in cubic metres - m3) harvested and sold, on behalf of the Crown, from the Crown Forestry Estate to within +/- 10%	245,000m3	245,000m3	245,000m3
<b>Non-Departmental Other Expenses</b>			
<b>Forestry: Grants and partnerships programmes</b>			
This category is intended to achieve and encourage new planting and reversion of an expected 25,000ha over the life of the One Billion Trees programme.			
The number of hectares established under the One Billion Trees Fund (see Note 9)	3,000ha	3,000ha	2,000ha
<b>Forestry: Hill Country Erosion Fund</b>			
This category is intended to achieve the effective provision of projects that protect erosion-prone hill country.			
The number of hectares treated through Hill Country Erosion Funding this financial year (see Note 10)	4,900ha	4,900ha	3,900ha
<b>North Island Weather Event: Cyclone Gabrielle Response and Recovery</b>			
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 2022/23 budgeted funding contracted	>90%	>90%	>90%
Council partners (Gisborne District Council and Hawkes Bay Regional Council) are engaged by Te Uru Rākau - New Zealand Forest Service by 30 June 2023 (see Note 11)	Achieved	Achieved	Achieved
Number of tonnes of woody debris removed from high priority catchments in Gisborne and Hawkes Bay (see Note 12)	70,000 tonnes	70,000 tonnes	70,000 tonnes
<b>Non-Departmental Capital Expenditure</b>			
<b>Forestry: Capital Climate Response Investments</b>			
This category is intended to achieve effective planting for Woody Biomass funded through Capital Climate Response Investments.			
Number of hectares contracted under forestry joint ventures as part of the Woody Biomass Supply initiative in the financial year	-	New measure	500ha

Note 1 - Milestones are considered to be formally overdue once the due date is exceeded by two months.

Note 2 - This measures MPI's Budget 2022 new initiative "Maximising Natural Carbon Storage: Increasing Natural Sequestration to Achieve New Zealand's Future Carbon Goals" work programme.

Note 3 - The asset area (in hectares) divested annually is calculated by forecasting the programmed surrender or exit under agreed lease or forestry right terms; or as a consequence of an outright sale of the Crown's interest.

DISCLOSURE: A measure "Number of hectares contracted under commercial forest leases or forestry joint ventures as part of the One Billion Trees (1BT) programme" under this category has been removed as Crown Forestry will no longer have the mandate to enter commercial arrangements under the 1BT programme from 1 July 2023.

Note 4 - The statutory timeframe to respond to an Official Information Act (OIA) is 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 OIA within 15 working days. Based on this, Ministerial OIAs are measured to a 15-working day timeframe.

Note 5 - The parliamentary timeframe to respond to a Written Parliamentary Question is six working days. MPI aims to provide the Minister with a proposed response within four working days.

Note 6 - 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.

Note 7 - High priority sawmills are those that (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.

Note 8 - The target of 95% has been set to allow for the implementation and embedding of a new IT system for processing emissions returns.

DISCLOSURE: New measures have been created under the Climate Emergency Response Fund as a result of funding allocated for this output class category.

Note 9 - 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 100ha project, the value reported is 20ha.

DISCLOSURE: The budget standard has been updated to reflect contractual arrangements. A note has been added for clarity.

Note 10 - The measure wording has been updated for clarity and the budget standard has been changed to reflect a reduction in funding.

Note 11 - Engagement is any focussed interactions with Gisborne Regional Council or Hawkes Bay Regional Council for the specific purpose of providing support for Woody Debris removal through this fund.

Note 12 - "Highest priority catchments" are identified and defined by Territorial Authorities.

*Service Providers for the Multi-Category Appropriation*

Provider	2022/23 Final Budgeted \$000	2022/23 Estimated Actual \$000	2023/24 Budget \$000	Expiry of Resourcing Commitment
<b>Operational Management of the Crown's Forests</b>				
New Zealand Forest Managers (2022) LP	29,067	29,067	15,130	Multiple Contracts
Ngati Porou Forests Limited	7,289	7,289	7,057	Multiple Contracts
PF Olsen Limited	1,989	1,989	2,303	Multiple Contracts
Northland Forest Managers (1995) Limited	567	567	1,014	Multiple Contracts
Southern Forest NZ Limited	206	206	182	Multiple Contracts
Forest 360 Limited	177	177	69	Multiple Contracts
Other Providers	7,341	7,341	6,416	Multiple Contracts
<b>Total</b>	<b>46,636</b>	<b>46,636</b>	<b>32,171</b>	
<b>Hill Country Erosion Fund</b>				
Greater Wellington Regional Council	2,333	2,333	910	30 June 2027
Horizons Regional Council	1,701	1,701	910	30 June 2027
Hawke's Bay Regional Council	1,468	1,468	910	30 June 2027
Taranaki Regional Council	1,203	1,203	910	30 June 2027
Waikato Regional Council	972	972	647	30 June 2027
Northland Regional Council	1,062	1,062	400	30 June 2027
Environment Canterbury	398	398	349	30 June 2027
Nelson City Council	320	320	249	30 June 2027
Gisborne District Council	-	-	240	30 June 2027
Marlborough District Council	307	307	194	30 June 2027
Bay of Plenty Regional Council	-	-	194	30 June 2027
Southland Regional Council	-	-	150	30 June 2027
Otago Regional Council	-	-	140	30 June 2027
Auckland Council	-	-	97	30 June 2027
Tasman District Council	162	162	-	30 June 2027
Other	74	74	-	30 June 2027
<b>Total</b>	<b>10,000</b>	<b>10,000</b>	<b>6,300</b>	
<b>Forestry: Grants and Partnerships Programmes</b>				
Landowner grant recipients for forestry treatments	9,050	9,050	14,592	30 June 2031
Partnership grant recipients for enabling activities	36,199	36,199	9,728	30 June 2031
Other	1,000	1,000	-	
<b>Total</b>	<b>46,249</b>	<b>46,249</b>	<b>24,320</b>	

The table above shows the main service providers for these appropriations.

## End of Year Performance Reporting

Performance information for this appropriation will be reported by the Ministry for Primary Industries in its Annual Report.

## Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2022/23 Final Budgeted \$000	2023/24 Budget \$000	2024/25 Estimated \$000	2025/26 Estimated \$000	2026/27 Estimated \$000
Establishing the Wood Processing Growth Fund to deliver the Budget 2022 Maximising Carbon Storage Initiative	2023/24	-	4,963	4,859	4,859	4,959
Drawdown of Tagged Contingency Delivering Industry Transformation Plans in Partnership with Primary Sectors	2023/24	-	4,440	10,220	8,340	-
Drawdown of Tagged Contingency Increasing Woody Biomass Supply to Replace Coal and other Carbon Intensive Fuels and Materials	2022/23	50	5,769	7,235	7,536	7,970
Mitigating the risk of impact from woody debris to critical infrastructure	2022/23	3,550	6,600	-	-	-
Drawdown of Tagged Contingency Funding for Establishing native forests at scale to develop long-term carbon sinks and improve biodiversity	2022/23	8,612	10,726	7,694	7,694	7,694
Maximising Carbon Storage: Increasing Natural Sequestration to Achieve New Zealand's Future Carbon Goals	2022/23	5,811	11,630	8,108	4,728	4,728
Integrated Advisory Services to Support More Sustainable and Productive Land-Use Practices	2022/23	2,729	5,918	6,182	13,960	13,960
Addressing the Impact of Changes to the Ministry for Primary Industries' Collective Agreements and Supply Costs	2022/23	728	1,533	2,460	2,460	2,460
Drawdown of Tagged Contingency Funding for Forestry Emissions Trading Scheme (ETS) Transformation Programme	2021/22	15,345	9,765	9,448	10,137	9,730
Continuing the Ministry for Primary Industries Current Scope of Operations	2020/21	3,487	3,487	3,487	3,487	3,487
Transforming New Zealand Forestry: Growing a Vibrant and Inclusive Low-Emissions Economy	2019/20	13,798	13,798	13,798	13,798	13,798

## Reasons for Change in Appropriation

The decrease in this appropriation for 2023/24 is mainly due to:

- an expense transfer of \$21.314 million from 2023/24 to outyears to rephase the expenditure for the One Billion Trees programme, and
- a forecast adjustment in 2022/23 of \$10.743 million to Crown Forestry expenditure as harvest activities are being brought forward due to recent cyclone events.

These decreases have been partially offset by an increase of funding for 2023/24 of \$18.172 million due to:

- \$5.719 million for drawdown of tagged Contingency for Increasing Woody Biomass Supply to Replace Coal and other Carbon Intensive Fuels and Materials
- \$4.963 million for establishing the Wood Processing Growth Fund to deliver the Budget 22 Maximising Carbon Storage Initiative
- \$4.440 million for drawdown of tagged Contingency for Delivering Industry Transformation Plans in Partnership with Primary Sectors, and
- \$3.050 million for mitigating the risk of impact from woody debris due to critical infrastructure.

### *Memorandum Account*

	2022/23		2023/24
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Forest Market Assurance/ETS</b>			
Opening Balance at 1 July	-	-	(334)
Revenue	1,036	1,036	15,565
Expenses	1,370	1,370	15,496
<b>Closing Balance at 30 June</b>	<b>(334)</b>	<b>(334)</b>	<b>(265)</b>

The Forest Market Assurance/ETS memorandum account was established in 2022/23. The first-year deficit is expected to reverse as the number of registrations increase.